

Applied Minerals, Inc.  
Form 4  
December 17, 2010

**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

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

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)

(Last) (First) (Middle)  
ONE INTERNATIONAL PLACE, SUITE 2401  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
11/22/2010

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

BOSTON, MA 02110  
(City) (State) (Zip)

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

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	11/22/2010		J(1)(8)(9)(10)	V Amount (A) or (D) Price	\$ 0.75 (1) (8) (9) (10)	I	See Notes 1, 8, 9, 10 and 13. (1) (8) (9) (10) (13)

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 Underlying (Instr. 3)	
				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					<u>(1)(2)(5)(6)(7)</u>	<u>(1)(2)(5)(6)(7)</u>	Comm Stoc
10% PIK-Election Convertible Notes <u>(1)</u> <u>(3)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u>	\$ 1					<u>(1)(3)(5)(6)(7)</u>	<u>(1)(3)(5)(6)(7)</u>	Comm Stoc
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>	Comm Stoc
10% PIK-Election Convertible Notes <u>(1)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(11)</u>	\$ 1	12/15/2010		J	<u>(1)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(11)</u>	<u>(1)(5)(6)(7)(11)</u>	<u>(1)(5)(6)(7)(11)</u>	Comm Stoc
10% PIK-Election Convertible Notes <u>(1)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(12)</u>	\$ 1	12/15/2010		J	<u>(1)</u> <u>(5)</u> <u>(6)</u> <u>(7)</u> <u>(12)</u>	<u>(1)(5)(6)(7)(12)</u>	<u>(1)(5)(6)(7)(12)</u>	Comm Stoc

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
IBS CAPITAL LLC ONE INTERNATIONAL PLACE	X	X		

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	12/17/2010
__Signature of Reporting Person	Date
IBS TURNAROUND FUND (QP) (A LTD PARTNERSHIP) By IBS Capital LLC, Its General Partner, David A. Taft, Manager	12/17/2010
__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 adviser of The IBS Opportunity Fund (BVI), Ltd. ("Opportunity Fund"). The QP Fund, LP Fund and Opportunity funds shall be referred to herein as the "Funds."
- 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. The 500,000 shares of common stock of the issuer ("Common Stock" or "Shares") into which outstanding amounts are convertible under the May 2010 \$1.00 Primary
- (2) Notes include: (i) 260,000 Shares into which amounts payable under the May 2010 \$1.00 Primary Note by the issuer to the QP Fund are convertible and (ii) 240,000 Shares into which amounts payable under the May 2010 \$1.00 Primary Note by the issuer to the LP Fund are convertible. The principal amount of the May 2010 \$1.00 Primary Note issued to the QP Fund was \$260,000 and the principal amount of the May 2010 \$1.00 Primary Note issued to LP Fund was \$240,000.
- 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 outstanding amounts are convertible under the June 2010 \$1.00 Interest Notes include: (i) 2,094 Shares into
- (3) which amounts payable under the June 2010 \$1.00 Interest Note by the issuer to the QP Fund are convertible and (ii) 1,933 Shares into which amounts payable under the June 2010 \$1.00 Interest Note by the issuer to the LP Fund are 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.
- 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 outstanding amounts are convertible under the October 2010 \$1.00 Primary Notes include: (i) 650,000
- (4) Shares into which amounts 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 amounts 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, and December-October 2010 \$1.00 Interest Notes shall be referred to herein as the "Notes."
- (6) The Notes have a maturity date of December 15, 2018. At the noteholder's option, amounts outstanding under a Note may be converted into Common Stock at any time after the issuer has authorized sufficient shares to convert such amounts outstanding into Common Stock at the conversion price of \$1.00 per Share (the "Conversion Price").
- (7) The amount outstanding under a Note shall be mandatorily converted into Common Stock of the issuer 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 amounts outstanding 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.

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- As an accommodation to facilitate the settlement of a class action lawsuit of which the issuer and certain of its officers were defendants, the Funds entered into a Forbearance Agreement ("Forbearance Agreement") and related Compensation Agreement ("Compensation Agreement") pursuant to which the Funds agreed not to submit claims for damages relating to shares that they own or control and would otherwise be eligible to participate in the settlement, for the which the issuer issued as compensation: (i) 149,666 Shares to the QP Fund; (ii) 110,302 Shares to the LP Fund and (iii) 89,319 Shares to the Opportunity Fund, valued at the price of \$0.75 per Share.
- (8) The description of the Forbearance Agreement and Compensation Agreement herein are qualified in their entireties by: (i) the description of the Forbearance Agreement set forth in the issuer's Annual Report on Form 10-K filed on March 31, 2010; and (iii) exhibit 10.15 to the issuer's Annual Report on Form 10-K filed on March 31, 2010, which are incorporated herein by reference.
- (9) As of the filing date of this Form 4, the issuer has not yet delivered any Shares in respect of the November 22, 2010 issuances reported herein.
- (10) 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 outstanding amounts are convertible under the December-May 2010 \$1.00 Interest Notes include: (i) 13,105 Shares into which amounts payable under the December-May 2010 \$1.00 Interest Note by the issuer to the QP Fund are convertible and (ii) 12,097 Shares into which amounts payable under the December-May 2010 \$1.00 Interest Note by the issuer to the LP Fund are 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.
- (11) 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 amounts payable under the December-October 2010 \$1.00 Interest Note by the issuer to the QP Fund are convertible and (ii) 5,347 Shares into which amounts payable under the December-October 2010 \$1.00 Interest Note by the issuer to the LP Fund are 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.
- (12) As of December 15, 2010, IBS Capital beneficially owned 16,934,124 Shares, which consisted of: (i) 9,389,748 Shares directly held by the QP fund; (ii) 4,377,782 Shares directly held by the LP Fund; and (iii) 3,166,594 Shares directly held by the Opportunity Fund.
- (13)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.