

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

**FORM 10-Q**

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

For the Quarter ended September 30, 2013

Commission File Number: **333-154912**

**U.S. RARE EARTH MINERALS, INC**  
**(Formerly known as U.S. Natural Nutrients & Minerals, Inc.)**  
*(Exact name of registrant as specified in its charter)*

<b>Nevada</b> <i>(State or jurisdiction of incorporation or organization)</i>	<b>26-2797630</b> <i>(I.R.S. Employer Identification Number)</i>
<b>6460 Medical Center St. Suite 230</b> <b>Las Vegas, NV</b> <i>(Address of principal executive offices)</i>	<b>89148</b> <i>(Zip code)</i>

**(503) 551-1989**  
**(Registrant's telephone number, including area code)**

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months and (2) has been subject to such filing requirements for the past 90 days.  
Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files); Yes  No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

There were 193,856,138 shares of common stock outstanding as of November 14, 2013.

**PART I – FINANCIAL INFORMATION**  
**ITEM 1. INTERIM FINANCIAL STATEMENTS**

**U.S. RARE EARTH MINERALS, INC.**  
**(Formerly known as U.S. Natural Nutrients & Minerals, Inc.)**  
**BALANCE SHEETS**

	As of September 30, 2013 (Unaudited)	As of December 31, 2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 8,819	\$ 5,523
Accounts receivable	38,208	27,406
Prepaid expenses	-	254,600
Inventory	14,617	11,846
Total current assets	61,644	299,375
Property and Equipment, Net	180,652	129,063
Total assets	242,296	428,438
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 565,386	\$ 28,188
10% Series A Senior debentures	5,000	10,000
Accrued interest	13,781	11,183
Loan payable	110,000	25,000
Total current liabilities	694,167	74,371
Total liabilities	694,167	74,371
<b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Common stock: \$0.001 par value; 300,000,000 authorized, 193,856,138 and 161,303,196 shares issued and outstanding as of September 30, 2013 and December 31, 2012, respectively	193,856	161,303
Preferred stock: \$1.00 par value; 500,000 authorized, 40,500 and 37,500 shares issued and outstanding as of September 30, 2013 and December 31, 2012	41	38
Additional paid in capital	9,220,567	8,153,205
Net assets from discontinued operations	-	15,633
Accumulated deficit	(9,866,335)	(7,976,112)
Total stockholders' equity (deficit)	(451,871)	354,067
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 242,296</b>	<b>\$ 428,438</b>

See accompanying notes to the financial statements.

**U.S. RARE EARTH MINERALS, INC**  
**(Formerly known as U.S. Natural Nutrients & Minerals, Inc.)**  
**STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
REVENUES	\$ 55,693	\$ (9,926)	\$ 268,887	\$ 253,413
Cost of goods sold	41,181	25,592	118,131	126,615
Gross Profit	14,512	(35,518)	150,756	126,798
Selling, general, and administrative expenses	289,551	450,771	2,030,361	1,751,318
Total operating expenses	289,551	450,771	2,030,361	1,751,318
Operating Loss	(275,039)	(486,289)	(1,879,605)	(1,624,520)
Other income (expense):				
Other income	-	-	-	10,000
Interest expense	(2,143)	(1,038)	(10,618)	(3,577)
Total other income (expenses)	(2,143)	(1,038)	(10,618)	6,423
Net Loss	(277,182)	(487,327)	(1,890,223)	(1,618,097)
Net loss per common share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average of common shares outstanding	<u>191,514,873</u>	<u>135,139,037</u>	<u>185,398,680</u>	<u>126,133,014</u>

See accompanying notes to the financial statements.

**U.S. RARE EARTH MINERALS, INC**  
**(Formerly known as U.S. Natural Nutrients & Minerals, Inc.)**  
**STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	For the Nine Months Ended	
	September 30, 2013	September 30, 2012
<b>Cash Flows from Operating Activities:</b>		
Net Loss	\$(1,890,223)	\$(1,618,097)
Depreciation	35,712	30,451
Common stock issued for services	1,096,917	1,540,161
Net assets from discontinued operations	(15,633)	-
Changes in assets and liabilities:		
Decrease(Increase) accounts receivable	(10,802)	(38,544)
Decrease(Increase) prepaid expense	254,600	1,500
Decrease(Increase) inventory	(2,771)	12,214
Increase (decrease) accounts payable and accrued expenses	537,198	14,140
Net cash provided by (used in) operating activities	4,998	(58,175)
<b>Cash flows from Investing Activities:</b>		
Proceeds from notes receivable	-	5,000
Acquisition of property equipment	(87,301)	(2,061)
Net cash (used in) provided by investing activities	(87,301)	2,939
<b>Cash flows from Financing Activities:</b>		
Accrued interest	2,598	3,547
Proceeds from loan	85,000	-
Repayment of debentures	(5,000)	-
Preferred stock issued for cash	3,001	-
Common stock issued for cash	-	17,250
Preferred stock issued for cash	-	22,500
Net cash provided by financing activities	85,599	43,297
Net increase (decrease) in cash	3,296	(11,939)
Cash, beginning of period	5,523	16,513
Cash, end of period	\$ 8,819	\$ 4,574
Cash paid for interest	\$ 1,085	\$ 30

See accompanying notes to the financial statements

**US. RARE EARTH MINERALS, INC.**  
**(Formerly known as U.S. Natural Nutrients & Minerals, Inc.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**Note 1. Basis of Presentation and Summary of Significant Accounting Policies**

Basis of Presentation

***Basis of Presentation***

The accompanying financial statements have been prepared on substantially the same basis as the audited financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2012. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to the Securities and Exchange Commission (SEC) rules and regulations regarding interim financial statements. All amounts included herein related to the financial statements as of September 30, 2013 and the three months ended September 30, 2013 and 2012 are unaudited and should be read in conjunction with the audited financial statements and the notes there to included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

The Company completed the announced "spin-off" of its wholly owned subsidiary, Bio-Multimin, Inc. to the shareholders in January, 2013. Shares were distributed to each shareholder based on one share of Bio-Multimin, Inc. for each 5 shares of the Company owned shares. Therefore these financial statements are no longer consolidated.

In the opinion of management, the accompanying financial statements include all necessary adjustments for the fair presentation of the Company's financial position, results of operations and cash flows. The results of operations for the interim periods presented are not necessarily indicative of the operating results to be expected for any subsequent interim period or for the full fiscal year ending December 31, 2013.

U.S. Rare Earth Minerals, Inc. (Formerly U.S. Natural Nutrients and Minerals, Inc.) was incorporated in the state of Nevada on September 9, 2008.

As used in these Notes to the Financial Statements, the terms the "Company", "we", "us", "our" and similar terms refer to U. S. Rare Earth Minerals, Inc. (Formerly U.S. Natural Nutrients and Minerals, Inc.)

Going Concern

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the Company as a going concern. To date, the Company generated minimal revenue and has experienced recurring net operating losses, had a net loss of \$277,183 and \$1,890,223 for the three and nine months ended September 30, 2013, respectively, and a working capital deficiency of (632,523) at September 30, 2013. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty. We will need to raise funds or implement our business plan to continue operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan is to obtain such resources for the Company by obtaining capital sufficient to meet its minimal operating expenses by seeking equity and/or debt financing. However management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

## **Note 1. Basis of Presentation Summary of Significant Accounting Policies (continued)**

### Going Concern (continued)

The ability of the Company to continue as a going concern is dependent upon among other things, its ability to successfully accomplish the plans described in the preceding paragraph and eventually begin operations in accordance with its business plan. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

## **Note 2. Capital Stock**

The Company is authorized to issue 50,000,000 shares of its \$0.001 par value preferred stock 300,000,000 shares of its \$0.001 par value common shares

There were 193,856,138 shares of common stock outstanding as of **September 30, 2013**.

On February 13, 2013, the Company issued 10,000,000 shares of its common stock in exchange for services valued at \$200,000.

On February 28, 2013, the Company issued 12,062,382 shares of its common stock in exchange for services valued at \$482,496.

On April 18, 2013, the Company issued 9,665,560 shares of its common stock in exchange for services valued at \$386,422.

On April 19, 2013, the Company issued 500,000 shares of its common stock in exchange for services valued at \$15,000.

On September 30, 2013, 325,000 shares were issued in exchange for the conversion of \$5,000 worth of outstanding debentures.

## **Note 3. Recent Accounting Pronouncements**

From time to time new accounting pronouncements are issued by the Financial Accounting Standards Board or other standard setting bodies that may have an impact on the Company's accounting and reporting. The Company believes that such recently issued accounting pronouncements and other authoritative guidance for which the effective date is in the future will not have an impact on its accounting or reporting or that such impact will not be material to its financial position, results of operations and cash flows when implemented.

## **Note 4. Distributorship Agreement**

In February 2012, the Company entered into a distributor agreement with a Company to market its products in various countries. Under the terms of the agreement, the Company will receive payments upon the attaining of certain sales goals by the distributor. The agreement is for a period of 36 months and can be canceled by either party upon 30 days written notice.

## **Note 5. Loan payable**

In September 2013, the Company received an \$85,000 loan bearing interest @ 6% per annum and due within 90 days of the date received.

**Note 1. Basis of Presentation Summary of Significant Accounting Policies (continued)**

**Note 6. Subsequent Events**

The Company has evaluated events occurring after the date of these financial statements through November 14, 2013, the date that these financial statements were issued.



## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATION

*The following discussion should be read in conjunction with our unaudited financial statements and the notes thereto.*

### ***Forward-Looking Statements***

This quarterly report contains forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by, and information currently available to, our management. When used in this report, the words "believe," "anticipate," "expect," "estimate," "intend", "plan" and similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. These statements reflect management's current view of us concerning future events and are subject to certain risks, uncertainties and assumptions, including among many others: a general economic downturn; a downturn in the securities markets; federal or state laws or regulations having an adverse effect on proposed transactions that we desire to effect; Securities and Exchange Commission regulations which affect trading in the securities of "penny stocks,"; and other risks and uncertainties. Should any of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this report as anticipated, estimated or expected. All forward-looking statements attributable to us are expressly qualified in their entirety by the foregoing cautionary statement.

### ***Overview***

U.S. Rare Earth Minerals, Inc. (Formerly U.S. Natural Nutrients and Minerals, Inc.) (the "Company"), primary focus is on sales and distribution of certain products derived from the Company's mining activities relating to natural mineral deposits commonly known as Calcium Montmorillonite. These activities will be carried out through a web-based and distributor-based sales program directed at agricultural, animal and human uses of the products.

To the extent that the company requires additional capital for operations that it cannot derive from profits from sales, the Company plans to sell additional shares of unregistered preferred stock to raise money for additional operating capital. There is no guarantee the Company will be successful in selling additional shares to raise funds for additional operating capital, or if successful, it will raise the desired amount or be on terms and conditions which are beneficial to the Company.

### ***Plan of Operation***

The Company markets and sells the product extracted in the mining process under the name "EXCELERITE®". The Company believes that EXCELERITE® has broad applications for plants, animals and humans. Specifically, the Company believes that by adding EXCELERITE® back into the soil, household and commercial farmers are replacing what has been lost by the use of man-made fertilizers over hundreds of years. Farmers using EXCELERITE® are seeing higher yields and larger and more nutritious crops. In addition, studies suggest that animals whose feed is supplemented with Excelerite® grow healthier and produce more. The naturally chelated nutrients and minerals in EXCELERITE® may enhance the production of enzymes. Without enzymes living things cannot build protein and other vital processes. "Micro-Excelerite™", a supplement form of EXCELERITE® is believed to rejuvenate the health of the human body in many ways. In addition to its natural supply of 78 essential nutrients and minerals, its ionic charge removes toxins as it works through the digestive tract.

The Company is marketing its products through various channels including but not limited to direct distribution, sales through third-party distributors and sales through the Company's website. The Company has also undertaken to develop a network of distributors, both in the United States and internationally. The Company's directors, Michael Tague and Dennis Cullison, have been marketing the product to agricultural customers in Oregon, throughout the United States and internationally as well.



The Company has been engaged in various testing programs with several major agriculture firms for the past two years. Two of these firms are listed NYSE companies and do business worldwide. Results of these test on strawberries, carrots, peaches, soy beans, sweet potatoes and grapes have been very positive. EXCELERITE® has also been tested and proved to eliminate the odor from pig and cow manure which should lead to large orders from cattle and pig farmers worldwide. The product is also being tested by poultry farmers.

Management believes that by partnering with these certain firms, long term business relationships will develop, deriving substantial future product sales. The Company is bound by certain “Non-Disclosure Agreements” and therefore cannot divulge the names of partnering companies. Announcements of the Company’s test results and identity of its partners will be forthcoming when certain test results are completed and the parties agree on the content of the disclosure.

## RESULTS OF OPERATIONS

The following table shows the financial data of the statements of operations of the Company for the three-months ended September 30, 2013 and 2012.

### THREE-MONTHS ENDED SEPTEMBER 30, 2013 COMPARED TO THREE-MONTHS ENDED SEPTEMBER 30, 2012.

	September 30, 2013	September 30, 2012	\$ Change	% Change
REVENUES	\$ 55,693	\$ (9,926)	\$ 65,619	661%
Cost of sales	41,181	25,592	15,589	61%
	14,512	(35,518)	50,030	
Total operating expense	289,551	450,771	(161,220)	-36%
Operating Loss	<u>\$ (275,039)</u>	<u>\$ (486,289)</u>	<u>\$ 211,250</u>	

The variance in the operating loss was mainly a reduction of lease expense the three months period ended September 30, 2013 and compared to the same period last year. Lease expense for the three months ended September 30, 2013 and 2012 were \$260,201 and \$391,415, respectively.

### NINE-MONTHS ENDED SEPTEMBER 30, 2013 COMPARED TO NINE-MONTHS ENDED SEPTEMBER 30, 2012.

	September 30, 2013	September 30, 2012	\$ Change	% Change
REVENUES	\$ 268,887	\$ 253,413	\$ 15,474	6%
Cost of sales	118,131	126,615	(8,484)	-7%
	150,756	126,798	23,958	
Total operating expense	2,030,361	1,751,318	279,043	16%
Operating Loss	<u>\$ (1,879,605)</u>	<u>\$ (1,624,520)</u>	<u>\$ (255,085)</u>	

The variance in the operating loss was mainly for a reduction professional fees and an increase in lease expense incurred for the nine months period ended September 30, 2013 and compared to the same period last year. Professional fees for the nine months ended September 30, 2013 and 2012 were \$64,491 and \$482,076, respectively. Lease expense for the nine months ended September 30, 2013 and 2012 were \$1,643,920 and \$890,613, respectively.

## LIQUIDITY AND CAPITAL RESOURCES

	September 30, 2013	December 31, 2012	\$ Change	% Change
Cash	\$ 8,819	\$ 5,523	\$ 3,296	60%
Accounts payable and accrued expenses	565,386	28,188	537,198	1906%
Total current liabilities	694,167	74,371	619,796	833%
Cash proceeds from the sale of common stock	-	12,000	(12,000)	-100%
Cash proceeds from the sale of preferred stock	\$ 3,001	\$ -	\$ 3,001	100%

The variance in accounts payable and accrued expenses is mainly for the lease expense accrual at September 30, 2013.

We believe that the level of financial resources is a significant factor for our future development, and accordingly we may choose at any time to raise capital through private debt or equity financing to strengthen its financial position, facilitate growth and provide us with additional flexibility to take advantage of business opportunities. While we are presently considering a limited private offering of our securities, we do not have immediate plans to have a public offering of our common stock and there is no guarantee that any such offering would be successful or be completed on terms that are beneficial to the Company.

## CRITICAL ACCOUNTING POLICIES

In presenting our financial statements in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it could result in a material adverse impact to our results of operations, financial position and liquidity. We believe that the estimates and assumptions we used when preparing our financial statements were the most appropriate at that time. Presented below are those accounting policies that we believe require subjective and complex judgments that could potentially affect reported results. However, the majority of our businesses operate in environments where we pay a fee for a service performed, and therefore the results of the majority of our recurring operations are recorded in our financial statements using accounting policies that are not particularly subjective, nor complex.

### Revenue Recognition

Revenue from the sale of product obtained from our mining contractor is recognized when ownership passes to the purchaser at which time the following conditions are met:

- i) persuasive evidence that an agreement exists;
- ii) the risks and rewards of ownership pass to the purchaser including delivery of the product;
- iii) the selling price is fixed and determinable; or,
- iv) collectively is reasonably assured.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATION (CONTINUED)**

### **Stock Based Compensation**

Stock based compensation is accounted for using the Equity-Based Payments to Non-Employee Topic of the FASB ASC, which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. We determine the value of stock issued at the date of grant. We also determine at the date of grant the value of stock at fair market value or the value of services rendered (based on contract or otherwise) whichever is more readily determinable.

Shares issued to employees are expensed upon issuance.

If the Company issues stock for services which are performed over a period of time, the Company capitalizes the value paid in the equity section of the Company's financial statements as it's a non-cash equity transaction. The Company accretes the expense to stock based compensation expense on a monthly basis for services rendered within the period.

On February 13, 2013, the Company issued 10,000,000 shares of its common stock in exchange for services valued at \$200,000.

On February 28, 2013, the Company issued 12,062,382 shares of its common stock in exchange for services valued at \$482,496.

On April 18, 2013, the Company issued 9,665,560 shares of its common stock in exchange for services valued at \$386,422.

On April 19, 2013, the Company issued 500,000 shares of its common stock in exchange for services valued at \$15,000.

On June 30, 2013, 325,000 shares were issued in exchange for the conversion of \$5,000 worth of outstanding debentures.

We use the fair value method for equity instruments granted to non-employees and will use the Black-Scholes model for measuring the fair value of options, if issued. The stock based fair value compensation is determined as of the date of the grant or the date at which the performance of the services is completed (measurement date) and is recognized over the vesting periods.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this Item.

#### ITEM 4. INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of September 30, 2013, management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that, during the period covered by this report, such internal controls and procedures may not be effective to detect the inappropriate application of US GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses.

The matter involving internal controls and procedures that our management considered may be a material weakness under the standards of the COSO was the lack of a functioning audit committee due to a lack of a majority of independent members and a lack of a majority of outside directors on our board of directors, resulting in the potential for ineffective oversight in the establishment and monitoring of required internal controls and procedures. The aforementioned material weakness was identified by our Chief Executive Officer in connection with the review of our financial statements as of September 30, 2011.

Management believes that the lack of a functioning audit committee and the lack of a majority of outside directors on our board of directors results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods.

##### Management's Remediation Initiatives

In an effort to remediate the identified material weakness and other deficiencies and enhance our internal controls, we have initiated, or plan to initiate, the following series of measures:

Management believes that the appointment of one or more outside directors, who shall be appointed to a fully-functioning audit committee, will remedy the lack of a functioning audit committee and a lack of a majority of outside directors on our Board.

We anticipate that these initiatives will be at least partially, if not fully, implemented by December 31, 2013. Additionally, we plan to test our updated controls and remediate our deficiencies by December 31, 2013.

#### Changes in internal controls over financial reporting

There was no change in our internal controls over financial reporting that occurred during the period covered by this report, which has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.



## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

#### ITEM 1A. RISK FACTORS.

As disclosed on the Form 10K recently, the Company is involved in a legal proceeding concerning the ownership of four million five hundred thousand shares of common stock paid for certain financial public relations services which were not adequately performed or not performed at all. The shares are being held in abeyance pending the court determination of whether or not the service provider performed the services for which it was hired. The Company expects an outcome favorable to the Company.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this Item

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES

None

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The name change and forward stock split were approved by consent of the shareholders owning a majority of the outstanding common stock of the Company

### ITEM 5. OTHER INFORMATION

On October 26, 2009, U.S. Rare Earth Minerals, Inc. (USMN) (formerly known as U.S. Natural Nutrients and Minerals, Inc., a Nevada corporation (entered into an Agreement with M Strata, LLC, a Nevada limited liability company (“M Strata”) (“M Strata Agreement”) whereby M Strata granted to USMN permission and consent to mine the certain mineral products (the “Product”) from certain mining claims owned or controlled by M Strata located in Panaca, Nevada. Pursuant to the terms of the M Strata Agreement, M Strata will designate which claims may be mined and USMN shall have the right to mine the Product and remove the Product from the mining claims so designated.

The M Strata Agreement further provided that it was granting USMN the exclusive right to mine and purchase the Product from M Strata (“Exclusive Right”) and M Strata agreed that it will not sell Product or permit any other person or entity to purchase Product or mine on the claims controlled by M Strata other than USMN, on condition that USNMN meets certain Purchase Minimums (as defined in the agreement) (“Purchase Minimums”) and makes timely payments therefor. In the event USMN fails to meet the Purchase Minimums for a period of one year, then such Exclusive Right shall terminate and M Strata shall be entitled to either (i) terminate the M Strata Agreement and cause USMN to terminate all mining operations on M Strata’s claims or (ii) sell Product to other purchasers in addition to USMN. USMN may cure any default in the Purchase Minimum by paying for the difference between the amount actually purchased in any one calendar year, which was less than the Purchase Minimum and the amount actually ordered and paid for. Nothing in the M Strata Agreement conferred on USMN or its agents any rights of ownership in any mining claims owned or controlled by M Strata now or in the future. In addition, USMN agreed that it would only purchase Calcium Montmorillonite clay from M Strata and from no other source for the term of the M Strata Agreement or any extensions thereof. No default has been declared by M Strata of any of the terms of the Agreement as of the date hereof.

The term of the M Strata Agreement is five (5) years and there is a provision for automatic extensions of the term for additional one (1) year terms thereafter. The M Strata Agreement provides for payments by

USMN of \$24.00 per ton of Product removed from M Strata's claims, subject to periodic adjustment for cost of living in accordance with the terms of the M Strata Agreement. Payments for Product are to be made by USNNM to M Strata on a monthly basis, upon presentation of invoices and in accordance with the terms of the M Strata Agreement.

Twenty five percent (25 %) of the beneficial ownership of M Strata is owned by Dennis Cullison, who is a director of the Company.

A copy of the Agreement was attached to the filing of a Form 8K in November 2009.

The Agreement was supplemented in 2011 to include the right of the Company to mine various rare earth minerals on the mining claims.



## ITEM 6. EXHIBITS

Exhibit Description  
No.

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- |      |  |
|------|--|
| 31.1 | Certification of Chief Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.  |
| 31.2 | Certification of Principal Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.  |
| 32.1 | Certification of Chief Executive Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.     |
| 32.2 | Certification of Principal Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |



## SIGNATURES

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

**U.S. RARE EARTH MINERALS, INC**  
**(Formerly known as U.S. Natural Nutrients & Minerals, Inc.)**

Dated: November 18, 2013

By: /s/ Dennis Cullison

Dennis Cullison  
Chief Executive Officer, President  
and Director

Dated: November 18, 2013

By: /s/ Michael Tague

Michael Tague  
Principle Financial Officer, Secretary  
and Director

