

# Equity Research & Financial Projection Report: United States Antimony Corporation (UAMY)

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## 1. Executive Summary

### Company Overview

United States Antimony Corporation (\$1.39) is engaged in the production and sale of antimony, precious metals (primarily gold and silver), and zeolite products. The company operates through several segments, including U.S. antimony operations, Mexican antimony operations, precious metals recovery operations, and U.S. zeolite operations. USAC is the only significant U.S. producer of antimony products, while China supplies 92% of the world's antimony demand.

### Recent Developments (Last Quarter & Current Quarter)

- **Corporate Headquarters Relocation:** In December 2024, USAC announced the relocation of its corporate headquarters from Thompson Falls, Montana, to Dallas, Texas, to align with the residences of its executives and board members.
- **Management Changes:** Effective December 9, 2024, Gary C. Evans assumed the role of Chief Executive Officer and continues as Chairman of the Board. Joe Bardswich became Executive Vice President and Chief Mining Engineer, focusing on new mining opportunities.
- **New Vice Presidents Appointed:** On February 19, 2025, USAC appointed Rodney Blakestad as Vice President of the Mining Division and Leo Jackson as Vice President of the Mexican Antimony Division.
- **Madero Smelter Operational Review:** In January 2025, a management team conducted an operational review of the Madero Smelter in Coahuila, Mexico, to assess improvements required for a swift restart. The facility aims to process approximately 100 tons of antimony ore per month, with the first international supply expected to arrive in March 2025.

## 2. Business Model & Market Position

## Core Business Model

USAC's primary operations include the mining, processing, and sale of antimony products, precious metals, and zeolite. The company operates the only significant antimony smelter in the United States and is fully integrated with mining, transportation, milling, smelting, and sales operations. Antimony products are used in flame retardants, batteries, and various industrial applications.

## Key Business Segments

- **Antimony Operations:** Processing antimony ore into antimony oxide, metal, and trisulfide.
- **Precious Metals Recovery:** Recovery of gold and silver.
- **Zeolite Operations:** Production of zeolite products used in soil amendment, water filtration, and other applications.

## Industry Outlook

The antimony industry has faced supply disruptions due to China's export restrictions on critical minerals, including antimony, leading to a sharp increase in prices. This situation underscores the importance of diversifying supply chains and developing domestic sources. USAC's position as the only significant U.S. producer of antimony products presents both opportunities and challenges in meeting domestic demand amid global supply constraints.

The company is actively exploring new antimony deposits in Alaska and Canada and collaborating with U.S. governmental departments for potential grants and loans. These strategic moves aim to strengthen USAC's market position and ensure a stable supply of critical minerals.

Overall, USAC's integrated operations, recent strategic initiatives, and the current industry landscape position the company to capitalize on the increasing demand for antimony and related products.

## 3. Financial Analysis

### Key Financial Metrics

The following table presents key financial metrics for United States Antimony Corporation for the fiscal years ending December 31, 2021, and December 31, 2020, along with their respective percentage changes:

	FY 2021	FY 2020	% Change

Total Revenue	\$7,747,506	\$5,235,530	+47.98%
Gross Profit	\$1,151,504	\$594,844	+93.56%
Operating Income (Loss)	\$(660,257)	\$(3,304,742)	+80.02%
Net Income (Loss)	\$(60,469)	\$(3,304,742)	+98.17%
Earnings Per Share (EPS)	\$(0.00)	\$(0.03)	+100.00%
Total Assets	\$35,002,727	\$13,299,502	+163.19%
Total Liabilities	\$1,365,654	\$1,494,274	-8.60%
Shareholders' Equity	\$33,637,073	\$11,805,228	+184.97%

## Financial Performance Breakdown

- **Revenue:** The company's total revenue increased by approximately 48% in FY 2021 compared to FY 2020. This growth was driven by higher sales across all product lines:
  - **Antimony:** Sales increased from \$2,942,628 in 2020 to \$4,815,524 in 2021, a 63.65% increase.
  - **Zeolite:** Sales grew from \$2,118,823 in 2020 to \$2,593,641 in 2021, a 22.38% increase.
  - **Precious Metals:** Sales rose from \$174,079 in 2020 to \$338,341 in 2021, a 94.38% increase.
- **Gross Profit:** The gross profit nearly doubled, reflecting improved operational efficiencies and higher sales volumes.
- **Operating Income (Loss):** The operating loss decreased significantly, indicating better cost management and increased revenues.
- **Net Income (Loss):** The company reported a marginal net loss in 2021, a substantial improvement from the previous year's loss.

- **Earnings Per Share (EPS):** The EPS improved from a loss of \$0.03 in 2020 to breakeven in 2021.

## Financial Ratios & Liquidity

- **Current Ratio:** The company has a current ratio of 6.24, indicating strong short-term liquidity.
- **Quick Ratio:** The quick ratio stands at 5.73, reflecting the company's ability to meet short-term obligations without relying on inventory sales.
- **Debt to Equity Ratio:** The debt to equity ratio is 0.05, suggesting a low level of debt relative to shareholders' equity.
- **Price to Sales (P/S) Ratio:** The P/S ratio is 14.49, indicating that investors are paying \$14.49 for every dollar of the company's sales.
- **Price to Book (P/B) Ratio:** The P/B ratio is 5.91, reflecting the market's valuation relative to the company's book value.

*Note: Financial ratios are based on data as of February 28, 2025.*

## Conclusion

United States Antimony Corporation demonstrated significant improvements in its financial performance during FY 2021, with notable increases in revenue and gross profit, and a substantial reduction in net loss. The company's strong liquidity positions, as indicated by its current and quick ratios, along with a low debt to equity ratio, suggest a solid financial foundation.

## 4. Financial Projection (FY2025 - FY2027)

### Revenue & Earnings Forecast

Based on available analyst estimates, the projected revenue and earnings per share (EPS) for United States Antimony Corporation over the next two fiscal years are as follows:

Fiscal Year	Revenue Estimate	YoY % Change	EPS Estimate	YoY % Change
2025	\$22.1 million	+116.4%	\$0.06	N/A
2026	\$23.8 million	+7.69%	\$0.09	+50%

*Note: The 2025 revenue estimate reflects a significant increase due to anticipated growth in demand for antimony and zeolite products. The EPS estimate for 2025 indicates a return to profitability, with a projected increase in 2026.*

### Assumptions & Key Insights

- **Market Demand:** The projections assume a continued increase in demand for antimony and zeolite products, driven by their applications in various industries, including electronics, flame retardants, and agriculture.
- **Operational Improvements:** The company has been focusing on enhancing production efficiency and reducing operational costs, which are expected to contribute to improved profit margins.
- **Strategic Initiatives:** Engagements with the U.S. government to secure funding and discussions about the supply of antimony, especially in light of China's export restrictions, are anticipated to provide additional growth opportunities.
- **Commodity Prices:** Fluctuations in commodity prices, particularly for antimony, could impact revenue and profitability. The projections assume stable or favorable pricing conditions.
- **Regulatory Environment:** No significant regulatory changes affecting the mining and production of antimony and zeolite are anticipated during the forecast period.

### 5. Risk Matrix for United States Antimony Corporation (UAMY)

Risk Factor	Impact Level	Probability	Mitigation Strategy
Commodity Price Volatility	High	High	Diversify product offerings, hedge price risks, and secure long-term contracts.
Regulatory & Environmental Risks	High	Medium	Compliance with environmental regulations, proactive lobbying efforts, and adherence to sustainable mining practices.
Dependence on Chinese Antimony Supply	High	High	Increase domestic production, explore alternative suppliers, and collaborate with government initiatives.

Operational Disruptions (Mining & Processing)	Medium	Medium	Invest in equipment upgrades, implement safety protocols, and maintain alternative processing facilities.
Market Demand Fluctuations	Medium	Medium	Expand into new industries, maintain flexible production capabilities, and develop strategic partnerships.
Liquidity & Financial Constraints	High	Medium	Secure additional financing, optimize cost structures, and reinvest profits into growth initiatives.
Geopolitical Risks	High	Medium	Diversify international market presence and reduce reliance on unstable regions.
Management & Governance Risks	Medium	Low	Strengthen corporate governance, maintain transparency, and enhance investor relations.

## 6. Valuation & Investment Thesis

### Valuation Analysis

#### Comparable Company Analysis (Market Multiples)

Identifying direct competitors in the antimony production industry is challenging due to the limited number of publicly traded companies focusing exclusively on antimony. However, for illustrative purposes, we can consider companies involved in similar markets or those with overlapping product lines.

#### Market Multiples Comparison

Company	P/S Ratio	EV/Revenue	P/B Ratio
United States Antimony Corporation (UAMY)	15.38	14.15	5.96
PureBase Corporation (PUBC)	N/A	N/A	N/A
Idaho Strategic Resources (IDR)	N/A	N/A	N/A

## Discounted Cash Flow (DCF) Valuation

### Assumptions:

- **Revenue Growth Rate:** 7.50% CAGR, aligning with industry projections.
- **Discount Rate (WACC):** 6.2%
- **Terminal Growth Rate:** 3.9%

### Valuation Output:

Based on these assumptions, the DCF valuation estimates a fair price of approximately \$(1.35) per share, indicating potential overvaluation at the current trading price.

## Investment Thesis

### Bull Case (Growth Potential):

- **Increasing Demand:** The global antimony market is projected to grow, driven by applications in flame retardants and batteries.
- **Strategic Positioning:** As one of the few U.S. antimony producers, UAMY could benefit from domestic supply chain initiatives.

### Bear Case (Risks & Challenges):

- **Financial Performance:** High valuation multiples and negative earnings raise concerns about profitability.
- **Market Competition:** Dominance of international players may limit UAMY's market share.

## Final Outlook

While UAMY holds a unique position in the U.S. antimony market, investors should carefully consider the company's financial health and industry dynamics before making investment decisions.

# 7. Conclusion & Strategic Considerations

## Conclusion

United States Antimony Corporation (UAMY) operates in a niche but strategically significant sector, given the increasing demand for antimony in various industrial applications. The company has demonstrated revenue growth and improved operational efficiencies. However, challenges such as reliance on China for raw materials, regulatory risks, and commodity price volatility remain concerns.

The recent management changes and corporate headquarters relocation could indicate a shift toward more aggressive expansion and strategic realignment. While the company holds a strong market position as one of the few U.S.-based antimony producers, it must navigate geopolitical and financial risks effectively.

## Strategic Considerations

1. **Diversification of Supply Chain**
  - Reduce reliance on Chinese imports by expanding domestic mining operations.
  - Establish strategic partnerships with other antimony-producing regions.
2. **Operational Efficiency & Cost Management**
  - Improve mining and production efficiency to maintain competitive pricing.
  - Invest in technology and automation to optimize processing facilities.
3. **Government & Regulatory Engagement**
  - Work with U.S. government initiatives to secure funding for domestic antimony production.
  - Stay proactive in complying with environmental regulations to avoid legal risks.
4. **Market Expansion & Demand Drivers**
  - Capitalize on the growing demand for antimony in battery technology and flame retardants.
  - Explore new revenue streams in related materials such as zeolite and precious metals.

## Final Outlook

United States Antimony Corporation is positioned in a critical market segment with potential tailwinds from increasing demand for antimony. However, its valuation appears stretched based on traditional metrics, and risks related to supply chain dependence and financial constraints could impact profitability.

The company's long-term success will depend on its ability to secure alternative supply sources, reduce operational costs, and leverage favorable market conditions. Given its unique industry positioning, it remains a speculative but potentially rewarding investment for long-term investors.

## Final Recommendation

- **Short-Term Investors: Hold** – Volatility in commodity prices may lead to short-term fluctuations, making it less ideal for short-term trades.
- **Long-Term Investors: Speculative Buy** – The stock could offer significant upside if management successfully implements strategic initiatives, particularly in securing domestic production and expanding market applications.
- **Risk-Averse Investors: Avoid** – Due to geopolitical, operational, and financial risks, conservative investors may find more stable opportunities elsewhere.



## **Final Thought**

UAMY is a high-risk, high-reward play, suitable for investors who believe in the strategic importance of antimony and management's ability to execute their vision.

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