USCORP
Form 10QSB
August 10, 2007

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

FORM 10-QSB

x Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2007

or

o Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from __________ to ____________

Commission File Number 000-19061

USCORP
(Exact name of registrant as specified in its charter)

Nevada	87-0403330
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4535 W. SAHARA AVE., SUITE 204
Las Vegas, NV 89102
(Address of principal executive offices)

(702) 933-4034
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES x NO o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934) YES o NO x

As of August 1, 2007, the Registrant had 33,856,462 shares of Common Stock, par value $.01 per share, and 5,000,000 shares of Class B Common Stock, par value $.001 outstanding.

USCORP

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PART I. FINANCIAL INFORMATION

DONAHUE ASSOCIATES, LLC
Certified Public Accountants
27 Beach Road Suite CO5A
Monmouth Beach, NJ 07750
Tel. 732-229-7723

July 31, 2007

The Shareholders
USCorp

We have compiled the accompanying financial statements of USCorp for the nine months ending June 30, 2007 and June 30, 2006. These financial statements have been prepared in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statement information that is the representation of management. Our compilation is in accordance with reviewing standards generally accepted by the Public Company Accounting Oversight Board in the United States of America. We have not audited or reviewed any of the projections, assumptions, or estimates used in compiling the projected financial statements and, accordingly, do not express an opinion or any form of assurance on them.

Donahue Associates LLC
Monmouth Beach, NJ
July 31, 2007

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USCorp
(an Exploration Stage Company)
Balance Sheet
As of June 30, 2007 and September 30, 2006

		Unaudited 30-Jun-07		30-Sep-06
ASSETS				
Current assets:				
Cash	$	412,558	$	83,573
Total current assets		412,558		83,573
Other assets:				
Equipment- net		6,411		8,240
Total assets	$	418,969	$	91,813
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable & accrued expenses	$	9,201	$	78,317
Note payable- shareholder (Gold bullion loan)		1,062,917	$	0
Total current liabilities		1,072,118		78,317
Note payable- shareholder (Gold bullion loan)	$	0		979,175
Debenture payable		543,691		0
Advances payable shareholders		56,282		0
Shareholders' equity:				
Series A preferred stock, one share convertible to eight shares of common; 10% stated dividend, stated value $0.50, 10,000,000 shares authorized, no shares outstanding		0		0
Series B preferred stock, one share convertible to two shares of common; 10% cumulative stated dividend, stated value $0.50, 50,000,000 shares authorized, 155,000 shares outstanding		70,165		70,165
Common stock A- $.01 par value, authorized 550,000,000 shares, issued and outstanding, 33,806,462 shares at September 30, 2006 and 33,856,462 at June 30, 2007		338,564		338,064
Common stock B- $.001 par value, authorized 250,000,000 shares, issued and outstanding, 5,000,000 shares at September 30, 2006 and 5,000,000 at June 30, 2007		5,000		5,000
Additional paid in capital		7,257,999		7,181,433
Accumulated deficit		(8,924,850)		(8,560,341)
Total shareholders' equity		(1,323,287)		(1,035,844)
Total Liabilities & Shareholders' Equity	$	418,969	$	91,813

See the notes to the financial statements.

USCorp
(an Exploration Stage Company)
Statements of Operations
For the Nine Months and Three Months Ended June 30, 2007 and June 30, 2006
and from Inception, May 1989 through June 30, 2007

	9 Months Unaudited 30-Jun-07	9 Months Unaudited 30-Jun-06	3 Months Unaudited 30-Jun-07	3 Months Unaudited 30-Jun-06	Inception to Date
General and administrative expenses:					
Consulting	$ 50,148	$ 142,470	$ 50,148	$ 6,241	$ 3,302,015
Administration	193,696	223,622	56,398	86,688	3,918,010
License expense	2,500	590	0	0	163,059
Professional fees	18,666	32,204	17,666	17,870	463,115
Total general & administrative expenses	265,010	398,886	124,212	110,799	7,846,199
Net loss from operations	(265,010)	(398,886)	(124,212)	(110,799)	(7,846,199)
Other income (expenses):					
Interest expense	(58,547)	(47,354)	(20,023)	(15,715)	(139,248)
Loss on unhedged underlying	(40,952)	(155,618)	(9,920)	(45,018)	(326,784)
(Loss) gain on mining claim	0	0	0	0	(600,000)
Net loss before provision for income taxes	(364,509)	(601,858)	(154,155)	(171,532)	(8,912,231)
Provision for income taxes	0	0	0	0	0
Net loss before extraordinary item	(364,509)	(601,858)	(154,155)	(171,532)	(8,912,231)
Extraordinary item:					
Loss on early extinguishment of debt (net of tax)	0	0	0	0	(12,619)
Net loss	$ (364,509)	$ (601,858)	$ (154,155)	$ (171,532)	$ (8,924,850)
Basic & fully diluted net loss per common share	$ (0.01)	$ (0.02)	$ (0.00)	$ 0.00	
Weighted average of common shares outstanding:					
Basic & fully diluted	38,840,102	38,813,281	38,856,461	38,904,776	

See the notes to the financial statements.

USCorp
(an Exploration Stage Company)
Statements of Cash Flows
For the Nine Months Ended June 30, 2007 and June 30, 2006
and from Inception, May 1989 through June 30, 2007

	Unaudited 30-Jun-07	Unaudited 30-Jun-06	Inception to Date
Operating Activities:			
Net loss	$ (364,509)	$ (601,858)	$ (8,924,850)
Adjustments to reconcile net income items not requiring the use of cash:			
Loss on sale of mining claim	0	0	600,000
Consulting fees	5,000	79,650	1,917,520
Depreciation expense	3,494	1,626	9,503
Interest expense	42,790	39,747	139,248
Amortization of beneficial conversion feature	15,757	0	15,757
Impairment expense	0	0	2,449,466
Loss on early extinguishment of debt (net of tax)	0	0	12,619
Loss on unhedged underlying	40,952	155,618	326,784
Changes in other operating assets and liabilities :			
Accounts payable and accrued expenses	(69,116)	4,564	9,201
Net cash used by operations	(325,632)	(320,653)	(3,444,752)
Investing activities:			
Purchase of office equipment	(1,665)	(1,004)	(15,914)
Net cash used by investing activities	(1,665)	(1,004)	(15,914)
Financing activities:			
Issuance of common stock	0	0	2,151,768
Issuance of preferred stock	0	0	70,165
Issuance of gold bullion note	0	0	638,266
Issuance of convertible notes	600,000	0	600,000
Advances received (paid) shareholder	56,282	(135,606)	56,282
Capital contributed by shareholders	0	0	356,743
Net cash provided by financing activities	656,282	(135,606)	3,873,224
Net increase (decrease) in cash during the fiscal year	328,985	(457,263)	412,558
Cash balance at beginning of the fiscal year	83,573	627,372	0
Cash balance at June 30th	$ 412,558	$ 170,109	$ 412,558
Supplemental disclosures of cash flow information:			
Interest paid during the fiscal year	$ 0	$ 0	$ 0
Income taxes paid during the fiscal year	$ 0	$ 0	$ 0

See the notes to the financial statements.

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USCorp
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception, May 1989 to June 30, 2007

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total	Stock Price *
Inception	0	$ 0	$ 0	$ 0	$ 0	
Issuance of common stock	84,688	847	1,185,153		1,186,000	$ 0.07
Net income fiscal 1990				520,000	520,000	
Balance at September 30, 1990-unaudited	84,688	847	1,185,153	520,000	1,706,000	
Net income fiscal 1991				1,108,000	1,108,000	
Balance at September 30, 1991-unaudited	84,688	847	1,185,153	1,628,000	2,814,000	
Issuance of common stock	472	5	32,411		32,416	$ 0.22
Net income fiscal 1992				466,000	466,000	
Balance at September 30, 1992-unaudited	85,160	852	1,217,564	2,094,000	3,312,416	
Net loss fiscal 1993				(3,116,767)	(3,116,767)	
Balance at September 30, 1993-unaudited	85,160	852	1,217,564	(1,022,767)	195,649	
Net loss fiscal 1994				(63,388)	(63,388)	
Balance at September 30, 1994-unaudited	85,160	852	1,217,564	(1,086,155)	132,261	
Net income fiscal 1995				(132,261)	(132,261)	
Balance at September 30, 1995-unaudited	85,160	852	1,217,564	(1,218,416)	0	
Net loss fiscal 1996				0	0	
Balance at September 30, 1996-unaudited	85,160	852	1,217,564	(1,218,416)	0	

USCorp
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception, May 1989 to June 30, 2007
(Continued)

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total	Stock Price *
Stock issued for mining claim	150,000	1,500	598,500		600,000	$ 0.20
Issuance of common stock	50,000	500	59,874		60,374	$ 0.06
Stock issued for services	14,878	149	29,608		29,757	$ 0.10
Net loss fiscal 1997				(90,131)	(90,131)	
Balance at September 30, 1997-unaudited	300,038	3,001	1,905,546	(1,308,547)	600,000	
Capital contributed by shareholder			58,668		58,668	
Net loss fiscal 1998				(58,668)	(58,668)	
Balance at September 30, 1998-unaudited	300,038	3,001	1,964,214	(1,367,215)	600,000	
Capital contributed by shareholder			28,654		28,654	
Net income fiscal 1999				(26,705)	(26,705)	
Balance at September 30, 1999-unaudited	300,038	3,001	1,992,868	(1,393,920)	601,949	
Capital contributed by shareholder			22,750		22,750	
Net loss fiscal 2000				(624,699)	(624,699)	
Balance at September 30, 2000-unaudited	300,038	3,001	2,015,618	(2,018,619)	0	

USCorp
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception, May 1989 to June 30, 2007
(Continued)

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total	Stock Price *
Issuance of common stock	103,535	1,035	611,943		612,978	$ 0.15
Issued stock for compensation	50,000	500	19,571		20,071	$ 0.04
Capital contributed by shareholder			21,719		21,719	
Net loss fiscal 2001				(654,768)	(654,768)	
Balance at September 30, 2001-unaudited	453,573	4,536	2,668,851	(2,673,387)	0	
Issued stock to purchase mining claim	24,200,000	242,000	2,207,466		2,449,466	$ 0.10
Issued shares to employees	267,500	2,675	(2,675)		0	$ 0.00
Capital contributed by shareholders			143,480		143,480	
Net loss for the fiscal year				(2,591,671)	(2,591,671)	
Balance at September 30, 2002-unaudited	24,921,073	249,211	5,017,122	(5,265,058)	1,275	
Issued stock for services	872,000	8,720	264,064		272,784	$ 0.31
Beneficial conversion feature			3,767		3,767	
Capital contributed by shareholders			81,472		81,472	
Net loss for the fiscal year				(865,287)	(865,287)	
Balance at September 30, 2003	25,793,073	257,931	5,366,425	(6,130,345)	(505,989)	

USCorp
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception, May 1989 to June 30, 2007
(Continued)

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total	Stock Price *
Issuance of common stock	550,000	5,500	206,500		212,000	$ 0.39
Issued stock to pay bills	1,069,945	10,699	460,077		470,776	$ 0.44
Issued stock for services	2,118,444	21,184	652,714		673,898	$ 0.32
Net loss for the fiscal year				(964,108)	(964,108)	
Balance at September 30, 2004	29,531,462	$ 295,314	$ 6,685,716	$ (7,094,453)	$ (113,423)	
Issuance of common stock	150,000	1,500	46,500		48,000	$ 0.32
Issued stock for services	2,840,000	28,400	331,600		360,000	$ 0.13
Issued stock to pay debt	400,000	4,000	50,000		54,000	$ 0.14
Issuance of warrants			1,817		1,817	
Net loss for the fiscal year				(628,337)	(628,337)	
Balance at September 30, 2005	32,921,462	329,214	7,115,633	(7,722,790)	(277,943)	
Issued stock for services	5,885,000	13,850	65,800		79,650	$ 0.09
Net loss for the period				(837,551)	(837,551)	
Balance at September 30, 2006	38,806,462	343,064	7,181,433	(8,560,341)	(1,035,844)	
Issued stock for services	50,000	500	4,500		5,000	$ 0.10
Beneficial conversion feature			72,066		72,066	
Net loss for the period				(364,509)	(364,509)	

Balance at June 30, 2007	38,856,462	$	343,564	$	7,257,999	$	(8,924,850)	$	(1,323,287)

*- Prices adjusted for stock splits.

Please see the notes to the financial statements.

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USCorp
(an Exploration Stage Company)
Notes to the Financial Statements
For the Nine Months Ended June 30, 2007 and June 30, 2006

1. Organization of the Company and Significant Accounting Principles

USCorp (the “Company”) is a publicly held corporation 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 USCorp

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

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 22 Placer and 89 Lode Claims on five properties in the Mesquite Mining District of Imperial County, California, which the Company refers to as the Chocolate Mountain Region Claims and the Picacho Salton Claims.

The Company has no business operations to date.

Use of Estimates- The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses at the date of the financial statements and for the period they include. Actual results may differ from these estimates.

Cash and interest bearing deposits- For the purpose of calculating changes in cash flows, cash includes all cash balances and highly liquid short-term investments with an original maturity of three months or less.

Long Lived Assets- The Company reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount.

Shareholder Loans Payable- The Company applies Emerging Issues Task Force (EITF) No. 98-5, *Accounting for Convertible Debt Issued with Beneficial Conversion Features.* EITF No.98-5 requires that a beneficial conversion feature be recognized upon the issuance of the debt with a favorable conversion feature, and the resultant debt discount be amortized to interest expense during the period from the date of issuance to the date the securities become convertible.

Property and Equipment- Property and equipment are stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful life of the asset, which is estimated at three years.

Income taxes- The Company accounts for income taxes in accordance with the Statement of Accounting Standards No. 109 (SFAS No. 109), "*Accounting for Income Taxes*". SFAS No. 109 requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between financial statement and income tax bases of assets and liabilities that will result in taxable income or deductible expenses in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets and liabilities to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period adjusted for the change during the period in deferred tax assets and liabilities.

Mineral Properties- The Company uses the successful efforts method of accounting for mineral properties. Costs incurred to acquire mineral interest in properties, to drill and equip exploratory sites within the claims groups are capitalized. Costs to conduct exploration and assay work that does not find proved reserves, geological and geophysical costs and costs of carrying and retaining unproved sites are expensed. Potential mineral properties are periodically assessed for impairment of value and a loss will be recognized at the time of impairment.

Revenue Recognition- Mineral sales will result from undivided interests held by the Company in mineral properties. Sales of minerals will be recognized when delivered to be picked up by the purchaser. Mineral sales from marketing activities will result from sales by the Company of minerals produced by the Company (or affiliated entities) and will be recognized when delivered to purchasers. Mining revenues generated from the Company's day rate contracts, included in mine services revenue, will be recognized as services are performed or delivered.

Exploration Stage Company- the Company has had no operations or revenues since its inception and therefore qualifies for treatment as an Exploration Stage company as per Statement of Financial Accounting Standards (SFAS) No. 7. As per SFAS No. 7, financial transactions are accounted for as per generally accepted accounted principles. Costs incurred during the development stage are accumulated in "losses accumulated during the exploration stage" and are reported in the Stockholders' Equity section of the balance sheet.

2. Going Concern

The accompanying financial statements have been presented in accordance with generally accepted accounting principals, which assume the continuity of the Company as a going concern. However, the Company has incurred significant losses since its inception and has no business operations and continues to rely on the issuance of shares to raise capital to fund its business operations.

Management's plans with regard to this matter are as follows:

* Obtain the necessary approvals and permits to complete exploration and being test production on our properties as warranted. Applications have been prepared and are being reviewed for submission to Federal, State and local authorities.

* Augment our mining exploration team with quality and results-oriented people as needed. Upon adequate funding management intends to hire qualified and experienced personnel, including additional officers and directors, and mining specialists, professionals and consulting firms to advise management as needed to handle mining operations, acquisitions and development of additional mineral resource properties.

* Put together a strategic alliance of consultants, engineers, contractors as well as joint venture partners when appropriate, and set up an information and communication network that allows the alliance to function effectively under USCorp's management.

* Continue exploration and ramp up permitting process to meet ongoing and anticipated demand for gold, silver, uranium and polymetalic ores resulting from our planned commercial scale production activities.

* Launch an investor awareness and public relations campaign including coordinated and periodic release of information to the public via press releases, company newsletter and updates to the company's web sites

* Attend and exhibit at industry and investment trade shows

* USCorp plans to begin commercial scale operations on one or more of its properties as soon as the required permits and approvals have been granted. Due to the nature of the ore bodies of the company's current properties Management believes it will begin commercial scale operations on our Picacho Salton Decorative Rock followed by the Picacho Salton Gold Properties (the Chocolate Mountain Region claims) first and then the Twin Peaks Mine.

* Acquire additional properties and/or corporations with properties as subsidiaries to advance the company's growth plans.

3. Net Loss per Share

The Company applies SFAS No. 128, "*Earnings per Share*" to calculate loss per share. In accordance with SFAS No. 128, basic net loss per share has been computed based on the weighted average of common shares outstanding during the years, adjusted for the financial instruments outstanding that are convertible into common stock during the years. The effects of the preferred warrants convertible into shares of common stock, however, have been excluded from the calculation of loss per share because their inclusion would be anti-dilutive.

Loss per share has been calculated as follows:

		30-Jun-07		30-Jun-06
Net loss before cumulative preferred dividend	$	(364,509)	$	(601,858)
Cumulative dividend preferred		(19,025)		(11,275)
Net loss	$	(383,534)	$	(613,133)
Weighted average		38,840,102		38,813,281
Basic & fully diluted net loss per common share	$	(0.01)	$	(0.02)

4. Gold Bullion Promissory Note

In September 2005, the Company issued a promissory note to a shareholder and received proceeds of $635,663. The note requires the Company to pay the shareholder 1,634 ounces of Gold Bullion (.999 pure) in September 2007. The loss on the underlying derivative gold contract has been calculated as follows.

		30-Jun-07		30-Jun-06
Carrying value of loan	$	736,133	$	678,923
Fair value of loan		1,062,917		846,794
Life to date loss on unhedged underlying derivative	$	(326,784)	$	(167,871)

5. Equipment

A summary of equipment is as follows:

		30-Jun-07		30-Sep-06
Office equipment	$	15,914	$	14,249
Accumulated depreciation		(9,503)		(6,009)
Net equipment	$	6,411	$	8,240

6. Issuances of Common stock

During the nine months ended June 30, 2007, the Company issued 50,000 shares of stock to legal consultants for services rendered.

7. **Preferred Stock Warrants Outstanding**

The following is a summary of preferred stock warrants outstanding:

	Amount		Wgtd Avg Exercise Price	Wgtd Years to Maturity
Outstanding at September 30, 2004	0			
Issued	155,000			
Outstanding at September 30, 2005	155,000	$	0.50	2.29
Issued	0			
Outstanding at September 30, 2006	155,000	$	0.50	1.55
Issued	0			
Outstanding at June 30, 2007	155,000	$	0.25	.55

8. **Convertible Debenture**

During the nine months ended June 30, 2007, the Company issued convertible debentures with a face value of $600,000. The debentures are convertible into common stock at $0.125 per share. The debentures have an interest rate of 5% and mature in November 2009. As a result of the issuance of the debentures, the Company allocated $72,066 to stockholders' equity as a beneficial conversion feature.

The balance of the convertible debt is as follows:

Convertible debt payable	$ 600,000
Unallocated beneficial conversion feature	(56,309)
Net convertible debt payable	$ 543,691

9. **Income Tax Provision**

Provision for income taxes is comprised of the following:

		30-Jun-07		30-Jun-06
Net loss before provision for income taxes	$	(364,509)	$	(601,858)
Current tax expense:				
Federal	$	0	$	0
State		0		0
Total	$	0	$	0
Less deferred tax benefit:				
Timing differences		(380,595)		(150,198)
Allowance for recoverability		380,595		105,213
Provision for income taxes	$	0	$	0

A reconciliation of provision for income taxes at the statutory rate to provision for income taxes at the Company's effective tax rate is as follows:

Statutory U.S. federal rate	34%	34%
Statutory state and local income tax	10%	10%
Less allowance for tax recoverability	-44%	-44%
Effective rate	0%	0%

Deferred income taxes are comprised of the following:

Timing differences	$	380,595	$	105,213
Allowance for recoverability		(380,595)		(105,213)
Deferred tax benefit	$	0	$	0

Note: The deferred tax benefits arising from the timing differences begin to expire in fiscal year 2010 and may not be recoverable upon the purchase of the Company under current IRS statutes.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

You should read the following discussion and analysis in conjunction with the Consolidated Financial Statements and Notes thereto, and the other financial data appearing elsewhere in this Form 10-QSB Quarterly Report.

The information set forth in Management's Discussion and Analysis of or Plan of Operations ("MD&A") contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, including, among others (i) expected changes in the Company's revenues and profitability, (ii) prospective business opportunities and (iii) the Company's strategy for financing its business. Forward-looking statements are statements other than historical information or statements of current condition. Some forward-looking statements may be identified by use of terms such as "believes", "anticipates", "intends" or "expects". These forward-looking statements relate to the plans, objectives and expectations of the Company for future operations. Although the Company believes that its expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of its knowledge of its business and operations, in light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this report should not be regarded as a representation by the Company or any other person that the objectives or plans of the Company will be achieved.

The Company's results of operations could differ materially from those projected in the forward-looking statements as a result of numerous factors, including, but not limited to, the following: (i) changes in external competitive market factors, (ii) termination of operating agreements or inability to enter into additional operating agreements, (iii) inability to satisfy anticipated working capital or other cash requirements, (iv) changes in or developments under domestic or foreign laws, regulations, governmental requirements or in the mining industry, (v) changes in the Company's business strategy or an inability to execute its strategy due to unanticipated changes in the market, (vi) various competitive factors that may prevent the Company from competing successfully in the marketplace, and (ix) the Company's lack of liquidity and its ability to raise additional capital. In light of these risks and uncertainties, there can be no assurance that actual results, performance or achievements of the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. The foregoing review of important factors should not be construed as exhaustive. The Company undertakes no obligation to release publicly the results of any future revisions it may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Significant Accounting Policies and Estimates

Management's Discussion and Analysis or Plan of Operations discusses the Company's consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to reserves and intangible assets. Management bases its estimates and judgments on historical experiences and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of the Company's consolidated financial statements include estimates as to the appropriate carrying value of certain assets which are not readily apparent from other sources, primarily allowance for the cost of the Mineral Properties based on the successful efforts method of accounting. These accounting policies are described at relevant sections in this discussion and analysis and in the notes to the consolidated financial statements included in our Annual Report on Form l0-KSB for the fiscal year ended September 30, 2006.

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Results of Operations

Comparison of operating results for the three months ended June 30, 2007 and June 30, 2006:

The Company has no revenues through the date of this quarterly report.

General and administrative expenses were $124,212 compared to $110,799 for the same period a year ago. Consulting costs changed from $6,241 to $50,148 in the three months ended June 30, 2007 which is mainly due to reclassification by the Company's bookkeeper and accountant for the quarter.

As a result of the change in the price of gold and a increase in consulting expenses, the Company experienced an increase in net loss from operations which was $124,212 for the three months ended June 30, 2007, compared to loss from operations of $110,799 for the same period last year.

The loss on the unhedged Bullion Loan decreased from $45,018 to $9,920 during the third three months of fiscal 2007 compared to the third three months of fiscal year 2006, as a result of the decrease in the price of gold compared to the same quarter last year. The loan is payable in gold bullion at the prevailing rate price and is not hedged.

Net loss for the third three months of fiscal year 2007 was $154,155 or $0.00 per share compared to a loss of $1741,532 third three months, or $0.01 per share for the same period last year.

Discussion of Financial Condition: Liquidity and Capital Resources

At June 30, 2007 cash on hand was $412,558 as compared with $83,573 at September 30, 2006. During the third three months of fiscal year 2007, the Company used $154,155 for its operations. The increase in cash on hand is due to the proceeds from convertible debentures. The convertible debentures are not payable until 2009 and 2010 respectively.

Total assets at June 30, 2007 were $418,969 as compared to $91,813 at September 30, 2006. The increase is due to the proceeds from convertible debentures and money from a shareholder.

The Company's total stockholders' equity decreased to a deficit of $1,323,287 at June 30, 2007. The decrease in stockholders' equity was the result of operating losses of $154,155 for the three months ended June 30, 2007.

Convertible Debenture

During the period ended June 30, 2007 the Company received the proceeds from a Convertible Debenture Note in the amount of $300,000. The Convertible Debenture Note is due April 30, 2010. This note is convertible to common stock at $0.125 per share anytime within the three year term. The interest rate is 5% of the unpaid principal, payable annually in arrears. The first interest payment of $15,000 is due in April 30, 2008.

The Company has received a written commitment for a total of $1,200,000, at the rate of $300,000 per quarter, the final installment due on or about October 1, 2007 under the same terms and conditions as the above Convertible Debenture Note. The Company received the second installment of $300,000 as announced in our press release of May 2, 2007 and the third installment of $300,000 was received on July 17, 2007. However, management can make no assurance that it will in fact receive additional financing as a result of this commitment.

ITEM 3. CONTROLS AND PROCEDURES

Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this quarterly report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this quarterly report, the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms.

There has been no change in the Company's internal control over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

There have been no material developments in the Company’s legal proceedings during the period covered by this report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In November 2006, the Company issued a Convertible Debenture Note in the principal face amount of $300,000. The Convertible Debenture Note is due November 30, 2009 and is convertible into common stock at the rate of $0.125 per share anytime within the three year term. The interest rate is 5% of the unpaid principal, payable annually in arrears. The first interest payment of $15,000 is due in November 30, 2007. In May 2007, the Company issued another Convertible Debenture Note as the second installment and received an additional $300,000 in proceeds from the sale. In July 2007, the Company issued another Convertible Debenture Note as the third installment and received an additional $300,000 in proceeds from the sale. The two additional Convertible Debenture Notes are due May 2010 and July 2010 respectively.

The Company claimed an exemption from the registration requirements of the Securities Act of 1933, as amended (the “Act”) for the private placement of these securities pursuant to Section 4(2) of the Act and/or Rule 506 of Regulation D promulgated thereunder since, among other things, the transaction did not involve a public offering, the Investor was an “accredited investor” and/or qualified institutional buyers, the Investor had access to information about the Company and its investment, the Investor took the securities for investment and not resale, and we took appropriate measures to restrict the transfer of the securities.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

There were no matters requiring a vote of security holders during the period covered by this report.

Item 5. Other Information.

There were no matters required to be disclosed in a Current Report on Form 8K during the period covered by this quarterly report that were not so disclosed.

There were no changes to the procedures by which security holders may recommend nominees to the Company's Board of Directors since the Company last disclosed these procedures.

ITEM 6. EXHIBITS

(a) Exhibits:

31.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

USCORP

By: /s/ ROBERT DULTZ

Robert Dultz
Chairman, Chief Executive Officer and Acting
Chief Financial Officer
Dated: August 10, 2007

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