

Applied Minerals, Inc.  
Form 4  
June 06, 2011

**FORM 4**

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

OMB APPROVAL

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

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

(Print or Type Responses)

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

(Last) (First) (Middle)

ONE INTERNATIONAL PLACE, SUITE 2401

(Street)

BOSTON, MA 02110

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
05/17/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Name of Issuer (Instr. 15)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/17/2011		C(1)(2)(3)(5)(6)(7)(8)(10)(14)		551,575	A	\$ 1
					19,985,699	I	

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

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SEC 1474 (9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
10% PIK-Election Convertible Notes <u>(1)</u> <u>(2)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	\$ 1	05/17/2011		<u>J(1)(2)(5)(6)(7)(10)(11)</u>	2 <u>(1)</u> <u>(2)</u>	<u>(1)(2)(5)(6)(7)</u>	<u>(1)(2)(5)(6)(7)</u>	Co S
10% PIK-Election Convertible Notes <u>(1)</u> <u>(3)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	\$ 1	05/17/2011		<u>J(1)(3)(5)(6)(7)(10)(12)</u>	2 <u>(1)</u> <u>(3)</u>	<u>(1)(3)(5)(6)(7)</u>	<u>(1)(3)(5)(6)(7)</u>	Co S
10% PIK-Election Convertible Notes <u>(1)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	\$ 1					<u>(1)(4)(5)(6)(7)</u>	<u>(1)(4)(5)(6)(7)</u>	Co S
10% PIK-Election Convertible Notes <u>(1)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(8)</u>	\$ 1	05/17/2011		<u>J(1)(5)(6)(7)(8)(10)(13)</u>	2 <u>(1)</u> <u>(8)</u>	<u>(1)(5)(6)(7)(8)</u>	<u>(1)(5)(6)(7)(8)</u>	Co S
10% PIK-Election Convertible Notes <u>(1)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(9)</u>	\$ 1					<u>(1)(5)(6)(7)(9)</u>	<u>(1)(5)(6)(7)(9)</u>	Co S

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
	X	X		

IBS CAPITAL LLC  
 ONE INTERNATIONAL PLACE  
 SUITE 2401  
 BOSTON, MA 02110

IBS TURNAROUND FUND (QP) (A LTD PARTNERSHIP)  
 ONE INTERNATIONAL PLACE  
 STE 2410  
 BOSTON, MA 02110

X

## Signatures

IBS Capital LLC, by David A. Taft, Manager	06/06/2011
**Signature of Reporting Person	Date
IBS TURNAROUND FUND (QP) (A LTD PARTNERSHIP) By IBS Capital LLC, Its General Partner, David A. Taft, Manager	06/06/2011
**Signature of Reporting Person	Date

## Explanation of Responses:

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

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

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

(2) On May 17, 2010, pursuant to a series of note issuances, the issuer issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (the "May 2010 \$1.00 Primary Notes") on substantially the same terms and conditions. As previously reported by the reporting persons on the Form 4 filed with the SEC on May 19, 2010, on May 17, 2010, the principal amounts payable under the May 2010 \$1.00 Primary Notes were convertible into an aggregate 500,000 shares of common stock of the issuer ("Common Stock" or "Shares") as follows: (i) 260,000 Shares into which the principal amount of \$260,000 under the May 2010 \$1.00 Primary Note by the issuer to the QP Fund was convertible and (ii) 240,000 Shares into which the principal amount of \$240,000 under the May 2010 \$1.00 Primary Note by the issuer to the LP Fund was convertible.

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

(4) On October 21, 2010, pursuant to a series of note issuances, the issuer issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (the "October 2010 \$1.00 Primary Notes") on substantially the same terms and conditions. The 1,000,000 Shares into which amounts payable are convertible under the October 2010 \$1.00 Primary Notes include: (i) 650,000 Shares into which the amount payable under the October 2010 \$1.00 Primary Note by the issuer to the QP Fund are convertible and (ii) 350,000 Shares into which the amount payable under the October 2010 \$1.00 Primary Note by the issuer to the LP Fund are convertible. The principal amount of the October 2010 \$1.00 Primary Note issued to the QP Fund was \$650,000 and the principal amount of the October 2010 \$1.00 Primary Note issued to LP Fund was \$350,000.

(5) The May 2010 \$1.00 Primary Notes, June 2010 \$1.00 Interest Notes, October 2010 \$1.00 Primary Notes, December-May 2010 \$1.00 Interest Notes (defined below), and December-October 2010 \$1.00 Interest Notes (defined below) shall be referred to herein as the "Notes."

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

(7) The outstanding amount payable under a Note shall be mandatorily converted into Common Stock at the Conversion Price on the earliest date that is one year after the Note's date of issuance when each of the following conditions have been satisfied: (i) the issuer's authorization of a sufficient number of shares to convert outstanding amounts payable under all of the notes in the series into Common

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Stock; (ii) the average closing bid or market price of Common Stock for the preceding five days being in excess of the Conversion Price; and (iii) either (a) the issuer has filed a registration statement for the resale the number of Shares into which the outstanding amount under a Note is convertible or (b) the Shares are resalable under Rule 144.

On December 15, 2010, the issuer issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (the "December-May 2010 \$1.00 Interest Notes") in respect of interest due on the May 2010 \$1.00 Primary Notes on substantially the same terms and conditions. The 25,202 Shares into which amounts payable were convertible under the December-May 2010 \$1.00 Interest

(8) Notes included: (i) 13,105 Shares into which the amount payable under the December-May 2010 \$1.00 Interest Note by the issuer to the QP Fund was convertible and (ii) 12,097 Shares into which the amount payable under the December-May 2010 \$1.00 Interest Note by the issuer to the LP Fund was convertible. The principal amount of the December-May 2010 \$1.00 Interest Note issued to the QP Fund was \$13,105 and the principal amount of the December-May 2010 \$1.00 Interest Note issued to the LP Fund was \$12,097.

On December 15, 2010, the issuer issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (the "December-October 2010 \$1.00 Interest Notes") in respect of interest due on the October 2010 \$1.00 Primary Notes on substantially the same terms and conditions. The 15,278 Shares into which outstanding amounts are convertible under the December-October 2010 \$1.00

(9) Interest Notes include: (i) 9,931 Shares into which the amount payable under the December-October 2010 \$1.00 Interest Note by the issuer to the QP Fund is convertible and (ii) 5,347 Shares into which the amount payable under the December-October 2010 \$1.00 Interest Note by the issuer to the LP Fund is convertible. The principal amount of the December-October 2010 \$1.00 Interest Note issued to the QP Fund was \$9,931 and the principal amount of the December-October 2010 \$1.00 Interest Note issued to the LP Fund was \$5,347.

On May 17, 2011, the issuer issued an aggregate 551,575 Shares to the QP Fund and the LP Fund upon the mandatory conversions at the Conversion Price of the entire outstanding amounts payable under the May 2010 \$1.00 Primary Notes, June 2010 \$1.00 Interest Notes, and December-May 2010 \$1.00 Interest Notes (collectively, the "Converted May-Related Notes") as follows: (i) 286,819 shares were

(10) issued to the QP Fund upon the conversion of the outstanding amounts payable under the Converted May-Related Notes that were issued to the QP Fund; and (ii) 264,756 Shares were issued to the LP Fund upon the conversion of the outstanding amounts payable under the Converted May-Related Notes that were issued to the LP Fund. The number of Shares issued upon the conversion of the outstanding amount payable under each Converted May-Related Note are further described in footnotes 12 through 14, below.

As of May 17, 2011, the outstanding amount payable under the May 2010 \$1.00 Primary Note that was issued to the QP Fund was \$271,620 and the outstanding amount of the May 2010 \$1.00 Primary Note that was issued to LP Fund was \$250,726. On May 17, 2011,

(11) the issuer issued an aggregate 522,346 Shares upon the conversion at the Conversion Price of the entire outstanding amounts payable under the May 2010 \$1.00 Primary Notes as follows: (i) 271,620 Shares to the QP Fund upon the conversion of the outstanding amount of \$271,620 due under the May 2010 \$1.00 Primary Note that was issued to the QP Fund; and (ii) 250,726 Shares to the LP Fund upon the conversion of the outstanding amount of \$250,726 due under the May 2010 \$1.00 Primary Note that was issued to the LP Fund.

On May 17, 2011, the issuer issued an aggregate 4,027 Shares upon the conversion at the Conversion Price of the entire outstanding amounts payable under the June 2010 \$1.00 Interest Notes as follows: (i) 2,094 Shares to the QP Fund upon the conversion of the

(12) outstanding amount of \$2,094 due under the June 2010 \$1.00 Interest Note that was issued to the QP Fund; and (ii) 1,933 Shares to the LP Fund upon the conversion of the outstanding amount of \$1,933 due under the June 2010 \$1.00 Interest Note that was issued to the LP Fund.

On May 17, 2011, the issuer issued an aggregate 25,202 Shares upon conversion at the Conversion Price of the entire outstanding amounts payable under the December-May 2010 \$1.00 Interest Notes as follows: (i) 13,105 Shares to the QP Fund upon the conversion

(13) of the outstanding amount of \$13,105 due under the December-May 2010 \$1.00 Interest Note that was issued to the QP Fund; and (ii) 12,097 Shares to the LP Fund upon the conversion of the outstanding amount of \$12,097 due under the December-May 2010 \$1.00 Interest Note that was issued to the LP Fund.

After the completion of the May 17, 2011 conversions of the outstanding amounts payable under the Converted May-Related Notes, IBS Capital indirectly beneficially owned 19,985,699 Shares, which consisted of: (i) 11,061,567 Shares directly beneficially owned by the

(14) QP Fund; (ii) 5,101,538 Shares directly beneficially owned by the LP Fund; and (iii) 3,822,594 Shares directly beneficially owned by the Opportunity Fund.

The reported securities are directly beneficially owned by QP Fund, the LP Fund and/or the Opportunity Fund. The reporting persons

(15) disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein.

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

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