

USCORP  
Form 10QSB  
August 12, 2005

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

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FORM 10-QSB

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange  
Act of 1934 for the quarterly period ended June 30, 2005

or

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

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(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

4535 W. SAHARA AVE. SUITE 204

Las Vegas, NV 89102

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(Address of principal executive offices)

(702) 933-4034

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(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  NO

As of June 30, 2005, the Registrant had 32,321, 431 shares of Common Stock, par value \$.01, outstanding.

USCORP

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

Independent Auditors Report

The Shareholders

USCorp

(an Exploration Stage Company)

We have reviewed the accompanying consolidated balance sheets of USCorp as of June 30, 2005 and the related statements of operations, cash flows, and changes in stockholders' equity for the nine months ended June 30, 2005 and 2004. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our review.

We conducted our review in accordance with reviewing standards generally accepted by the Public Company Accounting Oversight Board in the United States. Those standards require that we plan and perform the review to obtain reasonable assurance about whether the financial statements are free of material misstatement. A review includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. A review also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our review provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USCorp as of the dates referred to above and the related consolidated statements of operations and consolidated statement of changes in shareholders' equity and cash flows for the period then ended then ended in conformity with generally accepted accounting principles generally accepted in the United States of America.

As more fully discussed in Note 2 to the consolidated financial statements, there are significant matters concerning the Company that raise substantial doubt as to the ability of the Company to continue as a going concern. Management's plans with regard to these matters are also described in Note 2 to the consolidated financial statements. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or the amounts and classifications of recorded liabilities that might be necessary in the event that the

Company cannot continue in existence.

/s/ Donahue Associates, L.L.C.

DONAHUE ASSOCIATES, L.L.C.

Monmouth Beach, New Jersey

August 2, 2005

**USCorp.****(an Exploration Stage Company)****Balance Sheet****As of June 30, 2005 and September 30, 2004**

|  | <b>Unaudited<br/>6/30/2005</b> | <b>Audited<br/>9/30/2004</b> |
|--|--------------------------------|------------------------------|
| <b>ASSETS</b>  |                                |                              |
| Current assets:  |                                |                              |
| Cash   | \$25,540                       | \$16,781                     |
| Total current assets   | 25,540                         | 16,781                       |
| Other assets:  |                                |                              |
| Mining rights  | 2,449,466                      | 2,449,466                    |
| Equipment- net   | 4,559                          | 2,417                        |
| Total assets   | \$2,479,565                    | \$2,468,664                  |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |                                |                              |
| Current liabilities:   |                                |                              |
| Accounts payable & accrued expenses  | \$7,576                        | \$38,797                     |
| Subscriptions payable-net  | 0                              | 49,657                       |
| Notes payable to shareholder   | 0                              | 44,167                       |
| Total current liabilities  | 7,576                          | 132,621                      |
| Advances to shareholders   | 85,195                         |                              |
| Shareholders' equity:  |                                |                              |
| Series A preferred stock, one share convertible to eight shares of common;<br>10% stated dividend, stated value \$0.50, 10,000,000 shares authorized,<br>no shares outstanding | \$0                            | \$0                          |
| Series B preferred stock, one share convertible to eight shares of common;<br>10% cumulative stated dividend, stated value \$0.50, 50,000,000 shares                           |                                |                              |

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|  |                 |                 |
|--|-----------------|-----------------|
| authorized, 155,000 shares outstanding   | 71,982          | 0               |
| Common stock- \$.01 par value, authorized 100,000,000 shares,<br>issued and outstanding, 29,531,459 shares at September 30, 2004<br>and 32,321, 431 at June 30, 2005 | 323,214         | 295,314         |
| Common stock Series B \$.001 par value, authorized 50,000,000 shares,<br><br>no shares outstanding   | 0               | 0               |
| Additional paid in capital   | 7,082,316       | 6,685,716       |
| Accumulated deficit  | (5,090,718)     | (4,644,987)     |
| Total shareholders' equity   | 2,386,794       | 2,336,043       |
| <br>Total Liabilities & Shareholders' Equity   | <br>\$2,479,565 | <br>\$2,468,664 |

**See the notes to the financial statements.**



**USCorp.****(an Exploration Stage Company)****Unaudited Statements of Operations****For the Nine Months and Quarters Ended June 30, 2005 and June 30, 2004**

and from Inception, May 1989 through June 30, 2005

|  | <b>10/1/04 to<br/>6/30/2005</b> | <b>10/1/03 to<br/>6/30/2004</b> | <b>4/1/2005<br/>6/30/2005</b> | <b>4/1/2004<br/>6/30/2004</b> | <b>Inception<br/>to Date</b> |
|--|---------------------------------|---------------------------------|-------------------------------|-------------------------------|------------------------------|
| General and administrative expenses:       |                                 |                                 |                               |                               |                              |
| Consulting                                 | \$314,765                       | \$217,332                       | \$260,576                     | \$160,691                     | \$3,067,554                  |
| Administration                             | 94,831                          | 109,460                         | 15,207                        | 67,330                        | 934,944                      |
| License expense                            | 245                             | 2,275                           | 200                           | 1,461                         | 109,777                      |
| Professional fees                          | 9,230                           | 13,933                          | 2,400                         | 6,660                         | 343,849                      |
| Total general & administrative expenses    | 419,071                         | 343,000                         | 278,383                       | 236,142                       | 4,456,124                    |
| Net loss from operations                   | (419,071)                       | (343,000)                       | (278,383)                     | (236,142)                     | (4,456,124)                  |
| Other income (expenses):                   |                                 |                                 |                               |                               |                              |
| Interest expense                           | (2,660)                         | (3,758)                         | (266)                         | (52)                          | (10,594)                     |
| Loss on mining claim                       | 0                               | 0                               | 0                             | 0                             | (600,000)                    |
| Net loss before provision for income taxes | (421,731)                       | (346,758)                       | (278,649)                     | (236,194)                     | (5,066,718)                  |
| Provision for income taxes                 | 0                               | 0                               | 0                             | 0                             | 0                            |
| Net loss before extraordinary item         | (421,731)                       | (346,758)                       | (278,649)                     | (236,194)                     | (5,066,718)                  |

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Extraordinary item:

|   |             |             |             |             |               |
|---|-------------|-------------|-------------|-------------|---------------|
| Debt conversion (net of tax)                    | (24,000)    | 0           | 0           | 0           | (24,000)      |
| Net loss  | (\$445,731) | (\$346,758) | (\$278,649) | (\$236,194) | (\$5,090,718) |
| Basic & fully diluted net loss per common share | (\$0.01)    | (\$0.01)    | (\$0.01)    | (\$0.01)    |               |
| Weighted average of common shares outstanding:  |             |             |             |             |               |
| Basic & fully diluted                           | 30,577,709  | 27,059,984  | 32,088,017  | 27,384,820  |               |

**See the notes to the financial statements.**

**USCorp.****(an Exploration Stage Company)****Unaudited Statements of Cash Flows****For the Nine Months and Quarters Ended June 30, 2005 and June 30, 2004**

and from Inception, May 1989 through June 30, 2005

|   | <b>10/1/04 to<br/>3/31/2005</b> | <b>10/1/03 to<br/>3/31/2004</b> | <b>Inception<br/>to Date</b> |
|---|---------------------------------|---------------------------------|------------------------------|
| Operating Activities:   |                                 |                                 |                              |
| Net loss  | (\$445,731)                     | (\$110,564)                     | (\$5,090,718)                |
| Adjustments to reconcile net income items<br>not requiring the use of cash: |                                 |                                 |                              |
| Loss on sale of mining claim  | 0                               | 0                               | 600,000                      |
| Consulting fees   | 312,500                         | 41,448                          | 2,258,992                    |
| Depreciation expense  | 1,439                           | 0                               | 2,022                        |
| Interest expense  | 2,660                           | 3,706                           | 9,316                        |
| Debt conversion (net of tax)  | 24,000                          | 0                               | 24,000                       |
| Changes in other operating assets and liabilities :                         |                                 |                                 |                              |
| Accounts payable and accrued expenses                                       | (31,221)                        | (43,832)                        | (334,970)                    |
| Net cash used by operations   | (136,353)                       | (109,242)                       | (2,531,358)                  |
| Investing activities:   |                                 |                                 |                              |
| Purchase of equipment   | (3,581)                         | (3,000)                         | (6,581)                      |
| Net cash used by investing activities                                       | (3,581)                         | (3,000)                         | (6,581)                      |
| Financing activities:   |                                 |                                 |                              |
| Issuance of common stock  | 48,000                          | 60,000                          | 2,088,539                    |
| Issuance of preferred stock   | 27,843                          | 0                               | 27,843                       |
| Subscriptions received  | 0                               | 0                               | 123,952                      |

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|  |          |          |           |
|--|----------|----------|-----------|
| Placement fees   | (5,518)  | 0        | (5,518)   |
| Advance from shareholder                               | 78,368   | 1,000    | 97,119    |
| Capital contributed by shareholders                    | 0        | 0        | 231,544   |
| Net cash provided by financing activities              | 148,693  | 61,000   | 2,563,479 |
| Net increase (decrease) in cash during the fiscal year | 8,759    | (51,242) | 25,540    |
| Cash balance at beginning of the fiscal year           | 16,781   | 59,555   | 0         |
| Cash balance at end of the fiscal year                 | \$25,540 | \$8,313  | \$25,540  |
| 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 the notes to the financial statements.**

**USCorp.****(an Exploration Stage Company)**

## Unaudited Statement of Changes in Shareholders Equity

**From October 1, 2004 to June 30, 2005 and**

From October 1, 2003 to June 30, 2004

|                                  | <b>Common<br/>Shares</b> | <b>Common<br/>Par<br/>Value</b> | <b>Paid in<br/>Capital</b> | <b>Preferred<br/>Shares</b> | <b>Preferred<br/>Value</b> | <b>Accumulated<br/>Deficit</b> | <b>Total</b> |
|----------------------------------|--------------------------|---------------------------------|----------------------------|-----------------------------|----------------------------|--------------------------------|--------------|
| Balance at<br>October 1,<br>2003 | 25,793,073               | \$257,931                       | \$5,366,425                | 0                           | \$0                        | (\$3,680,879)                  | \$1,943,477  |
| Issuance of<br>common stock      | 150,000                  | 1,500                           | 58,500                     |                             |                            |                                | 60,000       |
| Issued<br>stock to<br>pay bills  | 1,069,945                | 10,699                          | 460,077                    |                             |                            |                                | 470,776      |
| Issued<br>stock for<br>services  | 116,800                  | 1,168                           | 40,280                     |                             |                            |                                | 41,448       |
| Issued<br>stock for<br>services  | 339,050                  | 3,391                           | 166,134                    |                             |                            |                                | 169,525      |
| Issuance of<br>common stock      | 400,000                  | 4,000                           | 116,000                    |                             |                            |                                | 120,000      |
| Net loss for<br>the period       |                          |                                 |                            |                             |                            | (346,758)                      | (346,758)    |

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|                             |            |           |             |         |          |               |             |
|-----------------------------|------------|-----------|-------------|---------|----------|---------------|-------------|
| Balance at June 30, 2004    | 27,868,868 | \$278,689 | \$6,207,416 | 0       | \$0      | (\$4,027,637) | \$2,458,468 |
| Balance at October 1, 2004  | 29,531,459 | \$295,314 | \$6,685,716 | 0       | \$0      | (\$4,644,987) | \$2,336,043 |
| Issuance of common stock    | 150,000    | 1,500     | 46,500      |         |          |               | 48,000      |
| Issued stock for services   | 2,240,000  | 22,400    | 290,100     |         |          |               | 312,500     |
| Issued stock to pay debt    | 400,000    | 4,000     | 60,000      |         |          |               | 64,000      |
| Issuance of preferred stock |            |           |             | 155,000 | 71,982   |               | 71,982      |
| Net loss for the period     |            |           |             |         |          | (445,731)     | (445,731)   |
| Balance at June 30, 2005    | 32,321,459 | \$323,214 | \$7,082,316 | 155,000 | \$71,982 | (\$5,090,718) | \$2,386,794 |

**See the notes to the financial statements.**

**USCorp.**

**(an Exploration Stage Company)**

**Unaudited Notes to the Financial Statements**

**For the Nine Months and Quarters Ended June 30, 2005 and June 30, 2004**

**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. and 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 purchased by issuing 24,200,000 shares of common stock 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.

*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 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.



*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.

*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 is an exploration stage company. All costs incurred in the exploration of proved reserves are expensed to the statement of operations.

*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 financial statements have been presented in accordance with generally accepted accounting principals, which assume the continuity of the Company as a going concern. However, during the twelve months ending September 30, 2004 and in the prior several fiscal years, the Company has experienced, and continues to experience, certain going concern issues related to profitability. The Company incurred a net loss of \$962,107 in fiscal 2004 and \$4,642,986 since its inception 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.

### 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. Fully diluted loss per share includes the dilutive effects of outstanding common stock equivalents. There are no financial instruments convertible into common stock at June 30, 2005.

|                    | 2004       | 2003       |
|--------------------|------------|------------|
| Shares outstanding | 32,321,461 | 25,793,073 |
| Weighted average   | 30,577,709 | 25,352,944 |

### 4. Related Party Transactions

The Company is provided office space by the chief executive officer and majority shareholder at no cost to the Company.

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. In addition, the Company imputed interest on the shareholder advance of 10% and recorded the interest expense in the statement of operations.

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.

The majority shareholder and president of the Company advanced the Company \$85,195 during fiscal year 2005 at no interest. The Company imputed interest at the Company's cost of capital of 8% and recorded \$2,660 in interest expense for the nine months ended June 30, 2005.

**5. Property and Equipment**

A summary of equipment is as follows:

|                          | <b>6/30/2005</b> | <b>9/30/2004</b> |
|--------------------------|------------------|------------------|
| Office equipment         | 6,581            | 3,000            |
| Accumulated depreciation | (2,022)          | (583)            |
| Net property & equipment | \$4,559          | \$2,417          |

## 6. Issuances of Common stock

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.

## 7. Issuance of Preferred Stock

In June 2004, the Company offered a private placement of 6 million units. Each unit of the private placement contained one share of preferred stock and one warrant at a price of \$0.50 per unit. The offer terminates in January 2005.

Each preferred share is convertible into two common shares at any time at the election of the preferred shareholder. Each warrant represents the right of the holder to purchase one additional preferred share at a price of \$0.50 during the two-year period following the date of their issuance. The Company may call the warrants at any time at a redemption price of \$0.001 per warrant provided the price of its common stock has traded above \$1 for 20 consecutive days.

The preferred shares accrue interest at the rate of 10% per annum of the purchase price of \$0.50, or \$0.05 per year, payable annually in arrears. The Company may elect to make payment of interest in the form of common shares. In which case the number of common shares payable will equal the amount of interest payable divided by the closing price of the common shares on the date the dividend is declared by the Company.

The preferred shares are redeemable by the Company at any time after one year from the date of their issuance provided that the common shares have sustained a trading price of not less than \$1.00 per common share for at least 20 consecutive trading days. If the Company elects to redeem the Shares, the redemption price shall be determined as follows:

(i)

During the second year after their issuance at \$0.575 per preferred share;

(ii)

During the third year after their issuance at \$0.55 per preferred share;

(iii)

During the fourth year after their issuance at \$0.525 per preferred share;

(iv)

After the fourth year after their issuance at \$0.50 per preferred share.

During 2004, the Company received \$55,175 of subscriptions for 112,500 units.

**8. Income Tax Provision**

Provision for income taxes is comprised of the following:

|  | <b>6/30/2005</b> | <b>6/30/2004</b> |
|--|------------------|------------------|
| Net loss before provision for income taxes | (\$419,071)      | (\$346,758)      |
| Current tax expense:                       |                  |                  |
| Federal                                    | \$0              | \$0              |
| State                                      | 0                | 0                |
| Total                                      | \$0              | \$0              |
| Less deferred tax benefit:                 |                  |                  |
| Timing differences                         | (1,652,589)      | (1,623,511)      |
| Allowance for recoverability               | 1,652,589        | 1,623,511        |
| 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           | \$1,652,589 | \$1,623,511 |
| Allowance for recoverability | (1,652,589) | (1,623,511) |
| 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.

The Company is an "exploration stage" company. During period ended June 30, 2005, the Company's operations centered on the development of USMetals' mining property known as the Twin Peaks Mine, Southwest's mining property known as the Chocolate Mountain Region claims, and its mining property known as the Kingman Area Mine Tailings. During the period, the Company did not engage in any commercially viable operations and realized no revenues from operations. The annual operating costs incurred to date were primarily for the continued development of the Company's mining properties, development and maintenance of the Company's website, legal, accounting costs in conjunction with the Company's general and administrative expenses in anticipation of completing exploration and

development of USMetals' and Southwest's mining properties and related acquisition costs. The annual lease payment, due on or before September 1 each year, for the 172 claims owned by the Registrant is \$125 per claim effective September 1, 2004.

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-KSB for the fiscal year ended September 30, 2004.

OVERVIEW

On April 2, 2002, the Company acquired USMetals, Inc. ("USMetals") for 24,200,000 shares of its common stock in a share-for-share exchange whereby USMetals became a wholly owned subsidiary of USCorp.

Complete details of the transaction were disclosed in a Current Report on Form 8-K dated April 2, 2002 and discussed further in Form 10-KSB/A for Fiscal Year Ended September 30, 2004, dated August 15, 2005.

All of the Company's mining business operations are conducted at this time through its operating subsidiaries, USMetals, Inc. and Southwest Resource Development, Inc.

As a result of the USMetals acquisition, Registrant owns 141 unpatented contiguous mining claims totaling approximately 2,820 acres in Township 13, Yavapai County, Arizona. These claims have a history of mining activity from the middle of the 19th century to the beginning of World War II. Gold, silver, copper and other minerals were recovered in important quantities. The previous owners started acquisition of this claim group in the early 1940's and by the mid-1980's the claims group totaled 134 claims. Exploration, drilling and assessment work was done and several geological reports were completed indicating the presence of economically viable deposits of precious metals and complex ores.

Chocolate Mountain Region Claims Acquisition

On June 15, 2004 the Company filed a Form 8-K with the Securities and Exchange Commission reporting that on May 29, 2004, the Company concluded the acquisition of an aggregate of 29 additional gold mining claims located in Imperial County, California from two individuals. In lieu of cash payment for the claims the Company entered into what is essentially a joint venture with the former owners whereby

the Company is obligated to commence production on these claims within two years with the former owners entitled to receive 20% of all net smelter returns of gold, whether paid in cash or in kind.

Under the terms of the acquisition, the Company granted each of the two sellers an option to acquire 50,000 shares of the Company's common stock at the then current market price at any time within a two year period. The agreements further provide that the Company's obligation to commence gold production within two years would be terminated in the event that the foregoing stock options were exercised. Further, in the event that the Company subsequently sells the claims within two years of the acquisition date, then the sellers will be entitled to receive 20% of the net proceeds of such sale.

On June 15, 2004, we issued a press release regarding these acquisitions.

On February 14, 2005 the Company filed a Form 8-K with the Securities and Exchange Commission reporting that the Company concluded the acquisition of 2 additional gold mining claims located near Kingman, Arizona from a private corporation. In lieu of cash payment for the claims the Company entered into what is essentially a joint venture with the former owners whereby the Company is obligated to commence production on these claims within two years with the former owners entitled to receive 30% of all net smelter returns of gold, whether paid in cash or in kind.

#### MANAGEMENT'S DEVELOPMENT PLANS

In order to improve operations and liquidity and meet its cash flow needs, the company has or intends to do the following:

- 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.

As a result of these plans, management believes that it will generate sufficient cash flows to meet its obligations in 2005.

Discussion of Financial Condition.

As of June 30, 2005 the Company had total assets of \$2,479,565 with total liabilities of \$7,576 (compared with \$2,510,496 and \$52,028 respectively for June 30, 2004). The company has incurred a net loss of approximately \$278,383 for the three months ended June 30, 2005 (compared to \$236,142 net loss at June 30, 2004).

Registrant will require significant additional funds in order to complete exploration and development of the Twin Peaks Mine and its other properties. The Company has made plans to undertake an offering or private placement of its securities in order to raise the needed funding. Based upon available cash on hand, management is of the opinion that, without additional financing, the Company will have adequate funds available to meet its cash needs for the next three (3) months. Thereafter, it will need to secure additional funds in order to continue its operations.

### 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 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

31.2

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

32.2

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

Chief Executive Officer

By: /s/ Spencer Eubank

Spencer Eubank, Secretary,-Treasurer and

Acting Chief Financial Officer

Date: August 12, 2005