USCORP
Form 10-Q
August 22, 2011

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

FORM 10-Q

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

For the quarterly period ended: June 30, 2011

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 June 30, 2011. 185,491,620 shares of Common Class A Stock and 5,060,500 shares of Common Class B Stock were issued and outstanding.

USCORP
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PART I. FINANCIAL INFORMATION

USCorp
(an Exploration Stage Company)
Balance Sheet
As of June 30, 2011 and September 30, 2010

	30-Jun-11	30-Sep-10
ASSETS		
Current assets:		
Cash	$746,653	$354,019
Total current assets	$746,653	$354,019
Other assets:		
Equipment- net	0	376
Total assets	$746,653	$354,395
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable & accrued expenses	$27,596	$25,298
Gold bullion loan	3,471,680	3,016,841
Convertible debenture payable	550,000	700,000
Subscriptions payable	218,488	0
Total current liabilities	$4,267,764	$3,742,139
Due to officer	0	40,170
Shareholders' equity:		
Series A preferred stock, one share convertible to eight shares of common; par value $0.001, 10,000,000 shares authorized, 4,168,750 shares issued and outstanding at September 30, 2010 and 2,943,750 at June 30, 2011	4,304	5,365
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, 2010 and March 31, 2011, 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, 2010 and 5,060,500 at June 30, 2011	5,060	5,060
Common stock A- $.01 par value, authorized 550,000,000 shares authorized, issued and outstanding, 135,955,389 shares at September 30, 2010 and 185,491,620 at June 30, 2011	$1,853,417	$1,359,555
Additional paid in capital	13,841,741	12,870,994
Accumulated deficit - exploration stage	(19,289,131)	(17,732,386)
Total shareholders' deficit	(3,593,973)	(3,501,837)
Total Liabilities & Shareholders' Deficit	$746,653	$354,395

See the notes to the financial statements.

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USCorp
(an Exploration Stage Company)
Statements of Operations
For the Nine Months and Quarters Ended June 30, 2011 and June 30, 2010
and from Inception, May 1989 through June 30, 2011

	9 Months 30-Jun-11	9 Months 30-Jun-10	3 Months 30-Jun-11	3 Months 30-Jun-10	Inception to Date
General and administrative expenses:					
Consulting	$712,785	$278,075	$255,864	$(53,719)	$8,110,688
Administration	265,204	642,026	101,356	86,754	6,502,838
License expense	0	0	0	0	247,559
Professional fees	51,558	23,535	29,784	2,956	765,691
Total general & administrative expenses	1,029,547	943,636	387,004	35,991	15,626,776
Net loss from operations	$(1,029,547)	$(943,636)	$(387,004)	$(35,991)	$(15,626,776)
Other income (expenses):					
Interest income	144	0	144	0	8,052
Interest expense	(64,000)	(78,793)	(63,994)	(13,185)	(1,112,562)
Gain (loss) on unhedged derivative	(454,842)	(586,885)	(159,918)	(254,271)	(2,549,345)
Net loss before provision for income taxes	$(1,548,245)	$(1,609,314)	$(610,772)	$(303,447)	$(19,280,631)
Provision for income taxes	0	0	0	0	0
Net loss	$(1,548,245)	$(1,609,314)	$(610,772)	$(303,447)	$(19,280,631)
Basic & fully diluted net loss per common share	$(0.01)	$(0.02)	$(0.00)	$0.00	
Weighted average of common shares outstanding:					
Basic & fully diluted	161,027,813	87,411,680	173,981,664	103,015,198	

See the notes to the financial statements.

USCorp
(an Exploration Stage Company)
Statements of Cash Flows
For the Nine Months Ended June 30, 2011 and June 30, 2010
and from Inception, May 1989 through June 30, 2011

	30-Jun-11	30-Jun-10	Inception to Date
Operating Activities:			
Net loss	$(1,556,745)	$(1,609,314)	$(19,289,131)
Adjustments to reconcile net income items not requiring the use of cash:			
Consulting fees	303,029	515,460	5,190,492
Depreciation expense	376	654	17,555
Interest expense	0	78,793	984,989
Impairment expense	0	0	3,049,465
Loss on unhedged underlying derivative	454,842	586,885	2,549,345
Changes in other operating assets and liabilities :			
Accounts payable and accrued expenses	2,298	(502)	27,596
Net cash used by operations	$(796,200)	$(428,024)	$(7,469,689)
Investing activities:			
Purchase of office equipment	$0	$0	$(17,555)
Net cash used by investing activities	0	0	(17,555)
Financing activities:			
Issuance of common stock	$1,111,580	$405,395	$6,337,525
Issuance of preferred stock	0	0	68,863
Issuance of common B stock	0	0	5,060
Issuance of gold bullion note	(3)	0	648,279
Capital contributed by shareholder	0	0	356,743
Subscriptions received	217,427	32,965	217,427
Issuance (payment) of convertible notes	(100,000)	0	600,000
Advances received (paid) shareholder	(40,170)	15,857	0
Net cash provided by financing activities	1,188,834	454,217	8,233,897
Net increase (decrease) in cash during the period	$392,634	$26,193	$746,653
Cash balance at beginning of the fiscal year	354,019	18,527	0
Cash balance at June 30th	$746,653	$44,720	$746,653
Supplemental disclosures of cash flow information:			
Interest paid during the year	$0	$0	$0
Income taxes paid during the year	$0	$0	$0

See the notes to the financial statements.

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

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

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

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

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

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total	Stock Price *
Issuance of common stock	103,535	1,035	611,943		612,978	$ 0.15
Issued stock for compensation	50,000	500	19,571		20,071	$ 0.04
Capital contributed by shareholder			21,719		21,719	
Net loss fiscal 2001				(654,768)	(654,768)	
Balance at September 30, 2001-unaudited	453,573	$ 4,536	$ 2,668,851	$ (2,673,387)	$ 0	
Issued stock to purchase mining claim	24,200,000	242,000	2,207,466		2,449,466	$ 0.10
Issued shares to employees	267,500	2,675	(2,675)		0	
Capital contributed by shareholders			143,480		143,480	
Net loss for the fiscal year				(2,591,671)	(2,591,671)	
Balance at September 30, 2002-unaudited	24,921,073	$ 249,211	$ 5,017,122	$ (5,265,058)	$ 1,275	
Issued stock for services	872,000	8,720	264,064		272,784	$ 0.31
Beneficial conversion feature			3,767		3,767	
Capital contributed by shareholders			81,472		81,472	
Net loss for the fiscal year				(865,287)	(865,287)	
Balance at September 30, 2003	25,793,073	$ 257,931	$ 5,366,425	$ (6,130,345)	$ (505,989)	

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

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total	Stock Price *
Issuance of common stock	550,000	5,500	206,500		212,000	$ 0.39
Issued stock to pay bills	1,069,945	10,699	460,077		470,776	$ 0.44
Issued stock for services	2,118,444	21,184	652,714		673,898	$ 0.32
Net loss for the fiscal year				(964,108)	(964,108)	
Balance at September 30, 2004	29,531,462	$ 295,314	$ 6,685,716	$ (7,094,453)	$ (113,423)	
Issuance of common stock	150,000	1,500	46,500		48,000	$ 0.32
Issued stock for services	2,840,000	28,400	331,600		360,000	$ 0.13
Issued stock to pay debt	400,000	4,000	50,000		54,000	$ 0.14
Issuance of warrants			1,817		1,817	
Net loss for the fiscal year				(628,337)	(628,337)	
Balance at September 30, 2005	32,921,462	$ 329,214	$ 7,115,633	$ (7,722,790)	$ (277,943)	
Issued stock for services	885,000	8,850	70,800		79,650	$ 0.09
Net loss for the period				(837,551)	(837,551)	
Balance at September 30, 2006	33,806,462	$ 338,064	$ 7,186,433	$ (8,560,341)	$ (1,035,844)	
Issued stock for services	50,000	500	4,500		5,000	$ 0.10
Issuance of convertible debt			648,098		648,098	
Net loss for the fiscal year				(3,176,745)	(3,176,745)	
Balance at September 30, 2007	33,856,462	338,564	7,839,031	(11,737,086)	(3,559,491)	

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

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total	Stock Price *
Issuance of common stock	10,011,879	100,119	638,559		738,678	$ 0.07
Issued stock for services	9,517,664	95,177	2,447,473		2,542,650	$ 0.27
Conversion of debentures	7,200,000	72,000	828,000		900,000	$ 0.13
Conversion of preferred stock	26,626	266	6,401		6,667	$ 0.25
Issuance of convertible debt			56,000		56,000	
Net loss for the fiscal period- as restated				(2,498,879)	(2,498,879)	
Balance at September 30, 2008	60,612,631	606,126	11,815,464	(14,235,965)	(1,814,375)	
Issuance of common stock	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	34,969,631	349,696	761,884		1,111,580	$ 0.03

Issued stock for services	4,416,591		44,166		258,863				303,029	$	0.07
Issued stock to pay debenture	1,600,000		16,000		34,000				50,000	$	0.03
Converted preferred A	8,400,000		84,000		(84,000)				0		
Net loss for the period							(1,548,245)		(1,548,245)		
Balance at June 30, 2011	185,341,611	$	1,853,417	$	13,841,741	$	(19,280,631)	$	(3,585,473)		

*- Price adjusted for stock splits

Please see the notes to the financial statements.

USCorp
(an Exploration Stage Company)
Notes to the Consolidated Financial Statements
For the Nine Months Ended June 30, 2011 and June 30, 2010

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, by issuing 24,200,000 shares of common stock. USMetals became a wholly owned subsidiary of the Company.

On March 22, 2011 USCorp ("USCorp" or the "Company") through its wholly owned subsidiary USMetals entered into an Asset Funding/Operation and Shareholders Agreement, and exhibits thereto (the "Agreement") 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 USMetals' 172 Arizona mining claims known as the Twin Peaks Project (the "Twin Peaks Project") to AGCAZ in exchange for 90,200,000 shares or over 50.1% of AGC's common stock (the "Transaction"). The Twin Peaks Project now consists of 268 Lode and 8 Placer Claims.

The Company, through its wholly owned subsidiary Southwest Resource Development, Inc., owns the mineral rights to 200 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.

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 wholly owned subsidiary. All significant inter-company balances have been eliminated.

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

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

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

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

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

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 March 31, 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 20076 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 to the Bureau of Land Management and is being reviewed by them. A drilling plan for the newly-expanded Twin Peaks Project has been approved and will be implemented as soon as the drilling team and equipment have been secured.
* Complete the recently approved revised drilling program on the Twin Peaks property;
* Receive BLM permit for Picacho Salton Project in California; Drill the Picacho Salton Project.
* Receive and analyze the Twin Peaks and Picacho Salton assays and drill reports;
* After reviewing the results of the drilling programs on both of the sites and 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.
* 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.
* Put together a strategic alliance of consultants, engineers, contractors as well as joint venture partners when appropriate, and set up an information and communication network that allows the alliance to function effectively with USCorp's management.
* 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.
* 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.

* Attend and exhibit at industry and investment trade shows.
* Continue to inform the public through our investor awareness and public relations campaign including coordinated and periodic release of information to the public via press releases, company newsletter and updates to the company's web sites.

3. Concentrations of Credit

The Company heavily relies upon the efforts of the Company's chief executive officer and majority shareholder for the success of the Company. A withdrawal of the chief executive's officer efforts would have a material adverse effect on the Company's financial condition.

4. Fair values of Financial Instruments

Cash, accounts payable and accrued expenses, subscriptions payable, gold bullion loan payable, convertible debentures payable and the advances payable to shareholder in the balance sheet are estimated to approximate fair market value at June 30, 2011 and September 30, 2010.

5. Gold Bullion Promissory Note

In September 2005, the Company issued a promissory note to a shareholder and received proceeds of $648,282. The note requires the Company to pay the shareholder 1,634 ounces of Gold Bullion (.999 pure). Originally, the promissory note came due in September 2007. As discussed in our report on form 8-K on April 27, 2011, which is incorporated herein by reference, USCorp has renegotiated the Gold Bullion Promissory Note and is no longer in default. USCorp has paid $8,500.00 to be applied to interest on the Gold Bullion Promissory Note; 1,600,000 shares of the common stock of USCorp, representing a $100,000.00 payment for the extension of the Gold Bullion Loan.

As a result of USCorp making the agreed payments the Investors have agreed to extend the maturity date of the Gold Bullion Loan until March 31, 2012.

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

Carrying value of loan	$922,338
Fair value of loan	3,471,683
Life to date loss on unhedged underlying derivative	$(2,549,345)

6. 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% and a maturity date from December 2009 to September 2010. During the fiscal year 2008, the holder of these debentures converted $900,000 of the debentures to 7,200,000 shares of common stock. The remaining $300,000 of 2007 debentures was convertible into common stock at $0.125 per share, matured in September 2010, and had an interest rate of 5%

In fiscal year 2008 the Company issued an additional convertible debenture to the same holder and received proceeds of $200,000. This debenture matured in March 2010, was exercisable into common stock at $0.125 per share, and had 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 matured in April 2010, was exercisable into common stock at $0.125 per share, and had an interest rate of 4%.

As discussed in our report on form 8-K on April 27, 2011, which is incorporated herein by reference, USCorp has renegotiated the Convertible Debentures Notes and is no longer in default. USCorp has paid to the Investors holding Convertible Debentures $100,000.00 immediately to be applied to the principal plus 800,000 shares of USCorp common stock representing a $50,000.00 principal reduction. In addition USCorp has agreed to make a payment of $25,000.00 on or before September 30, 2011 representing a principal reduction; a payment of $25,000.00 on or before December 31, 2011 representing a principal reduction; and a payment of $500,000.00 on or before March 31, 2012 representing the remaining principal balance due on the Convertible Debentures. The Convertible Debenture which had a strike price of $.03 per share and an exercise date of August 30, 2010 have been amended to reduce the strike price to $.015 and extending the exercise date to March 31, 2012.

The Investors have agreed to extend the Maturity Date of all of the above Convertible Debentures to March 31, 2012.

All other terms of the above loan and Convertible Debentures, forms of which were filed with the Commission dated September 27, 2005 and September 28, 2008 and incorporated herein by reference remain the same.

The balance of the convertible debt at June 30, 2011 and September 30, 2010 is as follows:

	30-Jun-11	30-Sep-10
Net convertible debt payable	$ 550,000	$ 700,000

7. Issuances of Common Stock

In the first nine months of fiscal year 2011, the Company issued 34,969,631 common shares and issued 43,764,999 warrants 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 $1,111,580.

In the first nine months of fiscal year 2011, the Company issued 4,416,591 shares of common stock to consultants for services rendered valued by the Company at $303,029.

In the first nine 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 first nine months of fiscal year 2011, the Company issued 1,600,000 shares of common stock to pay $50,000 of the convertible debentures.

8. Common Stock Warrants

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. For purposes of determining the option value at issuance, the fair value of each option granted is measured at the date of the grant by the option pricing model with the following assumptions:

	2011	2010
Dividend yield	0.00 %	0.00 %
Risk free interest rate	1.00 %	0.50 %
Volatility	25.00 %	39.00 %

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.

The following is a summary of common stock warrants outstanding at March 31, 2011:

	Amount	Wgtd Avg Exercise Price	Wgtd Years to Maturity
Outstanding at September 30, 2009	9,491,303	$ 0.33	0.54
Issues	104,684,063		
Exercises	-11,776,975		
Expired	-1,818,907		
Outstanding at September 30, 2010	107,944,999	$ 0.06	1.42
Issues	43,764,999		
Exercises	-35,035,000		
Expired	-814,484		
Outstanding at June 30, 2011	115,860,514	$ 0.08	0.97

9. Stock Incentive Plan

The Company provides for a Stock Incentive Plan for its officers, directors, and employees as fully explained in our Form S-8 filing dated December 29, 2009 and included herein by reference. The plan provides for incentive stock options and non-qualified stock options. The Board of Directors will determine whether an option is an incentive stock option or a non-qualified stock option when it grants the option and the option will be evidenced by an agreement describing the material terms of the option. The Board of Directors will determine the exercise price of an employee's option at the date of the grant. The exercise price of an incentive stock option may not be less than the fair market value of the common stock on the date of the grant, or less than 110% of the fair market value if the participant owns more than 10% of the outstanding common stock. The Board of Directors will also determine the term of an option at the date of the grant. The term of an incentive stock option or non-qualified stock option may not exceed ten years from the date of grant, but any incentive stock option granted to a participant who owns more than 10% of the outstanding common stock will not be exercisable after the expiration of five years after the date the option is granted. Subject to any further limitations in the applicable agreement, if a participant's employment terminates, an incentive stock option will terminate and expire no later than three months after the date of termination of employment.

Incentive stock options are also subject to the further restriction that the aggregate fair market value, determined as of the date of the grant, of the market value of the common Stock as to which any incentive stock option first becomes exercisable in any calendar year is limited to $100,000 per recipient. If incentive stock options covering more than $100,000 worth of the common stock first become exercisable in any one calendar year, the excess will be non-qualified options. For purposes of determining which options, if any, have been granted in excess of the $100,000 limit, options will be considered to become exercisable in the order granted. The plan also provides for the payment of professionals with Class A Common Shares of the Company's stock.

10. Class B Common Shares

The Class B Common shares are non-voting shares that trade on the Frankfurt stock exchange under the symbol U9CB.F. There are 250,000,000 shares authorized and 5,060,500 issued and outstanding. The par value of these shares is $0.001. These shares do not trade in the United States on any market and the Company has no plans to register these shares for trading in the U.S.

11. Income Tax Provision

Provision for income taxes is comprised of the following:

	30-Jun-11	30-Jun-10
Net loss before provision for income taxes	$ (1,548,245)	$ (1,609,314)
Current tax expense:		
Federal	$ 0	$ 0
State	0	0
Total	$ 0	$ 0
Less deferred tax benefit:		
Tax loss carryforwards	3,906,961	(2,311,858)
Allowance for recoverability	(3,906,961)	2,311,858
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	$3,906,961	$2,311,858
Allowance for recoverability	(3,906,961)	(2,311,858)
Deferred tax benefit	$0	$0

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

12. 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:

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		30-Jun-11		30-Jun-10
Net loss before cumulative preferred dividend	$	(1,548,245)	$	(1,609,314)
Cumulative dividend preferred payable		(47,679)		(40,594)
Net loss to common shareholders	$	(1,595,924)	$	(1,649,908)
Weighted average		161,027,813		87,411,680
Basic & fully diluted net loss per common share	$	(0.01)	$	(0.02)

13. Subsequent Events

None.

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, 2010.

Results of Operations

Comparison of operating results for the Nine months ended June 30, 2011 and June 30, 2010:

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

General and administrative expenses were $1,029,547 compared to $943,636 for the same period a year ago. Consulting costs increased from $278,075 to $712,785 in the Nine months ended June 30, 2011 compared to the same period last year, which is mainly due to an increase in business development, investor and public relations costs, most of which were paid for with stock and due to costs related to renegotiation of the Gold Bullion Loan and the Convertible Debentures as well as costs related to the transaction with Arizona Gold Corp. Administration costs decreased from $642,046 in the Nine months ended June 30, 2010 to $265,204 due to a decreased in 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.

As a result of general and administrative costs, the Company experienced a loss from operations of $1,029,547 for the Nine months ended June 30, 2011, compared to loss from operations of $943,636 for the same period last year.

Interest expense loss decreased to $64,000 during the first Nine months of fiscal 2011 compared to $78,793 the first Nine months of fiscal year 2010 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 $454,842 for the first Nine months of fiscal year 2011 compared to a loss of $586,885 for the same period a year ago due to the change in the price of gold over the past year as well as payments made by the Company.

Net loss for the first Nine months of fiscal year 2011 was $1,548,245 or $.01 per share compared to a loss of $1,609,314, or $.02 per share for the same period last year.

Discussion of Financial Condition: Liquidity and Capital Resources

At June 30, 2011 cash on hand was $895,433 as compared with $354,019 at September 30, 2010. During the first Nine months of fiscal year 2010, the Company used $642,543 for its operations compared to $907,645 for the first Nine months of fiscal 2010.

At June 30, 2011, the Company had working capital of $746,653 compared to a working capital of $354,019 at September 30, 2010. The increase is due to the Company's on-going financing efforts.

Total assets at June 30, 2011 were $746,653 as compared to $354,395 at September 30, 2010. The increase is due to the Company's on-going financing efforts.

The Company's total stockholders' deficit increased to a deficit of $3,593,973 at June 30, 2011 compared to a deficit of $3,501,837 at September 30, 2010. The increase in stockholders' deficit was the result of an increase in additional paid in capital and an increase in operating losses of as discussed above for the Nine months ended June 30, 2011 including decreased 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.

As discussed previously Robert Dultz, President, Chairman and CEO, and other members of the management and exploration team have been actively involved in correspondence, conference calls, site visits, meetings and review of USCorp's proprietary data, with a variety of people representing various institutional funding organizations and various mining companies, including some contacts directly with their CEOs. The institutional funding organizations are international in scope and the mining companies range in size from junior to major, and from regional to international in scope. These communications have as their object completing one or more of the following: debt or equity financing, the acquisition of USCorp, or creating a joint venture, merger, or other business combinations whose purpose is development of the Company's California and Arizona properties by well-financed and highly experienced miners.

As a result of the above referenced discussions, and as previously reported on Form 8-K filed on June 9, 2011, and incorporated herein by reference, on March 22, 2011 USCorp through its wholly owned subsidiary USMetals, Inc. ("USMetals") entered into an Asset Funding/Operation and Shareholders Agreement, and exhibits thereto (the "Agreement") with Arizona Gold Corp., a private British Columbia Corporation ("AGC") and its wholly owned subsidiary, AGC Corp, a private Arizona company ("AGCAZ"), Arizona Gold Founders, LLC, a private California limited liability corporation and William and Denise DuBarry Hay (collectively, "Hay") providing for the sale of USMetals' 172 Arizona mining claims known as the Twin Peaks Project (the "Twin Peaks Project") to AGCAZ in exchange for 90,200,000 shares of AGC's common stock (the "Transaction"). The Transaction between the parties was consummated in several steps.

After execution of the March 22, 2011 Agreement the parties were unable to complete the required transfers to implement the Agreement as a result of a BLM prohibition on a British Columbia corporation owning mining claims. As a result the Agreement was amended by the Assignment and Assumption Agreement which required the creation of a new Arizona corporation to be formed to hold title to the 172 mining claims and the 104 claims from AGF. Once the Arizona corporation was formed the original attempted transfers were redone into the Arizona corporation and the Agreement became effective with that event on or about May 25, 2011 with the recording with the Yavapai County, Arizona Recorder and the filing with the BLM the same date.

In exchange for the transfer of the Twin Peaks Project, USMetals was issued 90,200,000 shares of common stock of AGC. Moreover, AGC sold an additional 18,000,000 shares of its common stock for aggregate gross proceeds of $1,800,000 ("Third Capital Investment"). The parties intend that this capital shall be used to fund a drilling program and obtain Canadian compliant reports sufficient to allow for a listing of AGC's stock to be listed on the TSX or the TSXV/V Canadian exchanges. Subsequent to the Third Capital Investment, USMetals currently owns in excess of 50.1% of the issued and outstanding common stock of AGC.

In connection with the Transaction, Mr. Dultz was elected to AGC's Board of Directors and is a Vice President of AGC In addition, the parties agreed to not approve the issuance of stock that would cause USMetals ownership in AGC common stock to ever be less than fifty point one percent (50.1%).

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4T. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), as of June 30, 2011. 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 changes (including corrective actions with regard to deficiencies or material weaknesses) in our internal controls over financial reporting that occurred during the quarter ended June 30, 2011, 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.

On or about June 1, 2010 the Company received a Cease and Desist Order from the Pennsylvania Securities Commission as a result of a single unauthorized phone call to a potential unaccredited investor contrary to the Company's policy. It is our understanding that an individual USCorp shareholder obtained the phone number of a so-called "accredited investor" and contacted that individual about investing in USCorp. The shareholder determined the so-called "accredited investor" was in fact not an "accredited investor" and explained that as a non-accredited investor he could not invest directly with USCorp. The shareholder then recommended the individual review USCorp's web site and if he still wanted to purchase USCorp shares he should do so on the open market through a stockbroker. The individual later called the shareholder, stated he had reviewed USCorp's web site and he then requested additional information about USCorp be sent to him. The shareholder then forwarded to the individual information he had about USCorp that also contained an accredited investor questionnaire. We were then contacted by the state of Pennsylvania regarding this incident and our attorney corresponded with them regarding the incident. The Company, in our most recent correspondence with the state, through our attorney, has informally agreed to refrain from such solicitations within the state. We have not received any more communications from the state of Pennsylvania; we have not signed a Cease and Desist order or similar, and we have not paid a fine. We have instructed the shareholder to not contact anyone at any time regarding investing in USCorp and that appears to be the end of the incident.

Item 1A. Risk Factors

Not Applicable.

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

During first three quarters of fiscal year 2011, the Company issued 34,969,631 shares of common stock and received proceeds of $1,111,580; 4,416,591 shares were issued for services with a value of $258,863; and 1,000,000 Series A Preferred shares were converted to 8,000,000 Class A Common shares by officers and directors of the corporation.

During first three quarters of fiscal year 2011, the Company issued 43,764,999 options to buy its common stock to the purchasers of the common stock described above. The options expire in fiscal year 2011 and 2012. Also during the first three quarters, 2,664,484 options to purchase common stock expired unexercised.

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.

As previously reported, in fiscal 2008 we received commitments to finance fiscal 2009 operations in the amount of $2.19 million. In the last quarter of fiscal 2008 and the last quarter of calendar 2008 the Company received $400,000 of the $2.19 million in commitments for fiscal 2009; however no additional payments were received, in breach of their agreement. We have no expectation the Company will receive the rest of the committed funds, nor any additional funds from this source.

As a result of the failure to meet the commitments to fund USCorp operations in fiscal 2009 there has been substantial damage done to USCorp. During the first Nine months of fiscal 2009 we were assured on several occasions that the funds were coming and we delayed seeking other sources of financing while providing the lender with requested due diligence documentation regarding USCorp, our properties, historical mining on those properties and our contemporary exploration efforts on those properties. In addition we were unable to complete the third phase of the Twin Peaks drilling program and therefore were unable to update our resource measurements, making it more difficult to obtain additional financing from other sources, and to complete drilling on our California properties, causing the inability to pay the bullion loan when due. The bullion loan due date was extended and after January 31, 2010 it is extended on a day-to-day basis. As discussed more fully below we have reached an agreement with the holders of the gold bullion loan and are no longer in default. We continue to pursue other sources of financing (see "Discussion of Financial Condition: Liquidity and Capital Resources" above).

In April 2011, the Company and the holders of the convertible debentures and the holders of the gold bullion loan agreed to a maturity date extension and payment plan for the debentures and gold bullion loan as discussed in Notes 5 and Note 6 of the financial statements. On April 27, 2011 the Company reported this on Form 8-K which is incorporated herein by reference. The terms of the maturity date extensions and payment plans for the debentures are as follows:

Convertible Debentures:

The Company paid $100,000 towards the principle. In addition, the Company issued 800,000 shares of common stock valued at $50,000. The Company has agreed to pay $25,000 by September 30, 2011, $25,000 by December 31, 2011, and $500,000 by June 30, 2012. The investors have agreed to extend the maturity date of the debentures to March 31, 2012.

Gold Bullion Loan:

The Company paid $8,500 and issued 1,600,000 shares of common stock valued at $100,000. In return the holders of the bullion loan have agreed to extend the maturity date of the gold bullion loan to March 31, 2012.

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. Significant matters voted on were reported in our Form 10-K for period ending September 30, 2010.

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 22, 2011