

Applied Minerals, Inc.
Form PRE 14A
October 06, 2017

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No. __)**

Filed by the Registrant X
Filed by a Party other than the Registrant

Check the appropriate box:

- X Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Applied Minerals, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table of Contents

Applied Minerals, Inc.

Notice of 2017 Annual Meeting and

Proxy Statement

Annual Meeting of Stockholders

December 7, 2017 at 2:30 PM Eastern Time

304 Hudson Street

Third Floor

New York, NY 10013

Table of Contents

Letter from your Board of Directors

Mail date 2017

Dear Fellow Stockholders:

We invite you to attend the Annual Meeting of Applied Minerals, Inc, which will be held at 2:30 PM on December 7, 2017 at 304 Hudson Street, Third Floor, New York, NY 10013. Doors open at 2:15 PM. The meeting will be webcast and you can listen to it by logging on at www.virtualshareholdermeeting.com/AMNL2017. The attached Notice of Annual Meeting and Proxy Statement give details of the business to be conducted at the meeting.

Amendment to the Certificate of Incorporation

We believe that the most crucial proposal being submitted for a vote of stockholders is an amendment of the Certificate of Incorporation to increase the number of authorized shares. If approved, the amendment will eliminate what we believe is a major obstacle to the Company's chances for success -- the date of the maturity of Company's Series A Notes. The Notes mature in November 2018, but that date can be changed to November, 2019 unless if an Event of Default has occurred and is continuing. As of October 1, 2017, the principal balance of the Series A Notes was \$____. If the amendment to the Certificate of Incorporation is approved, the date of the Series A Notes will be reset to May, 2023.

Resetting the date to May 2023 would be a big win for the Company. It would give the Company a much longer runway to achieve success and should put the Company in a better position in 2023 to refinance or pay off the Notes or to make conversion an attractive alternative

In order to persuade the Series A Noteholders to agree to reset the maturity date - a significant concession - we had to agree to (i) lower the prices at which the Series A Notes and the Series 2023 Notes can convert into Common Stock and (ii) issue warrants to purchase Common Stock to the holders of the Series A and the Series 2023 Notes. Lowering

the conversion price means that more shares would be issued on conversion. The Series 2023 Notes mature in 2023 and have a principal balance of \$_____ as of October 1, 2017.

The Noteholders reasonably insisted that the Company reserve shares of Common Stock for issuance on the conversion of the Notes and the exercise of the warrants so that they would have assurance that shares will be available for issuance when and if the Notes are converted or the warrants are exercised.

As a Delaware corporation, we cannot issue or reserve for issuance more shares than the number of authorized shares specified in the Certificate of Incorporation. Our Certificate of Incorporation currently authorizes 250 million shares of Common Stock. All but 15,370,374 shares have been issued or reserved. In order to reserve shares for the lower conversion prices and for the warrants, we need to reserve 42,202,533 shares. As a result, we need to amend the Certificate of Incorporation to authorize additional shares of Common Stock so that we can make the required reservation of shares.

If the amendment to the Certificate of Incorporation to authorize more shares is not approved by stockholders, the maturity date of the Company's Series A Notes will not be reset.

Table of Contents

In addition to reserving shares as outlined above, we plan to reserve shares for the issuance of options. The uses are discussed in detail in Part 7 of the Proxy Statement. The proposal is to increase the number of authorized shares of Common Stock from 250 million to 400 million.

It is important to note that the amendment of the Certificate of Incorporation requires the favorable vote of a majority of the outstanding shares. A failure to vote is the equivalent of a “no” vote.

Presentation at the Meeting and Q&A

At the Annual Meeting, we will have a full presentation of our achievements since the last Annual Meeting and our objectives for 2018. There will be a question and answer session at the meeting.

How to Vote

Record Owners: Mail. Use the proxy card delivered with the proxy statement, sign it, and mail it back in the self-addressed envelope we have supplied or by mailing the proxy card to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

Internet. Go to proxyvote.com and follow the directions. Please have the proxy card in hand when accessing proxyvote.com because you will need the 16-digit control number on the proxy card. Or scan the QR Barcode on your proxy card and vote immediately, if you have a QR Barcode reader.

Telephone. Use any touch-tone telephone to call 1-800-690-6903 and follow the instructions. Please have the proxy card in hand when accessing proxyvote.com because you will need the 16-digit control number on the proxy card.

At the meeting. You may vote at the meeting with proper identification

Beneficial owners. Voting instruction form. You will receive from your broker or custodian a voting instruction form (or other means) to instruct your broker or custodian how to vote. Follow the directions on the form in order to vote. In order for your shares to be voted on the election of directors and executive compensation (Say-on-Pay), you must

provide instructions.

At the meeting. Beneficial owners who wish to vote at the meeting must obtain from the broker or custodian a written authorization for the beneficial owner to vote the beneficial owner's shares.

* * * *

We hope that you will attend the meeting or listen in to the webcast of the meeting. We look forward to talking with as many of you as possible.

Very Truly Yours,

Your Board of Directors

Table of Contents

APPLIED MINERALS. INC.

Notice of 2017 Annual Meeting of Stockholders

Date: December 7, 2017

Time: 2:30 PM Eastern Time

Place: 304 Hudson Street, Third Floor, New York, NY 10013

Record date: October 13, 2017. Only stockholders of record at the close of business on the record date are entitled to receive notice of, and to vote at, the Annual Meeting.

Items of business: To elect five directors to serve until the next Annual Meeting of Stockholders or until their respective successors are elected and qualified.

To approve, on a non-binding advisory basis, the compensation that has been paid to our Named Executive Officers

To approve an amendment to the Certificate of Incorporation increasing the number of authorized shares of stock to 410 million and the number of authorized shares of Common Stock to 400 million

To ratify the selection of EisnerAmper LLP as our independent auditor for fiscal year 2017

To transact other business that may properly come before the Annual Meeting

By order of the Board of Directors

/s/ William Gleeson

William Gleeson

Secretary

New York, New York

Mail date

Table of Contents

Table of Contents

<u>Part 1 Information about the Meeting</u>	1
<u>How to Vote</u>	1
<u>Webcast of Meeting; Asking Questions</u>	1
<u>Solicitation of Proxies</u>	1
<u>Householding</u>	2
<u>Record Date; Shares Eligible to Vote; Quorum</u>	2
<u>Election of Directors</u>	2
<u>Voting Procedures and Votes Required for Election of Directors and Approval of Proposals</u>	2
<u>Voting on Other Matters</u>	3
<u>Part 2 Information concerning Directors</u>	4
<u>Nominees for Director</u>	4
<u>Information about Nominees</u>	4
<u>Compensation of Directors for the Year Ended December 31, 2016</u>	7
<u>Board Leadership</u>	8
<u>Director Independence</u>	8
<u>Risk Oversight</u>	8
<u>Code of Ethics</u>	8
<u>Board and Committee Meetings and Meeting Attendance</u>	9
<u>Committees of the Board</u>	9
<u>Audit Committee Financial Expert</u>	9
<u>Audit Committee Report</u>	9
<u>Governance and Nominating Committee and Nomination Process</u>	10
<u>Compensation Committee</u>	11
<u>Compensation Policies and Practices as They Relate to Risk Management</u>	12
<u>Compensation Committee Interlocks and Insider Participation</u>	12
<u>Stockholder Communication to the Board of Directors</u>	12
<u>Part 3 Information concerning Executive Officers and Their Compensation</u>	13
<u>Named Executive Officers</u>	13
<u>Summary Compensation Table</u>	13
<u>Pensions</u>	15
<u>Potential Payments on Termination or Change in Control</u>	15
<u>Grants of Plan-Based Awards</u>	15

<u>Outstanding Equity Awards as of December 31, 2016</u>	16
<u>Options Exercised and Stock Vested</u>	16
<u>Nonqualified Defined Contribution and Other Nonqualified Deferred Compensation Plans</u>	17
<u>Related Party Transactions</u>	17
<u>Equity Compensation Plan Information</u>	17
<u>Part 4 Compensation Analysis and Discussion</u>	18
<u>Objectives and Strategy</u>	18
<u>Compensation of Mr. Zeitoun</u>	19
<u>2016 Compensation for Messrs. Carney and Gleeson</u>	22
<u>2014 and 2015 Compensation for Mr. Carney</u>	23
<u>2014 and 2015 Compensation of Mr. Gleeson</u>	23
<u>Tax and Accounting Treatment of Compensation</u>	24
<u>Part 5 Information concerning Independent Registered Accountant</u>	25
<u>Independent Registered Accountant for 2017</u>	25
<u>Fees to Accountants</u>	25
<u>Policy of the Board of Directors' Pre-Approval of Audit and Non-Audit Services of Independent Auditors</u>	25
<u>Part 6 Additional Important Information</u>	26
<u>Beneficial Stock Ownership: Directors, Named Executive Officers, and 5% Holders</u>	26
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	28
<u>Stockholders Proposals and Nominations for 2017 Annual Meeting</u>	28

Table of Contents

<u>Part 7 Proposals to be Voted on at the Meeting</u>	29
<u>Proposal 1: Election of Directors</u>	29
<u>Proposal 2: Advisory Vote on Executive Compensation</u>	29
<u>Proposal 3: Amendment to the Certificate of Incorporation to Increase the Total Number of Authorized Shares</u>	32
<u>Proposal 4: Ratification of Independent Auditor</u>	37

Table of Contents

Part 1: Information about the Meeting

This Proxy Statement was first sent, given, or released to stockholders on, 2017. It is furnished in connection with the solicitation of proxies. The proxies are to be voted at the Annual Meeting of Stockholders of Applied Minerals Inc. (the "Company") for the purposes set forth in the accompanying Notice of Annual Meeting. The meeting will be held at 2:30 PM Eastern Time on December 7, 2017 at 304 Hudson Street, Third Floor, New York, NY 10013.

Stockholders who execute proxies retain the right to revoke them at any time before the shares are voted by proxy at the meeting. A stockholder may revoke a proxy by delivering a signed statement to our Corporate Secretary revoking the proxy at or prior to the Annual Meeting, or by timely executing and delivering, by Internet, mail, or in person at the Annual Meeting, another proxy dated as of a later date.

How to Vote

Record Owners: You may vote by mail. You can vote by mail using the proxy card delivered with the proxy statement and mailing it back in the self-addressed envelope we have supplied or by mailing the proxy card to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. Proxy cards submitted by mail must be received by the time of the Annual Meeting for your shares to be voted.

You may vote by Internet. You can vote by Internet by going to *proxyvote.com* and following the directions. Please have the proxy card in hand when accessing *proxyvote.com* because you will need the 16-digit control number on the proxy card. Or you scan the QR Barcode on your proxy card and vote immediately, if you have a QR Barcode reader.

You may vote by phone. Use any touch-tone telephone to call 1-800-690-6903 and follow the instructions. Please have the proxy card in hand when accessing *proxyvote.com* because you will need the 16-digit control number on the proxy card.

You can use the Internet or telephone to transmit voting instructions up until 11:59 P.M. Eastern Time on December 6, 2017. Internet and telephone voting facilities for record holders are available 24 hours a day. If you do not have the 16-digit control number, you may contact Broadridge Shareholder Services at 877-830-4936 or shareholder@broadridge.com.

Beneficial owners. Voting instruction form. You will receive from your broker or custodian a voting instruction form (or other means) to instruct your broker or custodian how to vote. Follow the directions on the form in order to vote. PLEASE PROVIDE VOTING INSTRUCTIONS AS TO ALL OF THE PROPOSALS TO BE VOTED ON. IN ORDER FOR YOUR SHARES TO BE VOTED ON THE FOLLOWING PROPOSALS — ELECTION OF DIRECTORS AND EXECUTIVE COMPENSATION (SAY-ON-PAY) --- YOU MUST PROVIDE INSTRUCTIONS.

Voting at the meeting. If you wish to vote at the meeting, you must obtain from your broker or custodian, and present at the meeting, a “legal proxy,” which is a written authorization from the broker or custodian authorizing the beneficial owner to vote the beneficial owner’s shares at the meeting.

Webcast of Meeting; Asking Questions

The meeting will be webcast at www.virtualshareholdermeeting.com/AMNL2017. Stockholders and others may listen to the meeting by logging into that address.

To ask questions if you are listening to the webcast, you will need the 16-digit control number on your proxy card or on the voting instruction form sent by your broker or custodian.

Solicitation of Proxies

The Board of Directors of the Company is soliciting the proxy accompanying this Proxy Statement. Proxies may be solicited by officers, directors, and employees of the Company, none of whom will receive any additional compensation for their services. These solicitations may be made personally or by mail, facsimile, telephone, messenger, email, or the Internet. The Company will pay persons holding shares of Common Stock in their names or in the names of nominees, but not owning such shares beneficially (such as brokerage houses, banks, and other fiduciaries) for the expense of forwarding solicitation materials to their principals. The Company will pay all proxy solicitation costs.

Table of Contents

Householding

To reduce costs and reduce the environmental impact of our Annual Meeting, a single proxy statement, annual report, and Form 10-Q for the three months ended June 30, 2017 will be delivered in one envelope to certain stockholders having the same last name and address and to individuals with more than one account registered at our transfer agent with the same address, unless contrary instructions have been received from an affected stockholder. Stockholders participating in householding will continue to receive separate proxy cards. If you are a registered stockholder and would like to enroll in this service or receive individual copies of this year's and/or future proxy materials, please contact our transfer agent, Broadridge Corporate Company Solutions, by phone at 1-(800) 542-1061 or mail at Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717. If you are a beneficial stockholder, you may contact the broker or bank where you hold the account.

Record Date; Shares Eligible to Vote; Quorum

Stockholders of record at the close of business on October 13, 2017 will be entitled to vote at the meeting on the basis of one vote for each share held. On October 13, 2017, there were 136,338,949 shares of Common Stock outstanding and 68,169,475 record holders of the Company's Common Stock.

The presence of the holders of a majority of the outstanding shares of Common Stock entitled to vote at the Annual Meeting (68,169,475 shares), in person or represented by proxy, is necessary to constitute a quorum. Abstentions and "broker non-votes" are counted as "present and entitled to vote" for purposes of determining a quorum.

Election of Directors

Five directors are to be elected at the Annual Meeting to hold office until the next Annual Meeting of Stockholders or until their respective successors are elected and qualified. If, for any reason, the directors are not elected at an Annual Meeting, they may be elected at a special meeting of stockholders called for that purpose in the manner provided by the By-Laws of the Company ("By-Laws").

The Board of Directors expects that each of the nominees will be available for election, but if any of them is unable to serve at the time the election occurs, the proxy will be voted for the election of another nominee designated by our Board.

Voting Procedures and Votes Required for Election of Directors and Approval of Proposals

Voting of proxies

All proxies solicited by the Company, whether received by means of a proxy card, telephone, or the Internet, will be voted, and where a choice is made with respect to a matter to be voted on, the shares will be voted in accordance with the specifications so made.

Except for broker non-votes (explained below), if a proxy is submitted without indicating that the shares are to be cast (i) FOR all nominees (ii) WITHHOLD for all nominees or (iii) FOR all except specified nominee(s), it will be deemed to grant authority to vote FOR all nominees presented in Part 7 – “Proposals to be voted on” and discussed in Part 2 “Information concerning Directors” to serve as directors.

Except for broker non-votes, if a Proxy is submitted without indicating voting instructions on Proposal 2 (Say-on-Pay), Proposal 3 (amendment of the Certificate of Incorporation to authorize additional shares of Stock), or Proposal 4 (ratification of independent auditor), it will be deemed to grant authority to vote FOR the Proposal(s) as to which no instruction is given.

Voting of shares held of record, but not beneficially, by brokers and other custodians

Beneficial owners will receive with this Proxy Statement a voting instruction form or other means, as specified by the broker or custodian, to instruct your broker, custodian, or other fiduciary how to vote. Beneficial owners may instruct the broker or custodian or other fiduciaries how to vote the shares through the voting instruction form or other means. If you wish to vote the shares you own beneficially at the meeting, you must request and obtain from your broker or other custodian, and bring to the meeting, a “legal proxy” (a written authorization from the broker or custodian authorizing you to vote at the meeting).

Table of Contents

Tabulation of shares present at meeting and votes

Employees of the Company will tabulate the shares present at the meeting and the votes cast. We expect to report the final vote tabulation on a Form 8-K filed with the SEC within four business days of the Annual Meeting.

Vote standard for election of directors; additional nominations

The directors will be elected by a plurality of the votes cast, meaning the directors receiving the largest number of “FOR” votes will be elected to the open positions. The Company’s By-Laws contain advance notice provisions for nominations for director by stockholders. If a stockholder makes a nomination that is not made in accordance with such advance-notice provisions, the nomination may not be voted on at the meeting. As of the date of this proxy statement, the date for stockholder to comply with the advance notice provisions, and thus to be eligible to make a nomination at the meeting, has passed

Broker Non-Votes

If you are the beneficial owner of shares held by a broker or other custodian and you instruct the broker or custodian to vote but choose not to provide instructions as to one or more ballot items, your shares are referred to as “uninstructed shares” as to the ballot items on which you do not provide instructions. Whether your broker or custodian has the discretion to vote these shares on your behalf depends on the ballot item. See table below. If the broker or custodian has discretion, the broker or custodian may vote as it chooses. If the broker or custodian does not have discretion to vote on a proposal, the shares will not be voted on that proposal and are referred to as “broker non-votes.”

Quorum

Shares represented by proxies submitted without instructions or with instructions only on some issues or with withhold or absentions as well as shares represented by broker non-votes will be included in the number of shares present at the Annual Meeting to determine whether a quorum is present.

Vote required for approval

The following table summarizes the votes required for passage of each proposal, the effect of abstentions on the voting of shares, and the effect of uninstructed shares held by brokers or other custodians on the voting of such shares.

	<u>Abstentions</u>	<u>Broker Non-Votes</u>
Votes Required for	Is Vote Cast or	
	Not	

Edgar Filing: Applied Minerals, Inc. - Form PRE 14A

	Approval	Cast?	Is Vote Cast or Not Cast?
Election of directors	Plurality of shares cast	Vote not cast	Vote not cast
Advisory vote on executive compensation ("Say-on-Pay")	Majority of shares cast	Vote not cast	Vote not cast
Amendment to the Certificate of Incorporation increasing the number of authorized shares	Majority of outstanding shares	Vote not cast	Broker or custodian may vote using its discretion
Ratification of independent auditor			