

Applied Minerals, Inc.  
Form 4  
May 19, 2010

**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)  
05/17/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	05/18/2010		S <sup>(2)</sup>	280,000 D \$ 0.83	16,584,837 (1) (2)	I	See Notes 1 and 2. (1) (2)
Common Stock	05/18/2010		A <sup>(2)</sup>	280,000 A \$ 0.83	16,584,837 (1) (2)	I	See Notes 1 and 2. (1) (2)

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 and Amount of Underlying Securities (Instr. 3 and 4)	8. F...	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
10% PIK-Election Convertible Notes <sup>(3)</sup>	\$ 1 <sup>(4)</sup> <sup>(5)</sup>	05/17/2010		P	<u>2</u> <u>(3)</u>	<u>(4)</u> <u>(5)</u>	<u>(4)</u> <u>(5)</u>	Common Stock	500,000 <u>(1)</u> <u>(3)</u>

## 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 05/19/2010  
\_\_Signature of Reporting Person Date

IBS TURNAROUND FUND (QP) (A LTD PARTNERSHIP) By IBS Capital LLC, Its General Partner, David A. Taft, Manager 05/19/2010  
\_\_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).
- IBS Capital LLC ("IBS Capital") is the general partner of The IBS Turnaround (QP) Fund (A Limited Partnership) ("QP Fund") and The (1) 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)

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On May 18, 2010, the QP Fund sold 190,000 shares to the Opportunity Fund and the LP Fund sold 90,000 shares to the Opportunity Fund. After completion of these transactions, (i) the QP Fund holds 9,240,082 shares; (ii) The LP Fund holds 4,267,480 shares; and (iii) the Opportunity Fund holds 3,077,275 shares. The transactions reported in Table II do not affect the number of shares beneficially owned by the reporting persons.

- 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 (collectively, the "Notes," each a "Note") on substantially the same terms and conditions. The 500,000 shares of Common Stock into
- (3) which outstanding amounts are convertible under the Notes include: (i) 260,000 shares into which amounts payable under a Note by the issuer to the QP Fund are convertible and (ii) 240,000 shares into which amounts payable under a Note by the issuer to the LP Fund are convertible.

- The Notes have a maturity date of December 15, 2018. At the noteholder's option, amounts outstanding under a Note may be converted
- (4) 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").

- 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)
- (5) 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 of Common Stock into which the outstanding amount under a Note is convertible or (b) the shares are resalable under Rule 144.

- (6) The principal amount of the Note issued to the QP Fund was \$260,000 and the principal amount of the Note issued to LP Fund was \$240,000.

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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