USCORP
Form 10-Q
August 20, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: **June 30, 2012**

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from: ______________ to ______________

USCORP

(Exact name of registrant as specified in its charter)

Nevada	000-19061	87-0403330
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

4535 W. Sahara Avenue, Suite 200, Las Vegas, NV 89102

(Address of Principal Executive Office) (Zip Code)

(702) 933-4034

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ¨ Yes x No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of June 30, 2012 291,989,052 shares of Common Class A Stock and 5,060,500 shares of Common Class B Stock were issued and outstanding.

USCORP

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PART I. FINANCIAL INFORMATION

USCorp

(an Exploration Stage Company)

Consolidated Balance Sheets

As of June 30, 2012 and September 30, 2011

UNAUDITED

	June 30, 2012	September 30, 2011
ASSETS		
Current assets:		
Cash	$701,584	$1,686,996
Deferred charge	0	116,204
Total current assets	701,584	1,803,200
Other assets:		
Property & equipment- net	14,749	26,140
Total assets	$716,333	$1,829,340
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable & accrued expenses	$53,299	$147,539
Gold bullion loan	4,169,141	4,061,340
Convertible debenture payable	0	581,700
Total current liabilities	4,222,440	4,790,579
Shareholders' equity:		
Series A preferred stock, one share convertible to eight shares of common; par value $0.001, 30,000,000 shares authorized, 2,943,750 shares issued and outstanding at September 30, 2011 and 22,943,750 at June 30, 2012	24,304	4,304
Series B preferred stock, one share convertible to two shares of common; 10% cumulative stated dividend, stated value $0.50, 50,000,000 shares authorized, 141,687 outstanding at September 30, 2011 and June 30, 2012, stated value; $0.50	63,498	63,498
Common stock B- $.001 par value, authorized 250,000,000 shares, issued and outstanding, 5,060,500 shares at September 30, 2011 and 5,060,500 at June 30, 2012	5,060	5,060
Common stock A- $.01 par value, authorized 550,000,000 shares authorized, issued and outstanding, 194,966,611 shares at September 30, 2011 and 291,989,052 at June 30, 2012	2,908,403	1,949,667
Subscriptions payable	14,505	30,500
Subscriptions receivable	(5,000)	0
Additional paid in capital	19,191,960	15,804,892

Accumulated deficit - exploration stage	(25,708,837)	(20,819,160)
Total shareholders' deficit of the Company	(2,470,714)	(2,818,713)
Non-controlling interest	(1,035,393)	(142,526)
Total shareholder's deficit to the Company	(3,506,107)	(2,961,239)
Total Liabilities & Shareholders' Deficit	$716,333	$1,829,340

See the notes to the financial statements.

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USCorp

(an Exploration Stage Company)

Consolidated Statements of Operations

For the Quarters and Nine Months Ended June 30, 2012 and 2011

and from Inception, May 1989 through June 30, 2012

UNAUDITED

	3 Months June 30, 2012	**3 Months June 30, 2011**	**9 Months June 30, 2012**	**9 Months June 30, 2011**	**Inception (May 22, 1989) to June 30, 2012**
General and administrative expenses:					
Consulting	$186,806	$255,864	$512,451	$712,785	$8,361,364
Financing expense	1,824,698	0	1,824,698	0	1,824,698
Administration	115,948	101,356	360,148	265,204	7,589,617
Mineral Property Expenditures (see Note 12)	10,292	0	662,276	0	1,693,340
Professional fees	72,681	29,784	283,796	51,558	691,483
Total operating expenses	2,210,425	387,004	3,643,369	1,029,547	20,160,572
Net loss from operations	$(2,210,425)	$(387,004)	$(3,643,369)	$(1,029,547)	$(20,160,572)
Other income (expenses):					
Interest income	224	144	462	144	8,655
Interest expense	(8,001)	(63,994)	(152,888)	(64,000)	(1,381,246)
Loss on convertible debt conversion	(228,608)	0	(1,014,764)	0	(1,014,764)
Gain (loss) on unhedged derivative	0	(159,918)	(79,118)	(454,842)	(3,160,910)
Net loss before provision for income taxes	(2,446,810)	(610,772)	(4,889,677)	(1,548,245)	(25,708,837)
Provision for income taxes	0	0	0	0	0
Net loss	(2,446,810)	(610,772)	(4,889,677)	(1,548,245)	(25,708,837)
Less: Net loss attributable to non-controlling interest	(36,615)	(132,079)	(373,728)	(163,483)	(1,035,393)
Net loss attributable to the Company	$(2,410,195)	$(478,693)	$(4,515,949)	$(1,384,762)	$(24,673,444)
Basic & fully diluted net loss per common share	$(0.01)	$(0.00)	$(0.02)	$(0.01)	
Weighted average of common shares outstanding:					
Basic & fully diluted	285,156,274	173,981,664	237,446,717	161,027,813	

See the notes to the financial statements.

USCorp

(an Exploration Stage Company)

Consolidated Statements of Cash Flows

For the Nine Months Ended June 30, 2012 and 2011

and from Inception, May 1989 through June 30, 2012

UNAUDITED

	9 Months Ended June 30, 2012	9 Months Ended June 30, 2011	Inception (May 22, 1989) to June 30, 2012
Operating Activities:			
Net loss	$(4,889,677)	$(1,556,745)	$ (25,708,837)
Adjustments to reconcile net income items not requiring the use of cash:			
Loss on settlement of convertible debt	1,014,764	0	1,014,764
Stock issued for Consulting fees	224,450	303,029	525,982
Depreciation expense	1,674	376	22,905
Interest expense	0	0	1,250,199
Financing expense	1,824,698	0	1,824,698
Impairment expense	0	0	3,049,465
Loss on unhedged underlying derivative	79,118	294,924	3,160,910
Changes in other operating assets and liabilities :			
Deferred charge	116,204	0	0
Increase (decrease) in accounts payable and accrued expenses	40,064	2,298	187,602
Net cash used by operations	$(1,588,706)	$(796,200)	$ (9,672,312)
Investing activities:			
Purchase of office equipment	$0	$0	$ (47,371)
Net cash used by investing activities	0	0	(47,371)
Financing activities:			
Issuance of common stock	$660,290	$1,111,580	$ 8,793,815
Issuance of preferred stock	20,000	0	88,863
Issuance of common B stock	0	0	5,060
Issuance of gold bullion note	0	(3)	648,282
Capital contributed by shareholder	0	0	356,743
Subscriptions received (transferred to common stock)	(15,995)	217,427	14505
Issuance (payment) of convertible notes	(61,000)	(100,000)	514,000
Advances received (paid) shareholder	0	(40,046)	0
Net cash provided by financing activities	603,294	1,188,834	10,421,267

Net increase (decrease) in cash	$(985,412)	$392,634	$ 701,584
Cash balance at beginning of the fiscal year	1,686,996	354,019	0
Cash balance at June 30, 2012	$701,584	$746,653	$ 701,584
Supplemental disclosures of cash flow information:			
Interest paid	$77,123	$0	$77,123
Income taxes	$0	$0	$0

See the notes to the financial statements.

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USCorp

(an Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Nine Months Ended June 30, 2012 and 2011

UNAUDITED

1. Organization of the Company and Significant Accounting Principles

USCorp (the “Company”) is a publicly held corporation formed in May 1989 in the state of Nevada. In April 2002 the Company acquired USMetals, Inc. (“USMetals”), a Nevada corporation, and its 141 unpatented mining claims known as the Twin Peaks Project in Yavapai County Arizona. The Twin Peaks Project now consists of 268 unpatented Lode and 8 Placer Claims. In addition, The Company, through its subsidiary Southwest Resource Development, Inc., owns 200 unpatented Lode and Placer Claims on five properties in the Mesquite Mining District of Imperial County, California, which the Company collectively refers to as the Picacho Salton Project.

In April 2002 the Company acquired USMetals, Inc. (“USMetals”), a Nevada corporation, by issuing 24,200,000 shares of common stock. USMetals became a wholly owned subsidiary of the Company.

On March 22, 2011 the Company through its wholly owned subsidiary USMetals entered into an Asset Funding/Operation and Shareholders Agreement, and exhibits thereto with Arizona Gold Corp., a private British Columbia Corporation (“AGC”) and its wholly owned subsidiary, AGC Corp, a private Arizona company (“AGCAZ”), providing for the sale of 172 Arizona mining claims known as the Twin Peaks Project to AGCAZ in exchange for 90,200,000 shares or 61.34% of AGC’s common stock . The Twin Peaks Project now consists of 268 Lode and 8 Placer Claims.

The Company has no revenues to date and has defined itself as an “exploration stage” company.

Exploration Stage Company- the Company has no operations or revenues since its inception and therefore qualifies for treatment as an Exploration Stage company as per the accounting guidance. Financial transactions are accounted for as per generally accepted accounted principles. Costs incurred during the development stage are accumulated in “accumulated deficit- exploration stage” and are reported in the Stockholders’ Deficit section of the balance sheet.

Consolidation- The consolidated financial statements incorporate the results, cash flows and net assets of USCorp and the entities controlled by it (its subsidiaries) after eliminating internal transactions and recognizing any non-controlling interests in those Entities. Control is achieved where the Group has the power to govern the financial and operating policies of an investee entity so as to obtain economic benefits from its activities. Where subsidiaries are acquired or disposed of in the year, their results and cash flows are included from the effective date of acquisition or up to the effective disposal date.

Where a consolidated company is less than 100% owned by the Group, the non-controlling interest share of the results and net assets are recognized at each reporting date. The interests of non-controlling shareholders are ordinarily measured at the noncontrolling interests' proportionate share of the fair value of the acquiree's identifiable net assets, but may alternatively be initially measured at fair value. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the noncontrolling interests' share of subsequent changes in equity. Total comprehensive income is attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to equity holders of the parent.

Use of Estimates- The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses at the date of the financial statements and for the period they include. Actual results may differ from these estimates.

Cash- For the purpose of calculating changes in cash flows, cash includes all cash balances and highly liquid short-term investments with an original maturity of three months or less.

Fair Value of Financial Instruments-The carrying amounts reflected in the balance sheets for cash, accounts payable and accrued expenses approximate the respective fair values due to the short maturities of these items. The Company does not hold any investments that are available-for-sale.

Long Lived Assets- The Company reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount.

Property and Equipment- Property and equipment are stated at cost. Depreciation expense on equipment is computed using the straight-line method over the estimated useful life of the asset, which is estimated at three years.

Income taxes- The Company accounts for income taxes in accordance with generally accepted accounting principles which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the consolidated financial statement and income tax bases of assets and liabilities that will result in taxable income or deductible expenses in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets and liabilities to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period adjusted for the change during the period in deferred tax assets and liabilities.

The Company follows the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of September 30, 2011, the Company has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. All tax returns from tax years 2007 to 2010 are subject to IRS audit.

Mineral Property Expenditures- Mineral property acquisition costs are capitalized in accordance with FASB ASC 930-805, “Extractive Activities-Mining,” when management has determined that probable future benefits consisting of a contribution to future cash inflows have been identified and adequate financial resources are available or are expected to be available as required to meet the terms of property acquisition and budgeted exploration and development expenditures. Mineral property acquisition costs are expensed as incurred if the criteria for capitalization are not met. In the event that mineral property acquisition costs are paid with Company shares, those shares are recorded at the estimated fair value at the time the shares are due in accordance with the terms of the property agreements.

Mineral property exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves and pre-feasibility, the costs incurred to develop such property are capitalized. Estimated future removal and site restoration costs, when determinable are provided over the life of proven reserves on a units-of-production basis. Costs, which include production equipment removal and environmental remediation, are estimated each period by management based on current regulations, actual expenses incurred, and technology and industry standards. Any charge is included in exploration expense or the provision for depletion and depreciation during the period and the actual restoration expenditures are charged to the accumulated provision amounts as incurred.

Revenue Recognition- Mineral sales will result from undivided interests held by the Company in mineral properties. Sales of minerals will be recognized when delivered to be picked up by the purchaser. Mineral sales from marketing activities will result from sales by the Company of minerals produced by the Company (or affiliated entities) and will be recognized when delivered to purchasers. Mining revenues generated from the Company’s day rate contracts, included in mine services revenue, will be recognized as services are performed or delivered.

Earnings per share- The Company follows ASC Topic 260 to account for earnings per share. Basic earnings per common share (“EPS”) calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

Submission of matters to security holders for vote

During the period of this report the following matters were submitted to a vote of Security Holders.

A majority the Shareholders of USCorp unanimously approved the following actions be taken by the Board of Directors:

1. The Board of Directors are authorized to re-negotiate the "Gold Bullion Loan" to gain an extension of time to repay the loan from the lender under terms and conditions acceptable to the Board and to the Investors;
2. The Board of Directors are authorized to distribute to the corporation's shareholders as a dividend shares in the USMetals, Inc., and Southwest Resource Development, Inc., at a proportionate rate of 1 subsidiary share for every 10 USCorp shares owned of Common A, Common B, and Series A and B Preferred shares owned (based on conversion of Preferred shares to Common shares); fractions to be rounded to the next highest full share;
3. The Board of Directors are authorized to implement such spinoff(s) and share distributions under conditions it deems prudent as soon as practical to do so;
4. The Board of Directors are authorized to raise funds by selling stock in a manner, for a price and at a time to be determined by the Board;
5. The Board of Directors are authorized to make whatever acquisitions, mergers or joint ventures it deems necessary or beneficial to further the development of the Company's mining claims and properties; and
6. The prior actions of the Board of Directors during fiscal 2012 are approved by the Shareholders.

2. Going Concern

The accompanying consolidated financial statements have been presented in accordance with generally accepted accounting principles, which assume the continuity of the Company as a going concern. However, the Company has incurred significant losses since its inception and has no revenues and continues to rely on the issuance of shares and warrants to raise capital to fund its business operations.

Management's plans with regard to this matter are as follows:

* Obtain the necessary approvals and permits to complete exploration and begin test production on our properties as warranted. An application for drilling on Picacho Salton Project has been submitted by us to the Bureau of Land Management and is being reviewed by them. A drilling plan for the newly-expanded Twin Peaks Project was approved and commenced in November 2011 it was completed in March 2012.

* Receive BLM permit for Picacho Salton Project in California; Drill the Picacho Salton Project.

* Receive and analyze the Twin Peaks assays and drill reports and Picacho Salton assays and drill reports;

* Review the results of the drilling programs on each of the sites when completed . After consideration of the nature of the ore bodies of the properties, Management will make decisions regarding further development of the properties, including beginning commercial scale operations when exploration is completed on the Twin Peaks Project and the Picacho Salton Project.

* Continue exploration and ramp up transitioning to development and production in order to meet ongoing and anticipated demand for gold and silver.

* Continue to augment our mining exploration team and strategic business relationships with quality and results-oriented people as needed: professionals and consulting firms to advise management to handle mining operations, acquisitions and development of existing and future mineral resource properties.

* Continue to recruit strategic business alliances with consultants, engineers, contractors as well as joint venture partners when appropriate, and set up an information and communication network that allows the alliance to function effectively to develop the properties.

* Draw up and Submit to the BLM the final Mining Plan of Operations ("MPO") for the Twin Peaks; Submit the MPO to the BLM;

* Submit the Final MPO on the Picacho Salton Project to the BLM.

* Begin commercial scale operations on one or more of the properties as soon as the required permits and approvals have been granted, or be acquired by a major gold mining company.

* Continue to acquire additional properties and/or from strategic business relationships with corporations with properties as joint ventures or subsidiaries in order to advance the company’s growth plans.

3. Property and Equipment

Property and equipment at June 30, 2012 and September 30, 2011 is comprised as follows.

	31-June-12	30-Sep-11
Office equipment	$ 4,034	$ 21,305
Vehicle	16,065	16,065
Land deposit	0	10,000
Accumulated depreciation	(5,350)	(21,230)
Property & equipment- net	$ 14,749	$ 26,140

During fiscal 2011, the Company deposited $10,000 in escrow for 20 acres of land in Yavapai County, Arizona. The deposit was returned in early 2012.

4. Gold Bullion Promissory Note

In September 2005, the Company issued a promissory note to a shareholder and received proceeds of $648,282. The note requires the Company to pay the shareholder 2,507 ounces of Gold Bullion (.999 pure). Originally, the promissory note came due in September 2007. Subsequently, the holder of the note extending the maturity date on an informal ongoing basis. The loan had been in default but the maturity debt was extended to March 2012 in exchange for 3,200,000 shares of common stock. The Company continues to accrue interest and to calculate the loan at fair value.

The loss on the underlying gold derivative on the promissory note has been calculated as follows.

Carrying value of loan	$ 1,008,231
Fair value of loan	4,169,141
Life to date loss on unhedged underlying derivative	$ (3,160,910)

The holder of the Gold Bullion Loan has agreed to extend the loan in exchange for a partial payment of interest comprised of a combination of cash and stock. As of this writing, the exact terms are still being negotiated. The Company plans to issue a press release and file a report on Form 8-K when the final terms of the extension have been agreed upon by all parties. (See Subsequent Events Below)

5. Convertible Debentures

During the fiscal year 2007, the Company issued convertible debentures with a face value of $1,200,000. The debentures were convertible into common stock at $0.125 per share. The debentures had an interest rate of 5%. During the fiscal year 2008, the holder of these debentures converted $900,000 of the debentures to 7,200,000 shares of common stock.

In fiscal year 2008 the Company issued an additional convertible debenture to the same holder and received proceeds of $200,000. This debenture is exercisable into common stock at $0.125 per share, and has an interest rate of 4%.

In fiscal year 2009 the Company issued an additional convertible debenture to the same holder and received proceeds of $200,000. This debenture is exercisable into common stock at $0.125 per share, and has an interest rate of 4%. The Company issued an additional $56,700 debenture during fiscal year 2009 exercisable at $0.15 per share and at an interest rate of 5%.

In fiscal year 2011, the Company issued 800,000 shares of common stock and paid $125,000 to pay $175,000 of the debentures.

All of the debentures had been in default but the maturity dates were extended to March 2012 in exchange for the payment of 800,000 shares of common stock and $125,000 to pay down $175,000 of the debentures. In December 2011 the Company paid $25,000 to pay down the debenture balance. The Company has agreed to pay the balance of the debentures as follows: $500,000 by June 30, 2012.

On February 9, 2012 we announced a final payment in full of all debentures with a combination of stock and cash. We have paid a total of $232,000 in cash and issued a total of 23,694,100 shares in order to retire debentures in the amount of $633,823 (principal and interest).

6. Issuances of Common Stock

In the nine months ending June 30, 2012, the Company issued 67,730,000 common shares and received proceeds of $689,069.

In the nine months ended June 30, 2012 the Company issued 5,000,000 common shares to related parties for a verbal agreement to pay $5,000.

In the nine months ending June 30, 2012, 2012, the Company issued 2,865,000 shares of common stock to consultants for services rendered valued by the Company at $158,850.

In the nine months ending June 30, 2012, the Company issued 22,894,000 shares of common stock to pay the convertible dentures.

In the nine months ending June 30, 2012, the Company issued 20 million shares of preferred A stock and received proceeds of $20,000, from related parties, which consisted of members of the Board of Directors. The preferred A can only be issued to officers and members of the board of directors. The stock carries 8 to 1 conversion rights, the 22,943,750 preferred A shares outstanding on June 30, 2012 can be converted into 183,550,000 shares of common stock at the option of the holders.

7. Rights of USCorp Securities

SERIES A CONVERTIBLE PREFERRED STOCK RIGHTS, PREFERENCES AND ENTITLEMENTS

Designation and Amount: The shares of Series A Preferred Stock and each have a par value of one-tenth of one cent ($0.001). There are 30,000,000 Series A Preferred shares authorized and 22,943,750 shares outstanding. Preferred A Shares are available to Officers and Directors for purchase at par value per shareholder vote and Board vote. The Corporation may not issue fractional shares of the Series A Preferred Stock.

Rank: The Series A Preferred Stock, with respect to rights on liquidation, winding up and dissolution, ranks senior to the Corporation’s Class A and Class B Common Stock, and to any issued Preferred B Stock.

Conversion Rights: Each Series A Preferred Share may be converted into eight (8) shares of the Corporation's Class A Common Stock.

Voting: The shares of Preferred A stock hold voting rights of 8 votes for each Preferred A share.

SERIES B CONVERTIBLE PREFERRED STOCK RIGHTS, PREFERENCES AND ENTITLEMENTS

Designation and Amount: The shares of Series B Preferred Stock have a par value of one-tenth of one cent ($0.001). There are 50,000,0000 Series B Preferred shares authorized and 141,687 shares outstanding. The Corporation may not issue fractional shares of the Series B Preferred Stock.

Rank: The Series B Preferred Stock with respect to rights on liquidation, winding up and dissolution, ranks senior to the Corporation's Common Stock and to any subsequently issued Preferred Stock, but ranks junior to the Corporations Series A Preferred Stock.

Conversion Rights: Each Series B Preferred Share may be converted into two (2) shares of the Corporation's Class A Common Stock.

Voting: The shares of Series B Preferred Stock hold no voting rights.

CLASS A COMMON STOCK RIGHTS, PREFERENCES AND ENTITLEMENTS

Designation and Amount: The shares of Class A Common Stock each have a par value of one cent ($0.01). There are 550,000,000 Class A common shares authorized and 291,686,052 shares outstanding. The Corporation may not issue fractional shares of the Class A Common Stock.

Rank: The Class A Common Stock, with respect to rights on liquidation, winding up and dissolution, ranks senior to the Corporation's Class B Common Stock, and junior to any issued Preferred Stock.

Voting: The shares of Class A Common Stock holds voting rights of 1 vote for each Class A Common share.

CLASS B COMMON STOCK RIGHTS, PREFERENCES AND ENTITLEMENTS

Designation and Amount: The shares of Class B Common Stock each have a par value of one-tenth of one cent ($0.001). There are 250,000,000 Class B Common shares authorized and 5,060,500 shares outstanding. The Corporation may not issue fractional shares of the Class B Common Stock.

Rank: The Class B Common Stock, with respect to rights on liquidation, winding up and dissolution, ranks junior to the Corporation's Class A Common Stock and to any issued Preferred Stock

Conversion Rights: Each Class B Common Stock may not be converted into any other class of stock.

Voting: The shares of Class B Common Stock hold no voting rights.

8. Common Stock Options

The Company applies ASC 718, "Accounting for Stock-Based Compensation" to account for its option issues. Accordingly, all options granted are recorded at fair value using a generally accepted option pricing model at the date of the grant. The fair values generated by option pricing model may not be indicative of the future values, if any, that may be received by the option holder.

The following is a summary of common stock options outstanding at June 30, 2012:

	Amount	Wgtd Avg Exercise Price	Wgtd Years to Maturity
Outstanding at September 30, 2010	100,579,484	$ 0.06	1.42
Issued	42,764,999		
Exercised	(34,585,000)		
Expired	(28,084,484)		
Outstanding at September 30, 2011	80,674,999	$ 0.10	0.71

Issued	0		
Exercised	(67,483,332)		
Expired	(7,498,333)		
Outstanding at June 30, 2012	5,693,334	$ 0.12	0.34

9. Net Loss per Share

The Company applies ASC 260, "*Earnings per Share"* to calculate loss per share. In accordance with ASC 260, basic net loss per share has been computed based on the weighted average of common shares outstanding during the years, adjusted for the financial instruments outstanding that are convertible into common stock during the years. The effects of the common stock options and the debentures convertible into shares of common stock, however, have been excluded from the calculation of loss per share because their inclusion would be anti-dilutive. Net loss per share is computed as follows:

	June 30, 2012	**June 20, 2011**
Net loss before cumulative preferred dividend	$(4,836,677)	$(1,548,245)
Cumulative dividend preferred payable	(53,016)	(45,912)
Net loss to common shareholders	$(4,836,661)	$(1,502,333)
Weighted average	237,446,717	161,027,813
Basic & fully diluted net loss per common share	$(0.02)	$(0.01)

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10. Subsequent Events

Extension of the Gold Bullion Loan; The holder of the Gold Bullion Loan has agreed to extend the loan that was due on March 31, 2012 in exchange for a partial payment of interest comprised of a combination of cash and stock. As of this writing, the exact terms are still being negotiated. The Company plans to issue a press release and file a report on Form 8-K when the final terms of the extension have been agreed upon by all parties.

The company has entered into talks with the management of Arizona Gold Corp. its 61.34% owned subsidiary to unwinding the original agreement. As of this writing, the exact terms are still being negotiated. The Company plans to issue a press release and file a report on Form 8-K when the final terms of the unwinding have been agreed upon by all parties.

11. Mineral Property Expenditures

Mineral Property Expenditures were formerly labeled License & claim development expenses in the Consolidated Statements of Operations. With the advent of XBRL tagging of line items (providing a link to a definition of the item) the definition assigned to this item was incorrectly based on the term "License" in the label. It stated: "Costs incurred and are directly related to generating license revenue. Licensing arrangements include, but are not limited to rights to use a patent, copyright, technology, manufacturing process, software or trademark." USCorp does not have any licensing arrangements of any kind. In order to accurately reflect that line in our financials we have changed the label and have assigned the following definition to it: "Exploration expenses, including prospecting would be included in operating expenses. Exploration costs include costs incurred in identifying areas that may warrant examination and in examining, drilling and related activities in specific areas that are considered to have prospects of mineralization."

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in conjunction with the Consolidated Financial Statements and Notes thereto, and the other financial data appearing elsewhere in this Report.

The information set forth in Management’s Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21 E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, including, among others (i) expected changes in the Company’s revenues and profitability, (ii) prospective business opportunities and (iii) the Company’s strategy for financing its business. Forward-looking statements are statements other than historical information or statements of current condition. Some forward-looking statements may be identified by use of terms such as "believes", "anticipates", "intends" or "expects". These forward-looking statements relate to the plans, objectives and expectations of the Company for future operations. Although the Company believes that its expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of its knowledge of its business and operations, in light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this report should not be regarded as a representation by the Company or any other person that the objectives or plans of the Company will be achieved.

The Company’s revenues and results of operations could differ materially from those projected in the forward-looking statements as a result of numerous factors, including, but not limited to, the following: (i) changes in external competitive market factors, (ii) termination of certain operating agreements or inability to enter into additional operating agreements, (iii) inability to satisfy anticipated working capital or other cash requirements, (iv) changes in or developments under domestic or foreign laws, regulations, governmental requirements or in the mining industry, (v) changes in the Company’s business strategy or an inability to execute its strategy due to unanticipated changes in the market, (vi) various competitive factors that may prevent the Company from competing successfully in the marketplace, and (ix) the Company’s lack of liquidity and its ability to raise additional capital. In light of these risks and uncertainties, there can be no assurance that actual results, performance or achievements of the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. The foregoing review of important factors should not be construed as exhaustive. The Company undertakes no obligation to release publicly the results of any future revisions it may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Significant Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to reserves and intangible assets. Management bases its estimates and judgments on historical experiences and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of the Company's financial statements include estimates as to the appropriate carrying value of certain assets which are not readily apparent from other sources, primarily allowance for the cost of the Mineral Properties based on the successful efforts method of accounting. These accounting policies are described at relevant sections in this discussion and analysis and in the notes to the consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011.

Results of Operations

Comparison of operating results for the three months ended June 30, 2012 and June 30, 2011:

The Company has no revenues through the date of this report.

Operating expenses were $2,210,425 compared to $387,004 for the same period a year ago. Consulting costs decreased from $255,864 to $186,806 in the three months ended June 30, 2012 compared to the same period last year, which is mainly due to a decrease in investor and public relations costs. Administration costs increased from $101,356 in the three months ended June 30, 2011 to $115,948 for the three months ended June 30, 2012 due to increased costs for clerical help, office staff, the value of payments for professional services with Registered S-8 shares, and the difference between the capitalization received as a result of investors exercising their warrants and the value of shares issued when the warrants were exercised by investors during the period. Mineral Property Expenditures (formerly labeled License and claim development expenses, see Note 11 to the financials) were $10,292 in the three months ended June 30, 2012 compared to $0 the same period last year due to costs associated with increasing the number of claims at the Twin Peaks project and conducting the drilling program recently completed at the company’s Twin Peaks project site in Arizona.

As a result of operating costs, the Company experienced a loss from operations of $2,210,425 for the three months ended June 30, 2012, compared to loss from operations of $387,004 for the same period last year.

Interest expense decreased to ($8,001) during the three months ended June 31, 2012 compared to ($63,994) the three months ended June 31, 2011 as a result of the Gold Bullion Loan borrowed at the end of September 2005 and the change in the price of gold compared to the same period one year ago. The loan is payable in gold bullion at the prevailing price and is not hedged. The Company’s loss on the unhedged loan is $0 for the three months ended June 30, 2012 compared to a loss of ($79,118) for the same period a year ago due to the change in the price of gold over the past year.

Net loss for the three months ended June 30, 2012 was ($2,446,810) or $0.01 per share compared to a loss of ($610,772), or $0.01 per share for the same period last year.

Discussion of Financial Condition: Liquidity and Capital Resources

Introduction

During the three months ended June 30, 2012, because we did not generate any revenues, we had negative operating cash flows. Our cash on hand as of June 30, 2012 was $701,584. The cash spent during the quarter came primarily from the issuance stock for cash and funds held in accredited financial institutions. Our monthly cash flow burn rate is approximately $109,000. As a result, we have significant cash needs. We anticipate that these needs will be satisfied through the sale of our securities until such time as our cash flows from operations will satisfy our cash flow needs.

Our cash, current assets, total assets, current liabilities, and total liabilities as of June 30, 2012 and September 30, 2011, respectively, are as follows:

	June 30, 2012 (Unaudited)	September 30, 2011	Change
Cash	$701,584	$1,686,996	$ (985,412)
Total Current Assets	$701,584	$1,803,200	$ (1,101,616)
Total Assets	$716,333	$1,829,340	$ (1,113,007)
Total Current Liabilities	$4,222,440	$4,790,579	$(299,037)
Total Liabilities	$4,222,440	$4,790,579	$(299,037)

Our cash decreased by $985,412 as of June 30, 2012 as compared to September 30, 2011 because of claim drilling and exploration costs. Our total current assets, and total assets, decreased by $1,101,616 and $1,113,007, respectively, during the same periods, mainly due to the expensing of deferred cost related to consulting services and operational expenses, as of June 30, 2012.

Our current liabilities decreased by $299,037 as of June 30, 2012 as compared to September 30, 2011 primarily because of an decrease in convertible notes payable. Our total liabilities decreased by the same $299,037 for the same reasons.

In order to repay our obligations in full or in part when due, we will be required to raise significant capital from other sources. There is no assurance, however, that we will be successful in these efforts.

Cash Requirements

Our cash on hand as of June 30, 2011 was $701,584. The cash spent during the quarter came primarily from the issuance stock for cash and funds held in the accredited financial institutions. Our monthly cash flow burn rate is approximately $109,000. As a result, we have significant cash needs. We anticipate that these needs will be satisfied through the sale of our securities until such time as our cash flows from operations will satisfy our cash flow needs.

Sources and Uses of Cash

Operations

Our net cash used by operating activities for the nine month period ended June 30, 2012 was $1,588,706 which consisted of our loss income from operations of $4,889,677 loss on settlement of convertible debts of $1,014,764, stock issued for services of $224,450, depreciation of fixed assets of $1,674, financing costs to issue shares of common stock of $1,824,698, decrease in deferred charge of $116,204 and an increases in accrued interest, accounts payable of $40,064.

Investments

We had not inventing activity during the nine months ended June 30, 2012

Financing

Our net cash provided by financing activities for the nine month period ended June 30, 2012 was $603,294, which consisted of proceeds from the issuance of Common stock of $660,290, the issuance of preferred stock of $20,000 a decrease in subscriptions receivable of $15,995 and the cash payment on a loan of $61,000.

Debt Instruments, Guarantees, and Related Covenants

Extension of the Gold Bullion Loan. The holder of the Gold Bullion Loan has agreed to extend the loan that was due on March 31, 2012 in exchange for a partial payment of interest comprised of a combination of cash and stock. As of this writing, the exact terms are still being negotiated. The Company plans to issue a press release and file a report on Form 8-K when the final terms of the extension have been agreed upon by all parties.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4T. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rule 13a-15(e)) under the Exchange Act) that is designed to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Pursuant to Rule 13a-15(b) under the Exchange Act, the Company carried out an evaluation with the participation of the Company's management, the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined under Rule 13a-15(e) under the Exchange Act) as of the nine months ended June 30, 2012. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2012, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses described below.

In light of the material weaknesses described below, we performed additional analysis and other post-closing procedures to ensure our financial statements were prepared in accordance with generally accepted accounting principles. Accordingly, we believe that the financial statements included in this report fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

A material weakness is a control deficiency (within the meaning of the Public Company Accounting Oversight Board (PCAOB)) or combination of control deficiencies, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected. Management has identified the following two material weaknesses which have caused management to conclude that, as of June 30, 2012, our disclosure controls and procedures were not effective at the reasonable assurance level:

1. We do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act. Management evaluated the impact of our failure to have written documentation of our internal controls and procedures on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

2. We do not have sufficient segregation of duties within accounting functions, which is a basic internal control. Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals. Management evaluated the impact of our failure to have segregation of duties on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

To address these material weaknesses, management performed additional analyses and other procedures to ensure that the financial statements included herein fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented.

Remediation of Material Weaknesses

To remediate the material weaknesses in our disclosure controls and procedures identified above, we have continued to refine our internal procedures to begin to implement segregation of duties and to reduce the number of audit adjustments. To assist management with additional internal controls, the Company has engaged the services of an independent certified public accounting firm to service as a consultant to the Company on a monthly basis.

Changes in Internal Control over Financial Reporting. Except as noted above, there were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Changes in Internal Controls

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, performed an evaluation to determine whether any change in our internal controls over financial reporting occurred during the nine-month period ended June 30, 2012. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that no change occurred in the Company's internal controls over financial reporting during the six-months ended June 30, 2012 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors

Not Applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In the nine months of fiscal year 2012, the Company issued 37,730,000 common shares and received proceeds of $459,100.

In the nine months of fiscal year 2012, the Company issued 1,585,000 shares of common stock to consultants for services rendered valued by the Company at $93,250.

In the nine months of fiscal year 2012, the Company issued 22,894,000 shares of common stock to pay the convertible dentures.

In the nine months of fiscal year 2012, the Company issued 20 million shares of preferred A stock and received proceeds of $20,000.

The Company claimed an exemption from the registration requirements of the Securities Act of 1933, as amended (the “Act”) for the private placement of these securities pursuant to Section 4(2) of the Act and/or Rule 506 of Regulation D promulgated thereunder since, among other things, the transaction did not involve a public offering, the Investor was an “accredited investor” and/or qualified institutional buyers, the Investor had access to information about the Company and its investment, the Investor took the securities for investment and not resale, and we took appropriate measures to restrict the transfer of the securities.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information.

None.

ITEM 6. EXHIBITS

(a) Exhibits:

31.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements 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.

USCORP

By: /s/ ROBERT DULTZ

Robert Dultz
Chairman, Chief Executive Officer and Acting Chief Financial Officer
Dated: August 20, 2012