



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

September 9, 2011

Via E-mail

Mr. Christopher Carney
Interim Chief Financial Officer
Applied Minerals, Inc.
110 Greene Street, Suite 1101
New York, NY 10012

**Re: Applied Minerals, Inc.
Form 10-K for the fiscal year ended December 31, 2010
Filed April 15, 2011
File No. 000-31380**

Dear Mr. Carney:

We have reviewed your response dated September 2, 2011 and related filings and have the following comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter within ten business days by amending your filing, by providing the requested information, or by advising us when you will provide the requested response. If you do not believe our comments apply to your facts and circumstances or do not believe an amendment is appropriate, please tell us why in your response.

After reviewing any amendment to your filing and the information you provide in response to these comments, we may have additional comments.

Form 10-K for the Fiscal Year Ended December 31, 2010 filed April 15, 2011

General

1. Please tell us when you plan to amend your Form 10-K for the fiscal year ended December 31, 2010 and Forms 10-Q for the quarterly periods ended March 31, and June 30, 2011 as noted in your responses in your response letters dated July 29, and September 2, 2011.
2. We note that your website and some press releases refer to or use the terms “measured,” “indicated,” and “inferred,” resources. If you continue to make references on your web site or press releases to reserve measures other than those recognized by the SEC, please accompany such disclosure with the following cautionary language or provide a legal disclaimer tab or page:

Cautionary Note to U.S. Investors -The United States Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms on this website (or press release), such as “measured,” “indicated,” and “inferred” “resources,” which the SEC guidelines strictly prohibit U.S. registered companies from including in their filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 10-K which may be secured from us, or from our website at <http://www.sec.gov/edgar.shtml>.

Please indicate the location of this disclaimer in your response.

Dragon Mine, page 10

3. Please disclose the following information for each of your properties:
 - The nature of your ownership or interest in the property.
 - A description of all interests in your properties, including the terms of all underlying agreements and royalties.
 - Describe the process by which mineral rights are acquired at this location and the basis and duration of your mineral rights, surface rights, mining claims or concessions.
 - Please include certain identifying information, such as the property names, claim numbers, grant numbers, mining concession name or number, and dates of recording and expiration that is sufficient to enable the claims to be distinguished from other claims that may exist in the area or your properties.

- The conditions that must be met to retain your claims or leases, including quantification and timing of all necessary payments, annual maintenance fees, and disclose who is responsible for paying these fees.

Please ensure that you fully discuss the material terms of the land or mineral rights securing agreements, as required under paragraph (b)(2) of Industry Guide 7.

4. Please insert a small-scale map showing the location and access to each material property, as required by Instruction 3(b) to Item 102 of Regulation S-K. Please note the EDGAR program now accepts Adobe PDF files and digital maps, so please include these maps in any amendments that are uploaded to EDGAR. It is relatively easy to include automatic links at the appropriate locations within the document to GIF or JPEG files, which will allow figures and diagrams to appear in the right location when the document is viewed on the Internet. For more information, please consult the EDGAR manual, and if additional assistance is required, please call Filer Support at (202) 551-3600 for Post-Acceptance Filing Issues or (202) 551-8900 for Pre-Acceptance Filing Issues. We believe the guidance in Instruction 3(b) of Rule 102 of Regulation S-K would generally require maps and drawings to comply with the following features:
 - A legend or explanation showing, by means of pattern or symbol, every pattern or symbol used on the map or drawing.
 - A graphical bar scale should be included. Additional representations of scale such as "one inch equals one mile" may be utilized provided the original scale of the map has not been altered.
 - A north arrow.
 - An index map showing where the property is situated in relationship to the state or province, etc., in which it was located.
 - A title of the map or drawing, and the date on which it was drawn.
 - In the event interpretive data is submitted in conjunction with any map, the identity of the geologist or engineer that prepared such data.

Any drawing should be simple enough or of sufficiently large scale to clearly show all features on the drawing.

5. Please disclose the information required under paragraph (b) of Industry Guide 7 for all your material properties listed under this heading. For any properties identified that are not material, please include a statement to that effect, clarifying your intentions. For each material property, include the following information:
- A brief description of the rock formations and mineralization of existing or potential economic significance on the property.
 - A description of any work completed on the property and its present condition.
 - The details as to modernization and physical condition of the plant and equipment, including subsurface improvements and equipment.
 - A description of equipment, infrastructure, and other facilities.
 - The current state of exploration of the property.
 - The total costs incurred to date and all planned future costs.
 - The source of power and water that can be utilized at the property.
 - If applicable, provide a clear statement that the property is without known reserves and the proposed program is exploratory in nature.

You may refer to Industry Guide 7, paragraphs (b) (1) through (5), for specific guidance pertaining to the foregoing, available on our website at the following address: www.sec.gov/about/forms/industryguides.pdf

6. Detailed sampling provides the basis for the quality estimate or grade of your mineral discovery. Please provide a brief description of your sample collection, sample preparation, and the analytical procedures used to develop your analytical results. In addition, please disclose any Quality Assurance/Quality Control (QA/QC) protocols you have developed for your exploration program. These procedures would serve to inform potential investors regarding your sample collection and preparation, assay controls, sample custody, assay precision and accuracy procedures and protocols.
7. In the description of each exploration property, please provide a clear statement that the property is without known reserves and the proposed program is exploratory in nature to comply with the guidance in paragraph (b) (4) (i) of Industry Guide 7, applicable under the instructions to Item 4 of Form 20-F.

8. On a related point, it appears you should also expand your disclosure concerning the exploration plans for the properties to address the following points.
- Disclose a brief geological justification for each of the exploration projects written in non-technical language.
 - Give a breakdown of the exploration timetable and budget, including estimated amounts that will be required for each exploration activity, such as geophysics, geochemistry, surface sampling, drilling, etc. for each prospect.
 - If there is a phased program planned, briefly outline all phases.
 - If there are no current detailed plans to conduct exploration on the property, disclose this prominently.
 - Disclose how the exploration program will be funded.
 - Identify who will be conducting any proposed exploration work, and discuss what their qualifications are.
9. Please disclose your annual production as required by Regulation S-K, Instructions to Item 102, Part 3.

Item 7. Financial Statements and Supplementary Data, page 16

Note 3. Summary of Significant Accounting Policies, page F-29

10. Further to your response to prior comment 10, we note that you did not address whether you considered the *effective* conversion price. Please note that under ASC 470-20-30-5, you should determine the intrinsic value based on the effective conversion price using the amount of proceeds allocated to the convertible instrument. That is, you must first allocate the proceeds received in a financing transaction that includes a convertible instrument to the convertible instrument and any other detachable instruments included in the exchange (such as detachable warrants) on a relative fair value basis. Refer to Example 2 in ASC 470-20-55-10. Please explain how you applied this guidance.
11. Further to your response to prior comment 22 in your response dated July 29, 2011, we note that the stock awards consist of 250,000 shares of common stock to Mr. Dumont and 100,000 shares of common stock to Mr. Gaensbauer that were vested upon signing their employment agreements in 2007. It appears that the shares vested at the date of the agreement, the number of shares is fixed, you are only required to deliver shares under the agreement and there are no cash settlement options in the agreement. Please explain why the shares were not

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issued to the executives. We note from your response that you analogize the stock award to a cash bonus but your response did not explain why the stock award should be revalued each period at fair value. Given your response, please further explain what term of the agreement caused you to account for the shares to be issued to the executives as a liability at fair value that is marked to market each period.

You may contact Leigh Ann Schultz at (202) 551-3628 or Kate Tillan, Assistant Chief Accountant, at (202) 551-3604 if you have questions regarding comments on the financial statements and related matters. Please contact George K. Schuler at (202) 551-3718 with any other questions. You may also contact me at (202) 551-3671.

Sincerely,

/s/ Kate Tillan for

Martin James
Senior Assistant Chief Accountant

cc: William Gleeson, K&L Gates LLP