USCORP
Form SB-2/A
August 11, 2006

As filed with the Securities and Exchange Commission on August 11, 2006
(Registration No. 135346)

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM SB-2

(Amendment No. 1)

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

USCORP.
(Name of small business issuer in its charter)

Nevada	1040	87-0403330
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

4535 W. Sahara Avenue, Suite 204
Las Vegas, NV 89102

(702) 933-4034
(Address and telephone number of principal executive offices)

Robert Dultz
Chairman and Chief Executive Officer
USCorp.
4535 W. Sahara Avenue, Suite 204
Las Vegas, NV 89102
Tel: (702) 933-4034
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(Name, address and telephone number of agent for service)

Copy of all communications to:

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Approximate Date of Commencement of Proposed Sale to the Public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, check the following box: [X]
If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. [_]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to Be Registered(1)**	**Proposed Maximum Offering Price Per Share (1)(2)**	**Proposed Maximum Aggregate Offering Price (2)**	**Amount of Registration Fee (3)**
Common Stock, $0.001 par value	116,300,000	$0.09	$10,467,000	$1,119.97
			Total	$1,119.97

(1) The shares of our Common Stock being registered hereunder are being registered for resale by the selling securityholder named in the prospectus. In accordance with Rule 416(a), the registrant is also registering hereunder an indeterminate number of shares that may be issued and resold to prevent dilution resulting from stock splits, stock dividends or similar transactions. For purposes of estimating the number of shares of our Common Stock to be included in this registration statement, we calculated a good faith estimate of the number of shares that we believe may be issuable pursuant to the equity line financing to account for market fluctuations. Should we have insufficient shares, we will not rely upon Rule 416, but will file a new registration statement to cover the resale of such additional shares should that become necessary.

(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, based on the closing price of $0.09 on the OTC Bulletin Board on June 21, 2006.

(3) In accordance with Rule 457(g), the registration fee for these shares is calculated based upon a price which represents the highest of: (i) the price at which the warrants or options may be exercised; (ii) the offering price of securities of the same class included in this registration statement; or (iii) the price of securities of the same class, as determined pursuant to Rule 457(c).

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT

SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

The information in this prospectus is not complete and may be changed. The selling securityholder may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, Dated August 11, 2006

PRELIMINARY PROSPECTUS

116,300,000 SHARES

USCORP.

CLASS A COMMON STOCK

This prospectus relates to the resale of up to 116,300,000 shares of our Class A Common Stock, par value $0.01 per share ("Common Stock") issuable to Dutchess Private Equities Fund, LP ("Dutchess" or the "Selling Securityholder"). The Selling Securityholder may sell its common stock from time to time at prevailing market prices.

Our Common Stock is registered under Section 12(g) of the Securities Exchange Act of 1934, as amended, and is quoted on the over-the-counter market and prices are reported on the OTC Bulletin Board under the symbol "USCS." On August 10, 2006, the closing price as reported was $.06.

The Selling Securityholder, and any participating broker-dealers are "underwriters" within the meaning of the Securities Act of 1933, as amended, and any commissions or discounts given to any such broker-dealer may be regarded as underwriting commissions or discounts under the Securities Act of 1933. The Selling Securityholder has informed us that it does not have any agreement or understanding, directly or indirectly, with any person to distribute their common stock. We agree to pay the expenses of registering the foregoing shares of our Common Stock.

INVESTMENT IN THE COMMON STOCK OFFERED BY THIS PROSPECTUS INVOLVES A HIGH DEGREE OF RISK. YOU MAY LOSE YOUR ENTIRE INVESTMENT. CONSIDER CAREFULLY THE "RISK FACTORS" BEGINNING ON PAGE 6 OF THIS PROSPECTUS BEFORE INVESTING.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is August __ , 2006

You should rely only on the information contained in or incorporated by reference in this prospectus. We have not, and the Selling Securityholder has not, authorized anyone, including any salesperson or broker, to give oral or written information about this offering, USCorp., or the shares of common stock offered hereby that is different from the information included in this prospectus. If anyone provides you with different information, you should not rely on it. We are not, and the Selling Securityholder is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus is not an offer to sell any securities other than the shares of common stock offered hereby. This prospectus is not an offer to sell securities in any circumstances in which such an offer is unlawful.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. The information in this prospectus is accurate only as of the date of this prospectus regardless of the time of delivery of this prospectus or of any sale of our securities.

PROSPECTUS SUMMARY

Although it contains all material information, this summary is not complete and may not contain all of the information that you should consider before investing in our Common Stock. You should read the entire prospectus carefully, including the more detailed information regarding our company, the risks of purchasing our common stock discussed under "risk factors," and our financial statements and the accompanying notes. In this prospectus, "we", "us," "Company" and "our", refer to USCorp., and its wholly-owned subsidiaries ,US Metals, Inc. and Southwest Resource Development, Inc., unless the context otherwise requires. Unless otherwise indicated, the term "year," "fiscal year" or "fiscal" refers to our fiscal year ending September 30th. Unless we tell you otherwise, the term "common stock" as used in this prospectus refers to our Common Stock.

THE COMPANY

BACKGROUND

USCorp. was formed in May 1989 in the state of Nevada as The Movie Greats Network, Inc. In August 1992, the Company changed its name to The Program Entertainment Group, Inc. In August 1997, the Company changed its name to Santa Maria Resources, Inc. In September 2000, the Company changed its name to Fantasticon, Inc. and in January 2002 the Company changed its name to US Corp.

In April 2002, the Company acquired US Metals, Inc. ("USMetals"), a Nevada corporation, by issuing 24,200,000 shares of Company Common Stock. US Metals became a wholly owned subsidiary of the Company.

OVERVIEW

USCorp. is an "exploration stage" company. The Company's operations center on completing exploration of USMetals' mining property known as the Twin Peaks Mine, and Southwest's mining property known as the Chocolate Mountain Region claims. The Company has realized no revenues from operations to date.

All of the Company's mining business activities are conducted at this time through its subsidiaries, USMetals, Inc. and Southwest Resource Development, Inc.

The Company, through its wholly-owned subsidiary, USMetals, owns 141 Lode Mining Claims in the Eureka Mining District of Yavapai County, Arizona, called the Twin Peaks Mine; and through its wholly-owned subsidiary, Southwest Resource Development, Inc., owns 8 Lode and 21 Placer Claims in the Mesquite Mining District of Imperial County, California, which the Company refers to as the Chocolate Mountain Region Claims.

RECENT EVENTS

On May 16, 2006, the Company announced that it was informed by the Deutche Borse that its Class B non-voting Common Shares ("Class B Shares") issued by the Company have been included in that Exchange trading within the Open Market (Freiverkehr). The shares of Class B Common Shares were issued by the Company pursuant to a Regulation S offering. The Exchange trading (Quotation) of the Class B Common Shares started on May 11, 2006, under the Symbol "U9C" and the WKN# is A0JEQQ. The Class B Common Shares were issued to a private European fund in exchange for up to $17,000,000. It is anticipated that the capitalization will allow the Company to advance its exploration program so that it can focus on extracting the mineral resources from its properties that management believes may result in profitable revenue streams to USCorp. The Class B non-voting Common Shares will trade outside of the United States and the Company has no current plans to register these shares for trading in the United States. The European fund has listed these shares on the Open Market (Freiverkehr) of Frankfurt Exchange in

Germany through a trading member.

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On May 5, 2006, the Company announced the results of exploratory drilling at its Kingman Area Tailings Property located near Kingman, Arizona. The purpose of the exploratory drilling and testing was to confirm the presence of economically viable mineral resources in the tailings. Prior owners and certain documents provided by prior owners estimated these resources to contain 400,000 tons of tailings with valuable mineralization. The drilling was targeted specifically at each of the three terraced levels of the tailings. The drilling was done by Boart Longyear Co.'s Peoria, Ariz., office with a representative of USCorp present. The drilling was conducted during March 2006 under the supervision of Dr. Robert Cameron of Geological Support Services, our consulting geologist on this property. Preparation of drill samples were completed by our consulting geologist, the drillers and observed by a USCorp representative on site. The samples were sent to two independent laboratories for complete chemical analysis, atomic absorption and fire assays. The laboratories used were SGS Minerals Services, Ontario, Canada, and the 125-year-old Jacobs Assay Office in Tucson, Arizona. Additional samples were taken by our consulting geologist from crevices and holes dug from the top and into the side of the tailings using a procedure called "cone and quartering." Based on the GPS measurement of the tailings by our consulting geologist and the known depth of the tailings obtained by drilling, the revised estimate of the tonnage is approximately 744,215.5 tons. Based on the exploration and test results, however, it was determined that it is not economically viable to pursue exploration or development of this property any longer. In a report to the Company, USCorp's consulting geologist stated in part: "...Samples were subjected to fire assay for gold and silver with both Atomic Absorption and Gravimetric Finish. Additionally, an economic spectrum was performed upon every fifth sample to establish levels of other economic metals. The results of these tests were underwhelming..." From a practical standpoint, assuming .006 ounce per ton gold and .35 ounce per ton silver, we have ore worth $10.60 per ton. Further, even if gold were to reach $2,500 per ounce and silver $60, we still have a product worth only $36 per ton. Based on currently working operations, were a plant set up and operating on site today, wages, water, chemicals and power would still cost more than $45 per ton. Accordingly, based on the numbers this does not appear to be an economic proposition. Due to certain conditions not being met, title to the claims reverted back to prior the claim holder.

Our headquarters are located at 4535 W. Sahara Avenue, Suite 204, Las Vegas, NV 89102 and our telephone number at that address is (702) 933-4034. Our web site is www.uscorpnv.com. The information on our website is not part of this prospectus.

THE OFFERING

SHARES OUTSTANDING	
PRIOR TO OFFERING	
Class A Common Stock, $0.01 par value	34,056,459
Class B Common Stock, $0.001 par value	5,000,000
Class A Common Stock Offered by Selling Securityholder	116,300,000
Use of Proceeds	We will not receive any proceeds from the sale by the Selling Stockholder of shares in this offering, except upon drawdowns made pursuant to the equity line. See "Use of Proceeds."
Risk Factors	An investment in our common stock involves a high degree of risk and could result in a loss of your entire investment.
OTC Symbol	USCS.OB
Executive Offices	Our executive offices are located at 4535 W. Sahara Avenue, Suite 204, Las Vegas, NV 89102. Our telephone number is (702) 933-4034 and our website is www.uscorpnv.com . The information on our website is not part of this prospectus.

TRANSACTION SUMMARY

TRANSACTION WITH DUTCHESS PRIVATE EQUITIES FUND, LP

On May 12, 2006, we entered into an Investment Agreement (the “Agreement”) with Dutchess Private Equities Fund, LP (“Dutchess”) to provide us with an equity line of credit. Pursuant to this Agreement, Dutchess shall commit to purchase up to $10,000,000 of the Company’s Stock over the course of thirty six (36) months (“Line Period”), after a registration statement has been declared effective (“Effective Date”). The amount that the Company shall be entitled to request from each of the purchase “Puts”, shall be equal to, at the election of the Company, either 1) $250,000 or 2) 200% of the averaged daily volume (U.S market only) (“ADV”), multiplied by the average of the three (3) daily closing prices immediately preceding the Put Date. The ADV shall be computed using the ten (10) trading days prior to the Put Date. The Purchase Price for the common stock identified in the Put Notice shall be set at ninety-five percent (95%) of the lowest closing bid price of the common stock during the Pricing Period. The Pricing Period is equal to the period beginning on the Put Notice Date and ending on and including the date that is five (5) trading days after such Put Notice Date. There are put restrictions applied on days between the Put Date and the Closing Date with respect to that Put. During this time, the Company shall not be entitled to deliver another Put Notice.

The Company shall automatically withdraw that portion of the put notice amount, if the Market Price with respect to that Put does not meet the Minimum Acceptable Price. The Minimum Acceptable Price is defined as seventy-five percent (75%) of the closing bid price of the common stock for the ten (10) trading days prior to the Put Date.

In addition, the Company is obligated to issue and deliver its shares of common stock within seven (7) trading days following a Put Notice Date. In the event that the Company does not issue and deliver any such shares, the Company is obligated to make late payments to Dutchess in an amount equal to $100 for each day late up to ten (10) days and then $1,000 plus $200 for each business day late beyond ten (10) days. Moreover, if by the third (3rd) business day after the Closing Date, the Company fails to deliver any portion of the shares of the Put to Dutchess (the "Put Shares Due") and Dutchess purchases, in an open market transaction or otherwise, shares of common stock necessary to make delivery of shares which would have been delivered if the full amount of the shares to be delivered to Dutchess by the Company (the "Open Market Share Purchase"), then the Company shall pay to Dutchess, in addition to any other amounts due to Dutchess pursuant to the Put, and not in lieu thereof, the Open Market Adjustment Amount, which is an amount equal to the excess, if any, of (x) Dutchess's total purchase price (including brokerage commissions, if any) for the Open Market Share Purchase minus (y) the net proceeds (after brokerage commissions, if any) received by Dutchess from the sale of the Put Shares Due.

In connection with the Agreement, we entered into a Registration Rights Agreement with Dutchess (“Registration Agreement”). Pursuant to the Registration Agreement, we are obligated to file a registration statement with the Securities and Exchange Commission covering the shares of common stock underlying the Investment Agreement within thirty (30) days after the closing date. In addition, we are obligated to use all commercially reasonable efforts to have the registration statement declared effective by the SEC within one hundred and twenty (120) days after the filing of this registration statement. In the event that the Company is deemed to be in default under its registration obligations as provided in the Registration Agreement, the Company shall be obligated to pay liquidated damages, that is not deemed to constitute a penalty, in an amount not to exceed the maximum amount permitted under any applicable law.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information for our company. You should read this information together with the financial statements and the notes thereto appearing elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS DATA

	For the six Months Ended March 31, 2006 (Unaudited)	For the six Months Ended March 31, 2005 (Unaudited)	For the Year Ended September 30, 2005 (Audited)
Operating revenues	$ —	$ —	$ —
Total operating expenses	288,087	140,688	592,469
Net loss from operations	(288,087)	(140,688)	(592,469)
Other income (expense), net	(142,239)	(2,394)	(23,249)
Net loss	$ (430,326)	$ (167,082)	$ (628,337)
Net loss per share - basic and diluted	$ (0.01)	$ (0.01)	$ (0.02)
Weighted average common shares outstanding	33,704,831	29,827,647	31,082,723

Condensed Consolidated Balance Sheet Data

	As of March 31, 2006 (Unaudited)	As of March 31, 2005 (Unaudited)	As of September 30, 2005 (Audited)
Total current assets	$ 302,778	$ 4,864	$ 627,372
Total assets	$ 306,792	$ 9,969	$ 631,378
Working capital (definciency)	$ 250,657	$ (1,434)	$ 575,251
Total current liabilities	$ 52,121	$ 6,298	$ 52,121
Stockholders' equity (deficit)	$ (606,119)	$ (32,323)	$ (277,943)

RISK FACTORS

You should carefully consider the risks described below before buying shares of our Common Stock in this offering. The risks and uncertainties described below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may impair our business operations. If any of the adverse events described in this risk factors section actually occur, our business, results of operations and financial condition could be materially adversely affected, the trading price of our common stock could decline and you might lose all or part of your investment. We have had operating losses to date and cannot assure that we will be profitable in the foreseeable future. We make various statements in this section which constitute "forward-looking" statements under Section 27A of the Securities Act.

RISKS RELATED TO OUR BUSINESS

WE INCURRED HISTORICAL LOSSES AND HAVE A WORKING CAPITAL DEFICIT. AS A RESULT, WE MAY NOT BE ABLE TO GENERATE PROFITS, SUPPORT OUR OPERATIONS, OR ESTABLISH A RETURN ON INVESTED CAPITAL.

We incurred net losses in fiscal 2005 of $628,337. We also incurred losses in the six months of fiscal 2006 of $430,326. As of September 30, 2005, we had a working capital deficit of $734,690. As of March 31, 2006, we had a net loss per share of $(0.01). In addition, we expect to increase our infrastructure and operating expenses to fund our anticipated growth. We cannot assure you that any of our business strategies will be successful or that revenues or profitability will ever be achieved or, if they are achieved, that they can be consistently sustained or increased on a quarterly or annual basis.

WE EXPECT OUR OPERATING LOSSES TO CONTINUE

The Company expects to incur increased operating expenses during the next year. The amount of net losses and the time required for the Company to reach and sustain profitability are uncertain. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, and delays frequently encountered in connection with the exploration and mining of gold. There can be no assurance that the Company will ever generate revenue or achieve profitability at all or on any substantial basis.

WE HAVE A MINIMAL OPERATING HISTORY, WHICH RAISES SUBSTANTIAL DOUBT AS TO OUR ABILITY TO SUCCESSFULLY DEVELOP PROFITABLE BUSINESS OPERATIONS.

We have a limited operating history and our business and prospects must be considered in light of the risks and uncertainties to which companies in the gold mining industry are exposed. We cannot provide assurances that our business strategy will be successful or that we will successfully address those risks and the risks described herein. Most importantly, if we are unable to secure future capital, we will be unable to continue our operations. We may incur losses on a quarterly or annual basis for a number of reasons, some within and others outside our control. The growth of our business will require the commitment of substantial capital resources. If funds are not available from operations, we will need additional funds. We may seek such additional funding through public and private financing, including debt or equity financing. Adequate funds for these purposes, whether through financial markets or from other sources, may not be available when we need them. Even if funds are available, the terms under which the funds are available to us may not be acceptable to us. Insufficient funds may require us to delay, reduce or eliminate some or all of our planned activities. To successfully execute our current strategy, we will need to improve our working capital position. The report of our independent auditors accompanying our financial statements includes an explanatory paragraph indicating there is a substantial doubt about the Company's ability to continue as a going concern due to recurring losses. We plan to overcome the circumstances that impact our ability to remain a going concern through a combination of equity and debt financings. However, no assurances can be given that we will be able to do so.

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WE HAVE A LIMITED AMOUNT OF CASH AND ARE LIKELY TO REQUIRE ADDITIONAL CAPITAL TO CONTINUE OUR OPERATIONS.

We have a limited amount of available cash and will likely require additional capital to successfully implement our business plan. The Dutchess equity line described herein would add additional working capital to the extent of the Put Amounts which will sustain our operations for an extended period of time; however, certain draw down restrictions pertaining to the Puts apply which could shorten this period of time. There can be no assurance that we will be able to obtain additional funding when needed, or that such funding, if available, will be obtainable on terms acceptable to us. In the event that our operations do not generate sufficient cash flow, or we cannot obtain additional funds if and when needed, we may be forced to curtail or cease our activities, which would likely result in the loss to investors of all or a substantial portion of their investment.

WE MAY FAIL TO CONTINUE AS A GOING CONCERN, IN WHICH EVENT YOU MAY LOSE YOUR ENTIRE INVESTMENT IN OUR SHARES.

Our audited financial statements have been prepared on the assumption that we will continue as a going concern. Our independent auditor has indicated that in its report on our 2005 financial statements that our recurring losses from operations and our difficulties in generating sufficient cash flow to meet our obligations and sustain our operations raise substantial doubt about our ability to continue as a going concern. If we fail to continue in business, you will lose your investment in the shares you acquire in this offering.

WE RELY HEAVILY ON OUR MANAGEMENT, THE LOSS OF WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, OPERATING RESULTS AND FINANCIAL CONDITION.

Our future success is dependent on having capable seasoned executives with the necessary business knowledge and relationships to execute our business plan. Accordingly, the services of our management and our board of directors, in particular Mr. Robert Dultz, are deemed essential to establishing and maintaining the continuity of our operations. If we were to lose their services, our business could be materially adversely affected. Our performance will also depend on our ability to find, hire, train, motivate and retain other executive officers and key employees.

We must continually implement and improve our services, operations, operating procedures and quality controls on a timely basis, as well as expand, train, motivate and manage our work force in order to accommodate anticipated growth and compete effectively in our market segment. Successful implementation of our strategy also requires that we establish and manage a competent, dedicated work force and employ additional key employees. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our existing and future operations. Any failure to implement and improve such operations could have a material, adverse effect on our business, operating results and financial condition.

Our future results of operations involve a number of risks and uncertainties. With any business undertaking and their inherent unforeseeable risk in conducting business, the following paragraphs discuss a number of risks that could impact the company's financial condition and results of operations.

WE ARE IN EARLY STAGE OF DEVELOPMENT AND MAY HAVE TO COMPETE WITH COMPANIES WITH GREATER RESOURCES.

We have little operating history that permits you to evaluate our business and our prospects based on prior performance. You must consider your investment in light of the risks, uncertainties, expenses and difficulties that are usually encountered by companies in their early stages of development. The Company will have to compete with larger companies who have greater funds available for expansion, exploration and development. There can be no assurance that the Company become competitive, or if we become competitive, will remain competitive, should this occur and increased competition could materially adversely affect our operation and financial condition.

OUR FUTURE PERFORMANCE IS DEPENDENT ON OUR ABILITY TO RETAIN KEY PERSONNEL

We do not currently maintain key-man insurance on these executives. Our future success is also dependent on our ability to identify, hire, train and retain other qualified managerial and other employees. Competition for these individuals is intense and increasing. The loss of any of their services would be detrimental to us and could have an adverse effect on our business development

INCREASED COSTS COULD AFFECT PROFITABILITY.

Cash costs at any particular mining location frequently are subject to great variation from one year to the next due to a number of factors, such as changing ore grade, metallurgy and revisions to mine plans in response to the physical shape and location of the ore body. In addition, cash costs are affected by the price of commodities, such as fuel and electricity. Such commodities are at times subject to volatile price movements, including increases that could make production at certain operations less profitable. A material increase in costs at any one location may have a significant effect on our profitability.

MANAGEMENT CANNOT BE CERTAIN THAT OUR ACQUISITION, EXPLORATION AND DEVELOPMENT ACTIVITIES WILL BE COMMERCIALLY SUCCESSFUL.

Substantial expenditures are required to acquire existing gold properties, to establish ore reserves through drilling and analysis, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that any gold reserves or mineralized material acquired or discovered will be in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

A SUBSTANTIAL OR EXTENDED DECLINE IN GOLD PRICES MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR OPERATIONS.

Our business is heavily dependent on the price of gold, which may be affected by numerous factors beyond our control. Factors tending to put downward pressure on the price of gold include:

- sales or leasing of gold by governments and central banks;
- a strong U.S. dollar;
- global and regional recession or reduced economic activity;
- speculative trading;
- decreased demand for gold for industrial uses, use in jewelry and investment;
- high supply of gold from production, disinvestment, scrap and hedging;
- sales by gold producers in forward transactions and other hedging transactions; and
- devaluing of the South African Rand (relative to gold priced in U.S. dollars) leading to lower production costs and higher production in certain major gold-producing regions.

Any drop in the price of gold will adversely impact our revenues, profits and cash flows. We have not recorded any asset write-downs in recent years as a result of sustained periods of low gold prices; however, no assurance can be given that we will not experience any asset impairment as a result of low gold prices in the future.

In addition, sustained low gold prices may:

- reduce revenues further through production cutbacks due to cessation of the mining of deposits or portions of deposits that have become uneconomic at the then-prevailing gold price;
- halt or delay the development of new projects;
- reduce funds available for exploration, with the result that depleted reserves are not replaced; and
- reduce existing reserves, by removing ores from reserves that cannot be economically mined or treated at prevailing prices.

OCCURRENCE OF EVENTS FOR WHICH WE ARE NOT INSURED MAY AFFECT OUR CASH FLOW AND OVERALL PROFITABILITY.

We maintain insurance to protect ourselves against certain risks related to our operations. We maintain insurance in amounts that we believe to be reasonable depending upon the circumstances surrounding each identified risk. However, we may elect not to have insurance for certain risks because of the high premiums associated with insuring those risks or for various other reasons; in other cases, insurance may not be available for certain risks. Some concern always exists with respect to investments in parts of the world where civil unrest, war, nationalist movements, political violence or economic crisis are possible. These countries may also pose heightened risks of expropriation of assets, business interruption, increased taxation and a unilateral modification of concessions and contracts. We do not maintain insurance against political risk. Occurrence of events for which we are not insured may affect our cash flow and overall profitability.

GOLD PRODUCERS MUST CONTINUALLY OBTAIN ADDITIONAL RESERVES.

Gold producers must continually replace gold reserves depleted by production. Depleted reserves must be replaced by expanding known ore bodies or by locating new deposits in order for gold producers to maintain production levels over the long term. Gold exploration is highly speculative in nature, involves many risks and frequently is unproductive. No assurance can be given that any of our new or ongoing exploration programs will result in new mineral producing operations. Once mineralization is discovered, it may take many years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

ESTIMATES OF PROVEN AND PROBABLE RESERVES ARE UNCERTAIN.

Estimates of proven and probable reserves are subject to considerable uncertainty. Such estimates are, to a large extent, based on interpretations of geologic data obtained from drill holes and other sampling techniques. Gold producers use feasibility studies to derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the predicted configuration of the ore body, expected recovery rates of metals from the ore, comparable facility, equipment, and operating costs, and other factors. Actual cash operating costs and economic returns on projects may differ significantly from original estimates. Further, it may take many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change.

WE MAY BE UNABLE TO ADEQUATELY PROTECT OUR MINES FROM CRIMINAL ACTIVITY WHICH MAY HINDER OUR OPERATIONS.

Although we intend to employ security personnel to guard our mines and facilities, our security measures may be insufficient to prevent widespread theft or vandalism. In addition, our employees may face intimidation by local gangs and may be unwilling to continue to work under such conditions. As a result, we may be unable to continue exploration, development and productions.

OLD MINING COMPANIES ARE SUBJECT TO EXTENSIVE ENVIRONMENTAL LAWS AND REGULATIONS.

Our exploration, mining and processing operations will be regulated in all areas in which we operate under various federal, state, provincial and local laws relating to the protection of the environment, which generally include air and water quality, hazardous waste management and reclamation. Delays in obtaining or failure to obtain government permits and approvals may adversely impact our operations. The regulatory environment in which we operate may change in ways that would substantially increase costs to achieve compliance. In addition, significant changes in regulation could have a material adverse effect on our operations or financial position.

OUR SUCCESS MAY DEPEND ON OUR SOCIAL AND ENVIRONMENTAL PERFORMANCE.

Our ability to operate successfully in communities will likely depend on our ability to develop, operate and close mines in a manner that is consistent with the health and safety of our employees, the protection of the environment, and the creation of long-term economic and social opportunities in the communities in which we operate. We have implemented a management system designed to promote continuous improvement in health and safety, environmental performance and community relations. However, our ability to operate may be adversely impacted by accidents or events detrimental (or perceived to be detrimental) to the health and safety of our employees or the communities in which we operate.

MINING ACCIDENTS OR OTHER MATERIAL ADVERSE EVENTS AT OUR MINING LOCATIONS MAY REDUCE OUR PRODUCTION LEVELS.

At any one of our various mines, production may fall below historic or estimated levels as a result of mining accidents, such as, a pit wall failure in an open pit mine, cave-ins or flooding at underground mines. In addition, production may be unexpectedly reduced at a location if, during the course of mining, unfavorable ground conditions or seismic activity are encountered; ore grades are lower than expected; the physical or metallurgical characteristics of the ore are less amenable to mining or treatment than expected; or our equipment, processes or facilities fail to operate properly or as expected.

MINING EXPLORATION, DEVELOPMENT AND OPERATING ACTIVITIES ARE INHERENTLY HAZARDOUS.

Mineral exploration involves many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which we have direct or indirect interests will be subject to all the hazards and risks normally incidental to exploration, development and production of gold, any of which could result in work stoppages, damage to property and possible environmental damage. The nature of these risks is such that liabilities might exceed any liability insurance policy limits. It is also possible that the liabilities and hazards might not be insurable, in which event, we may incur significant costs that could have a material adverse effect on our financial condition.

WE FACE INTENSE COMPETITION IN THE MINING INDUSTRY.

The mining industry is intensely competitive in all of its phases. As a result of this competition, some of which is with large established mining companies with substantial capabilities and with greater financial and technical resources than us, we may be unable to acquire additional attractive mining claims or financing on terms management considers acceptable. We compete with other mining companies in the recruitment and retention of qualified managerial employees and other employees with technical skills and experience in the mining industry. If we are unable to successfully compete for qualified employees, our exploration and development programs may be slowed down or suspended. We compete with other gold companies for capital. If we are unable to raise sufficient capital, our exploration and development programs may be jeopardized or we may not be able to acquire, develop or operate gold projects. There can be no assurance that we will continue to attract and retain skilled and experienced employees, or to acquire additional rights to mine properties.

RISKS RELATED TO HOLDING OUR SECURITIES

EXISTING STOCKHOLDERS MAY EXPERIENCE SIGNIFICANT DILUTION FROM THE SALE OF OUR COMMON STOCK PURSUANT TO THE INVESTMENT AGREEMENT.

The sale of our common stock to Dutchess Private Equities Fund, LP in accordance with the Investment Agreement may have a dilutive impact on our shareholders. As a result, our net income per share could decrease in future periods and the market price of our common stock could decline. In addition, the lower our stock price is at the time we exercise our put option, the more shares of our common stock we will have to issue to Dutchess Private Equities Fund, LP in order to drawdown on the Equity Line. If our stock price decreases, then our existing shareholders would experience greater dilution. At a stock price of $0.09 or less, we would have to issue approximately 116,300,000 shares registered under this prospectus in order to drawdown on the full Equity Line.

The perceived risk of dilution may cause our stockholders to sell their shares, which would contribute to a decline in the price of our common stock. Moreover, the perceived risk of dilution and the resulting downward pressure on our stock price could encourage investors to engage in short sales of our common stock. By increasing the number of shares offered for sale, material amounts of short selling could further contribute to progressive price declines in our common stock.

DUTCHESS PRIVATE EQUITIES FUND LP WILL PAY LESS THAN THE THEN-PREVAILING MARKET PRICE OF OUR COMMON STOCK WHICH COULD CAUSE THE PRICE OF OUR COMMON STOCK TO DECLINE.

Our common stock to be issued under the Investment Agreement will be purchased at a five percent (5%) discount to the lowest closing bid price during the five trading days immediately following our notice to Dutchess Private Equities Fund, LP of our election to exercise our "put" right. Since the amount of shares we issue is based upon a discount to the then prevailing market price, the lower our stock price is at the time we exercise our put option, the more shares of our common stock we will have to issue to them. To the extent that Dutchess Private Equities Fund as selling securityholder receives and then sells its common stock, the price of our common stock may decrease due to additional shares in the market. This could allow Dutchess Private Equities Fund to receive even greater amounts of our common stock, the sales of which could even further depress our stock price. Dutchess Private Equities Fund, LP has a financial incentive to sell our shares immediately upon receiving the shares to realize the profit between the discounted price and the market price. If Dutchess Private Equities Fund, LP sells our shares, the price of our common stock may decrease. If our stock price decreases, Dutchess Private Equities Fund, LP may have a further incentive to sell such shares. Accordingly, the discounted sales price in the Investment Agreement may cause the price of our common stock to decline.

OUR STOCK IS THINLY TRADED, AS A RESULT YOU MAY BE UNABLE TO SELL AT OR NEAR ASK PRICES OR AT ALL IF YOU NEED TO LIQUIDATE YOUR SHARES.

The shares of our common stock are thinly-traded on the OTC Bulletin Board, meaning that the number of persons interested in purchasing our common shares at or near ask prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that we are a small company which is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven, early stage company such as ours or purchase or recommend the purchase of our shares until such time as we became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give you any assurance that a broader or more active public trading market for our common shares will develop or be sustained, or that current trading levels will be sustained. Due to these conditions, we can give investors no assurance that they will be able to sell their shares at or near ask prices or at all if you need money or otherwise desire to liquidate their shares.

OUR COMMON STOCK COULD BE CONSIDERED A "PENNY STOCK."

Our common stock could be considered to be a "penny stock" if it meets one or more of the definitions in Rules 15g-2 through 15g-6 promulgated under Section 15(g) of the Securities Exchange Act of 1934, as amended. These include but are not limited to, the following: (i) the stock trades at a price less than $5.00 per share; (ii) it is not traded on a "recognized" national exchange; (iii) it is not quoted on The Nasdaq Stock Market, or even if quoted, has a price less than $5.00 per share; or (iv) is issued by a company with net tangible assets less than $2.0 million, if in business more than a continuous three years, or with average revenues of less than $6.0 million for the past three years. The principal result or effect of being designated a "penny stock" is that securities broker-dealers cannot recommend the stock but must trade it on an unsolicited basis.

BROKER-DEALER REQUIREMENTS MAY AFFECT TRADING AND LIQUIDITY.

Section 15(g) of the Securities Exchange Act of 1934, as amended, and Rule 15g-2 promulgated thereunder by the SEC require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor's account. Potential investors in our common stock are urged to obtain and read such disclosure carefully before purchasing any shares that are deemed to be "penny stocks." Moreover, Rule 15g-9 requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult for holders of our common stock to resell their shares to third parties or to otherwise dispose of them in the market or otherwise.

OUR COMMON STOCK MAY BE VOLATILE, WHICH SUBSTANTIALLY INCREASES THE RISK THAT YOU MAY NOT BE ABLE TO SELL YOUR SHARES AT OR ABOVE THE PRICE THAT YOU MAY PAY FOR THE SHARES.

Because of the limited trading market expected to develop for our common stock, and because of the possible price volatility, you may not be able to sell your shares of common stock when you desire to do so. The inability to sell your shares in a rapidly declining market may substantially increase your risk of loss because of such illiquidity and because the price for our common stock may suffer greater declines because of its price volatility.

The price of our common stock that will prevail in the market after this offering may be higher or lower than the price you may pay. Certain factors, some of which are beyond our control, that may cause our share price to fluctuate significantly include, but are not limited to, the following:

· variations in our quarterly operating results;
· loss of a key relationship or failure to complete significant transactions;
· additions or departures of key personnel; and
· fluctuations in stock market price and volume.

Additionally, in recent years the stock market in general, and the over-the-counter markets in particular, have experienced extreme price and volume fluctuations. In some cases, these fluctuations are unrelated or disproportionate to the operating performance of the underlying company. These market and industry factors may materially and adversely affect our stock price, regardless of our operating performance.
In the past, class action litigation often has been brought against companies following periods of volatility in the market price of those companies' common stock. If we become involved in this type of litigation in the future, it could result in substantial costs and diversion of management attention and resources, which could have a further negative effect on your investment in our stock.

MANY OF OUR SHARES OF COMMON STOCK WILL IN THE FUTURE BE AVAILABLE FOR RESALE. ANY SALES OF OUR COMMON STOCK, IF IN SIGNIFICANT AMOUNTS, ARE LIKELY TO DEPRESS THE MARKET PRICE OF OUR SHARES.

Assuming all of the 116,300,000 shares of common stock we are offering under this prospectus are sold in our offering, and all of the shares of common stock issued and issuable to the selling securityholder are sold, we would have 127,199,845 shares that are freely tradable without the requirement of registration under the Securities Act of 1933. 23,156,616 shares of our common stock are “restricted securities” as defined under Rule 144 of the Securities Act of 1933. Of these shares, approximately 53.4% of our shares are owned by our officers, directors or other “affiliates.” These individuals may only sell their shares, absent registration, in accordance with the provisions of Rule 144.

Restricted securities may only be publicly sold pursuant to registration under the Securities Act of 1933, or pursuant to Rule 144 or some other exemption that may be available from the registration requirements of the Securities Act of 1933. Rule 144 entitles each person holding restricted securities for a period of one year, and affiliates who own non-restricted shares of our common stock, to sell every three months in ordinary brokerage transactions an amount of shares which does not exceed the greater of 1% of the shares of our common stock outstanding or, assuming the shares of common stock are then traded on Nasdaq, the average weekly trading volume during the four calendar weeks prior to said sale. Any substantial sales pursuant to Rule 144, including the potential sale of our affiliates’ shares of our common stock, may have an adverse effect on the market price of shares of our common stock, and may hinder our ability to arrange subsequent equity or debt financing or affect the terms and time of such financing.

WE HAVE NOT PAID CASH DIVIDENDS AND MAY OR MAY NOT PAY CASH DIVIDEND IN THE FORESEEABLE FUTURE.

We have not paid any cash dividends on our common stock and do not intend to pay cash dividends in the foreseeable future. We intend to retain future earnings, if any, for reinvestment in the development and expansion of our business. Dividend payments in the future may also be limited by other loan agreements or covenants contained in other securities which we may issue. Any future determination to pay cash dividends will be at the discretion of our board of directors and depend on our financial condition, results of operations, capital and legal requirements and such other factors as our board of directors deems relevant.

OTHER RISK FACTORS

There are several risks and uncertainties, including those relating to the Company's ability to raise money and grow its business. These risks and uncertainties can materially affect the results predicted. Other risks include the Company's limited operating history, the limited financial resources, domestic or global economic conditions, activities of competitors and the presence of new or additional competition, and changes in Federal or State laws and conditions of equity markets.

The Company's future operating results over both the short and long term will be subject to annual and quarterly fluctuations due to several factors, some of which are outside the control of the Company. These factors include but are not limited to fluctuating market demand for our services, and general economic conditions.

Special Note Regarding Forward-Looking Statements

This prospectus contains “forward-looking statements” and information relating to our business that are based on our beliefs as well as assumptions made by us or based upon information currently available to us. When used in this prospectus, the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project”, “should” and similar ex are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements relating to our performance in “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation”. These statements reflect our current views and assumptions with respect to future events and are subject to risks and uncertainties. Actual and future results and trends could differ materially from those set forth in such statements due to various factors. Such factors include, among others: general economic and business conditions; industry capacity; industry trends; competition; changes in business strategy or development plans; project performance; the commercially viability of our products and offerings; availability, terms, and deployment of capital; and availability of qualified personnel. These forward-looking statements speak only as of the date of this prospectus. Subject at all times to relevant federal and state securities law disclosure requirements, we expressly disclaim any obligation or undertaking to disseminate any update or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the shares of our common stock by the selling securityholder. The proceeds received from any “Puts” tendered to Dutchess under the Equity Line of Credit will be used for payment of general corporate and operating purposes, includingcompleting exploration of the Twin Peaks Mine and the Chocolate Mountain Region claim, and payment of consulting and legal fees.

MARKET FOR OUR SHARES

Our Class A Common Stock generally trades on the OTC Bulletin Board system under the symbol "USCS.OB". As of December 23, 2003 the Company's shares are also traded on the Third Segment of the Berlin Stock Exchange under symbol UCP.BER, WKN number A0BLBB. Further, on May 16, 2006, the Company announced that it was informed by the Deutche Borse that its Class B Common Shares issued by the Company have been included in the Exchange trading within the Open Market (Freiverkehr). The Exchange trading (Quotation) of the Class B Common Shares started on May 11, 2006, under the Symbol "U9C" and the WKN# is A0JEQQ.

PERIOD		HIGH		LOW
Quarter ended December 31, 2003	$	0.55	$	0.23
Quarter ended March 30, 2004	$	0.50	$	0.31
Quarter ended June 30, 2004	$	0.63	$	0.34
Quarter ended September 30, 2004	$	0.44	$	0.25
Quarter ended December 31, 2004	$	0.26	$	0.11
Quarter ended March 30, 2005	$	0.20	$	0.09
Quarter ended June 30, 2005	$			