

Applied Minerals, Inc.
Form DEF 14A
April 23, 2010

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant X

Filed by a Party other than the
Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))

X Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

APPLIED MINERALS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

X No fee required

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Notes:

APPLIED MINERALS, INC.
110 Greene Street - Suite 1101
New York, NY 10012

Dear Stockholder:

We cordially invite you to attend the 2010 Annual Meeting of Shareholders to be held on Thursday, June 10, 2010, at 3:00 p.m., Eastern Time Zone. The meeting will be conducted at www.virtualshareholdermeeting.com/AMNL.

The official Notice of Meeting, Proxy Statement, and the Form of Proxy are enclosed with this letter. The matters listed in the Notice of Meeting are described in the attached Proxy Statement.

The Board of Directors welcomes and appreciates the interest of all our shareholders in the Company's affairs, and encourages shareholders to vote at this Annual Meeting. We hope you will attend the meeting, but whether or not you expect to attend the meeting, please vote your shares, either by signing, dating and promptly returning the proxy card in the accompanying postage paid envelope, or on the Internet using the instructions printed on the proxy card. This will assure that your shares are represented at the meeting. Even though you execute this proxy or the Internet, you may revoke your proxy at any time before it is exercised by giving written notice of revocation to the Secretary of the Company, by executing and delivering a later dated proxy (either in writing or via the Internet) or by voting at the meeting. If you attend the meeting, you will be able to vote if you wish to do so, even if you have previously returned your proxy card, or voted through www.proxyvote.com.

Your vote is important to us and we appreciate your prompt attention to this matter.

Sincerely,

Andre Zeitoun
President and Chief Executive Officer

APPLIED MINERALS, INC.
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
JUNE 10, 2010

Important Notice regarding the Availability of Proxy Materials
for the Stockholder Meeting to be Held on June 10, 2010

The Proxy Statement and Annual Report to Stockholders are available at
www.proxyvote.com

To the Shareholders of Applied Minerals, Inc.:

NOTICE IS HEREBY GIVEN that the 2010 Annual Meeting of Shareholders of Applied Minerals, Inc. (the "Company"), a Delaware corporation, will be held at www.virtualshareholdermeeting.com/AMNL on June 10, 2010 at 3:00 p.m., Eastern Time Zone, for the following purposes as described in the attached Proxy Statement:

1. To elect four directors to hold office for terms ending at the 2011 Meeting of Shareholders, or until such shareholder's respective successors are elected and qualified.
2. To ratify PMB Helin Donovan LLP as the Company's independent registered public accounting firm
3. To transact such other business as may properly come before such meeting or any adjournment thereof.

Pursuant to the Bylaws, the Board of Directors has fixed the close of business on April 19, 2010 as the record date for determination of shareholders of the Company entitled to receive notice of and to vote at the Annual Meeting.

So far as management of the Company is aware, no business will properly come before the Annual Meeting other than the matters set forth above.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 10, 2010: The Notice of Annual Meeting of Shareholders, the Proxy Statement and Annual Report on Form 10-K for the year ended December 31, 2009, which serves as the Annual Report to Shareholders is available at www.proxyvote.com

By Order of the Board of Directors

Andre Zeitoun
President and Chief Executive Officer

New York, New York
April 23, 2010

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APPLIED MINERALS, INC.
110 Greene Street – Suite 1101
New York, NY 10012

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD JUNE 10, 2010

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Applied Minerals, Inc. (the “Company,” “Applied Minerals,” “we,” “us” or “our”) of proxies to be used at the Annual Meeting of Shareholders to be held on June 10, 2010. This Proxy Statement and accompanying forms of proxy, together with the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2009, which serves as our Annual Report to Shareholders, is first being sent or given to shareholders on April 23, 2010.

Important Notice Regarding the Availability of Proxy Materials

This year we are using the “Notice and Access” system recently adopted by the Securities and Exchange Commission relating to the delivery of proxy materials over the Internet. As a result, we mailed you a notice about the Internet availability of the proxy materials instead of paper copies. Shareholders will have the ability to access the proxy materials over the Internet and to request a paper copy of the materials by mail or by e-mail. We believe that the notice and access rules will allow us to use Internet technology that many shareholders prefer, assure more prompt delivery of the proxy materials, lower our cost of printing and delivering the proxy materials, and minimize the environmental impact of printing paper copies.

You may access our Proxy Statement and Annual Report to Shareholders on Form 10-K and vote at www.proxyvote.com. To access www.proxyvote.com, you must have your control number set forth in the Notice.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Why did I receive these proxy materials?

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Applied Minerals, Inc., a Delaware corporation, of proxies to be voted at our 2010 Annual Meeting of Shareholders and at any adjournment or postponement.

You are invited to attend the Annual Meeting of Shareholders. It takes place on June 10, 2010, beginning at 3:00 p.m., Eastern Time Zone, at www.virtualshareholdermeeting.com/AMNL.

This Notice of Annual Meeting and Proxy Statement and form of proxy and voting instructions are being sent or delivered to shareholders starting April 23, 2010.

Who is entitled to vote at the Annual Meeting?

Holders of our Common Stock at the close of business on April 19, 2010 are entitled to receive notice of the meeting and to vote such shareholder's shares at the Annual Meeting. As of April 19, 2010, there were 67,084,579 shares of common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter properly brought before the Meeting.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

If your shares are registered directly in your name with our transfer agent, Standard Registrar & Transfer (Draper, UT), you are the "shareholder of record" of those shares. This Notice of Annual Meeting and Proxy Statement and accompanying documents have been provided directly to you by us.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the "beneficial owner" of those shares. This Notice of Meeting and Proxy Statement and the accompanying documents have been forwarded to you by your broker, bank or other holder of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record how to vote your shares by using the voting instruction card or by following such shareholder's instructions for voting via the Internet.

What is "Notice and Access"?

"Notice and Access" generally refers to rules of the Securities and Exchange Commission governing how companies must provide proxy materials. Under the notice and access model, a company may select either of the following two options for making proxy materials available to stockholders:

- the full set delivery option; or
- the notice only option.

A company may use a single method for all its stockholders, or use full set delivery for some while adopting the notice only option for others.

What is the Full Set Delivery Option?

Under the full set delivery option, a company delivers all proxy materials to its stockholders. This delivery can be by mail or, if a stockholder has previously agreed, by e-mail. In addition to delivering proxy materials to stockholders, the Company must also post all proxy materials on a publicly accessible website and provide information to stockholders about how to access that website. In connection with its 2010 Annual Meeting of Stockholders, the Company has not elected to use the full set delivery option.

What is the Notice Only Option?

Under the notice only option, a company must post all its proxy materials on a publicly accessible website. However, instead of delivering its proxy materials to stockholders, the Company instead delivers a “Notice of Internet Availability of Proxy Materials.” The notice includes, among other matters:

- information regarding the date and time of the meeting of stockholders as well as the items to be considered at the meeting;
 - information regarding the website where the proxy materials are posted; and
 - various means by which a stockholder can request paper or e-mail copies of the proxy materials.

If a stockholder requests paper copies of the proxy materials, these materials must be sent to the stockholder within three business days. Additionally, paper copies must be sent via first class mail.

The Company has elected to use the Notice Only Option in connection with its 2010 Annual Meeting of Stockholders.

How do I vote?

You may vote using any of the following methods:

- By Mail:

If you are a shareholder of record, be sure to complete, sign and date the proxy card or voting instruction card and return it to:

Applied Minerals, Inc.
110 Greene St – Suite 1101
New York, NY 10012

If you are a shareholder of record and you return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote the shares represented by that proxy as recommended by the Board of Directors.

- Via The Internet Prior to the Annual Meeting:

The Internet voting procedures established by us for shareholders of record are designed to authenticate your identity, to allow you to give your voting instructions and to confirm that those instructions have been properly recorded.

The website for Internet voting prior to the meeting is www.proxyvote.com. Please have your proxy card handy when you go online. You will be able to confirm that your instructions have been properly recorded. If you vote on the Internet, you also can request electronic delivery of future proxy materials.

Internet voting facilities for shareholders of record, who wish to vote prior to the meeting, will be available 24 hours a day, and will close at 11:59 p.m., Eastern Time Zone, on June 9, 2010.

The availability of Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. Therefore, if you are a beneficial owner, we recommend that you follow the voting instructions in the materials you receive.

If you vote on the Internet, you do not have to return your proxy card or voting instruction card.

- During the Annual Meeting:

All shareholders may vote in person at the Annual Meeting at virtualshareholdermeeting.com/AMNL.

What can I do if I change my mind after I vote my shares?

If you are a shareholder of record, you can revoke your proxy before it is exercised by:

- written notice to the President of the Company;
- timely delivery of a valid, later dated proxy or a later dated vote by telephone or on the Internet; or
 - voting by ballot at the Annual Meeting.

All proxies that have been properly completed and delivered and not revoked will be voted at the Annual Meeting.

Is there a list of shareholders entitled to vote at the Annual Meeting?

The names of shareholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Meeting for any purpose germane to the meeting by contacting the President of the Company between the hours of 9:00 a.m. and 4:30 p.m., Eastern Time Zone, at our principal executive offices located at 110 Greene Street, Suite 1101, New York, New York 10012.

What are the voting requirements to elect the Directors and to approve each of the proposals discussed in this Proxy Statement?

Proposal	Vote Required	Discretionary Voting Allowed?
Election of Directors	Plurality	Yes
Ratification of PMB Helin Donovan LLP as our independent registered public accounting firm	Majority of votes cast*	No

* the term "votes cast" include votes "for" and "against," but does not include ballots marked "abstain" and does not include broker non-votes

The presence of the holders of a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting, personally or represented by proxy, is necessary to constitute a quorum. Abstentions and "broker non votes" are counted as present and entitled to vote for purposes of determining a quorum. A "broker non vote" occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power under New York Stock Exchange ("NYSE") rules governing discretionary voting by NYSE members for that particular item and has not received instructions from the beneficial owner.

If you are a beneficial owner, your bank, broker or other holder of record is permitted under NYSE rules to vote your shares on the ratification of PMB Helin Donovan as the Company's independent, registered public accounting firm, even if the record holder does not receive voting instructions from you. The record holder may not vote on the other matters being submitted for a shareholder vote without instructions from you. Without your voting instructions on these matters, a broker non-vote will occur.

Could other matters be decided at the Annual Meeting?

At the date this Proxy Statement went to press, we did not know of any matters to be raised at the Annual Meeting other than those referred to in this Proxy Statement.

If you have returned your signed and completed proxy card and other matters are properly presented at the Annual Meeting for consideration, the Proxy Committee appointed by the Board of Directors (the persons named in your proxy card if you are a shareholder of record) will have the discretion to vote on those matters for you.

Who will pay for the cost of this proxy solicitation?

We will pay the cost of soliciting proxies. Proxies may be solicited on our behalf by Directors, officers or employees in person or by telephone, electronic transmission and facsimile transmission.

Who will count the votes?

A Company employee will tabulate the votes and act as inspector of election.

BOARD OF DIRECTOR ISSUES

The Nomination Process

The Board of Directors has not created a separate Nomination Committee or a Charter for such a committee. Rather, the Board as a whole performs such functions and each director is eligible to participate and has participated in the nomination process.

The general criteria that our Board uses to select nominees include the following: individuals reputation for integrity, honesty and adherence to high ethical standards; such person's demonstrated business acumen, experience and ability to exercise sound judgment in matters that relate to the current and long-term objectives of the Company; such shareholder's willingness and ability to contribute positively to the decision making process of the Company; such person's commitment to understand the Company and its industry and to regularly attend and participate in meetings of the Board and its committees; such person's interest and ability to understand the sometimes conflicting interests of the various constituencies of the Company, which include stockholders, employees, customers, creditors and the general public; such person's ability to act in the interests of all stakeholders; and no nominee should have, or appear to have, a conflict of interest that would impair the nominee's ability to represent the interests of all of the Company's stockholders and to fulfill the responsibilities of a director. There are, however, no specific minimum qualifications that nominees must have in order to be selected.

The Board will consider director candidates recommended by our stockholders. In evaluating candidates recommended by our stockholders, the Board of Directors applies the same criteria discussed above. Any stockholder recommendations for director nominees proposed for consideration by the Board should include the nominees' name and qualifications for Board membership and should be addressed in writing to the President, Applied Minerals, Inc., 110 Greene St., Suite 1101, New York, New York 10012. There have been no changes in the procedures by which shareholders may recommend candidates for director.

The Board has no set process for identifying and evaluating nominees for director, including shareholder nominees.

John Levy was originally recommended for election as directors by Mr. Taft, a beneficial shareholder. Mr. Taft was recommended by Levy and, former director, Weiss. Evan Stone was recommended by Mr. Zeitoun, a director and CEO. Mr. Zeitoun was elected a director pursuant to the terms of the Management Agreement with Material Advisors LLC ("Material Advisors").

Meetings and Meeting Attendance

During the year ended December 31, 2009, there were 16 meetings of the Board of Directors. Each of the incumbent directors who were on the Board of Directors during 2009 attended at least 75% of the total number of meetings of the Board of Directors.

Members of the Board are expected to attend annual shareholder meetings, including the upcoming shareholder meeting. The meeting will be the first shareholder meeting since the company became a public company.

Committees

We do not have nominating, auditing or compensation committees and there were no procedures by which shareholders might recommend nominees to the Board of Directors. Rather, the Board of Directors, as a whole, performs the functions which would otherwise be performed by the audit, compensation and nominating committees. Our board views the addition of standing audit, compensation and nominating committees as an unnecessary additional expense and process to the Company given its stage of development.

Director Independence

The only directors deemed to be independent under the independence standards of NASDAQ are Messrs. Levy and Stone. They are also independent under the enhanced independence standards of Section 10A-3 of the Securities Exchange Act. Messrs. Zeitoun and Taft are not independent under the NASDAQ standards of independence. Mr. Zeitoun is an employee. Mr. Taft is not independent because of the size of his security holdings.

Audit Committee Financial Expert

The Board of Directors has determined that Mr. Levy is an audit committee financial expert as this term is defined in the rules of the Securities and Exchange Commission and is independent under the independence standards of NASDAQ and the enhanced independence standards of Section 10A-3 of the Securities Exchange Act.

Audit Committee Report

The Board of Directors has not created a separate audit committee or a charter for such a committee. The Board of Directors acts as an audit committee. The Board believes that a separate audit committee is not needed in light of the size of the Company and the involvement of the Board of Directors in Company operations.

In the discharge of its responsibilities, the Board of Directors has reviewed and discussed with management and the independent auditors the Company's audited financial statements for fiscal year 2009. In addition,

- A. The audit committee has reviewed and discussed the audited financial statements with management;
- B. The audit committee has discussed with the independent auditors the matters required to be discussed by the statement on Auditing Standards No. 61, as amended;
- C. The audit committee