UNITED STATES OF AMERICA

BEFORE THE SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 99611 / February 27, 2024

ADMINISTRATIVE PROCEEDING

File No. 3-21864

In the Matter of

APPLIED MINERALS, INC.

Respondent.

RESPONDENT APPLIED MINERALS INC.'S RESPONSE TO ORDER TO SHOW CAUSE

Respondent APPLIED MINERALS, INC. ("Respondent"), files this Response to the Order to Show Cause issued by the Securities and Exchange Commission (the "Commission") on April 18, 2024.

RESPONDENT'S DELAYED RESPONSE TO THE ORDER INITIATING PROCEEDINGS WAS THE RESULT OF MISTAKE, INADVERTENCE, AND EXCUSABLE NEGLECT.

Respondent has at all times subsequent to being served by the Petitioner, intended to respond to the initiation of proceedings. Upon receiving the initial order in February of 2024, Respondent obtained counsel and began communicating with the Petitioner. Respondent's counsel requested a ten (10) day extension of time to respond, which Petitioner agreed to on April 4, 2024.

During the course of these events, counsel for the Respondent encountered miscommunication within the firm regarding the deadline for a response. The failure to respond within the ten (10) day extension was entirely due to mistake, inadvertence, or excusable neglect, and was not done in bad faith. There has been no motion for entry of default (other than Petitioner's current motion to show good cause), no entry of clerk's default, and no order or judgment of default. There is no indication that the Petitioner has been prejudiced by Respondent's delay in filing the Answer.

Furthermore, 17 C.F.R. § 201.155 states that the Commission may set aside a default for good cause shown. Courts have also found that inadvertent calendaring mistakes, which they may be negligent, constitute "good cause" under Federal Rules 6(b) ad 60(b) to entitle relief for late filings. Pincay v. Andrews, 389 F.3d 853, 854-855 (9th Cir. 2004). Here, the matter has not yet progressed to a default judgment and good cause has been shown for why the Answer is untimely.

There is no reason to enter a default judgment against Respondent for its untimely filing of its Answer. See Newgen, LLC v. Safe Cig. LLC, 840 F. 3d 606, 616 (9th Cir. 2016) (observing that it is "the general rule that default judgments are ordinarily disfavored"). Bateman v. Postal Service, 231 F.3d 1220, 1225 (9th Cir. 2000) (holding that a late filing was excusable neglect, when an attorney "showed a lack of regard for his client's interests and the court's docket. But there is no evidence that he acted with anything less than good faith"). Respondent reiterates that its failure to file a timely Answer was not done in bad faith and has attached its proposed Answer herein as "Exhibit 1."

Exhibit 1

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APPLIED MINERALS, INC.

Respondent.

RESPONDENT'S ANSWER TO PETITIONER'S ORDER MAKING FINDINGS AND REVOKING REGISTRATION OF SECURITIES PURSUANT TO SECTION 12(j) OF THE SECURITIES EXCHANGE ACT OF 1934

Respondent, pursuant to 17 C.F.R. § 201.220, files its Answer to Petitioner's Order Making Findings and Revoking Registration of Securities Pursuant to Section 12(j) of the Securities Exchange Act of 1934, and states as follows:

1. Respondent admits the allegations of Petitioner in paragraph one (1).
2. Respondent admits the allegations of Petitioner in paragraph two (2).

AFFIRMATIVE DEFENSES

Respondent, pursuant to 17 C.F.R. § 201.220(c), states the following affirmative defenses:

First Defense

OS Received 05/02/2024

Respondent is not currently a shell company, as defined by Rule 405 of the Securities Act of 1933 and the Securities Exchange Act of 1934 as amended. Respondent has real assets and operations, as attested to in the declaration attached hereto as "Exhibit A."

Second Defense

Respondent is in the process of completing its current filings and is raising funds to ensure ongoing compliance. Please see attached "Exhibit A." Respondent has financials completed through fiscal year 2023 and is in the process of obtaining an official audit. Respondent is likely to have financials complete through the first quarter of 2024 within the next month. Respondent is diligently working to reduce the existing debt burden from over fifty million dollars ($50,000,000) in past due debt, to less than two million seven hundred thousand dollars ($2,700,00) that will be scheduled out over the next two (2) years. Respondent has implemented a turn-around and capitalization plan with the goal of allowing the company to be cashflow positive within the next year.

Third Defense

As an expert markets company, no trading would be allowed until the Respondent complies with Rule 15c211, and therefore shareholders are protected from any harm in trading due to lack of current information until Respondent is fully current. Additionally, Respondent's stock is very lightly traded, with fewer than 500,000 cumulative shares estimated as being traded in the last ninety (90) days. Please see attached "Exhibit A."

OS Received 05/02/2024

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing instrument was served on all counsel of record via email on May 2, 2024 as follows:

Samantha Williams (202) 551-4061
Gina M. Joyce (202) 551-4850
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-5010
williamssam@sec.gov
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COUNSEL FOR
DIVISION OF ENFORCEMENT

Respectfully submitted,

SMITH EILERS, PLLC
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By: */s/* William Eilers
William Eilers, ESQUIRE

Exhibit A

UNITED STATES OF AMERICA

BEFORE THE SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

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APPLIED MINERALS, INC.

Respondent.

DECLARATION OF RESPONDENT'S CEO, CHRISTOPHER T. CARNEY

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1. My name is Christopher T. Carney, I am over 18 years of age, and I am competent to testify as to the matters set forth in this Declaration. I am the Chief Executive Officer of Applied Minerals, Inc. ("Applied Minerals"). The statements made by me in this Declaration are based upon my personal knowledge and are all true and correct.

2. Applied Minerals is not a shell company, as defined by Rule 405 of the Securities Act of 1933 and the Securities Exchange Act of 1934 as amended. The business operations of Applied Minerals are built around its wholly-owned halloysite clay asset located in Eureka, UT. ..

3. Applied Minerals has completed its financial reports for its fiscal years ended December 31, 2022 and 2023 and is in discussions with a public accounting firm to audit its results for 2022 and 2023.

4. Applied Minerals is likely to complete its financial report for the first quarter of 2024 by the end of May, 2024.

5. Applied Minerals expects to become current with all its delinquent filings in the very near future.

6. Applied Minerals has presented a recapitalization plan to certain of its creditors that will reduce its funded debt from approximately $50 million to approximately $2.7 million, which will have a maturities scheduled over the next two years. The recapitalization plan will avoid the filing of a Chapter 11 and preserve some value for current shareholders of Applied Minerals. The Company's key creditors and shareholders have overwhelmingly approved the plan.

7. In additional to the recapitalization plan, Applied Minerals has implemented an operational turnaround and capital raising plan that will bridge the Company to positive cash flow within the next 12 months.

8. Applied Minerals stock is thinly lightly traded, with fewer than 500,000 shares cumulatively traded in the last ninety (90) days.

9. The turnaround plan implemented by Applied Minerals will put the Company in a much stronger financial position and allow it to avoid any future delinquencies in its filing requirements.

OS Received 05/02/2024

FURTHER AFFIANT SAITH NAUGHT.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 2**, 2024.**

Christopher T. Carney

By: [redacted]

Christopher T. Carney
CEO
Applied Minerals, Inc.