

USCORP
Form 10-Q
August 18, 2009

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2009
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from: _____ to _____

USCORP.

(Exact name of registrant as specified in its charter)

Nevada
(State or Other Jurisdiction
of Incorporation)

000-19061
(Commission
File Number)

87-0403330
(I.R.S. Employer
Identification No.)

4535 W. Sahara Avenue, Suite 200, Las Vegas, NV 89102
(Address of Principal Executive Office) (Zip Code)

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

(Former name, former address and former fiscal year, if changed since last report)

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. x Yes ..
No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Edgar Filing: USCORP - Form 10-Q

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of June 30, 2009.
67,684,058 shares of Class A Common Stock issued and outstanding, and 5,000,000 shares of Class B Common Stock issued and outstanding..

USCORP
TABLE OF CONTENTS

PART I — FINANCIAL INFORMATION	
Item 1. Financial Statements	
Consolidated Balance Sheet as of June 30, 2009 and September 30, 2008 (unaudited)	3
Consolidated Statements of Operations for the Three & Nine months & Quarter Ended June 30, 2009 and September 30, 2008 and from Inception, May 1989 through June 30, 2009 (unaudited)	4
Consolidated Statements of Cash Flows for the Three Months Ended June 30, 2009 and June 30, 2008 and from Inception, May 1989 through June 30, 2009 (unaudited)	5
Consolidated Statements of Changes in Shareholders' Equity from Inception, May 1989 through June 30, 2009	6
Notes to Consolidated Financial Statements (unaudited)	11
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	
Item 3. Quantitative and Qualitative Disclosures About Market Risk	
Item 4T. Controls and Procedures	
PART II — OTHER INFORMATION	
Item 1. Legal Proceedings	20
Item 1A. Risk Factors	20
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	20
Item 3. Defaults Upon Senior Securities	20
Item 4. Submission of Matters to a Vote of Security Holders	20
Item 5. Other Information	20

PART I. FINANCIAL INFORMATION

USCorp
(an Exploration Stage Company)
Balance Sheet
As of June 30, 2009 and September 30, 2008

	Unaudited 30-Jun-09	As Restated 30-Sep-08
ASSETS		
Current assets:		
Cash	\$ 5,100	\$ 327,945
Total current assets	\$ 5,100	\$ 327,945
Other assets:		
Equipment- net	1,308	3,190
Total assets	\$ 6,408	\$ 331,135
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable & accrued expenses	\$ 12,105	\$ 189,211
Gold bullion loan	1,662,995	1,592,100
Subscriptions payable	0	0
Total current liabilities	\$ 1,675,100	\$ 1,781,311
Long term liabilities		
Convertible debenture payable	614,850	288,702
Shareholders' equity:		
Series A preferred stock, one share convertible to eight shares of common; par value \$0.001, 10,000,000 shares authorized, 5,218,750 shares issued and outstanding at June 30, 2009	7,000	7,000
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, 141,687 outstanding at June 30, 2009, stated value; \$0.50	63,498	63,498
Common stock B- \$.001 par value, authorized 250,000,000 shares, issued and outstanding, 5,000,000 shares at June 30, 2009	5,000	5,000
Common stock A- \$.01 par value, authorized 550,000,000 shares authorized, issued and outstanding, 60,612,630 shares at September 30, 2008 and 67,684,059 at June 30, 2009	\$ 689,674	\$ 606,126
Additional paid in capital	12,095,887	11,815,463
Accumulated deficit - exploration stage	(15,144,601)	(14,235,965)
Total shareholders' deficit	(2,359,040)	(1,814,376)
Total Liabilities & Shareholders' Deficit	\$ 6,408	\$ 331,135

See the notes to the financial statements.

3

USCorp
(an Exploration Stage Company)
Statements of Operations
For the Nine Months and Quarters Ended June 30, 2009 and June 30, 2008
and from Inception, May 1989 through June 30, 2009

	Unaudited 9 Months 30-Jun-09	Unaudited 9 Months 30-Jun-08	Unaudited 3 Months 30-Jun-09	Unaudited 3 Months 30-Jun-08	Inception to Date
General and administrative expenses:					
Consulting	\$ 214,030	\$ 282,148	\$ 50,626	\$ 167,341	\$ 6,630,686
Administration	377,038	520,382	(70,720)	247,071	5,285,319
License expense	23,766	0	23,666	0	271,225
Professional fees	94,103	21,399	49,898	(19,890)	658,723
Total general & administrative expenses	708,937	823,929	53,470	394,522	12,845,953
Net loss from operations	\$ (708,937)	\$ (823,929)	\$ (53,470)	\$ (394,522)	\$ (12,845,953)
Other income (expenses):					
Interest income	344	5,133	(288)	5,133	7,608
Interest expense	(171,938)	(353,931)	(46,515)	(110,902)	(893,970)
Loss on unhedged derivative	(28,105)	(275,684)	5,624	15,488	(812,286)
Loss on mining claim	0	0	0	0	(600,000)
Net loss before provision for income taxes	\$ (908,636)	\$ (1,448,411)	\$ (94,649)	\$ (484,803)	\$ (15,144,601)
Provision for income taxes	0	0	0	0	0
Net loss	\$ (908,636)	\$ (1,448,411)	\$ (94,649)	\$ (484,803)	\$ (15,144,601)
Basic & fully diluted net loss per common share	\$ (0.01)	\$ (0.03)	\$ (0.00)	\$ (0.01)	
Weighted average of common shares outstanding:					
Basic & fully diluted	65,347,795	51,698,065	67,684,058	53,843,311	

See the notes to the financial statements.

USCorp
(an Exploration Stage Company)
Statements of Cash Flows
For the Nine Months Ended June 30, 2009 and June, 30, 2008
and from Inception, May 1989 through March 31, 2009

	30-Jun-09	30-Jun-08	Inception to Date
Operating Activities:			
Net loss	\$ (908,636)	\$ (1,448,411)	\$ (15,144,601)
Adjustments to reconcile net income items not requiring the use of cash:			
Loss on sale of mining claim	0	0	600,000
Consulting fees	59,771	157,232	2,144,941
Depreciation expense	1,882	2,789	16,247
Interest expense	171,938	353,931	893,970
Shares issued for mining claim	0	0	2,449,465
Loss on unhedged underlying derivative	28,105	275,684	812,286
Changes in other operating assets and liabilities :			
Accounts payable and accrued expenses	(177,105)	(70,749)	2,392,106
Net cash used by operations	\$ (824,045)	\$ (729,524)	\$ (5,835,586)
Investing activities:			
Purchase of office equipment	\$ 0	\$ 0	\$ (17,555)
Net cash used by investing activities	0	0	(17,555)
Financing activities:			
Issuance of common stock	\$ 301,200	\$ 133,800	\$ 2,615,978
Issuance of preferred stock	0	0	77,165
Issuance of gold bullion note	0	0	648,282
Subscriptions received	0	0	569,323
Issuance of convertible notes	200,000	0	1,600,000
Advances received (paid) shareholder	0	(205,263)	347,494
Net cash provided by financing activities	501,200	(71,463)	5,858,242
Net increase (decrease) in cash during the period	\$ (322,845)	\$ (800,987)	\$ 5,100
Cash balance at beginning of the fiscal year	327,945	1,541,001	0
Cash balance at June 30th	\$ 5,100	\$ 740,014	\$ 5,100
Supplemental disclosures of cash flow information:			
Interest paid during the fiscal period	\$ 0	\$ 0	\$ 0
Income taxes paid during the period	\$ 0	\$ 0	\$ 0

See the notes to the financial statements.

USCorp
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception in May 1989

	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 in May 1989
(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 in May 1989
(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	
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 in May 1989
(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	885,000	8,850	70,800		79,650	\$ 0.09
Net loss for the period				(837,551)	(837,551)	
Balance at September 30, 2006	33,806,462	\$ 338,064	\$ 7,186,433	\$ (8,560,341)	\$ (1,035,844)	
Issued stock for services	50,000	500	4,500		5,000	\$ 0.10
Issuance of convertible debt			648,098		648,098	
Net loss for the fiscal year				(3,176,745)	(3,176,745)	
Balance at September 30, 2007	33,856,462	338,564	7,839,031	(11,737,086)	(3,559,491)	

USCorp
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception in May 1989
(Continued)

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total	Stock Price *
Issuance of common stock	10,011,879	100,119	638,559		738,678	\$ 0.07
Issued stock for services	9,517,664	95,177	2,447,473		2,542,650	\$ 0.27
Conversion of debentures	7,200,000	72,000	828,000		900,000	\$ 0.13
Conversion of preferred stock	26,626	266	6,401		6,667	\$ 0.25
Issuance of convertible debt			56,000		56,000	
Net loss for the fiscal period- as restated				(2,498,879)	(2,498,879)	
Balance at September 30, 2008	60,612,631	606,126	11,815,464	(14,235,965)	(1,814,375)	
Issuance of common stock	7,533,334	75,334	225,866		301,200	\$ 0.04
Issued stock for services	821,428	8,214	51,557		59,771	\$ 0.07
Issuance of convertible debt			3,000		3,000	
Net loss for the period				(908,636)	(908,636)	
Balance at June 30, 2009	68,967,393	\$ 689,674	\$ 12,095,887	\$ (15,144,601)	\$ (2,359,040)	

*- Prices adjusted for stock splits.

Please see the notes to the financial statements.

USCorp
(an Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Nine Months Ended June 30, 2009 and June 30, 2008

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. 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 owns the mineral rights to 143 Lode Mining Claims in the Eureka Mining District of Yavapai County, Arizona, called the Twin Peaks Project; and owns the mineral rights to 22 Placer and 84 Lode Claims on five properties in the Mesquite Mining District of Imperial County, California, which the Company collectively refers to as the Picacho Salton Project.

The Company has no revenues to date and has defined itself as an "exploration stage" company.

Exploration Stage Company- the Company has 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 accounting principles. Costs incurred during the development stage are accumulated in "accumulated deficit- exploration stage" and are reported in the Stockholders' Equity section of the balance sheet.

Consolidation- the accompanying consolidated financial statements include the accounts of the company and its wholly owned subsidiary. All significant inter-company balances have been eliminated.

Use of Estimates- The preparation of the consolidated 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.

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- Costs incurred to acquire mineral interest in properties, to drill and equip exploratory sites within the claims groups, to conduct exploration and assay work are expensed as incurred.

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.

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 financing and the issuance of shares and warrants 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 begin test production on our properties as warranted. An application for drilling on Twin Peaks Project has been submitted to the Bureau of Land Management and is being reviewed by them. Additional applications are being prepared for the Twin Peaks Project and the Picacho Salton Project and are being reviewed for submission to Federal, State and local authorities.
- * 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 Project. Then Management plans to begin commercial scale operations on the Twin Peaks Project.
- * Continue exploration and ramp up permitting process to meet ongoing and anticipated demand for gold, silver, uranium, aggregate, decorative rock and polymetallic ores resulting from our planned commercial scale production activities.
- * 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 existing and future 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.
- * In calendar 2008 Management will 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
- * Acquire additional properties and/or corporations with properties as subsidiaries to advance the company's growth plans.
- * Rearrange our finances for better return and insured coverage.
- * Since the beginning of the current fiscal year on October 1, 2008:
 1. USCorp has cut administrative overhead by two-thirds by reducing office space and staff, and the use of consultants.
 2. We have maintained our status as a fully reporting company by filing our fiscal 2008 annual report and subsequent quarterly reports with the SEC.

3. We had a favorable conclusion in a lawsuit against the Company.
4. USCorp has been featured in industry magazine articles that have generated positive interest from the public, investors, and the mining industry.
5. USCorp's stock has maintained volume, while increasing cap rate and share price during these globally difficult economic times that have been catastrophic for many junior mining companies.
6. National and international mining companies have expressed interest in USCorp and development of its properties.
 7. USCorp has completely revamped its web site and plans further development as discussed below.

8. USCORP continues to fulfill its business plan goals and purposes.

* The Company has temporarily curtailed its exploration efforts at this time pending receipt of adequate funding to continue its current drilling program. USCORP is in discussions with several sources for these funds. Until such funds are received by USCORP, elimination of the costs associated with being a fully reporting company is the only remaining cost cutting measure available to us.

* In order to facilitate the discussion of possible transactions with mining companies who have expressed interest in USCORP and its properties USCORP will make available to mining company professionals pertinent information through a Data Center on USCORP's web site by the end of August or early September of 2009. The confidential and proprietary information regarding the Company and its properties will be downloadable by interested parties after accepting the terms of a confidentiality agreement.

* Management is concentrating its efforts on promotion and strategic partnerships, mergers, acquisitions, building shareholder value and increasing our cap rate to help facilitate our financing and property development efforts.

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 and common stock warrants and the debentures convertible into shares of common stock, however, have been excluded from the calculation of loss per share because their inclusion would be anti-dilutive. Net loss per share is computed as follows:

	6/30/2009	6/30/2008
Net loss before cumulative preferred dividend	\$ (908,636)	\$ (1,448,411)
Cumulative dividend preferred	(33,510)	(28,211)
Net loss	\$ (942,146)	\$ (1,476,622)
Weighted average	65,347,795	51,698,065
Basic & fully diluted net loss per common share	\$ (0.01)	\$ (0.03)

4. Gold Bullion Promissory Note

In September 2005, the Company issued a promissory note to a shareholder and received proceeds of \$648,282. The note requires the Company to pay the shareholder 1,634 ounces of Gold Bullion (.999 pure) in September 2009. In September 2007, the holder of the promissory note extended the maturity date until September 27, 2009 at the previous terms. The loss on the underlying derivative gold contract has been calculated as follows.

Carrying value of loan	\$ 850,709
Fair value of loan	1,662,995
Life to date loss on unhedged underlying derivative	\$ (812,286)

5. Equipment

A summary of equipment at June 30, 2009 and September 30, 2008 is as follows:

	30-Jun-09	30-Sep-08
Office equipment	\$ 17,555	\$ 17,555
Accumulated depreciation	(16,247)	(14,365)
Net equipment	\$ 1,308	\$ 3,190

6. Issuances of Common Stock and Preferred Stock

During the fiscal year 2008, the Company issued 7,998,214 shares of common stock to consultants for services rendered.

During the fiscal year 2008, the holder of the debentures converted \$900,000 of the debentures to 7,200,000 shares of common stock.

During the fiscal year 2008, the holder of the preferred stock converted \$6,667 of preferred to 26,625 shares of common stock.

The Class B Common shares are non-voting shares that trade on the Frankfurt stock exchange under the symbol U9C.F. There are 250,000,000 shares authorized and 5,000,000 issued and outstanding. The par value of these shares is \$0.001. These shares do not trade in the United States on any market and the Company has no plans to register these shares for trading on any U.S. market.

In September 2008, the Company issued 5,218,750 preferred A shares to its officers and employees for \$7,000. The preferred A shares are convertible into common stock on an one for eight basis.

In October 2008, the Company issued 2,125,000 shares of common stock and received proceeds of \$85,000

In November 2008, the Company issued 321,428 shares of common stock to consultants for services rendered valued at \$28,271.

During fiscal year 2009, the Company has issued 7,533,334 shares of common stock and received proceeds of \$301,200.

During fiscal year 2009, the Company has issued 821,428 shares of common stock to consultants for services received valued at \$59,771.

7. Common Stock Warrants

The following is a summary of common stock warrants outstanding at June 30, 2009:

	Amount	Wgt'd Avg Exercise Price	Wgt'd Years to Maturity
Balance at September 30, 2007	0		
Issues	5,736,666		
Exercises	0		
Expires	0		
Outstanding at September 30, 2008	5,736,666	\$ 0.40	1.01
Issues	1,600,000		
Exercises	0		
Expires	0		
Outstanding at June 30, 2009	7,336,666	\$ 0.40	0.26

8. Convertible Debentures

The balance of the convertible debt at June 30, 2009 and September 30, 2008 is as follows:

	30-Jun-09	30-Sep-08
Convertible debt payable	\$ 700,000	\$ 500,000
Unamortized beneficial conversion feature	(85,150)	(211,298)
Net convertible debt payable	\$ 614,850	\$ 288,702

9. Income Tax Provision

Provision for income taxes is comprised of the following:

	30-Jun-09	30-Jun-08
Net loss before provision for income taxes	\$ (908,636)	\$ (1,448,411)
Current tax expense:		
Federal	\$ 0	\$ 0
State	0	0
Total	\$ 0	\$ 0
Less deferred tax benefit:		
Timing differences	(2,036,108)	(1,833,609)
Allowance for recoverability	2,036,108	1,833,609
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	\$ 2,036,108	\$ 1,833,609
Allowance for recoverability	(2,036,108)	(1,833,609)
Deferred tax benefit	\$ 0	\$ 0

Note: The deferred tax benefits arising from the timing differences begin to expire in fiscal year 2027 and 2028 and may not be recoverable upon the purchase of the Company under current IRS statutes.

10. Restatement of September 30, 2008

Subsequent to the issuance of the financial statements for the years ended September 30, 2008 and September 30, 2007, management discovered that an incorrect statement had been filed instead of the finalized report. The original report filed incorrectly valued the shares issued to consultants. The following indicates those accounts in the consolidated balance sheets and the consolidated income statements affected by the restatement.

	As Reported	As Restated
Total shareholder deficit	\$ (1,692,367)	\$ (1,814,376)
Net loss	\$ (1,981,543)	\$ (2,498,879)
Basic & fully diluted net loss per common share	\$ (0.04)	\$ (0.05)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

The information set forth in Management's Discussion and Analysis of Financial Condition and Results 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 revenues and 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 certain 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 of Financial Condition and Results of Operations discusses the Company's consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and 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 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 10-KSB/A for the fiscal year ended September 30, 2008.

Results of Operations

Comparison of operating results:

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

General and administrative expenses were \$53,470 for the three months ended June 30, 2009 compared to \$394,522 for the same period a year ago. Consulting costs decreased from \$167,341 in the three months ended June 30, 2008 to \$50,626 in the three months ended June 30, 2009, which is mainly due to a reduction in investor and public relations costs. Administration costs decreased from \$247,071 in the three months ended June 30, 2008 to (\$70,720) for the three months ended June 30, 2009 due to decreases in clerical help, office staff, salaried employees and office space and a reclassification of accrued expenses that had been previously paid.

As a result of general and administrative costs, the Company experienced a loss from operations of \$53,470 for the three months ended June 30, 2009, compared to loss from operations of \$394,522 for the same period last year.

Interest expense changed to (\$171,938) during the first nine months of fiscal 2008 compared to (\$353,931) for the first nine months of fiscal year 2008 as a result of the effect on the Gold Bullion Loan borrowed at the end of September 2005 and the change in the price of gold compared to the same period one year ago. The loan is payable in gold bullion at the prevailing rate price and is not hedged. The Company's loss on the unhedged loan is (\$28,105) for the first nine months of fiscal year 2009 compared to (\$275,684) for the same period last year due to the change in the price of gold over the period.

Net loss for the first nine months of fiscal year 2009 was (\$908,636), or \$0.01 per share compared to a loss of (\$1,448,411), or \$0.03 per share for the same period last year.

Discussion of Financial Condition: Liquidity and Capital Resources

At June 30, 2009 cash on hand was \$5,100 as compared with \$327,945 at September 30, 2008. During the first nine months of fiscal year 2009, the Company used (\$824,045) for its operations.

At June 30, 2009, the Company had working capital of \$5,100 compared to a working capital of \$327,945 at September 30, 2008. The decrease is due to costs of continuing exploration and preparations for development of Company's mining properties offset by the Company's on-going successful financing efforts.

Total assets at June 30, 2009 were \$6,408 as compared to \$331,135 at September 30, 2008. The decrease is due to costs of continuing exploration and preparations for development of Company's mining properties offset by the Company's on-going successful financing efforts.

The Company's total stockholders' deficit increased to a deficit of \$2,359,040 at June 30, 2009 compared to a deficit of \$1,814,376 at September 30, 2008. The increase in stockholders' deficit was the result of an increase in additional paid in capital and operating losses of \$824,045 for the nine months ended June 30, 2009.

Since the beginning of the current fiscal year on October 1, 2008:

1. USCorp has cut administrative overhead by two-thirds by reducing office space and staff, and the use of consultants.
2. We have maintained our status as a fully reporting company by filing our fiscal 2008 annual report and subsequent quarterly reports with the SEC.
3. We had a favorable conclusion in a lawsuit against the Company.
4. USCorp has been featured in industry magazine articles that have generated positive interest from the public, investors, and the mining industry.
5. USCorp's stock has maintained volume, while increasing cap rate and share price during these globally difficult economic times that have been catastrophic for many junior mining companies.
6. National and international mining companies have expressed interest in USCorp and development of its properties.

7. USC Corp has completely revamped its web site and plans further development as discussed below.
8. USC Corp continues to fulfill its business plan goals and purposes.

The Company has temporarily curtailed its exploration efforts at this time pending receipt of adequate funding to continue its current drilling program. USC Corp is in discussions with several sources for these funds. Until such funds are received by USC Corp, elimination of the costs associated with being a fully reporting company is the only remaining cost cutting measure available to us.

In order to facilitate the discussion of possible transactions with mining companies who have expressed interest in USC Corp and its properties USC Corp will make available to mining company professionals pertinent information through a Data Center on USC Corp's web site by the end of August or early September of 2009. The confidential and proprietary information regarding the Company and its properties will be downloadable by interested parties after accepting the terms of a confidentiality agreement.

Management is concentrating its efforts on promotion and strategic partnerships, mergers, acquisitions, building shareholder value and increasing our cap rate to help facilitate our financing and property development efforts.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4T. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), as of June 30, 2009. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to our Company required to be included in our reports filed or submitted under the Exchange Act.

Changes in Internal Controls

There were no significant changes (including corrective actions with regard to significant deficiencies or material weaknesses) in our internal controls over financial reporting that occurred during the quarter ended June 30, 2009, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The Company has been involved as a Defendant in a lawsuit. The Company has denied liability for the claims made by the plaintiff. Recently the lawsuit was fully settled and compromised and dismissed with prejudice. The settlement had no material adverse effect on the Company. USCorp is not involved in any other legal proceedings.

Item 1A. Risk Factors

Not Applicable.

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

During fiscal year 2009, the Company has issued 7,533,334 shares of common stock and received proceeds of \$301,200.

During fiscal year 2009, the Company has issued 821,428 shares of common stock to consultants for services received valued at \$59,771.

As previously reported, we have received \$2.19 million in commitments to finance fiscal 2009 operations. As of the date of this report the Company has received \$400,000 of the \$2.19 million in commitments for 2009, however subsequent payments have not been received and there is no guarantee that the Company will receive the rest of the committed funds. We continue to pursue additional sources of financing.

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 this period.

Item 5. Other Information.

None.

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

20

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 18, 2009

21
