POTASH AMERICA, INC.
Form 10-Q
February 14, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

[X]	QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended	**December 31, 2013**
	or
[ ]	TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from	to
Commission File Number	**333-150775**

POTASH AMERICA, INC.
(Exact name of registrant as specified in its charter)

Nevada	**41-2247537**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1200 North Federal Hwy, Suite 200, Boca Raton, FL	**33432**
(Address of principal executive offices)	(Zip Code)

562-210-8583
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)
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.
[X] 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-K (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
[X] YES [ ] NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small 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	[ ]		Accelerated filer	[ ]
Non-accelerated filer	[ ]	(Do not check if a smaller reporting company)	Smaller reporting company	[X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act
[ ] YES [X] NO

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.
[ ] YES [ ] NO

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

148,625,000 common shares issued and
outstanding as of February 12, 2014.

PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

Our unaudited interim financial statements for the nine months ended December 31, 2013 form part of this quarterly report. They are stated in United States Dollars (US$) and are prepared in accordance with United States generally accepted accounting principles.

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POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

FINANCIAL STATEMENTS

DECEMBER 31, 2013

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POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

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POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

BALANCE SHEETS (UNAUDITED)

AS OF DECEMBER 31, 2013 AND MARCH 31, 2013

ASSETS

	December 31, 2013	March 31, 2013
Current Assets		
Cash and cash equivalents	$177	$265
Prepaid expenses	—	3,819
Deposits	—	500
Total Current Assets	177	4,584
Total Assets	$177	$4,584
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accrued expenses	$11,400	$22,284
Deferred compensation	185,500	185,500
Accrued interest	154,107	102,347
Note payable	35,500	35,500
Notes payable – related parties	20,892	—
Convertible line of credit, net of debt discount	710,000	710,000
Line of credit – related party	664,000	664,000
Total Current Liabilities	1,781,399	1,719,631
Total Liabilities	1,781,399	1,719,631
Stockholders' Deficit		
Common stock, par value $0.0001; 200,000,000 shares authorized, 148,625,000 shares issued and outstanding	14,863	14,863
Additional paid in capital	1,678,839	1,786,478
Deferred stock compensation	—	(107,639)
Deficit accumulated during the exploration stage	(3,474,924)	(3,408,749)
Total Stockholders' Deficit	(1,781,222)	(1,715,047)
Total Liabilities and Stockholders' Deficit	$177	$4,584

The accompanying notes are an integral part of these financial statements

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POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

STATEMENTS OF OPERATIONS (UNAUDITED)

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2013 AND 2012

FOR THE PERIOD FROM JULY 31, 2007 (INCEPTION) TO DECEMBER 31, 2013

	Three Months Ended		Nine Months Ended		Period from July 31, 2007 (Inception) to December 31,
	December 31,		December 31,		
	2012	2013 (Restated)	2012	2013 (Restated)	2013
REVENUE	$—	$—	$—	$—	$—
OPERATING EXPENSES					
Impairment of mining interest	—	710,885	—	710,885	760,885
Professional fees	3,446	39,297	11,601	159,542	393,630
Transfer agent and filing fees	400	854	904	7,724	47,937
Consulting	181	8,800	181	80,796	254,003
Web development	—	1,047	—	3,618	32,275
Stock compensation	—	8,137	—	165,890	1,140,553
Exploration costs	—	2,525	(81)	176,855	215,035
General and administrative	(54)	23,109	1,810	73,720	173,455
TOTAL OPERATING EXPENSES	3,973	794,654	14,415	1,379,030	3,017,773
LOSS FROM OPERATIONS	(3,973)	(794,654)	(14,415)	(1,379,030)	(3,017,773)
OTHER INCOME (EXPENSES)					
Interest expense	(17,316)	(17,110)	(51,760)	(57,080)	(154,247)
Derivative expense	—	—	—	(184,044)	—
Change in derivative	—	(7,818)	—	(30,109)	—
Amortization of debt discount	—	(306,611)	—	(707,129)	(302,904)
TOTAL OTHER INCOME (EXPENSES)	(17,316)	(331,539)	(51,760)	(978,362)	(457,151)
NET LOSS PRIOR TO INCOME TAXES	(21,289)	(1,126,193)	(66,175)	(2,357,392)	(3,474,924)
PROVISION FOR INCOME TAXES	—	—	—	—	—
NET LOSS	$(21,289)	$(1,126,193)	$(66,175)	$(2,357,392)	$(3,474,924)
NET LOSS PER SHARE: BASIC AND DILUTED	$(0.00)	$(0.01)	$(0.00)	$(0.02)	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	148,625,000	148,665,000	148,625,000	148,173,197	

The accompanying notes are an integral part of these financial statements

POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

STATEMENTS OF CASH FLOWS (UNAUDITED)

FOR THE NINE MONTHS ENDED DECEMBER 31, 2013 AND 2012

FOR THE PERIOD FROM JULY 31, 2007 (INCEPTION) TO DECEMBER 31, 2013

	Nine Months Ended December 31,		Period from July 31, 2007 (Inception) to December 31,
	2013	2012 (Restated)	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period	$(66,175)	$(2,357,392)	$(3,474,924)
Stock-based compensation	—	165,890	1,140,554
Derivative expense	—	184,044	—
Change in derivative	—	30,109	—
Amortization of debt discount	—	707,129	302,904
Impairment of mining claims	—	710,885	760,885
Changes in assets and liabilities:			
Decrease in prepaid expenses	3,819	127,963	—
Decrease in deposit	500	49,500	—
Increase (decrease) in accrued expenses	(10,884)	(3,381)	11,400
Increase in accrued interest	51,760	57,080	154,107
Increase in deferred compensation	—	90,000	185,500
Net Cash Used in Operating Activities	(20,980)	(238,173)	(919,574)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of mineral properties	—	(245,240)	(564,885)
Net Cash Used in Investing Activities	—	(245,240)	(564,885)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from notes payable	—	—	49,744
Proceeds from notes payable – related parties	20,892	34,000	20,892
Proceeds from (payments on) line of credit	—	(400,000)	664,000
Proceeds from line of credit - convertible	—	710,000	710,000
Proceeds from sale of stock	—	88,360	50,000
Purchase of treasury stock	—	(10,000)	(10,000)
Net Cash Provided by Financing Activities	20,892	422,360	1,484,636
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(88)	(61,053)	177
Cash and cash equivalents, beginning balance	265	69,323	—
Cash and cash equivalents, ending balance	$177	$8,270	$177
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for interest	$—	$—	$—
Cash paid for income taxes	$—	$—	$—
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING INFORMATION:			

Forgiveness of debt from former shareholder converted to capital	$—	$—	$14,244
Stock option recorded as deferred stock compensation	$—	$107,639	$215,777
Issuance of common stock to acquire mineral properties	$—	$196,000	$196,000
Intrinsic value of beneficial conversion feature of convertible line of credit	$—	$400,518	$302,904

The accompanying notes are an integral part of these financial statements

POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 1 – NATURE OF OPERATIONS

Potash America, Inc. (“the Company” or “PTAM”), was incorporated in the state of Nevada on July 31, 2007. PTAM’s primary focus is the development of fertilizer and agri-business assets. Such assets may include Potash, Montmorillonite, Bentonite and Gypsum. The Company seeks to acquire known deposits whose economic value has recently changed with market pricing levels, and develop these assets into agri-products.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Exploration Stage Company

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles related to accounting and reporting by exploration stage companies. An exploration stage company is one in which planned principal operations have not commenced or if its operations have commenced, there has been no significant revenues.

Basis of Presentation

The accompanying interim unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for interim financial information. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, stockholders’ deficit or cash flows. It is management's opinion, however, that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation. The interim unaudited financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K, which contains the annual audited financial statements and notes thereto, together with the Management’s Discussion and Analysis, for the year ended March 31, 2013. The interim results for the period ended December 31, 2013 are not necessarily indicative of the results for the full fiscal year. The interim unaudited financial statements are presented in USD.

Accounting Basis

The Company uses the accrual basis of accounting and accounting principles generally accepted in the United States of America ("GAAP" accounting). The Company has adopted a March 31 fiscal year end.

Reclassifications

Certain accounts and financial statement captions in the prior periods have been reclassified to conform to the current period financial statements.

Financial Instrument

The Company's financial instrument consists of cash, prepaid expenses, deposits, accounts payable and accrued expenses, deferred compensation, accrued interest, convertible line of credit, note payable, and a line of credit due to a related party.

It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its other financial instruments and that their fair values approximate their carrying values except where separately disclosed.

POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided for the amount of deferred tax assets that, based on available evidence, are not expected to be realized.

Cash and Cash Equivalents

PTAM considers all highly liquid investments with maturities of three months or less to be cash equivalents. At December 31, 2013 and March 31, 2013, respectively, the Company had $177 and $265 of cash.

Revenue Recognition

The Company recognizes revenue when products are fully delivered or services have been provided and collection is reasonably assured.

Advertising

The Company expenses advertising costs as incurred. As of December 31, 2013 and 2012, respectively, the Company expensed $0 and $9,170 in marketing and website development and maintenance of its site.

Mineral Properties Costs

Mineral exploration and development costs are accounted for using the successful efforts method of accounting.

Property acquisition costs - Mineral property acquisition costs are capitalized as mineral exploration properties. Upon achievement of all conditions necessary for reserves to be classified as proved, the associated acquisition costs are reclassified to prove properties

Exploration costs - Geological and geophysical costs and the costs of carrying and retaining undeveloped properties are expensed as incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. The more significant areas requiring the use of estimates include asset impairment, stock-based compensation, and future income tax amounts. Management bases its estimates on historical experience and on other assumptions considered to be reasonable under the circumstances. However, actual results may differ from the estimates.

Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the Company’s net loss applicable to common shareholders by the weighted average number of common shares during the period. Diluted earnings per share is calculated by dividing the Company’s net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average

number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity.

POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Stock-Based Compensation

Stock-based compensation is accounted for at fair value in accordance with ASC Topic 718. On April 21, 2011, the Company instituted a Stock Option Plan which allows for the issuance of 3,000,000 shares of common stock to the Company's management, employees and consultants. As of December 31, 2013, there were 1,375,000 stock options outstanding.

Recent Accounting Pronouncements

PTAM does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flow.

NOTE 3 – ACCRUED EXPENSES

Accrued expenses and liabilities consisted of the following as of December 31, 2013 and March 31, 2013:

	December 31, 2013	March 31, 2013
Accounting fees	$3,248	$2,048
Audit fees	—	13,000
Legal fees	7,952	6,536
Filing fees	200	200
Administrative expense	—	500
Total accrued expenses	$11,400	$22,284

NOTE 4 – NOTES PAYABLE

A former shareholder and director of the Company advanced funds at various times since inception in order to support operations. The loans are unsecured, non-interest bearing and due on demand. The amount due to the former shareholder and director was $35,500 as of December 31, 2013 and March 31, 2013.

NOTE 5 – NOTES PAYABLE – RELATED PARTY

During the nine months ended December 31, 2013, the current shareholder and director of the Company advanced funds at various times to support operations. The loans are unsecured, non-interest bearing and due on demand. The amount due to the shareholder and director was $20,892 as of December 31, 2013.

NOTE 6 – LINE OF CREDIT – RELATED PARTY

The Company opened a line of credit during the year ended March 31, 2011 in the amount of $200,000. The line of credit is secured by the assets of the company, bears 5% interest and is due on demand.

On June 22, 2011, the Company's credit line was increased from $200,000 to $1,000,000 under the same terms. The line of credit was drawn to $664,000 as of December 31, 2013. Interest expense related to the line of credit was $76,936 as of December 31, 2013 and has not been paid. During the year ended March 31, 2013, control of the Company was acquired by the person who also controls the company that has issued this line of credit.

POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 7 – LINE OF CREDIT

On November 22, 2011, the Company entered into a second Credit Facility Agreement in which the lender agreed to provide the Company with a line of credit in the amount of up to $500,000. Pursuant to the terms of the Credit Facility Agreement, the Company shall pay any outstanding amounts to the lender on demand. The Company may also repay the loan and accrued interest at any time without penalty.

Amounts outstanding shall bear interest at the rate of 10% per annum. The line of credit was drawn to $400,000 as of March 31, 2012.

During the year ended March 31, 2013, the balance was repaid and the amount due at March 31, 2013 was $0. Accrued interest related to the line of credit was $21,246 as of December 31, 2013 and has not been paid.

NOTE 8 – CONVERTIBLE LINE OF CREDIT

On April 12, 2012, the Company entered into a $1,000,000 Letter of Credit Agreement dated March 27, 2012. Pursuant to the terms outlined in the Letter of Credit, at any time the Company may require any and all funds outstanding under the Letter of Credit, except for accrued interest which is to be paid in cash, to be converted into units of the Company at a price of $0.80 per unit (the "Unit"). Each Unit consists of one (1) share of common stock and one (1) warrant to purchase one (1) share of common stock at $1.50 for a period of five (5) years. The Company will pay annual interest of 5% until the loan is repaid or converted into Units. The Company will issue up to 1,250,000 Units when the exercise provision is enacted. The Company determined the intrinsic value of the beneficial conversion feature on each draw date by valuing the warrants using the Black-Scholes Option Pricing Model and then allocating the $0.80 conversion price of each unit between the stock and warrants. The warrants were valued using the following assumptions on each draw date: stock price at grant date - $0.23-$0.89, exercise price - $1.50, expected life – 5 years, volatility – 126%-130%, risk-free rate - .70%-.86%. The total intrinsic value of the beneficial conversion feature of the draws was determined to be $302,904 and was amortized in full as of March 31, 2013. The line of credit was drawn to $710,000 as of December 31, 2013. Accrued interest related to the line of credit was $55,924 as of

December 31, 2013 and has not been paid.

NOTE 9 – RELATED PARTY TRANSACTIONS

On November 7, 2011, the Company entered into an employment agreement with Barry Wattenberg, our former president, chief executive officer, chief financial officer, secretary, treasurer and a member of our board of directors. The employment agreement became effective on December 1, 2011.

Barry Wattenberg resigned as director, Chairman, President and Treasurer of the Company, effective March 22, 2013.

The total amounts of $185,500 as of December 31, 2013 and March 31, 2013, respectively, have been recorded as deferred compensation.

POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 10 – CAPITAL STOCK

Stock issued

The company has 200,000,000 common shares authorized at a par value of $0.0001 per share.

During the period ended March 31, 2008, the Company issued 80,000,000 common shares to founders for total proceeds of $8,000. Additionally, the Company issued 67,200,000 shares during the period ended March 31, 2008 for total proceeds of $42,000.

On July 9, 2010, a former shareholder and director of the Company agreed to forgive debt in the amount of $14,244. This amount has been recorded as contributed capital.

Effective September 8, 2010 the Company increased the authorized shares of common stock from 100,000,000 to 200,000,000 and enacted a forward stock split of 80 to 1. All share and per share data has been adjusted to reflect such stock split.

In May 2011 the Company issued 150,000 common shares in lieu of compensation along with stock options.

On November 10, 2011, the Company issued 25,000 shares of common stock as compensation for a finder’s fee related to the Sodaville, Nevada property.

On December 31, 2011, the Company issued an aggregate of 190,000 restricted shares to our directors, advisors and consultants for the Company.

On March 20, 2012, the Company issued an aggregate of 100,000 restricted shares in lieu of compensation along with stock options.

On April 11, 2012, the Company purchased 40,000 shares back from an investor for a total payment of $10,000. The shares were subsequently cancelled and retired on May 2, 2012.

On June 30, 2012, the Company issued 1,000,000 restricted shares of our common stock at a value of $196,000 in connection with the acquisition of mineral properties. (See note 3 for further details).

Stock-based compensation expense related to option grants for the period ended December 31, 2013 was $0.

There were 148,625,000 shares of common stock issued and outstanding as of December 31, 2013.

As of December 31, 2013, the Company has no warrants outstanding. There are 1,375,000 stock options outstanding.

POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 10 – CAPITAL STOCK (CONTINUED)

Stock options

The Company uses the Black-Scholes Option Pricing Method to value all stock options granted.

In April 2011, the Company issued 600,000 stock options to directors of the Company per the Stock Option Plan with an exercise price of $0.60 per share for a 5 year term.

In May 2011, the Company entered into a consulting agreement which granted a total of 50,000 stock options per the Company's Stock Option Plan. All these stock options are exercisable at $1.00 per share for a 5 year term.

In July 2011, the Company entered into a consulting agreement which granted a total of 75,000 stock options per the Company's Stock Option Plan. All these stock options are exercisable at $1.00 per share for a 5 year term.

In August 2011, the Company entered into a consulting agreement which granted a total of 25,000 stock options per the Company's Stock Option Plan. All these stock options are exercisable at $1.00 per share for a 5 year term.

In October 2011, the Company entered into a consulting agreement which granted a total of 35,000 stock options per the Company's Stock Option Plan. All these stock options are exercisable at $0.94 per share for a 5 year term.

In November 2011, the Company entered into a consulting agreement which granted a total of 25,000 stock options per the Company's Stock Option Plan. All these stock options are exercisable at $1.00 per share for a 5 year term.

In December 2011, the Company granted a total of 115,000 stock options to advisors and consultants. All these stock options are exercisable at $1.00 per share for a 3 year term.

In January 2012, the Company entered into a consulting agreement which granted a total of 35,000 stock options per the Company's Stock Option Plan. All these stock options are exercisable at $0.92 per share for a 5 year term.

In February 2012, the Company entered into a consulting agreement which granted a total of 25,000 stock options per the Company's Stock Option Plan. All these stock options are exercisable at $1.00 per share for a 5 year term.

In March 2012, the Company entered into two consulting agreements which granted a total of 200,000 stock options per the Company's Stock Option Plan. All these stock options are exercisable at $1.00 per share for a 5 year term.

In April 2012, the Company issued 35,000 stock options to advisors and consultants of the Company per the Stock Option Plan with an exercise price of $1.00 per share for a 5 year term.

POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 10 – CAPITAL STOCK (CONTINUED)

In May 2012, the Company issued 25,000 stock options to consultants of the Company per the Stock Option Plan with an exercise price of $1.00 per share for a 5 year term.

In June 2012, the Company issued 25,000 stock options to consultants of the Company per the Stock Option Plan with an exercise price of $1.00 per share for a 5 year term.

In July 2012, the Company issued 35,000 stock options to advisors and consultants of the Company per the Stock Option Plan with an exercise price of 5% above market price ($0.29) per share for a 5 year term.

In October 2012, the Company issued 35,000 stock options to advisors and consultants of the Company per the Stock Option Plan with an exercise price of 5% above market price ($0.26) per share for a 5 year term.

In January 2013, the Company issued 35,000 stock options to advisors and consultants of the Company per the Stock Option Plan with an exercise price of 5% above market price ($0.05) per share for a 5 year term.

Stock-based compensation expense for the three and nine months ended December 31, 2013 was $0.

The following table summarizes information about stock options as of December 31, 2013:

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2013	1,375,000	$ 0.76
Options granted	—	—
Options expired	—	—
Options cancelled	—	—
Outstanding, December 31, 2013	1,375,000	$ 0.76
Exercisable, December 31, 2013	1,375,000	$ 0.76

The following table summarizes information about stock options granted to consultants, advisors, investors and board members as of December 31, 2013:

Stock Options Outstanding				Stock Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Number of Options	Weighted Average Exercise Price
$.05 to 1.00	1,375,000	$0.76	2.54	1,375,000	$0.76

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POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 11 – RESTATEMENT

The Company has recorded the intrinsic value of the convertible note payable in the 10K ending March 31, 2013. The Company is allocating the cost to the correct quarterly periods in the fiscal year ended March 31, 2013. The corrected balances and the previously stated balances for the three and nine months ended December 31, 2012 are shown below.

The following are the previously stated and corrected balances for the three months ended December 31, 2012:

Nine months ended December 31, 2012 Financial Statement	Line Item	Corrected	Previously Stated
Statement of Operations	Amortization of debt discount	(306,611)	(223,777)
Statement of Operations	Total Other Income (Expenses)	(331,539)	(248,705)
Statement of Operations	Net Loss	(1,126,193)	(1,043,358)
Cash Flows	Net Loss	(1,126,193)	(1,043,358)
Cash Flows	Amortization of debt discount	306,611	223,777

The following are the previously stated and corrected balances for the nine months ended December 31, 2012:

Nine months ended December 31, 2012 Financial Statement	Line Item	Corrected	Previously Stated
Statement of Operations	Amortization of debt discount	(707,129)	(481,658)
Statement of Operations	Total Other Income (Expenses)	(978,362)	(752,891)
Statement of Operations	Net Loss	(2,357,392)	(2,131,921)
Cash Flows	Net Loss	(2,357,392)	(2,131,921)
Cash Flows	Amortization of debt discount	707,129	481,658

NOTE 12 – INCOME TAXES

The provision for Federal income tax consists of the following for the nine months ended December 31, 2013 and 2012:

	December 31, 2013	December 31, 2012
Federal income tax benefit attributable to:		
Current operations	$22,500	$801,513
Less: valuation allowance	(22,500)	(801,513)
Net provision for Federal income taxes	$—	$—

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POTASH AMERICA, INC.

(AN EXPLORATION STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

The cumulative tax effect at the expected rate of 34% of significant items comprising our net deferred tax amount is as follows as of December 31, 2013 and March 31, 2013:

	December 31, 2013	March 31, 2013
Deferred tax asset attributable to:		
Net operating loss carryover	$1,181,475	$1,158,975
Less: valuation allowance	(1,181,475)	(1,158,975)
Net deferred tax asset	$—	$—

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards of $3,474,924 for federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years.

NOTE 13 – GOING CONCERN

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. The Company has negative working capital, no established source of revenue and significant losses since inception. These factors raise substantial doubt about the Company's ability to continue as a going concern. Without realization of additional capital, it would be unlikely for the Company to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty. Management continues to seek funding from its shareholders and other qualified investors to pursue its business plan.

NOTE 14 – SUBSEQUENT EVENTS

In accordance with ASC Topic 855-10, the Company has analyzed its operations subsequent to December 31, 2013 to the date these financial statements were issued, and has determined that it does not have any material subsequent events to disclose in these financial statements other than the events described above.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "could", "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable laws, including the securities laws of the United States, we do not intend to update any of the forward-looking statements so as to conform these statements to actual results.

Our unaudited financial statements are stated in U.S. dollars and are prepared in accordance with generally accepted accounting principles in the United States. The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarterly report.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to "common shares" refer to the common shares in our capital stock.

As used in this quarterly report and unless otherwise indicated, the terms "we", "us", "our" and "our company" mean Potash America, Inc., a Nevada corporation, unless otherwise indicated.

General Overview

We were incorporated in the state of Nevada on July 31, 2007 as Adtomize Inc. On June 29, 2010, we underwent a change of control. On September 8, 2010, we affected a split of our authorized capital and our issued and outstanding common shares on an 80 for 1 basis. On March 3, 2011 we changed our name to Potash America, Inc., and began looking for opportunities to acquire exploration stage mineral properties. We maintain our business offices at 200 South Virginia Street, 8th Floor, Reno, Nevada, 89501 and our telephone number is (775) 398-3019.

Before we went through a change of control and business focus, we engaged in the business of developing an online advertising brokerage service to bring together high traffic web site publishers with companies wishing to place ads on them in order to drive traffic to their own internet sites. Since our inception, we had been attempting to raise money to operate our business, but have not been able to secure the funds necessary to do so. The lack of funds and the present economy have prevented that from happening. As we have been unable to raise the capital necessary to develop and market our service, we began a search for other business opportunities which may benefit our shareholders and allow us to raise capital and operate.

Current Business

We are a development stage company previously engaged in the acquisition, exploration and development of mineral properties. As at the end of March 31, 2013, we have suspended our plan of operation as it relates to the exploration mining interest and are investigating other business opportunities to enhance shareholder value.

Credit Facility Agreements

On March 15, 2011, we entered into a credit facility agreement. The lender agreed to provide us with a line of credit in the amount of up to $200,000 wherein, within three business days after receipt of notice from us, the lender would advance amounts requested to our company. On June 22, 2011, the credit facility agreement was amended to increase the size of the line of credit to a total of $1,000,000. We shall use the advances to fund working capital and general corporate activities. Pursuant to the terms of the credit facility agreement, our company shall pay any outstanding amounts to the lender on demand. We may also repay the loan and accrued interest at any time without penalty. Amounts outstanding shall bear interest at the rate of 5% per annum. During the year ended March 31, 2013, control of the Company was acquired by the person who also controls the company that has issued this line of credit.

On November 22, 2011, we entered into a second credit facility agreement in which the lender agreed to provide our company with a line of credit in the amount of up to $500,000. Pursuant to the terms of the credit facility agreement, our company shall pay any outstanding amounts to the lender on demand. Our company may also repay the loan and accrued interest at any time without penalty. Amounts outstanding shall bear interest at the rate of 10% per annum.

On April 12, 2012, we entered into a $1,000,000 letter of credit agreement dated March 27, 2012. Pursuant to the terms outlined in the letter of credit, at any time our company may require any and all funds outstanding under the letter of credit, except for accrued interest which is to be paid in cash, to be converted into units of our company at a price of $0.80 per unit. Each unit consists of one share of common stock and one warrant to purchase one share of common stock at $1.50 US for a period of five years. Our company will pay annual interest of 5% until the loan is repaid or converted into units. Our company will issue 1,250,000 units when the exercise provision is enacted.

Purchase of Significant Equipment

We do not intend to purchase any significant equipment over the next twelve months.

Off-Balance Sheet Arrangements

We have no significant 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 are material to stockholders.

Employees

We do not expect any material changes in the number of employees over the next 12 month period (although we may enter into employment or consulting agreements with our officers or directors). We do and will continue to outsource contract employment as needed.

Results of Operations

The following unaudited summary of our results of operations should be read in conjunction with our financial statements for the three and nine month periods ended December 31, 2013 and 2012.

We have not generated any revenue since inception and are dependent upon obtaining financing to pursue our business activities. For these reasons, our auditors believe that there is substantial doubt that we will be able to continue as a going concern.

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Results of Operations for the Three Months Ended December 31, 2013 and 2012

Our operating results for the three month periods ended December 31, 2013 and 2012 and the changes between those periods for the respective items are summarized as follows:

	Three Month Period Ended December 31, 2013	**Three Month Period Ended December 31, 2012**	**Change Between Three Month Periods Ended December 31, 2013 and December 31, 2012**
Revenue	$Nil	$Nil	$Nil
Impairment of mining interest	$Nil	$710,885	$(710,885)
Professional fees	$3,446	$39,297	$(35,851)
Transfer agent and filing fees	$400	$854	$(454)
Consulting fees	$181	$8,800	$ (8,619)
Web development	$Nil	$1,047	$(1,047)
Stock compensation	$Nil	$8,137	$(8,137)
Exploration costs	$Nil	$2,525	$(2,525)
General and administrative	$(54)	$23,109	$(23,163)
Interest Expense	$17,316	$17,110	$206
Derivative expense	$Nil	$Nil	$Nil
Change in derivative	$Nil	$7,818	$(7,818)
Amortization of debt discount	$Nil	$306,611	$(306,611)
Net loss	$(21,289)	$(1,126,193)	$(1,104,904)

Our expenses decreased during the three month period ended December 31, 2013 compared to the same period in 2012 primarily as a result of decreases in professional fees, consulting, stock compensation, exploration costs, general and administration, interest expenses, change in derivative expense, and amortization of debt discount.

Results of Operations for the Nine Months Ended December 31, 2013 and 2012

Our operating results for the nine month periods ended December 31, 2013 and 2012 and the changes between those periods for the respective items are summarized as follows:

	Nine Month Period Ended December 31, 2013	**Nine Month Period Ended December 31, 2012**	**Change Between Nine Month Periods Ended December 31, 2013 and December 31, 2012**
Revenue	$Nil	$Nil	$Nil
Impairment of mining interest	$Nil	$710,885	$(710,885)
Professional fees	$11,601	$159,542	$(147,941)
Transfer agent and filing fees	$904	$7,724	$(6,820)
Consulting fees	$181	$80,796	$ (80,615)
Web development	$Nil	$3,618	$(3,618)
Stock compensation	$Nil	$165,890	$(165,890)
Exploration costs	$(81)	$176,855	$(176,936)
General and administrative	$1,810	$73,720	$(71,910)
Interest Expense	$51,760	$57,080	$(5,320)
Derivative expense	$Nil	$184,044	$(184,044)
Change in derivative	$Nil	$30,109	$(30,109)
Amortization of debt discount	$Nil	$707,129	$(707,129)
Net loss	$(66,175)	$(2,357,392)	$(2,291,217)

Our expenses decreased during the nine month period ended December 31, 2013 compared to the same period in 2012 primarily as a result of decreases in in professional fees, consulting, stock compensation, exploration costs, general and administration, interest expenses, change in derivative expense, and amortization of debt discount.

Liquidity and Financial Condition

Working Capital

	At December 31	At March 31,	Change Between

	2013 $	2013 $	December 31, 2013 and March 31, 2013 $
Current Assets	$177	$4,584	$(4,407)
Current Liabilities	$1,781,399	$1,719,631	$61,768
Working Capital / (Deficit)	$(1,781,222)	$(1,715,047)	$66,175

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<u>Cash Flows</u>

	Nine Months Ended December 31, 2013 $	Nine Months Ended December 31, 2012 $	Period from Inception (July 31, 2007) to December 31, 2013 $
Cash Flows (used in) Operating Activities	$ (20,980)	$(238,173)	$(919,574)
Cash Flows (used in) Investing Activities	$ Nil	$(245,240)	$(564,885)
Cash Flows provided by Financing Activities	$ 20,892	$422,360	$1,484,636
Net Increase (Decrease) in Cash During Period	$ (88)	$(61,053)	$177

As of December 31, 2013, our total current assets were $177 and our total liabilities were $1,781,399 and we had a working capital deficit of $1,781,222. Our unaudited financial statements report a net loss of $66,175 for the nine months ended December 31, 2013 compared to a net loss of $2,357,392 for the same period in 2012 and a net loss of $3,474,924 for the period from July 31, 2007 (inception) to December 31, 2013.

We estimate that our cash expenses over the next 12 months will be approximately $60,000 as described in the table below. These estimates may change significantly depending on the nature of our future business activities and our ability to raise capital from shareholders or other sources.

Specifically, we estimate our operating expenses and working capital requirements for the next 12 months to be as follows:

Description	Target completion date or period	Estimated expenses ($)
Legal and accounting fees	12 months	50,000
General and administrative	12 months	10,000
Total		60,000

Future Financings

We will require additional financing in order to enable us to proceed with our plan of operations, as discussed above, including approximately $60,000 over the next 12 months to pay for our ongoing expenses. These expenses include legal, accounting and audit fees as well as general and administrative expenses. These cash requirements are in excess of our current cash and working capital resources. Accordingly, we will require additional financing in order to continue operations and to repay our liabilities. There is no assurance that any party will advance additional funds to us in order to enable us to sustain our plan of operations or to repay our liabilities.

We anticipate continuing to rely on equity sales of our common stock in order to continue to fund our business operations. Issuances of additional shares will result in dilution to our existing stockholders. There is no assurance that we will achieve any additional sales of our equity securities or arrange for debt or other financing to fund our planned business activities.

We presently do not have any arrangements for additional financing for the expansion of our exploration operations, and no potential lines of credit or sources of financing are currently available for the purpose of proceeding with our plan of operations.

Contractual Obligations

As a “smaller reporting company”, we are not required to provide tabular disclosure obligations.

Going Concern

We have generated only nominal revenues and are dependent upon obtaining outside financing to carry out our operations and pursue our business development activities. If we are unable to generate future cash flows, raise equity or secure alternative financing, we may not be able to continue our operations and our business plan may fail. You may lose your entire investment.

If our operations and cash flow improve, our management believes that we can continue to operate. However, no assurance can be given that management's actions will result in profitable operations or an improvement in our liquidity situation. The threat of our ability to continue as a going concern will cease to exist only when our revenues have reached a level able to sustain our business operations.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with the accounting principles generally accepted in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management’s application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. The more significant areas requiring the use of estimates include asset impairment, stock-based compensation, and future income tax amounts. Management bases its estimates on historical experience and on other assumptions considered to be reasonable under the circumstances. However, actual results may differ from the estimates.

Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing our company's net loss applicable to common shareholders by the weighted average number of common shares during the period. Diluted earnings per share is calculated by dividing our company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. There are no such common stock equivalents outstanding as of December 31, 2013.

During the year ended March 31, 2011, our company enacted an 80 to 1 forward stock split. All share and per share data has been adjusted to reflect such stock split.

Stock-Based Compensation

Stock-based compensation is accounted for at fair value in accordance with ASC Topic 718. On April 21, 2011, our company instituted a Stock Option Plan which allows for the issuance of 3,000,000 shares of common stock to our company's management, employees and consultants. As of December 31, 2013, there were 1,375,000 stock options issued.

Income Taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided for the amount of deferred tax assets that, based on available evidence, are not expected to be realized.

Recent Accounting Pronouncements

Our company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on our company’s results of operations, financial position or cash flow.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a “smaller reporting company”, we are not required to provide tabular disclosure obligations.

Item 4. Controls and Procedures

Management’s Report on Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the *Securities Exchange Act of 1934*, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our president (our principal executive officer and our principal financial officer and principle accounting officer) to allow for timely decisions regarding required disclosure.

As of the end of our quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our president (our principal executive officer and our principal financial officer and principle accounting officer), of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our president (our principal executive officer and our principal financial officer and principle accounting officer) concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this quarterly report.

Changes in Internal Control 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

We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, executive officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest.

Item 1A. Risk Factors

As a “smaller reporting company”, we are not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mining Safety Disclosure

Not Applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
(3)	**Articles of Incorporation and Bylaws**
3.1	Articles of Incorporation (incorporated by reference to our Registration Statement on Form S-1 filed on May 9, 2008)
3.2	Certificate of Amendment (incorporated by reference to our Current Report on Form 8-K filed on September 10, 2010).
3.3.	Certificate of Amendment (incorporated by reference to our Current Report on Form 8-K filed on March 7, 2011)
(10)	**Material Contracts**
10.1	Credit Facility Agreement dated March 2011 (incorporated by reference to our Current Report on Form 8-K filed on March 17, 2011)
10.2	2011 Stock Option Plan (incorporated by reference to our Current Report on Form 8-K filed on April 26, 2011)
10.3	Form of Stock Option Agreement (incorporated by reference to our Current Report on Form 8-K filed on April 26, 2011)
10.4	Director's Association Agreement between our company and Alan B. Brass (incorporated by reference to our Current Report on Form 8-K filed on April 26, 2011)
10.5	Director's Association Agreement between our company and Norman Marcus (incorporated by reference to our Current Report on Form 8-K filed on April 26, 2011)
10.6	Stock Option Agreement between our company and Alan B. Brass (incorporated by reference to our Current Report on Form 8-K filed on April 26, 2011)
10.7	Stock Option Agreement between our company and Norman Marcus (incorporated by reference to our Current Report on Form 8-K filed on April 26, 2011)
10.8	Property Acquisition Agreement dated June 6, 2011 between our company and Habitants Minerals Ltd. (incorporated by reference to our Current Report on Form 8-K filed on June 17, 2011)
10.9	Purchase and Sale Agreement dated August 31, 2011 between our company and Kim Diaz and Sonseeahray Diaz (incorporated by reference to our Current Report on Form 8-K filed on September 12, 2011)
(14)	**Code of Ethics**
14.1	Code of Business Conduct and Ethics (incorporated by reference to our Current Report on Form 8-K filed on June 17, 2011)
(31)	**Rule 13a-14(a)/15d-14(a) Certifications**
31.1*	Section 302 Certification under the Sarbanes-Oxley Act of 2002 of Matthew Markin (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)
(32)	**Section 1350 Certifications**
32.1*	Section 302 Certification under the Sarbanes-Oxley Act of 2002 of Matthew Markin (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)
101**	**Interactive Data File**
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* *Filed herewith.*

** *Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of any registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, and otherwise are not subject to liability under those sections.*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

POTASH AMERICA, INC.
(Registrant)

Dated: February 14, 2014/s/Matthew Markin
Matthew Markin
President, Chief Executive Officer, Chief Financial Officer, Secretary, Treasurer and Director
(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)