

Applied Minerals, Inc.  
Form 4  
June 29, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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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)  
06/27/2011

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. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Common Stock                    | 06/27/2011                           |  | P                              |   | 1,250,000   | A  | \$ 1.6                            |
|                                 |                                      |  |                                |   | 21,235,699  | I  |                                   |

See Notes 1, 7 and 9.  
(1) (7) (9)

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

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SEC 1474  
(9-02)

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

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|  |  |                                      |  |                                |   |  |   |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| 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 and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|

|  |      |  |  | Code | V | (A) | (D) | Date Exercisable       | Expiration Date        | Title           | Amount Number Shares                                     |
|--|------|--|--|------|---|-----|-----|------------------------|------------------------|-----------------|--|
| 10% PIK-Election<br>Convertible<br>Notes <u>(1)</u> <u>(2)</u><br><u>(3)</u> <u>(4)</u> <u>(5)</u> | \$ 1 |  |  |      |   |     |     | <u>(1)(2)(3)(4)(5)</u> | <u>(1)(2)(3)(4)(5)</u> | Common<br>Stock | 1,000,<br><u>(1)</u> <u>(2)</u> <u>(3)</u><br><u>(5)</u> |
| 10% PIK-Election<br>Convertible<br>Notes <u>(1)</u> <u>(3)</u><br><u>(4)</u> <u>(5)</u> <u>(6)</u> | \$ 1 |  |  |      |   |     |     | <u>(1)(3)(4)(5)(6)</u> | <u>(1)(3)(4)(5)(6)</u> | Common<br>Stock | 15,278<br><u>(3)</u> <u>(4)</u> <u>(5)</u>               |
| 10% PIK-Election<br>Convertible<br>Notes <u>(1)</u> <u>(3)</u><br><u>(4)</u> <u>(5)</u> <u>(8)</u> | \$ 1 |  |  |      |   |     |     | <u>(1)(3)(4)(5)(8)</u> | <u>(1)(3)(4)(5)(8)</u> | Common<br>Stock | 50,764<br><u>(3)</u> <u>(4)</u> <u>(5)</u>               |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| IBS CAPITAL LLC<br>ONE INTERNATIONAL PLACE<br>SUITE 2401<br>BOSTON, MA 02110                            | X             | X         |         |       |
| IBS TURNAROUND FUND (QP) (A LTD PARTNERSHIP)<br>ONE INTERNATIONAL PLACE<br>STE 2410<br>BOSTON, MA 02110 |               | X         |         |       |

## Signatures

|   |            |
|---|------------|
| IBS Capital LLC, by David A. Taft, Manager  | 06/29/2011 |
| __Signature of Reporting Person   | Date       |
| IBS TURNAROUND FUND (QP) (A LTD PARTNERSHIP) By IBS Capital LLC, Its<br>General Partner, David A. Taft, Manager | 06/29/2011 |

## 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).

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").

(1) 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.

(2) The October 2010 \$1.00 Primary Notes, December-October 2010 \$1.00 Interest Notes, and June 2011-October 2010 Interest Notes shall be referred to herein as the "Notes."

(3) 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").

(4) 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 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.

(5) 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 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.

(6) The reported securities are directly beneficially owned by QP Fund, the LP Fund and/or the Opportunity Fund. The reporting persons disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein.

(7) On June 15, 2011, the issuer issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (the "June 2011-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 50,764 Shares into which outstanding amounts are convertible under the June 2011-October 2010 \$1.00 Interest Notes include: (i) 32,997 Shares into which the amount payable under the June 2011-October 2010 \$1.00 Interest Note by the issuer to the QP Fund is convertible and (ii) 17,767 Shares into which the amount payable under the June 2011-October 2010 \$1.00 Interest Note by the issuer to the LP Fund is convertible. The principal amount of the June 2011-October 2010 \$1.00 Interest Note issued to the QP Fund was \$32,997 and the principal amount of the June 2011-October 2010 \$1.00 Interest Note issued to the LP Fund was \$17,767.

(8) As of June 27, 2011 IBS Capital indirectly beneficially owned 21,235,699 Shares, which consisted of: (i) 11,767,567 Shares directly beneficially owned by the QP Fund; (ii) 5,306,538 Shares directly beneficially owned by the LP Fund; and (iii) 4,161,594 Shares directly beneficially owned by the Opportunity Fund.

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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