

Applied Minerals, Inc.  
Form 5  
January 29, 2010

**FORM 5**

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

OMB APPROVAL

OMB Number: 3235-0362  
Expires: January 31, 2005  
Estimated average burden hours per response... 1.0

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Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL 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

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)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
12/31/2009

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

ONE INTERNATIONAL PLACE, SUITE 2401

(Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

BOSTON, MA 02110

(City) (State) (Zip)

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	12/17/2009	Â	C4(7)(9)	1,561,667 (7) (9) A	\$ 0.35 (7) (9) 15,531,582 (1) (11)	I	See Notes 1 and 11. (1) (11)
Common Stock	12/17/2009	Â	C4(8)(10)	1,053,258 (8) (10) A	\$ 0.5 (8) (10) 16,584,840 (1) (12) (13)	I	See Notes 1, 12 and 13. (1) (12) (13)

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

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SEC 2270  
(9-02)

**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 and Amount of Underlying Security (Instr. 3 and 4)	An Nu Sh
					(A)	(D)	Date Exercisable	Expiration Date		
10% PIK-Election Convertible Notes <sup>(4)</sup>	\$ 0.35 <sup>(4)</sup> <u>(6)</u>	06/15/2009	Â	J4 <sup>(4)</sup>	2 <u>(4)</u>	Â	Â <sup>(6)</sup>	Â <sup>(6)</sup>	Common Stock	0
10% PIK-Election Convertible Notes <sup>(5)</sup>	\$ 0.5 <sup>(5)</sup> <u>(6)</u>	06/15/2009	Â	J4 <sup>(5)</sup>	2 <u>(5)</u>	Â	Â <sup>(6)</sup>	Â <sup>(6)</sup>	Common Stock	0
10% PIK-Election Convertible Notes <sup>(2)</sup>	\$ 0.35 <sup>(2)</sup> <u>(6)</u>	12/17/2009	Â	C4 <sup>(7)</sup>	Â	2 <sup>(2)</sup> <u>(7)</u>	12/17/2009 <sup>(6)(7)</sup>	Â <sup>(6)(7)</sup>	Common Stock	1,
10% PIK-Election Convertible Notes <sup>(3)</sup>	\$ 0.5 <sup>(3)</sup> <u>(6)</u>	12/17/2009	Â	C4 <sup>(8)</sup>	Â	2 <sup>(3)</sup> <u>(8)</u>	12/17/2009 <sup>(6)(8)</sup>	Â <sup>(6)(8)</sup>	Common Stock	1,
10% PIK-Election Convertible Notes <sup>(4)</sup>	\$ 0.35 <sup>(4)</sup> <u>(6)</u>	12/17/2009	Â	C4 <sup>(9)</sup>	Â	2 <sup>(4)</sup> <u>(9)</u>	12/17/2009 <sup>(6)(9)</sup>	Â <sup>(6)(9)</sup>	Common Stock	7
10% PIK-Election Convertible Notes <sup>(5)</sup>	\$ 0.5 <sup>(5)</sup> <u>(6)</u>	12/17/2009	Â	C4 <sup>(10)</sup>	Â	2 <sup>(5)</sup> <u>(10)</u>	12/17/2009 <sup>(6)(10)</sup>	Â <sup>(6)(10)</sup>	Common Stock	1

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Reporting Owners

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

Â X    Â X    Â    Â

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

Â    Â X    Â    Â

## Signatures

IBS Capital LLC, by David A. Taft, Manager 01/29/2010

\*\*Signature of Reporting Person Date

IBS TURNAROUND FUND (QP) (A LTD PARTNERSHIP) By IBS Capital LLC, Its General Partner, David A. Taft, Manager 01/29/2010

\*\*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") 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 LLC is the investment adviser of The IBS Opportunity Fund (BVI), Ltd. ("Opportunity Fund").

(2) Pursuant to a series of note issuances on December 30, 2008, the issuer issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (the ".35 Primary Notes") on substantially the same terms and conditions. The conversion price for the .35 Notes is \$0.35 per share (the ".35 Conversion Price").

(3) Pursuant to a series of note issuances on May 4, 2009, the issuer issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (the ".50 Primary Notes") on substantially the same terms and conditions. The conversion price for the .50 Notes is \$0.50 per share (the ".50 Conversion Price"). The .35 Primary Notes and the .50 Primary Notes shall be referred to herein as the "Primary Notes." The .35 Conversion Price and the .50 Conversion Price shall be referred to herein as the "Conversion Prices."

(4) On June 15, 2009, the Company issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (the ".35 Interest Notes") in respect of interest due on the .35 Primary Notes on substantially the same terms and conditions. The conversion price for the .35 Notes is the .35 Conversion Price. The principal amount of the .35 Interest Note issued to the QP Fund was \$17,900 and the principal amount of the .35 Interest Note issued to the LP Fund was \$6,961.11.

(5) On June 15, 2009, the Company issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (the ".50 Interest Notes") in respect of interest due on the .50 Primary Notes on substantially the same terms and conditions. The conversion price for the .50 Notes is the .50 Conversion Price. The principal amount of the .50 Interest Note issued to the QP Fund was \$3,644.44 and the principal amount of the .50 Interest Note issued to the LP Fund was \$2,050. The .35 Interest Notes and the .50 Interest Notes shall be referred to herein as the "Interest Notes," and the Primary Notes and the Interest Notes shall be referred to herein as the "Notes."

(6) The Notes mature on 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 applicable Conversion Price. The amount outstanding under a Note shall be mandatorily converted into Common Stock of the issuer at the applicable Conversion Price upon: (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 applicable Conversion Price; and (iii) either (a) the issuer has filed a registration statement for the resale the number of shares of Common Stock into which the outstanding amount under a Note is convertible or (b) the shares are resalable under Rule 144.

(7) On December 17, 2009, the Company issued 1,490,635 shares upon conversion of the entire amounts outstanding under the .35 Primary Notes as follows: (i) 1,073,257 shares to the QP Fund upon the conversion at the .35 Conversion Price of the outstanding amount of \$375,640 due under the .35 Primary Note that was issued to the QP Fund and (ii) 417,378 shares to the LP Fund upon the conversion at the .35 Conversion Price of the outstanding amount of \$146,082 due under the .35 Primary Note that was issued to the LP Fund.

(8)

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On December 17, the Company issued 1,041,870 shares upon conversion of the entire amounts outstanding under the .50 Primary Notes as follows: (i) 666,797 shares to the QP Fund upon the conversion at the .50 Conversion Price of the outstanding amount of \$333,399 due under the .50 Primary Note that was issued to the QP Fund and (ii) 375,073 shares to the LP Fund upon the conversion at the .50 Conversion Price of the outstanding amount of \$187,537 due under the .50 Primary Note that was issued to the LP Fund.

- (9) On December 17, the Company issued 71,032 shares upon conversion of the entire amounts outstanding under the .35 Interest Notes as follows: (i) 51,143 shares to the QP Fund upon the conversion at the .35 Conversion Price of the outstanding amount of \$17,900 due under the .35 Interest Note that was issued to the QP Fund and (ii) 19,889 shares to the LP Fund upon the conversion at the .35 Conversion Price of the outstanding amount of \$6,961 due under the .35 Interest Note that was issued to the LP Fund.

- (10) On December 17, the Company issued 11,388 shares upon conversion of the entire amounts outstanding under the .50 Interest Notes as follows: (i) 7,288 shares to the QP Fund upon the conversion .50 Conversion Price of the outstanding amount of \$3,644 due under the .50 Interest Note that was issued to the QP Fund and (ii) 4,100 shares to the LP Fund upon the conversion at the .50 Conversion Price of the outstanding amount of \$2,050 due under the .50 Interest Note that was issued to the LP Fund.

- (11) After the completion of the December 17, 2009 conversions of the .35 Primary Notes and .35 Interest Notes, (i) the QP Fund beneficially owned 9,037,998 shares; (ii) the LP Fund beneficially owned 3,978,309 shares; and (iii) the Opportunity Fund beneficially owned 2,515,275 shares.

- (12) After the completion of the December 17, 2009 conversions of all Notes, (i) the QP Fund beneficially owned 9,712,083 shares; (ii) the LP Fund beneficially owned 4,357,482 shares; and (iii) the Opportunity Fund beneficially owned 2,515,275 shares. As of the filing date of this Form 5, the Company has not yet received any shares in respect of the December 17, 2009 conversions.

- (13) As of the filing date of this Form 5: (i) the QP Fund beneficially owns 9,430,083 shares; (ii) the LP Fund beneficially owns 4,357,482 shares; and (iii) the Opportunity Fund beneficially owns 2,797,275 shares.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.