USCORP
Form 10QSB
August 14, 2006

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

FORM 10-QSB

x Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2006

or

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

Commission File Number 000-19061

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

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

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

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

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

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

As of August 11, 2006, the Registrant had 33,806,461 shares of Common Stock, par value $.01 per share, outstanding.

USCORP
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PART I. FINANCIAL INFORMATION

USCorp.
(an Exploration Stage Company)
Balance Sheet
As of June 30, 2006 and September 30, 2005

		Unaudited 30-Jun-06		30-Sep-05
ASSETS				
Current assets:				
Cash	$	170,109	$	627,372
Total current assets		170,109		627,372
Other assets:				
Equipment- net		3,384		4,006
Total assets	$	173,493	$	631,378
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable & accrued expenses	$	56,685	$	52,121
Total current liabilities		56,685		52,121
Note payable- shareholder		846,794		651,429
Advances payable shareholders		0		135,606
Shareholders' equity:				
Series A preferred stock, one share convertible to eight shares of common;10% stated dividend, stated value $0.50, 10,000,000 shares authorized,no shares outstanding		0		0
Series B preferred stock, one share convertible to two shares of common;10% cumulative stated dividend, stated value $0.50, 50,000,000 shares authorized,155,000 shares outstanding		70,165		70,165
Common stock- $.01 par value, authorized 800,000,000 shares,issued and outstanding, 32,921,431 shares at September 30, 2005 and 34,056,459 at June 30, 2006		330,099		329,214
Additional paid in capital		7,194,398		7,115,633
Accumulated deficit		(8,324,648)		(7,722,790)
Total shareholders' equity		(800,151)		(277,943)
Total Liabilities & Shareholders' Equity	$	173,493	$	631,378

See the notes to the financial statements.

USCorp.
(an Exploration Stage Company)
Unaudited Statements of Operations
For the Nine Months & Quarter Ended June 30, 2006 and June 30, 2005
and from Inception, May 1989 through June 30, 2006

	9 Months 30-Jun-06	9 Months 30-Jun-05	3 Months 30-Jun-06	3 Months 30-Jun-05	Inception to Date
General and administrative expenses:					
Consulting	$ 142,470	$ 314,765	$ 6,241	$ 260,576	$ 3,268,979
Administration	223,622	94,831	86,688	15,207	3,658,665
License expense	590	245	0	200	131,899
Professional fees	32,204	9,230	17,870	2,400	418,331
Total general & administrative expenses	398,886	419,071	110,799	278,383	7,477,874
Net loss from operations	(398,886)	(419,071)	(110,799)	(278,383)	(7,477,874)
Other income (expenses):					
Interest expense	(47,354)	(2,660)	(15,715)	(266)	(66,284)
Loss on unhedged underlying	(155,618)	0	(45,018)	0	(167,871)
(Loss) gain on mining claim	0	0	0	0	(600,000)
Net loss before provision for income taxes	(601,858)	(421,731)	(171,532)	(278,649)	(8,312,029)
Provision for income taxes	0	0	0	0	0
Net loss before extraordinary item	(601,858)	(421,731)	(171,532)	(278,649)	(8,312,029)
Extraordinary item:					
Loss on early extinguishment of debt (net of tax)	0	(24,000)	0	0	(12,619)
Net loss	($601,858)	($445,731)	($171,532)	($278,649)	($8,324,648)
Basic & fully diluted net loss per common share	($0.02)	($0.01)	($0.01)	($0.01)	
Weighted average of common shares outstanding:					
Basic & fully diluted	33,813,281	30,577,709	33,904,776	32,088,017	

See the notes to the financial statements.

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USCorp.
(an Exploration Stage Company)
Unaudited Statements of Cash Flows
From Inception, May 1989 to June 30, 2006

	30-Jun-06	30-Jun-05	Inception to Date
Operating Activities:			
Net loss	($601,858)	($445,731)	($8,324,648)
Adjustments to reconcile net income items not requiring the use of cash:			
Loss on sale of mining claim	0	0	600,000
Consulting fees	79,650	312,500	2,386,142
Depreciation expense	1,626	1,439	4,201
Interest expense	39,747	2,660	55,634
Impairment expense	0	0	2,449,466
Loss on early extinguishment of debt (net of tax)	0	24,000	12,619
Loss on unhedged underlying	155,618	0	170,914
Changes in other operating assets and liabilities :			
Accounts payable and accrued expenses	4,564	(31,221)	(293,399)
Net cash used by operations	(320,653)	(136,353)	(2,939,071)
Investing activities:			
Purchase of office equipment	(1,004)	(3,581)	(7,585)
Net cash used by investing activities	(1,004)	(3,581)	(7,585)
Financing activities:			
Issuance of common stock	0	48,000	2,138,356
Issuance of preferred stock	0	27,843	20,508
Issuance of note payable to shareholder	0	0	635,663
Subscriptions received	0	0	55,175
Placement fees	0	(5,518)	(1,750)
Advances received (paid) shareholder	(135,606)	78,368	37,269
Capital contributed by shareholders	0	0	231,544
Net cash provided by financing activities	(135,606)	148,693	3,116,765
Net increase (decrease) in cash during the fiscal year	(457,263)	8,759	170,109
Cash balance at beginning of the fiscal year	627,372	16,781	0
Cash balance at June 30th	$ 170,109	$ 25,540	$ 170,109
Supplemental disclosures of cash flow information:			
Interest paid during the fiscal year	$ 0	$ 0	$ 0
Income taxes paid during the fiscal year	$ 0	$ 0	$ 0

See notes to financial statements.

USCorp.
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception, May 1989 to June 30, 2006
As Restated

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

Balance at September 30, 1996-unaudited	85,160	852	1,217,564	(1,218,416)	0

USCorp.
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception, May 1989 to June 30, 2006
As Restated
(Continued)

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

USCorp.
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception, May 1989 to June 30, 2006
As Restated
(Continued)

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

Balance at September 30, 2003	25,793,073	257,931	5,366,425	(6,130,345)	(505,989)

USCorp.
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception, May 1989 to June 30, 2006
As Restated
(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	2,118,441		21,184		652,714		673,898	$	0.32
Net loss for the fiscal year						(964,108)	(964,108)		
Balance at September 30, 2004	29,531,459	$	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	32,921,459		329,214		7,115,633	(7,722,790)	(277,943)		
Issued stock for services	885,000		885		78,765		79,650	$	0.09
Net loss for the period						(601,858)	(601,858)		
Balance at June 30, 2006	33,806,459	$	330,099	$	7,194,398	($8,324,648)	($800,151)		

*- Adjusted for stock splits.

Please see the notes to the financial statements.

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USCorp.
(an Exploration Stage Company)
Notes to the Financial Statements
For the Nine Months Ended June 30, 2006 and June 30, 2005

1. Organization of the Company and Significant Accounting Principles

USCorp. (the “Company”) is a publicly held corporation formed in May 1989 in the state of Nevada as The Movie Greats Network, Inc. In August 1992, the Company changed its name to The Program Entertainment Group, Inc. In August 1997 the Company changed its name to Santa Maria Resources, Inc. In September 2000 the Company changed its name to Fantasticon, Inc. and in January 2002 the Company changed its name to US Corp.

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

The Company, through its wholly owned subsidiary, USMetals, owns 141 Lode Mining Claims in the Eureka Mining District of Yavapai County, Arizona, called the Twin Peaks Mine; and through its wholly owned subsidiary Southwest Resource Development, Inc., owns 8 Lode and 21 Placer Claims in the Mesquite Mining District of Imperial County, California, which the Company refers to as the Chocolate Mountain Region Claims.

The Company has no business operations to date.

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

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

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

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

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

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

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

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

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

2. Going Concern

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

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

- Raise capital to complete the company's mining plan of operations.
- Complete exploration and drilling on claims of the Twin Peaks Mine and Chocolate Mountain Region Claims.
- Complete testing operations on all properties.
- Complete reports and feasibility studies on the Twin Peaks Mine and Chocolate Mountain Region Claims.
- Bring the Twin Peaks Mine and Chocolate Mountain Region Claims to full-scale commercial mining.
- Obtain a credit facility based in part on the value of its proven reserves when necessary and if appropriate given market conditions.

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. At June 30, 2006, there were 155,000 shares of preferred stock and 155,000 preferred warrants convertible into 620,000 shares of common stock, however these financial instruments have been excluded from the calculation of loss per share because their inclusion would be anti-dilutive.

Loss per share has been calculated as follows:

	30-Jun-06	**30-Jun-05**
Net loss before cumulative preferred dividend	($601,858)	($445,731)
Cumulative dividend preferred	(11,275)	0
Net loss	($613,133)	($445,731)
Weighted average	33,813,281	30,577,709
Basic & fully diluted net loss per common share	($0.02)	($0.01)

4. Related Party Transactions

During the nine months ended June 30, 2006 and June 30, 2005, the Company was provided office space by the chief executive officer and majority shareholder at a cost of $14,585 and $7,396.

During the nine months ended June 30, 2006, the Company repaid $135,606 of advances from a shareholder. The Company imputed interest of 9% on the outstanding advance balance based on the Company's current borrowing rate, and recorded interest of $4,464 in the statement of operations.

In September 2005, the Company issued a promissory note to a shareholder and received proceeds of $635,663. The note requires the Company to pay the shareholder 1,634 ounces of Gold Bullion (.999 pure) in September 2007. The note is unsecured and carries interest of 9%. As a result of the transaction, the Company recorded interest expense of $42,790 and a loss on the underlying derivative gold contract of $37,574 in the statement of operations for the nine months ended June 30, 2006.

5. Gold Bullion Promissory Note

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

Carrying value of loan	$	678,923
Fair value of loan		846,794
Life to date loss on unhedged underlying derivative	$	167,871

6. Property and Equipment

A summary of equipment is as follows:

		30-Jun-06		30-Sep-05
Office equipment	$	7,585	$	6,581
Accumulated depreciation		(4,201)		(2,575)
Net property & equipment	$	3,384	$	4,006

7. Transactions of Common stock

During the first nine months of fiscal year 2006, the Company issued 885,000 shares of common stock to consultants for services.

In April 2006, the Company amended the articles of incorporation to increase the number of authorized common shares to 800,000,000 shares, of which 250,000,000 are non-voting shares.

In December 2004, the Company issued 150,000 shares of common stock and received proceeds of $48,000. In addition, the Company issued 330,000 shares of common stock to consultants for services rendered. In April 2005, the Company issued 1,910,000 shares of common stock for services.

8. Warrants Outstanding

At June 30, 2006, common stock warrants outstanding were comprised as follows:

	Amount	Wgtd Avg Exercise Price	Wgtd Years to Maturity
Outstanding at September 30, 2005	155,000		
Issued	0		
Outstanding at June 30, 2006	155,000	$ 0.50	0.55

9. Income Tax Provision

Provision for income taxes is comprised of the following:

	30-Jun-06	30-Jun-05
Net loss before provision for income taxes	($398,886)	($419,071)
Current tax expense:		
Federal	$ 0	$ 0
State	0	0
Total	$ 0	$ 0
Less deferred tax benefit:		
Timing differences	(2,273,143)	(1,652,589)
Allowance for recoverability	2,273,143	1,652,589
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	$ 2,273,143	$ 1,652,589
Allowance for recoverability	(2,273,143)	(1,652,589)
Deferred tax benefit	$ 0	$ 0

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

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS 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 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 l0-KSB for the fiscal year ended September 30, 2005.

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Results of Operations

Comparison of operating results for the nine months ended June 30, 2006 and June 30, 2005:

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

General and administrative expenses were $398,886 compared to $419,081 for the same period a year ago. Consulting costs decreased from $314,765 to $164,970 in the nine months ended June 30, 2006 which is mainly due to the significant decrease in the issuances of common stock to pay for consulting fees in 2006. General administration costs increased $128,791 in the nine months ended June 30, 2006 to $223,622. General administrative costs are detailed as follows:

	30-Jun-06	30-Jun-05
Promotion	$ 13,508	$ 1,877
Automobile	12,995	13,192
General office	28,328	26,607
Depreciation	1,626	1,439
Filings & printing	6,430	1,242
Insurance	9,682	1,835
Mine development	82,722	350
Postage	4,382	1,975
Transfer agent	6,102	24,770
Rent & utilities	20,188	9,710
Repairs	13,902	460
Clerical fees	2,890	0
Storage	5,758	0
Telephone	6,645	7,931
Travel	8,464	3,443
Total	$ 223,622	$ 94,831

As a result of general and administrative costs, the Company experienced a loss from operations of $601,858 for the nine months ended June 30, 2006, compared to loss from operations of $419,071 for the same period last year.

Interest expense increased $44,694 during the first nine months of fiscal 2006 compared to the first nine months of fiscal year 2005 as a result of the Gold Bullion Loan borrowed at the end of September 2005. 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 $155,618 for the first nine months of fiscal year 2006.

In September 2003, the Company issued convertible debt at no interest to shareholders in the Company and received proceeds of $40,000. The debt matured in September 2004 and entitled the shareholders to convert the debt into 100,000 shares of common stock at an exercise price of $0.40 per share. The Company recorded a beneficial conversion feature of $3,767 as a result of the transaction and amortized the beneficial conversion feature to interest expense during fiscal year 2004. This debt and the attendant detachable warrants were extinguished by the Company in February 2005 by issuing 400,000 shares of common stock.

The Company recognized a loss on the retirement of this debt of $24,000, net of tax, in the statement of operations in the first nine months of fiscal 2005.

Net loss for the first nine months of fiscal year 2006 was $601,858, or $0.02 per share compared to a loss of $445,731, or $.01 per share for the same period last year.

Comparison of operating results for the three months ended June 30, 2006 and June 30, 2005:

General and administrative expenses were $110,799 for Q3 2006 compared to $278,383 for the same period a year ago. The decrease in consulting fees was the main reason for the significant decrease. In April 2005, the Company issued 1,910,000 shares of common stock valued at $248,300 to pay consulting fees. The Company issued no stock to consultants this quarter.

As a result of general and administrative costs, the Company experienced a loss from operations of $110,799 for the nine months ended June 30, 2006, compared to loss from operations of $278,383 for the same period last year.

Interest expense for Q3 2006 was $15,715 during the first nine months of fiscal 2006 compared to $266 for the first nine months of fiscal year 2005. The Gold Bullion Loan borrowed at the end of September 2005 is the reason for the increase in interest expense. The loan is payable in gold bullion at the prevailing rate price and is not hedged. Because of the decrease in gold bullion prices during Q3 2006, the Company experienced a loss on the unhedged loan of $45,018.

Net loss for Q3 2006 was $171,532, or $0.01 per share compared to a loss of $278,649, or $.01 per share for Q3 2005.

Discussion of Financial Condition: Liquidity and Capital Resources

At June 30, 2006 cash on hand was $170,109 as compared with $627,372 at September 30, 2005. During the first nine months of fiscal year 2006, the Company used $316,089 for its operations, purchased $1,004 of office equipment, and paid in full a loan to a shareholder of $135,606.

At June 30, 2006, the Company had working capital of $113,424 compared to a working capital of $575,251 at September 30, 2005. The decrease is due to the use of the proceeds of the gold bullion loan from a shareholder. The gold bullion loan is not payable until 2007 and is therefore excluded from the calculation of working capital.

Total assets at June 30, 2006 were $173,493 as compared to $631,378 at September 30, 2005. The decrease is due to the use of the proceeds of the gold bullion loan from a shareholder.

The Company's total stockholders' equity decreased to a deficit of $800,151 at June 30, 2006. The decrease in stockholders' equity was the result of operating losses of $601,858 for the nine months ended June 30, 2006 and issuance of common stock to consultants valued at $79,650 for the same period.

ITEM 3. CONTROLS AND PROCEDURES

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

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

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

There are currently no legal proceedings against the company at this time.

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

None.

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

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 14, 2006

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