USCORP
Form 10QSB
May 11, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange

Act of 1934 for the quarterly period ended March 31, 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)

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

4535 W. SAHARA AVE. SUITE 204

Las Vegas, NV 89102

(Address of principal executive offices)

(702) 933-4034

(Registrant s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES [X]   NO [_]

As of March 31, 2005, the Registrant had 29,781,459 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

(a Development Stage Company)

We have reviewed the accompanying consolidated balance sheets of USCorp as of March 31, 2005 and the related statements of operations, cash flows, and changes in stockholders' equity for the six months ended March 31, 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 in the United States of America. 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

May 9, 2005

USCorp.

(a Development Stage Company)

Consolidated Balance Sheet

As of March 31, 2005 and September 30, 2004

ASSETS	**Unaudited 3/31/2005**	**Audited 9/30/2004**
Current assets:		
Cash	$4,864	$16,781
Total current assets	4,864	16,781
Other assets:		
Mining rights	2,449,466	2,449,466
Equipment-net	5,105	2,417
Total assets	$2,459,435	$2,468,664
LIABILITIES AND SHAREHOLDERS'		

EQUITY

Current liabilities:		
Accounts payable & accrued expenses	$6,298	$38,797
Subscriptions payable-net	0	49,657
Notes payable to shareholder	0	44,167
Total current liabilities	6,298	132,621
Advances to shareholders	35,994	
Shareholders' equity:		
Series A preferred stock, one share convertible to eight shares of common;		
10% stated dividend, stated value $0.50, 10,000,000 shares authorized,		
no shares outstanding	$0	$0
Series B preferred stock, one share convertible to eight shares of common;		
10% cumulative stated dividend, stated value $0.50, 50,000,000 shares authorized,		
155,000 shares outstanding	71,982	0
Common stock- $.01 par value, authorized 100,000,000 shares,		

issued and outstanding, 29,531,459 shares at September 30, 2004 and 30,411, 431 at March 31, 2005	304,114	295,314
Additional paid in capital	6,853,116	6,685,716
Accumulated deficit	(4,812,069)	(4,644,987)
Total shareholders' equity	2,417,143	2,336,043
Total Liabilities & Shareholders' Equity	$2,459,435	$2,468,664

See the notes to the financial statements.

USCorp.

(a Development Stage Company)

Unaudited Consolidated Statements of Operations

For the Six Months and Quarters Ended March 31, 2005 and March 31, 2004

and from Inception, May 1989 through March 31, 2005

	10/1/04 to 3/31/2005	**10/1/03 to 3/31/2004**	**1/1/2005 3/31/2005**	**1/1/2004 3/31/2004**	**Inception to Date**
General and administrative expenses:					
Consulting	$54,189	$56,641	$12,465	$29,663	$2,806,978
Administration	79,624	42,244	38,916	28,793	919,737
License expense	45	700	45	700	109,577
Professional fees	6,830	7,273	950	4,793	341,449
Total general & administrative expenses	140,688	106,858	52,376	63,949	4,177,741
Net loss from operations	(140,688)	(106,858)	(52,376)	(63,949)	(4,177,741)
Other income (expenses):					
Interest expense	(2,394)	(3,706)	(1,496)	(419)	(10,328)

Loss on mining claim	0	0	0	0	(600,000)
Net loss before provision for income taxes	(143,082)	(110,564)	(53,872)	(64,368)	(4,788,069)
Provision for income taxes	0	0	0	0	0
Net loss before extraordinary item	(143,082)	(110,564)	(53,872)	(64,368)	(4,788,069)
Extraordinary item:					
Debt conversion (net of tax)	(24,000)	0	0	0	(24,000)
Net loss	($167,082)	($110,564)	($53,872)	($64,368)	($4,812,069)
Basic & fully diluted net loss per common share	($0.01)	($0.00)	($0.00)	($0.00)	
Weighted average of common shares outstanding:					
Basic & fully diluted	29,827,647	26,898,968	30,113,034	27,040,818	

See the notes to the financial statements.

USCorp.

(a Development Stage Company)

Unaudited Consolidated Statements of Cash Flows

For the Six Months Ended March 31, 2005 and March 31, 2004

and from Inception, May 1989 through March 31, 2005

	10/1/04 to 3/31/2005	**10/1/03 to 3/31/2004**	**Inception to Date**
Operating Activities:			
Net loss	($167,082)	($110,564)	($4,812,069)
Adjustments to reconcile net income items			
not requiring the use of cash:			
Loss on sale of mining claim	0	0	600,000
Consulting fees	64,200	41,448	2,010,692
Depreciation expense	893	0	1,476
Interest expense	2,394	3,706	10,328
Debt conversion (net of tax)	24,000	0	24,000

Changes in other operating assets and liabilities :			
Accounts payable and accrued expenses	(32,499)	(43,832)	(336,248)
Net cash used by operations	(108,094)	(109,242)	(2,501,821)
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
Placement fees	(5,518)	0	(5,518)
Advance from shareholder	29,433	1,000	46,906
Capital contributed by shareholders	0	0	231,544
Net cash provided by financing activities	99,758	61,000	2,513,266
Net increase (decrease) in cash during the fiscal year	(11,917)	(51,242)	4,864

Cash balance at beginning of the fiscal year	16,781	59,555	0
Cash balance at end of the fiscal year	$4,864	$8,313	$4,864
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.

(a Development Stage Company)

Unaudited Consolidated Statement of Changes in Shareholders Equity

From October 1, 2004 to March 31, 2005 and

From October 1, 2003 to March 31, 2004

	Common Shares	**Common Par Value**	**Paid in Capital**	**Preferred Shares**	**Preferred Value**	**Accumulated Deficit**	**Total**
Balance at October 1, 2003	25,793,073	$257,931	$5,366,425	0	$0	($3,680,879)	$1,943,477
Issuance of common stock	150,000	1,500	58,500				60,000
Issued stock to pay bills	1,069,945	10,699	460,077				470,776
Issued stock for services	116,800	1,168	40,280				41,448
Net loss for the period						(110,564)	(110,564)
Balance at March 31, 2004	27,129,818	$271,298	$5,925,282	0	$0	($3,791,443)	$2,405,137

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	330,000	3,300	60,900				64,200
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						(167,082)	(167,082)
Balance at March 31, 2005	30,411,459	$304,114	$6,853,116	155,000	$71,982	($4,812,069)	$2,417,143

See the notes to the financial statements.

USCorp.

(a Development Stage Company)

Unaudited Notes to the Consolidated Financial Statements

For the Six Months and Quarters Ended March 31, 2005 and March 31, 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 acquired US Metals, Inc. (USMetals), a Nevada corporation, by issuing 24,200,000 shares of common stock. US Metals became a wholly owned subsidiary of the Company.

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

The Company has no business operations to date.

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

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

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

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

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

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

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

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

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

2.

Going Concern

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

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

- Raise capital to complete the company s mining plan of operations.
- Complete exploration and drilling on claims of the Twin Peaks Mine and Chocolate Mountain Region Claims.
- Complete testing operations on all properties.
- Complete reports and feasibility studies on the Twin Peaks Mine and Chocolate Mountain Region Claims.
- Bring the Twin Peaks Mine and Chocolate Mountain Region Claims to full-scale commercial mining.

- Obtain a credit facility based in part on the value of its proven reserves when necessary and if appropriate given market conditions.

- Continue to acquire mineral bearing properties.

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 March 31, 2005.

	2004	**2003**
Shares outstanding	30,411,461	25,793,073
Weighted average	29,827,647	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.

5. Property and Equipment

A summary of equipment is as follows:

	3/31/2005	**9/30/2004**
Office equipment	6,581	3,000
Accumulated depreciation	(1,476)	(583)
Net property & equipment	$5,105	$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.

7. Income Tax Provision

Provision for income taxes is comprised of the following:		
	3/31/2005	**3/31/2004**
Net loss before provision for income taxes	($140,688)	($110,564)
Current tax expense:		
Federal	$0	$0
State	0	0
Total	$0	$0
Less deferred tax benefit:		
Timing differences	(1,539,566)	(1,527,616)
Allowance for recoverability	1,539,566	1,527,616
Provision for income	$0	$0

taxes

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	$1,539,566	$1,527,616
Allowance for recoverability	(1,539,566)	(1,527,616)
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 a "development stage" company. During period ended March 31, 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 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 l0-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. The fair value of the property owned by USMetals is based upon the values that were estimated by field personnel. The estimated fair market values of the assets acquired and liabilities assumed* in the acquisition of USMetals are as follows:

Estimated fair value of assets acquired:

Property	$19,600
Mine Development under prior owners	
and contractors	
Hayes Mining, Phillips Mining	400,000
American Metals and Minerals	297,758

Santa Maria Resources	600,000
International Energy and Resources	818,000
Total fair value of assets	2,435,358
*Liabilities assumed:	
Annual Lease Payment 2002	14,100
Estimated fair value of acquisition	$2,449,466

Complete details of the transaction were disclosed in a Current Report on Form 8-K dated April 2, 2002.

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.

Under the terms of the acquisition, the Company granted the former owners of the claims an option to acquire 250,000 shares of the Company s common stock at the then current market price at any time within a two year period. The option was exercised on March 23, 2005. On February 14, 2005, we issued a press release regarding this acquisition.

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:

- Secure additional equity financing needed to accomplish Corporate goals from private sources and institutional funds, nationally and internationally;

- Complete acquisitions of other potential producing properties in the region surrounding the Twin Peaks Mine and in other areas of California and Nevada;

- Establish a corporate office in Arizona, a field office on or near the Twin Peaks Mine site and an office centrally located near the financial markets of Southern California;

- Development of the Twin Peaks Mine and the Chocolate Mountain Region Claims by implementing a comprehensive exploration program of the entire group of 170 claims;

- Complete Twin Peaks Mine and Chocolate Mountain Region Claims ore testing program in order to determine the best mining methods and recovery rates;

- Retain an environmental consulting firm to design a post-production reclamation program;

- Complete bankable feasibility studies meeting SEC standards for placing the true reserve value of existing claims on the financial statements; and

- Complete, file and secure approval of major Mining Plans of Operations with the U.S. Bureau of Land Management (BLM).

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 March 31, 2005 the Company had total assets of $2,459,435 with total liabilities of $6,298 (compared with $$2,460,779 and $55,642 respectively for March 31, 2004). The company has incurred a net loss of approximately $167,082 for the three months ended March 31, 2005 (compared to $110,564 net loss at March 31, 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: May 11, 2005