

PRO CAP NYC, LLC
1392 Madison Avenue, #111
New York, NY 10029

July 11, 2022

From: Mr. Bert Denton
Managing Director

To: Mr. Russell C. Lawrence
President & Director
United States Antimony Corporation
P.O. Box 643, Thompson Falls, Montana 59873

Cc: Members of the Board of Directors:
Mr. Hart W. Baitis
Dr. Blaise Aguirre
Mr. Joseph Bardswich
Mr. Christopher Park

Mr. John C. Gustavsen
Chief Executive Officer

Re: Proposal to form an independent committee of the Board of Directors to seek, evaluate and act on strategic alternatives available to United States Antimony Corporation.

Dear Mr. Lawrence and members of the Board,

Pro Cap NYC, LLC (“Pro Cap”), a shareholder and long-time follower of United States Antimony Corporation (“UAMY” or the “Company”), recognizes the gross profit and net income records set in the first quarter and the progress the Company has made with respect to its ongoing process improvements to drive a more competitive cost structure.

We strongly applaud action taken by the Board to strengthen the balance sheet as a result of the recapitalization of the Company effected by the Board in early 2021.

We also think highly of the experience and knowledge that Messrs. Russell and Gustavsen bring to the Company with respect to the processing of antimony products.

The Company is in the strongest financial position it has been in for many decades and, together with positive developments with respect to the future demand outlook for domestically sourced antimony, the best position it has been in for a long, long time to create value for its shareholders.

It is from this perspective that we submit this letter.

Our thesis is straight forward:

1. The Company does not have the management resources or scale to capitalize on the opportunity to play a material role in meeting the increased domestic demand for antimony.
 - a. Only two senior managers, Messrs. Gustavsen & Lawrence to manage operations in 2 states and two countries. The Company headquarters is almost 2,500 miles from its Los Juarez operation, the smelter at Coahuila is approximately 500 miles from sources of antimony in Queretaro (and rely on expensive trucking to deliver product).

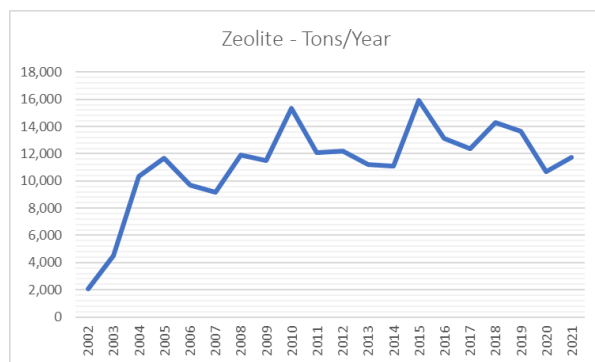
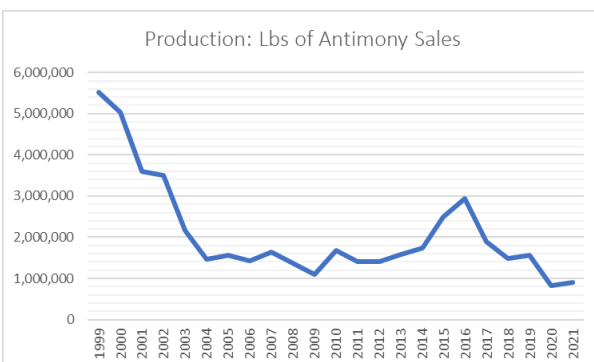
- b. We do not believe that what is currently managed as a small business can effectively manage these assets over such great distances and at the same time drive the kind of business development, sales and marketing efforts required to increase domestic market share and fulfill the potential of this Company.
- c. While we applaud the Company’s efforts to keep general and administrative expenses (“G&A”) low – we note G&A and professional fees combined of less than US\$1 million in 2021 and base salary levels of senior executives of less than US\$135,000 per year - UAMY will not independently achieve potential for its shareholders without a clearly defined long-term plan for increasing market share and the properly compensated, professional staff to execute that plan.

While we do not support higher salaries just for the sake of higher salaries, a management team with a clearly defined plan for increasing market share would have to be compensated at levels consistent with the “market” for executives of the caliber required for that purpose.

- d. We do not believe the Company would be able to attract the operational, sales & marketing, human resources and other experienced metals and mining professionals to take the Company to the next level with its headquarters in Thompson Falls which for most of the type of executives required to take the Company to the next level is just not convenient from a lifestyle or transportation perspective.
- e. We question if a deeper bench and broader range of skillsets at the Board and management levels would better position the Company to capture some of the potentially attractive initiatives now before it, including but not limited to:
 - i. Deliver higher confidence to potential strategic partners that the Company will have the long-term continuity and depth of management to be a reliable partner in the supply of this critical metal.
 - ii. Expanded sales and marketing team to focus on increased market share.
 - iii. Persons with credibility and experience in defense appropriations at the Board level.

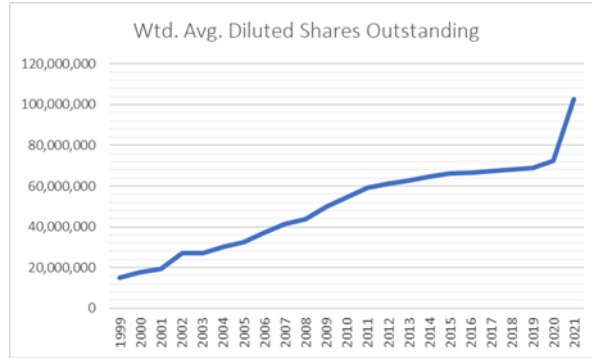
2. The Company does not have the track record of delivering shareholder value that create confidence that it can independently deliver on a consistent basis going forward.

- a. An estimated 4% share of the domestic market for antimony products after over 50 years and current status as the only domestic supplier of antimony products.
- b. A long-term track record of declining absolute production levels of antimony.

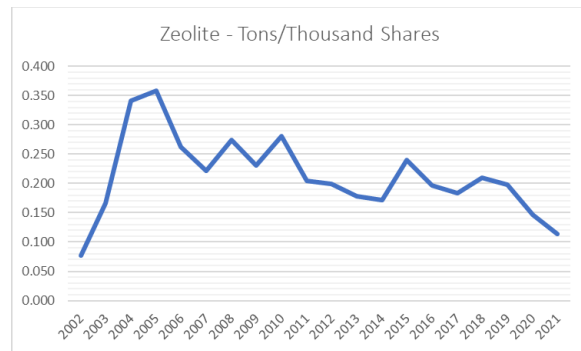
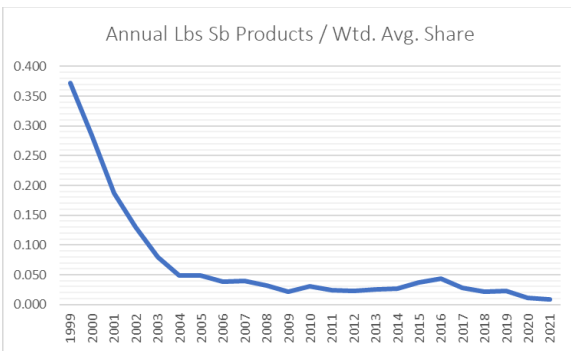


Note: The data for these charts and those to follow was taken from Company filings with the U.S. Securities & Exchange Commission and is summarized in Appendix I attached hereto.

- c. A long-term track record of relying on shareholder dilution to keep the Company viable:



- d. The combined result of these two long term trends is massive destruction of per share value over time:



3. The Company is currently in the most attractive position it has been in for a very long time – both internally and due to favorable developments in the antimony market.
- Existing management “know how” that can be transferred to an acquirer prior to the retirement of key members of the management team is a significant intangible asset that could be attractive to a merger partner.
 - \$20+ million in net cash and the only antimony refining and processing facility in the United States.
 - Current supply chain issues impacting the world-economy highlight the significance of domestically sourced antimony products.
 - The U.S. government is moving toward rebuilding a national defense stockpile.
 - Demand for antimony is set to increase significantly in coming years as a result of its role in technologies to support the green energy transition.

We greatly admired the late founder of the Company, John Lawrence, and his vision of a domestic provider of antimony products of scale and significance to the United States. We believe that the Company is in position to play this critical role both for offering a source of domestically sourced antimony to enhance our national defense stockpiles and to facilitate the green energy transition. But we believe greater managerial resources are necessary to realize this vision and that those resources are best brought to the Company through a merger with a larger mining company.

This Board has to-date acted as good stewards in preserving the assets of the Company, specifically by keeping G&A low and recapitalizing the balance sheet. We ask you to continue that pattern by acting now, from a position of strength, to seek alternatives to realize the potential of the Company while market conditions are favorable and the Company has the financial flexibility to do so.

For the reasons highlighted in this letter, we believe the best way to do this would be for the Board to form a committee of the independent directors of the Company to seek, evaluate and act on strategic alternatives. The time to act to position the Company for the long-term is now.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Denton', with a long horizontal flourish extending to the right.

Herbert A. Denton
bert@procapnyc.com

APPENDIX I

Data Sourced from SEC Filings for United States Antimony Corporation.

FYE 12/31	Production		Wtd. Avg. Shares
	Antimony Pounds - Lbs	Zeolite Tons	
2002	3,499,394	2,054	26,907,102
2003	2,166,691	4,526	27,175,607
2004	1,474,636	10,333	30,272,238
2005	1,562,946	11,654	32,520,051
2006	1,421,083	9,696	36,917,464
2007	1,634,670	9,147	41,375,287
2008	1,362,598	11,919	43,549,076
2009	1,103,824	11,519	49,885,229
2010	1,679,042	15,319	54,578,054
2011	1,401,423	12,105	59,381,175
2012	1,403,210	12,189	61,235,365
2013	1,579,182	11,182	62,881,449
2014	1,727,804	11,079	64,605,253
2015	2,487,321	15,901	66,207,241
2016	2,936,880	13,143	66,781,757
2017	1,891,439	12,377	67,413,025
2018	1,486,120	14,321	68,097,924
2019	1,566,585	13,680	69,004,897
2020	815,310	10,661	72,513,814
2021	911,079	11,747	102,835,574