USCORP
Form 10-Q
May 15, 2012

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: **March 31, 2012**

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	000-19061	87-0403330
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(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.

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	x

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of March 31, 2012. _______ shares of Common Class A Stock and 5,060,500 shares of

Common Class B Stock were issued and outstanding.

USCORP

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

USCorp

(an Exploration Stage Company)

Consolidated Balance Sheets

As of March 31, 2012 and September 30, 2011

	31-Mar-12	30-Sep-11
ASSETS		
Current assets:		
Cash	$989,853	$1,686,996
Deferred charge	0	116,204
Total current assets	$989,853	$1,803,200
Other assets:		
Property & equipment- net	13,079	26,140
Total assets	$1,002,932	$1,829,340
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable & accrued expenses	$109,411	$147,539
Gold bullion loan	4,169,141	4,061,340
Convertible debenture payable	0	581,700
Subscriptions payable	212,990	30,500
Total current liabilities	$4,491,542	$4,821,079
Shareholders' equity:		
Series A preferred stock, one share convertible to eight shares of common; par value $0.001, 30,000,000 shares authorized, 2,943,750 shares issued and outstanding at September 30, 2011 and 22,943,750 at March 31, 2012	24,304	4,304
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 September 30, 2011 and March 31, 2012, stated value; $0.50	63,498	63,498
Common stock B- $.001 par value, authorized 250,000,000 shares, issued and outstanding, 5,060,500 shares at September 30, 2011 and 5,060,500 at March 31, 2012	5,060	5,060
Common stock A- $.01 par value, authorized 550,000,000 shares authorized, issued and outstanding, 194,966,611 shares at September 30, 2011 and 257,175,711 at March 31, 2012	$2,571,758	$1,949,667
Additional paid in capital	17,108,797	15,804,892
Accumulated deficit - exploration stage	(23,262,027)	(20,819,160)

Total shareholders' deficit	(3,581,472)	(3,064,601)
Total Liabilities & Shareholders' Deficit	$1,002,932	$1,829,340

See the notes to the financial statements.

1

USCorp

(an Exploration Stage Company)

Consolidated Statements of Operations

For the Quarters and Six Months Ended March 31, 2012 March 31, 2011

and from Inception, May 1989 through March 31, 2012

	6 Months 31-Mar-12	6 Months 31-Mar-11	3 Months 31-Mar-12	3 Months 31-Mar-11	Inception to Date
General and administrative expenses:					
Consulting	$325,645	$456,921	$161,713	$298,199	$8,174,628
Administration	244,200	131,289	178,392	105,085	7,473,669
Mineral Property Expenditures (see Note 11)	651,984	32,559	221,067	0	1,683,048
Professional fees	211,115	21,774	119,541	13,740	618,802
Total general & administrative expenses	1,432,944	642,543	680,713	417,024	17,950,147
Net loss from operations	$(1,432,944)	$(642,543)	$(680,713)	$(417,024)	$(17,950,147)
Other income (expenses):					
Interest income	238	0	50	0	8,431
Interest expense	(144,887)	(6)	(72,048)	(6)	(1,373,245)
Loss on convertible debt conversion	(786,156)	0	(786,156)	0	(786,156)
Gain (loss) on unhedged derivative	(79,118)	(294,924)	(206,353)	(66,630)	(3,160,910)
Net loss before provision for income taxes	$(2,442,867)	$(937,473)	$(1,745,220)	$(483,660)	$(23,262,027)
Provision for income taxes	0	0	0	0	0
Net loss	$(2,442,867)	$(937,473)	$(1,745,220)	$(483,660)	$(23,262,027)
Basic & fully diluted net loss per common share	$(0.01)	$(0.01)	$(0.01)	$0.00	
Weighted average of common shares outstanding:					
Basic & fully diluted	213,591,938	151,292,251	226,672,146	157,824,413	

See the notes to the financial statements.

2

USCorp

(an Exploration Stage Company)

Consolidated Statements of Cash Flows

For the Six Months Ended March 31, 2012 and March 31, 2011

and from Inception, May 1989 through March 31, 2012

	31-Mar-12	31-Mar-11	Inception to Date
Operating Activities:			
Net loss	$(2,442,867)	$(937,473)	$(23,262,027)
Adjustments to reconcile net income items not requiring the use of cash:			
Loss on convertible debt conversion	786,156	0	786,156
Consulting fees	93,250	87,829	5,394,782
Depreciation expense	3,344	376	24,575
Interest expense	34,473	6	1,284,672
Impairment expense	0	0	3,049,465
Loss on unhedged underlying derivative	79,118	294,924	3,160,910
Changes in other operating assets and liabilities :			
Deferred charge	116,204	0	0
Accounts payable and accrued expenses	(38,128)	(4,528)	109,411
Net cash used by operations	$(1,368,450)	$(558,866)	$(9,452,056)
Investing activities:			
Purchase of office equipment	$9,717	$0	$(37,654)
Net cash used by investing activities	9,717	0	(37,654)
Financing activities:			
Issuance of common stock	$459,100	$932,580	$8,592,625
Issuance of preferred stock	20,000	0	88,863
Issuance of common B stock	0	0	5,060
Issuance of gold bullion note	0	0	648,282
Capital contributed by shareholder	0	0	356,743
Subscriptions received (transferred to common stock)	182,490	207,746	212,990
Issuance (payment) of convertible notes	0	0	575,000
Advances received (paid) shareholder	0	(40,046)	0
Net cash provided by financing activities	661,590	1,100,280	10,479,563
Net increase (decrease) in cash	$(697,143)	$541,414	$989,853
Cash balance at beginning of the fiscal year	1,686,996	354,019	0
Cash balance at March 31st	$989,853	$895,433	$989,853

Supplemental disclosures of cash flow information:		
Interest paid	$0	$0
Income taxes	$0	$0

See the notes to the financial statements.

3

USCorp

(an Exploration Stage Company)

Consolidated 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	

4

USCorp

(an Exploration Stage Company)

Consolidated 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)

Consolidated 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)	

6

USCorp

(an Exploration Stage Company)

Consolidated 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)

7

USCorp

(an Exploration Stage Company)

Consolidated 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	12,261,765	122,618	304,845		427,463	$ 0.03
Issued stock for services	845,064	8,451	53,939		62,390	$ 0.07
Issued stock to settle lawsuit	200,000	2,000	10,000		12,000	$ 0.06
Conversion of Preferred A	400,000	4,000	(3,933)		67	
Issuance of convertible debt			3,000		3,000	
Net loss for the year				(1,293,237)	(1,293,237)	
Balance at September 30, 2009	74,319,460	$743,195	$12,183,315	$(15,529,202)	$(2,602,692)	
Issuance of common stock	43,457,363	434,574	566,795		1,001,369	$ 0.02
Issued stock for services	8,778,566	87,786	214,884		302,670	$ 0.03
Converted preferred A	9,400,000	94,000	(94,000)		0	
Net loss for the year				(2,203,184)	(2,203,184)	
Balance at September 30, 2010	135,955,389	$1,359,555	$12,870,994	$(17,732,386)	$(3,501,837)	
Issuance of common stock	41,594,631	415,946	2,491,634		2,907,580	$ 0.07
Issued stock for services	5,016,591	50,166	308,264		358,430	$ 0.07
Issued stock to extend debt maturities	3,200,000	32,000	176,000		208,000	$ 0.07
Issued stock to pay debenture	800,000	8,000	42,000		50,000	$ 0.06
Converted preferred A stock	8,400,000	84,000	(84,000)		0	

Net loss for the year				(3,086,774)	(3,086,774)
Balance at September 30, 2011	194,966,611	$1,949,667	$15,804,892	$(20,819,160)	$(3,064,601)

USCorp

(an Exploration Stage Company)

Consolidated 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	37,730,000	377,300	81,800		459,100	$ 0.01
Issued stock for services	1,585,000	15,850	77,400		93,250	$ 0.06
Issued stock to pay debentures	22,894,100	228,941	1,144,705		1,373,646	$ 0.06
Net loss for the period				(2,442,867)	(2,442,867)	
Balance at March 31, 2012	257,175,711	$2,571,758	$17,108,797	$(23,262,027)	$(3,581,472)	

*- Price adjusted for stock splits

Please see the notes to the financial statements.

9

USCorp

(an Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the Six Months Ended March 31, 2012 and March 31, 2011

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 USMetals, Inc. (“USMetals”), a Nevada corporation, and its 141 unpatented mining claims known as the Twin Peaks Project in Yavapai County Arizona. The Twin Peaks Project now consists of 268 unpatented Lode and 8 Placer Claims. In addition, The Company, through its subsidiary Southwest Resource Development, Inc., owns 200 unpatented Lode and Placer Claims on five properties in the Mesquite Mining District of Imperial County, California, which the Company collectively refers to as the Picacho Salton Project.

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

On March 22, 2011 the Company through its wholly owned subsidiary USMetals entered into an Asset Funding/Operation and Shareholders Agreement, and exhibits thereto with Arizona Gold Corp., a private British Columbia Corporation (“AGC”) and its wholly owned subsidiary, AGC Corp, a private Arizona company (“AGCAZ”), providing for the sale of 172 Arizona mining claims known as the Twin Peaks Project to AGCAZ in exchange for 90,200,000 shares or 61.34% of AGC’s common stock . The Twin Peaks Project now consists of 268 Lode and 8 Placer Claims.

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 the accounting guidance. Financial transactions are accounted for as per generally accepted accounted principles. Costs incurred during the development stage are accumulated in “accumulated deficit- exploration stage” and are reported in the Stockholders’ Deficit section of the balance sheet.

Consolidation- the accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. 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- 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 on equipment is computed using the straight-line method over the estimated useful life of the asset, which is estimated at three years.

10

Income taxes- The Company accounts for income taxes in accordance with generally accepted accounting principles which 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 the consolidated 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.

The Company follows the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of September 30, 2011, the Company has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. All tax returns from tax years 2007 to 2010 are subject to IRS audit.

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 consolidated financial statements have been presented in accordance with generally accepted accounting principles, which assume the continuity of the Company as a going concern. However, the Company has incurred significant losses since its inception and has no revenues and continues to rely on 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 Picacho Salton Project has been submitted by us to the Bureau of Land Management and is being reviewed by them. A drilling plan for the newly-expanded Twin Peaks Project was approved and commenced in November 2011 it was completed in March 2012.

* Receive BLM permit for Picacho Salton Project in California; Drill the Picacho Salton Project.

* Receive and analyze the Twin Peaks assays and drill reports and Picacho Salton assays and drill reports;

* Review the results of the drilling programs on each of the sites when completed . After consideration of the nature of the ore bodies of the properties, Management will make decisions regarding further development of the properties, including beginning commercial scale operations when exploration is completed on the Twin Peaks Project and the Picacho Salton Project.

* Continue exploration and ramp up transitioning to development and production in order to meet ongoing and anticipated demand for gold and silver.

* Continue to augment our mining exploration team and strategic business relationships with quality and results-oriented people as needed: professionals and consulting firms to advise management to handle mining operations, acquisitions and development of existing and future mineral resource properties.

* Continue to recruit strategic business alliances with 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 to develop the properties.

* Draw up and Submit to the BLM the final Mining Plan of Operations ("MPO") for the Twin Peaks; Submit the MPO to the BLM;

* Submit the Final MPO on the Picacho Salton Project to the BLM.

* Begin commercial scale operations on one or more of the properties as soon as the required permits and approvals have been granted, or be acquired by a major gold mining company.

* Continue to acquire additional properties and/or from strategic business relationships with corporations with properties as joint ventures or subsidiaries in order to advance the company's growth plans.

3. Property and Equipment

Property and equipment at March 31, 2012 and September 30, 2011 is comprised as follows.

	31-Mar-12	30-Sep-11
Office equipment	$ 4,033	$ 21,305
Vehicle	16,065	16,065
Land deposit	0	10,000
Accumulated depreciation	(7,019)	(21,230)
Property & equipment- net	$ 13,079	$ 26,140

During fiscal 2011, the Company deposited $10,000 in escrow for 20 acres of land in Yavapai County, Arizona. The deposit was returned in early 2012.

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 2,507 ounces of Gold Bullion (.999 pure). Originally, the promissory note came due in September 2007. Subsequently, the holder of the note extending the maturity date on an informal ongoing basis. The loan had been in default but the maturity debt was extended to March 2012 in exchange for 3,200,000 shares of common stock. The Company continues to accrue interest and to calculate the loan at fair value.

The loss on the underlying gold derivative on the promissory note has been calculated as follows.

Carrying value of loan	$1,008,231
Fair value of loan	4,169,141
Life to date loss on unhedged underlying derivative	$(3,160,910)

The holder of the Gold Bullion Loan has agreed to extend the loan in exchange for a partial payment of interest comprised of a combination of cash and stock. As of this writing, the exact terms are still being negotiated. The Company plans to issue a press release and file a report on Form 8-K when the final terms of the extension have been agreed upon by all parties. (See Subsequent Events Below)

12

5. Convertible Debentures

During the fiscal year 2007, the Company issued convertible debentures with a face value of $1,200,000. The debentures were convertible into common stock at $0.125 per share. The debentures had an interest rate of 5%. During the fiscal year 2008, the holder of these debentures converted $900,000 of the debentures to 7,200,000 shares of common stock.

In fiscal year 2008 the Company issued an additional convertible debenture to the same holder and received proceeds of $200,000. This debenture is exercisable into common stock at $0.125 per share, and has an interest rate of 4%.

In fiscal year 2009 the Company issued an additional convertible debenture to the same holder and received proceeds of $200,000. This debenture is exercisable into common stock at $0.125 per share, and has an interest rate of 4%. The Company issued an additional $56,700 debenture during fiscal year 2009 exercisable at $0.15 per share and at an interest rate of 5%.

In fiscal year 2011, the Company issued 800,000 shares of common stock and paid $125,000 to pay $175,000 of the debentures.

All of the debentures had been in default but the maturity dates were extended to March 2012 in exchange for the payment of 800,000 shares of common stock and $125,000 to pay down $175,000 of the debentures. In December 2011 the Company paid $25,000 to pay down the debenture balance. The Company has agreed to pay the balance of the debentures as follows: $500,000 by March 31, 2012.

On February 9, 2012 we announced a final payment in full of all debentures with a combination of stock and cash. We have paid a total of $171,000 in cash and issued a total of 23,694,100 shares in order to retire debentures in the amount of $633,823 (principal and interest).

6. Income Tax Provision

Provision for income taxes is comprised of the following:

	31-Mar-12	31-Mar-11

Net loss before provision for income taxes	$(2,442,867)	$(937,473)
Current tax expense:		
Federal	$0	$0
State	0	0
Total	$0	$0
Less deferred tax benefit:		
Tax loss carryforwards	(5,658,775)	(3,638,221)
Allowance for recoverability	5,658,775	3,638,221
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:

Tax loss carryforwards	$5,658,775	$3,638,221
Allowance for recoverability	(5,658,775)	(3,638,221)
Deferred tax benefit	$0	$0

Note: The deferred tax benefits arising from the timing differences begin to expire in tax years 2011 to 2030 and may not be recoverable upon the purchase of the Company under current IRS statutes.

7. Issuances of Common Stock

In the first six months of fiscal year 2011, the Company issued 28,169,665 common shares with 29,249,999 warrants attached convertible into the same amount of common shares at exercise prices ranging from three to thirty cents per share expiring in one to two years. The Company received proceeds of $932,580.

In the first six months of fiscal year 2011, the Company issued 1,456,591 shares of common stock to consultants for services rendered valued by the Company at $87,829.

In the first 6 months of fiscal year 2011, holders of the preferred A stock converted 1.05 million preferred A into 8.4 million shares of common stock.

In the six months of fiscal year 2012, the Company issued 37,730,000 common shares and received proceeds of $459,100.

In the six months of fiscal year 2012, the Company issued 1,585,000 shares of common stock to consultants for services rendered valued by the Company at $93,250.

In the six months of fiscal year 2012, the Company issued 22,894,000 shares of common stock to pay the convertible dentures.

In the six months of fiscal year 2012, the Company issued 20 million shares of preferred A stock and received proceeds of $20,000.

8. Common Stock Options

The Company applies ASC 718, “Accounting for Stock-Based Compensation” to account for its option issues. Accordingly, all options granted are recorded at fair value using a generally accepted option pricing model at the date of the grant. The fair values generated by option pricing model may not be indicative of the future values, if any, that may be received by the option holder.

14

The following is a summary of common stock options outstanding at March 31, 2012:

	Amount	Wgtd Avg Exercise Price	Wgtd Years to Maturity
Outstanding at September 30, 2010	100,579,484	$ 0.06	1.42
Issues	42,764,999		
Exercises	(34,585,000)		
Expired	(28,084,484)		
Outstanding at September 30, 2011	80,674,999	$ 0.10	0.71
Issues	0		
Exercises	(33,850,000)		
Expired	(6,498,333)		
Outstanding at March 31, 2012	40,326,666	$ 0.12	0.34

9. Net Loss per Share

The Company applies ASC 260, "*Earnings per Share*" to calculate loss per share. In accordance with ASC 260, 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 common stock options 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:

	31-Mar-12	31-Mar-11
Net loss before cumulative preferred dividend	$(2,442,867)	$(937,473)
Cumulative dividend preferred payable	(53,016)	(45,912)
Net loss to common shareholders	$(2,495,883)	$(983,385)
Weighted average	213,591,938	151,292,251
Basic & fully diluted net loss per common share	$(0.01)	$(0.01)

15

10. Subsequent Events

Extension of the Gold Bullion Loan. The holder of the Gold Bullion Loan has agreed to extend the loan that was due on March 31, 2012 in exchange for a partial payment of interest comprised of a combination of cash and stock. As of this writing, the exact terms are still being negotiated. The Company plans to issue a press release and file a report on Form 8-K when the final terms of the extension have been agreed upon by all parties.

Issuances of Common Stock. As of May 14, 2012 the Company has issued 33,813,332 shares of common stock since the end of the quarter covered in this report as follows: 1,280,000 shares were issued for services rendered and are valued at $65,200; 32,533,332 shares were issued to holders of warrants with proceeds to the Company of $207,069.

11. Mineral Property Expenditures

Mineral Property Expenditures were formerly labeled License & claim development expenses in the Consolidated Statements of Operations. With the advent of XBRL tagging of line items (providing a link to a definition of the item) the definition assigned to this item was incorrectly based on the term “License” in the label. It stated: “Costs incurred and are directly related to generating license revenue. Licensing arrangements include, but are not limited to rights to use a patent, copyright, technology, manufacturing process, software or trademark.” USCorp does not have any licensing arrangements of any kind. In order to accurately reflect that line in our financials we have changed the label and have assigned the following definition to it: “Exploration expenses, including prospecting would be included in operating expenses. Exploration costs include costs incurred in identifying areas that may warrant examination and in examining, drilling and related activities in specific areas that are considered to have prospects of mineralization.”

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 Consolidated Financial Statements and Notes thereto, and the other financial data appearing elsewhere in this 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 21 E 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-K for the fiscal year ended September 30, 2011.

Results of Operations

Comparison of operating results for the three months ended December 31, 2011 and March 31, 2011:

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

General and administrative expenses were $680,713 compared to $417,024 for the same period a year ago. Consulting costs decreased from $298,199 to $161,713 in the three months ended March 31, 2012 compared to the same period last year, which is mainly due to a decrease in investor and public relations costs. Administration costs increased from $105,085 in the three months ended March 31, 2011 to $178,392 for the three months ended March 31, 2012 due to increased costs for clerical help, office staff, the value of payments for professional services with Registered S-8 shares, and the difference between the capitalization received as a result of investors exercising their warrants and the value of shares issued when the warrants were exercised by investors during the period. Mineral Property Expenditures (formerly labeled License and claim development expenses, see Note 11 to the financials) were $221,067 in the three months ended March 31, 2012 compared to $0 the same period last year due to costs associated with increasing the number of claims and conducting the drilling program recently completed at the company's Twin Peaks project site in Arizona.

As a result of general and administrative costs, the Company experienced a loss from operations of $680,713 for the three months ended March 31, 2012, compared to loss from operations of $417,024 for the same period last year.

Interest expense decreased to ($72,048) during the first three months of fiscal 2010 compared to ($6) the first three months of fiscal year 2011 as a result of 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 price and is not hedged. The Company’s loss on the unhedged loan is $206,353 for the second three months of fiscal year 2012 compared to a loss of ($66,630) for the same period a year ago due to the change in the price of gold over the past year.

Net loss for the second three months of fiscal year 2012 was ($1,745,220) or $0.01 per share compared to a loss of ($483,660), or $0.00 per share for the same period last year.

Discussion of Financial Condition: Liquidity and Capital Resources

At December 31, 2011 cash on hand was $1,318,281 as compared with $1,686,996 at September 30, 2011. During the first three months of fiscal year 2012, the Company used $640,243 for its operations compared to $182,322 for the first three months of fiscal 2010.

At March 31, 2012, the Company had working capital of $989,853 compared to a working capital of $1,686,996 at September 30, 2011. 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 financing efforts.

Total assets at March 31, 2012 were $1,002,932 as compared to $1,829,340 at September 30, 2011. 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 financing efforts.

The Company's total stockholders' deficit increased to a deficit of $3,581,472 at March 31, 2011 compared to a deficit of $3,064,601 at September 30, 2011. The increase in stockholders' deficit was the result of an increase in additional paid in capital and operating losses of $1,432,944 for the six months ended March 31, 2011 due to costs for exploration of the Twin Peaks project, clerical help, office staff, the value of payments for professional services with Registered S-8 shares, and the difference between the capitalization received as a result of investors exercising their warrants and the value of shares issued when the warrants were exercised by investors during the period.

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 March 31, 2012. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective.

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 March 31, 2012, 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.

None.

Item 1A. Risk Factors

Not Applicable.

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

In the six months of fiscal year 2012, the Company issued 37,730,000 common shares and received proceeds of $459,100.

In the six months of fiscal year 2012, the Company issued 1,585,000 shares of common stock to consultants for services rendered valued by the Company at $93,250.

In the six months of fiscal year 2012, the Company issued 22,894,000 shares of common stock to pay the convertible dentures.

In the six months of fiscal year 2012, the Company issued 20 million shares of preferred A stock and received proceeds of $20,000.

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.

During the period of this report there were no matters submitted to a vote of Security Holders.

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

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: May 14, 2012

20