

Applied Minerals, Inc.  
Form 4  
October 25, 2011

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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)  
10/21/2011

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. N of In Ben (Instr. 4)
Common Stock	10/21/2011		C(1)(2)(3)(4)(5)(6)(7)(8)(12)	V Amount (A) or (D) Price	1,103,354 A \$ 1 22,339,053 I	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>(3)</u> <u>(4)</u> <u>(5)</u>	\$ 1	10/21/2011		<u>C(1)(2)(3)(4)(5)(8)(9)</u>	2 <u>(1)</u> <u>(2)</u>	<u>(1)(2)(3)(4)(5)</u>	<u>(1)(2)(3)(4)(5)</u>	Co S
10% PIK-Election Convertible Notes <u>(1)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(6)</u>	\$ 1	10/21/2011		<u>C(1)(3)(4)(5)(6)(8)(10)</u>	2 <u>(1)</u> <u>(6)</u>	<u>(1)(3)(4)(5)(6)</u>	<u>(1)(3)(4)(5)(6)</u>	Co S
10% PIK-Election Convertible Notes <u>(1)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> <u>(7)</u>	\$ 1	10/21/2011		<u>C(1)(3)(4)(5)(7)(8)(11)</u>	2 <u>(1)</u> <u>(7)</u>	<u>(1)(3)(4)(5)(7)</u>	<u>(1)(3)(4)(5)(7)</u>	Co S

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
IBS CAPITAL LLC ONE INTERNATIONAL PLACE SUITE 2401 BOSTON, MA 02110	X	X		
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 10/25/2011  
\*\*Signature of Reporting Person Date

IBS TURNAROUND FUND (QP) (A LTD PARTNERSHIP) By IBS Capital LLC, Its  
 General Partner, David A. Taft, Manager 10/25/2011  
\*\*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 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. As previously reported by the reporting persons on the Form 4 filed with the SEC on October 25, 2010, the 1,000,000 Shares into which amounts payable were convertible under the October 2010 \$1.00 Primary Notes included: (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.

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

(4) 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").

(5) 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 of the number of Shares into which the outstanding amount under a Note is convertible or (b) the Shares are resalable under Rule 144.

(6) 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 were convertible under the December-October 2010 \$1.00 Interest Notes included: (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.

(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 were convertible under the June 2011-October 2010 \$1.00 Interest Notes included: (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) On October 21, 2010, the issuer issued an aggregate 1,103,354 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 Notes as follows: (i) 717,180 Shares were issued to the QP Fund upon the conversion of the outstanding amounts payable under the Notes that were issued to the QP Fund; and (ii) 386,174 Shares were issued to the LP Fund upon the conversion of the outstanding amounts payable under the Notes that were issued to the LP Fund. The number of Shares issued upon the conversion of the outstanding amount payable under each Note are further described in footnotes

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9 through 12, below.

- As of October 21, 2011, the outstanding amount payable under the October 2010 \$1.00 Primary Note that was issued to the QP Fund was \$674,252 and the outstanding amount payable under the October 2010 \$1.00 Primary Note that was issued to LP Fund was \$363,060. On October 21, 2011, the issuer issued an aggregate 1,037,312 Shares upon the conversion at the Conversion Price of the
- (9) entire outstanding amounts payable under the October 2010 \$1.00 Primary Notes as follows: (i) 674,252 Shares to the QP Fund upon the conversion of the outstanding amount of \$674,252 due under the October 2010 \$1.00 Primary Note that was issued to the QP Fund; and (ii) 363,060 Shares to the LP Fund upon the conversion of the outstanding amount of \$363,060 due under the October 2010 \$1.00 Primary Note that was issued to the LP Fund.
- On October 21, 2011, the issuer issued an aggregate 15,278 Shares upon the conversion at the Conversion Price of the entire outstanding amounts payable under the December-October 2010 \$1.00 Interest Notes as follows: (i) 9,931 Shares to the QP Fund upon the
- (10) conversion of the outstanding amount of \$9,931 due under the December-October 2010 \$1.00 Interest Note that was issued to the QP Fund; and (ii) 5,347 Shares to the LP Fund upon the conversion of the outstanding amount of \$5,347 due under December-October 2010 \$1.00 Interest Note that was issued to the LP Fund.
- On October 21, 2011, the issuer issued an aggregate 50,764 Shares upon conversion at the Conversion Price of the entire outstanding amounts payable under the June 2011-October 2010 \$1.00 Interest Notes as follows: (i) 32,997 Shares to the QP Fund upon the
- (11) conversion of the outstanding amount of \$32,997 due under the June 2011-October 2010 \$1.00 Interest Note that was issued to the QP Fund; and (ii) 17,767 Shares to the LP Fund upon the conversion of the outstanding amount of \$17,767 due under the June 2011-October 2010 \$1.00 Interest Note that was issued to the LP Fund.
- After the completion of the October 21, 2011 conversions of the outstanding amounts payable under the Notes, IBS Capital indirectly beneficially owned 22,339,053 Shares, which consisted of: (i) 12,484,747 Shares directly beneficially owned by the QP Fund; (ii)
- (12) 5,692,712 Shares directly beneficially owned by the LP Fund; and (iii) 4,161,594 Shares directly beneficially owned by the Opportunity Fund.
- (13) 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.

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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