

Zeitoun Andre
Form 3
January 09, 2009

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â Zeitoun Andre		(Month/Day/Year)	ATLAS MINING CO [ALMI]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
630 EAST MULLAN AVE. #D			(Check all applicable)	
(Street)			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	
OSBURN,Â IDÂ 83849			<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	
(City)	(State)	(Zip)	(give title below) (specify below)	
			President and CEO	
			6. Individual or Joint/Group Filing(Check Applicable Line)	
			<input checked="" type="checkbox"/> Form filed by One Reporting Person	
			<input type="checkbox"/> Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	1,144,300	D	Â
Common Stock	35,000	I	Held in IRA of Spouse Jodi Zeitoun

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of	5. Ownership Form of Derivative	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Derivative Security	Security: Direct (D) or Indirect (I) (Instr. 5)	
10% PIK-Election Convertible Note ⁽¹⁾	Â ⁽²⁾	12/15/2018	Common Stock	142,857	\$ 0.35 ⁽²⁾	D	Â
Stock Option Right to Purchase	Â ⁽³⁾	01/01/2019	Common Stock	6,966,419 ⁽³⁾	\$ 0.7 ⁽³⁾	I	Material Advisors LLC ⁽³⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Zeitoun Andre 630 EAST MULLAN AVE. #D OSBURN, ID 83849	Â X	Â	Â President and CEO	Â

Signatures

/s/ Andre
Zeitoun
01/09/2009

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The Note has a principal amount of \$50,000 and is convertible into 142,857 shares of Common stock at \$.35 per share.
- The Note has a maturity date of December 15, 2018. At the holder's option, amounts outstanding under the Note may be converted into common stock at any time after the Company has authorized sufficient shares to convert such amounts outstanding into common stock at the conversion price of \$.35 per share (the "Conversion Price"). The amount outstanding shall be mandatorily converted into common stock of the Company at the Conversion Price upon (i) the Company's authorization of a sufficient number of shares to convert amounts outstanding under all of the series of 10% PIK-Election Convertible notes into common stock, (ii) the average market price for the Common Stock is in excess of the Conversion Price and (iii) either (a) the Company has filed and caused to become effective a registration statement for the resale of the number of shares of common stock into which the outstanding amount under the note is convertible, or (b) such shares are resaleable under Rule 144.
- (2) The Stock Option was granted to Material Advisors LLC effective January 1, 2009 pursuant to a Management Agreement dated December 30, 2008 with the Company, pursuant to which Material Advisors will perform senior management services for the Company.
- (3) The option will vest in 36 equal monthly installments over 3 years. Andre Zeitoun is the manager and majority owner of Material Advisors LLC. This filing will not be deemed an admission that Andre Zeitoun is a beneficial owner of the entire amount of equity securities covered by this filing and he disclaims beneficial ownership of those equity securities subject to the option in excess of his original ownership percentage in Material Advisors LLC.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.