Applied Minerals Provides Updated Resource Statement of its Dragon Mine Property

New York, New York, April 13, 2011 - Applied Minerals, Inc. ("Applied Minerals") (OTC BB: AMNL), a leading global producer of Halloysite Clay, is pleased to provide an update of the Dragon Mine.

Progress report including Resource Statement - Dragon Mine, Eureka, Utah, USA

April 2011 - Prepared by Dr. Ian Wilson, consulting independent Geologist to Applied Minerals, Inc.

Background to Applied Minerals

Applied Minerals, Inc is a US publicly traded SEC reporting company with $60 million Current Enterprise Value. Applied Minerals owns the Dragon Mine Halloysite deposit in Utah and sells under the *Dragonite™* tradename. New management took over from Atlas Mining Company in January 2009 and implemented a new Board of Directors and appointed geological and technical consultants for advice. With strong financial backing, Applied Minerals is nearing completion of a three-year study into the resources and markets to be served from the Dragon mine operation.

The Dragon Mine is located in Tintic District of north central Utah, some 75 miles southwest of Salt Lake City. The area covers 230 acres and includes 38 patented claims. Currently there are two underground portals with workings. Five waste piles left by Filtrol from surface and underground mining are present on the property. Applied Minerals has recently been granted a permit to mine throughout the year. There is currently an onsite dry milling and jet milling operation producing some products with capacity dependent on the grade of halloysite.

The property has a long history of mining from initial iron ore mining, where some gold was extracted from the smelting of the ore, through to mining of halloysite. Mining stopped in 1971 and over the last decade attempts have been made to re-commence production of halloysite. Filtrol Corporation mined over one million tons of halloysite from the surface and underground from 1949-1976 for use as a petroleum cracking catalyst. Since May 2008 a detailed investigation has been conducted of all available data with further drilling being carried out to determine remaining resources of halloysite.

Geological setting

Geologically the property is varied, with Palaeozoic limestone being intruded by the Tertiary igneous Silver City monzonite porphyry and iron ore. The mineralisation is fault controlled and the clay mineralogy is often dependent on the host rock. In the pit area, where there is a large body of iron ore, the clay is dominantly halloysite (100% in places) with the potash feldspar in monzonite being altered to halloysite, kaolinite and illite-smectite. The iron ore is a mixture of goethite, hematite and an amorphous iron phase identified as ferrihydrite (this is a new occurrence identified in the current investigation). The property is located along an extension of the Silver City Quartz Monzonite stockwork and there is interest in whether there is a hidden copper porphyry deposit present at depth. The current exploration for halloysite is ongoing and this statement gives an update of work carried out over the last three years leading to the current commencement of production. Detailed research has been carried out recently by Applied Minerals for new uses of halloysite in plastics, as a flame retardant and in other applications with two new patent applications pending. The Dragon

property represents one of the largest known deposits of halloysite in the world, and along with the presence of other clay minerals and iron ore, has the potential to enter a wide range of markets.

SUMMARY OF EXPLORATION

- Testing of cores from 80 boreholes drilled in 2003, 2005, 2006, 2009 and 2010 totalling 15,362 ft. Average depth of 80 boreholes drilled is 192 ft and range of depths drilled from 50 to 360 ft.

- The Western area drilled from 2003 to 2006 includes 44 boreholes totalling 9,448 ft and covers an area of 6.33 acres. This was drilled in mainly altered quartz monzonite, which is an intrusive igneous rock with approximately equal parts of orthoclase and plagioclase feldspar. Quartz monzonite porphyry is often associated with copper mineralisation in porphyry copper deposits.

- The Dragon Pit area drilled in 2009-2010 includes 36 boreholes totalling 5,914 ft and covers an area of 4.95 acres. The area is mainly iron ore and some altered monzanite on the periphery of the area. High levels of halloysite up to 100% are adjacent to the iron ore.

- To date over 500 samples of borehole material has been tested to determine their mineralogy, particularly for halloysite, kaolinite, illite-smectite levels and other properties.

- Drilling of five waste piles from previous clay mining activity. Waste piles cover 34.2 acres and have a volume of 1.99 million cubic yards. Following a detailed trenching campaign on the waste piles, fifty-two boreholes were drilled totalling 1,986 ft. The whole rock evaluation included chemical testing by XRF of all 216 samples generated with 69 for their mineralogy by XRD. To determine clay content, samples were processed to <45 μm and <5μm fractions and 185 samples were tested for their mineralogy by XRD and 133 samples for their chemistry by XRF.

- Evaluation of the iron ore present in the Pit Area (4.95 acres) and elsewhere. Testing of almost 100 samples to determine quality.

- Detailed evaluation of surface samples from which some halloysite is now being mined from the open pit.

RESOURCE STATEMENT

- **CLAY RESOURCES**
    - Clay resources within the Dragon Pit area
    - Clay resources within the Western Area

- **WASTE PILE RESOURCES**
    - Whole rock evaluation of five waste piles
    - Evaluation of clay fraction of five waste piles

- **IRON ORE RESOURCES**

    - Iron ore resources within the Dragon Pit Area
    - Iron ore resources within the Western Area

- **CLAY RESOURCES**

Evaluation based on testing of cores from 80 boreholes drilled in 2003, 2005, 2006, 2009 and 2010 totalling 15,362 ft and covering an area of 11.28 acres. Average depth of 80 boreholes drilled is 192 ft and range of depths drilled from 50 to 360 ft.

- **Dragon Pit area - 4.95 acres**

Measured Resource based on drilling in 2009-2010 includes 36 boreholes totalling 5,914 ft of core. The area is mainly iron ore and some altered monzonite on the periphery of the area. High levels of halloysite up to 100% are adjacent to the iron ore and probably formed from solution. There is no alunite present in this area and the halloysite varies in colour from white to light brown, the latter due to the presence of goethite.

Measured Resource of 552,000 tons of halloysitic clay from the Dragon Pit area:

Area	Acres	Resource Status	Clay Tonnage	Av Thickness (feet)	% Average Clay Content			
					Halloysite	Kaolinite	Illite-Smectite	Total
Dragon Pit	4.95	Measured	552,500	40	64.8	18	10.6	93.4

- **Western Area - 6.33 acres**.

The Western area drilled from 2003 to 2006 includes 44 boreholes totalling 9,448ft and covers an area of 6.33 acres. Of 216 samples collected, 185 were tested for their mineralogy (XRD) and 131 for their chemistry (XRF). This area is dominantly altered Monzonite with some veins and fissures of whitish clay with kaolinite, halloysite and alunite. One area covering 0.8 acres shows an average value of 25.6% halloysite. Within the altered monzonite visible pyrite is observed.

From 6.33 acres an area of 0.8 acres has a Measured Resource of 44,200 tons with remaining 5.53 acres an Indicated Resource of 776,500 tons of clay:

Area	Acres	Resource Status	Clay Tonnage	Av Thickness (feet)	% Average Clay Content			
					Halloysite	Kaolinite	Illite-Smectite	Total
Western	0.8	Measured	44,200	31	25.6	36.8	6.4	68.8
Western	5.53	Indicated	776,500	111	4.1	47.4	24.4	75.9

- **WASTE PILE RESOURCES**

Drilling of five waste piles from previous mining activity was carried out covering an area of 34.17 acres. The five waste piles have a volume of 1.99 million cubic yards. Following a detailed trenching campaign on the waste piles, fifty-two boreholes were drilled totalling 1,986 ft and 216 samples were tested.

- **Whole rock evaluation of five waste piles - 34.17 acres**

The whole rock evaluation included chemical testing by XRF of all 216 samples with 69 tested for their mineralogy by XRD. The tonnage of 4.5 million tons is based on specific gravity of 2.5. The waste piles show variation in their chemistry and mineralogy and reflect where they were mined from. WP1 is high in halloysite and iron and was mined from the iron rich zone where halloysite levels tend to be

higher. The other waste piles are clearly mined from mainly monzonite where the alteration of feldspar has been more to kaolinite and illite-smectite rather than halloysite. The levels of K-feldspar and quartz are also higher for the waste derived from altered monzonite.

Potential markets are being evaluated for the waste piles. It is believed that the material, upon crushing to a fine particle size, will have certain applications as an agricultural carrier, soil nutrient and sorbent for environmental remediation. The presence of ferrihydrite mixed with clays will have some use in remediation of contaminated sites, especially when mixed with halloysite, kaolinite and illite-smectite.

It is considered that the 4.5 million tons of waste pile material has an Inferred Resource status. Work is ongoing looking at potential markets.

Inferred Resource of 4.5 million tons from 34.17 acres:

Waste Pile Number	1	2	3	4	5	Combined 1-5
Area - Acres	7.99	5.32	13.1	1.8	5.96	34.17
Tonnage	957,280	734,065	1,779,360	255,063	801,130	4,526,898
Thickness (ft)	35	42	40	41	39	
Chemistry (Wt.%)						
SiO_2	27.7	49.4	56	51.8	52.5	48.1
Al_2O_3	15.4	17.3	18.6	17.8	17.3	17.4
Fe_2O_3	29.1	12.5	7.2	10.9	10.6	13.5
CaO	5.9	3	1.2	2.1	2.7	2.9
K_2O	0.9	2.9	3.4	3.1	3.2	2,7
LOI	16.4	10.9	9.6	10.3	10.1	11.4
Mineralogy (Wt.%)						
Kaolinite	6.2	12.3	12.7	20.9	12.1	11.1
Halloysite	19.9	8.8	7.1	10.1	8.2	10.4
Illite-Smectite	5.5	15.5	15.9	17.1	17.9	14.1
Quartz	11.9	19.8	29.9	24.8	25.3	22.4
K-Feldspar	4.4	8.9	8.6	9.8	11.3	8.3
Hematite	5.7	2.8	1.1	0.6	0.7	2.2
Goethite	15.9	8.7	3.4	3.8	5.9	7.3
Ferrihydrite	15.5	4.9	0.9	1.5	2.7	5

- **Evaluation of clay fraction of five waste piles**

For this study 185 samples were tested for their mineralogy by XRD and 133 samples for their chemistry by XRF. Clay was refined to <5 microns for all waste piles apart from WP3, which was processed to <45 microns. 500 tons of WP1 was wet processed at KaMin's plant in Sandersville and some of this is being trialled by a potential customer at the present time with encouraging results. Given this encouragement WP1 is considered a Measured Resource with remaining waste piles an Indicated Resource status. There is a total of 757,880 tons of clay that can be processed from the five waste piles.

Measured Resource of 154,500 tons from Waste Pile 1 which is high in halloysite.
Indicated Resource of 603,380 tons from Waste Piles 2, 3, 4 and 5

Waste Pile	Acres	Resource Status	Volume (cubic yards)	% Yield <5um	Clay Tonnage	Thickness (feet)	% Clay Content			
							Halloysite	Kaolinite	Illite-Smectite	Total
1	7.99	Measured	454,377	19.4	154,500	35	41.8	25.8	9.4	77
2	5.32	Indicated	358,549	20.2	127,100	42	19	33.6	27.8	80.4
3	13.1	Indicated	844,273	20*	298,900	40	9.8	30.7	24.9	65.4
4	1.8	Indicated	118,586	15.9	33,280	41	13.2	31.7	31.8	76.7
5	5.96	Indicated	215,744	21.6	144,100	39	13.5	31.8	36.5	81.8
TOTAL	34.17		1,991,529		757,880					

* Waste Pile 3 - refined to <45 microns and <5 micron fraction estimated. % Clay content results for WP3 based on <45 micron fraction.

Studies on the commercial potential of the waste piles continue.

- **Overall Summary of clay resources (in tons*)**

Status	Area	Acres	Tonnage	Total
Measured	Dragon Pit	4.95	552,500	
	Western Area	0.8	44,200	
	Waste Pile 1	7.99	154,500	*751,200*
Indicated	Western Area	5.33	776,500	
	Waste Piles 2, 3, 4 and 5	26.18	603,380	*1,379,880*
Measured + Indicated		45.25	2,131,080	*2,131,080*

Total Measured and Indicated Resources **2,131,080 tons**

Should the Waste Piles be utilised on a whole rock basis the Measured, Indicated and Inferred Resources will be as below:

Reserve Status	Area	Acres	Tonnage	Total
Measured Resource	Dragon Pit	4.95	552,500	
	Western Area	0.8	44,200	596,700
Indicated Resource	Western Area	5.33	776,500	*776,500*
Inferred Resource	5 Waste Piles - Whole rock	34.17	4,525,898	4,525,898
Measure, Indicated, Inferred		45,25	5,899,098	5,899,098

Total Measured, Indicated and Inferred Resources **5,899,098 tons**

(1 ton in this report is equivalent to 0.90718474 metric tonnes)

IRON ORE RESOURCES

Of thirty-six boreholes (5,914 ft drilled in 4.95 acres in the Dragon Pit area) thirty-two contained iron ore. Iron ore was encountered to below the 500 ft level and could well go farther on basis of iron being reported at 1000 ft adjacent to the old shaft. XRF was carried out on 87 core samples (and further samples from outside of pit area). The mineralogy is a mix of goethite, hematite and amorphous iron (identified as ferrihydrite). Some zones are high in goethite, which is a light to dark yellowish ochre, which will have applications as a pigment. A Measured Resource of iron ore in the pit area of 2,104,000 tons has been calculated.

Average Quality of Iron Ore from Pit area (4.95 acres) is as follows:

Iron Ore Composition (Wt %)	
Fe	52
Si	3.12
Al	1.69
Ca	0.31
Mg	0.09
Mn	0.59
P	0.3
S	0.29
LOI	12

From the Western area (6.33 acres) iron ore was logged in the boreholes and an Inferred Resource of 688,300 tons is identified. Eight samples were collected and show presence of hematite, goethite and amorphous iron (ferrihydrite). Because of the small size of individual crystals ferrihydrite has a large surface area of several hundred square meters per gram. In addition to having a high surface area to volume ratio, ferrihydrite has the ability to adsorb arsenic, lead, phosphate, and organic molecules. Its strong and extensive interaction with trace elements is used in water purification plants to clean wastewater and groundwater. An example of this is to remove arsenic from industrial effluents and drinking water.

Goethite (ochre) is being studied from the mine as a pigment and some trials have been carried out

Market Statistics of Iron Oxide Pigments for 2010 (U.S. Geological Survey, Mineral Commodity Summaries, January 2011) prepared by Arnold O. Tanner

IRON OXIDE PIGMENTS (IOPs)

(Data in metric tonnes unless otherwise noted)

Domestic Production and Use: Iron oxide pigments (IOPs) are mined by three companies in three states in the United States. Production data, which were withheld by the U.S. Geological Survey to protect company proprietary data, increased slightly in 2010. There were seven companies, including the three producers of natural IOPs that processed and sold finished natural and synthetic IOPs. Sales by those companies increased 15% to 20% in 2010, although sales were still below the sales of 88,100 tons in 2007. About 50% of U.S. consumption was for colorizing construction materials such as concrete. Another 30% was used in coatings and paints, 18% in plastics and rubber, and 2% for unknown uses.

Apparent US consumption of natural iron oxide pigments was 200k tons in 2010, down from 261k tons in 2007. Greater than 50% of the US demand was exported from foreign countries, predominantly Cyprus, Spain and France.with China being the major supplier of synthetic material.

The average pricing for the consumed pigments in 2010 averaged $1.54/kg or $1,540.00/tonne, up from $1.38/kg or $1,380.00/tonne.

Further work is planned on testing some of the borehole material and drilling deeper below the 500 ft level. There is potentially at least a further 500 ft of iron ore to drill through to 1,000 ft level and perhaps goes even deeper which needs to be proved by drilling.

Iron ore resources identified to date:

Measured Resource of Iron Ore in Pit Area (4.95 acres)	2,104,000 tons
Inferred Resource of Iron Ore in Western Area (6.33 acres)	688,300 tons
Total Measured and Inferred Resources of Iron Ore	**2,792,300 tons**

The iron ore, from previous mining records, is present at the 1,000 ft level adjacent to the old shaft. Unfortunately access underground has not been possible since a fire in 1971. The current re-opening of the mine to the 300 ft level has just been achieved and evaluation of the ground conditions underground is being carried out with further exploration drilling planned both laterally and in depth.

SAMPLE COLLECTION AND EVALUATION BY VARIOUS LABORATORIES

A number of laboratories have been commissioned to carry out the detailed study made at Dragon Mine. The first important step was to establish an XRD (X-Ray Diffraction) technique to give accurate percentages of all mineral phases present. This work was carried out by Dr Stephen Hillier of the Macaulay Institute in Scotland along with Dr. Ian Phillips, Evelyne Delbos, Helen Pendlowski and others utilising not only XRD but XRF, ICP-MS, Scanning Electron Microscopy, Infra-Red analysis, porosity, surface area, particle size distribution and brightness/colour measurements. Exploration activity was planned by Ian Wilson, who logged all boreholes and arranged sampling by the Dragon Mine staff under the leadership of Jim Enyeart, Mine Manager. Rick Lyman, Lyman Exploration & Surveying Outfit of Clinton, Utah, has carried out all surveying in the area. Geological data and results are entered into PCCORES system by George Swindle of Mentor Consultants, Chicago for resource evaluation.

Detailed evaluation of boreholes was mainly carried out in UK by Goonvean Ltd, a leading kaolin producer under the direction of Frank Hart, Technical Manager and Robert Canning (now retired and a Consultant). Other evaluation work of boreholes and some processing trials on various bulk samples was carried out by Grinding Solutions in Truro, UK by Nick Wilshaw (Managing Director). Over the last year or so KaMin Performance Minerals LLC, a leading kaolin producer in Georgia, USA has carried out processing trials and prepared detailed results and reports on their findings. XRF analysis on iron ore samples was organised through Tom Needs, Director, USA Operations and carried out by ALS Minerals Division.

MINERALISATION IN THE DRAGON MINE AREA

Precious Metals and other metals potential

In the late 1870s, mining at the Dragon concentrated on the iron ore present within and lateral to the Dragon vein system. The iron ore was in demand for use as a fluxing agent for lead smelting. A study carried out by Centurion Mines demonstrated there was great interest in gold present in the iron ore. Pre-1900 production data from the Dragon shows approximately 315,000 tons of gold-bearing iron was mined with values of gold from 0.1 to 0.3 ounce to the ton. U.S. Bureau of Mines Metral Production Records show that between 1904 and 1920 the Dragon Mine was credited with 18,000 ounces of gold and 928,000 ounces of siliver from around 305,000 tons of iron ore shipped - the figures for gold and silver being based on credits paid by the smelter.

The Dragon Mine is present at the contact between the Silver City quartz monzonite stock and limestone and dolomite of the Paleozoic formation. Gold and siliver is found in veinlets in pervasively altered rocks of the Silver City stock immediately south of the Dragon mine and were one of the first discoveries made in the Tintic district in 1869. The Dragon was mined as a copper-gold deposit not long after these initial findings. The Dragon fissure fault system forms the southern extremity of the Iron Blossom ore run.

Exploration is being carried out by a major company within 5km of the Dragon Mine in order to determine the possibility of a large, buried porphyry copper-gold deposit. Testing of surface rock samples in the vicinity of the Dragon Mine carried out in the past show anomalous copper values with gold values over one ounce per ton and siliver values of around five ounces per ton. It is believed that there is enough geological evidence to justify two to three deep boreholes to determine the presence of mineralisation at depth.

FURTHER EXPLORATION

Further drilling and evaluation is planned in other parts of the property where indications are that further halloysite, other clay minerals and iron ore are available. To date, only shallow drilling has been carried out. Now that access to the 300 ft level has been achieved, some underground drilling will be carried out to greater depths to further evaluate the halloysitic clay and iron ore. A further update on Resources will be issued when this work is complete. It is envisaged that two to three deep boreholes will be drilled to determine the presence of mineralisation at depth.

MARKET DEVELOPMENTS

- Target markets are wide and varied and include polymer composites, flame-retardants, paint & coatings, adhesives, catalysts, environmental remediation and extended release carriers. Two patents for new products have been filed.
- Iron ore as a pigment based on the goethite (ochre). Ferrihydrite is a fine particle size iron ore used in water treatment.
- Applied Minerals has announced cooperation with various companies and to date samples for commercial evaluation have been sent to over 100 interested parties.

Statement of Competent Person:

The information on Resources in this report is based on information compiled by Dr Ian Wilson who is a member of iom^3 (Institute of Materials, Minerals and Mining of the UK). Ian Wilson has prepared the Resource Statements in compliance with the "Australasian Joint Ore Reserves Committee (JORC) for reporting of exploration results, mineral resources and ore reserves - 2004 Edition". The JORC Code is widely accepted as a standard for presentation of results. Ian Wilson has sufficient relevant experience of this type of deposit and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the JORC code. His PhD was carried out on wall rock alteration and trace element dispersion patterns around gold and tin ore bodies in Ashanti Gold Mine, Ghana and Geevor Tin Mine, Cornwall respectively. From 1974 to 2001 he worked with English China Clays/Imerys mainly as a geologist and with management roles in Brazil, Spain, Sweden and China. Since retirement in 2001 he has worked as an independent consultant dealing with many industrial minerals including halloysite. This report is issued with the consent of Dr Wilson.

About Applied Minerals, Inc.

Applied Minerals Inc. is a leading global producer of Halloysite Clay from their wholly owned Dragon Mine property in Utah. Halloysite is an aluminosilicate clay that forms naturally occurring nanotubes. In addition to serving the traditional Halloysite markets for use in technical ceramics and catalytic applications, the Company has targeted niche applications that it feels will benefit from the tubular morphology of its Halloysite. These include: carriers of active ingredients in paints, coatings and building materials, agricultural applications and high-performance functional fillers in polymer composites.

*This report has been prepared by the author in accordance with the Codes of Conduct (1990) of the Geological Society (UK) and the Code of Professional Conduct of the European Federation of Geologists. Every effort has been made to ensure that the information is factually correct and of the highest professional standard. However, it must be appreciated that the information is derived from a wide variety of sources. Therefore, the author cannot take responsibility for any omissions or inaccuracies for which he is not aware of at the time of preparing the report, or for the result of any consequential action that may be made based on this information. The author is considered a "Competent Person" as being a member of the Institute of Materials, Minerals and Mining (Iom^3) and having 36 years experience in industry. The Australian Stock Exchange (ASX), acting on advice from the Australasian Joint Ore Reserves Committee (JORC) and its parent bodies (Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, and the Minerals Council of Australia) has promulgated a list of Recognized Overseas Professional Organizations (ROPOs) to which Competent Person may belong for the purpose of preparing reports on exploration results, mineral resources and ore reserves for submission to the ASX. Iom^3 is included in the list of successful ROPOs.

Cautionary Note to Investors: The United States Securities and Exchange Commission permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. None of the information in this letter relates to such deposits and there is no assurance that the deposits will ever be economically and legally extractable or producible. This letter also refers to a resource statement that will be prepared after conclusion of the geological survey. The SEC guidelines strictly prohibit us from including information about a resource statement in our filings with the SEC unless such information is contained in a final feasibility study. U.S. investors are urged to consider closely the disclosure in our 10Q's and Form 10-K. You can review and obtain copies of these filings from the SEC's website at http://www.sec.gov/edgar.shtml.

Statements in this press release that are not historical facts, and this includes all the statements concerning future-oriented statements relating to processing, capacity, costs, notifications, working together, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and involve a number of significant risks and uncertainties that could cause actual results to differ materially from those projected, anticipated, expected or implied.

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