PHARMAROTH LABS, INC.

QUARTERLY REPORT

March 31, 2014

(Unaudited)

INDEX TO THE FINANCIAL STATEMENTS

PharmaRoth Labs, Inc.
Consolidated Balance Sheets
(Unaudited)

		March 31, 2013
ASSETS		
Current assets		
Cash	$	9,678
Receivables		235,011
Prepaid expense		68,531
Inventory		81,895
Total current assets		395,115
Equipment, net		210
Total assets	$	395,325
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities	$	105,791
Advances from shareholders		48,950
Taxes payable		63,193
Related party payable		220,583
Customer deposits		250,000
Total current liabilities		688,517
Stockholders' deficit		
Preferred stock, $0.001 par value, 10,000,000 authorized, no shares issued or outstanding		-
Common stock, $0.001 par value, 500,000,000 shares authorized, 309,281,637 shares issued and outstanding		309,282
Additional paid-in capital		1,506,796
Foreign exchange valuation adjustment		(1,334)
Total PharmaRoth accumulated deficit		(2,106,837)
Non-Controlling Interest		(1,099)
Total stockholders' deficit		(293,192)
Total liabilities and stockholders' deficit	$	395,325

The accompanying notes are an integral part of these consolidated financial statements.

PharmaRoth Labs, Inc.
Consolidated Statements of Operations
(Unaudited)

	Three months ended March 31, 2013	Nine months ended March 31, 2013
Sales	$ 167,951	$ 447,615
Cost of sales	43,371	164,036
Gross profit	124,574	283,579
Operating Expenses:		
Professional fees	13,182	193,225
General and administrative	118,470	279,276
Total operating expenses	131,652	472,501
Net loss before non-controlling interest	(7,078)	(190,523)
Profit (loss) attributable to non-controlling interest	740	1,601
Net loss	$ (6,338)	$ (188,922)
Net loss per share - basic	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding - basic	297,863,118	273,486,962

The accompanying notes are an integral part of these consolidated financial statements.

PharmaRoth Labs, Inc.
Consolidated Statements of Cash Flows
(Unaudited)

		Nine months ended March 31, 2014
OPERATING ACTIVITIES		
Net loss	$	(188,922)
Adjustments to reconcile net loss		
to net cash used by operating activities:		
Depreciation		460
Consulting expense, stock-based		126,133
Change in foreign currency translation exchange		(1,500)
Changes in operating assets and liabilities:		
Accounts receivable		(140,461)
Prepaid expenses		(18,173)
Inventory		(67,409)
Accounts payable and accrued liabilities		14,786
Taxes payable		14,396
Related party payables		64,750
Net cash used by operating activities		(195,940)
FINANCING ACTIVITIES		
Proceeds from sale of common stock		204,995
Net cash provided by financing activities		204,995
NET CHANGE IN CASH		9,055
CASH AND CASH EQUIVALENTS -		
BEGINNING OF PERIOD		623
END OF PERIOD	$	9,678

The accompanying notes are an integral part of these consolidated financial statements.

PharmaRoth Labs, Inc.
Statement of Stockholders' Deficit
Nine Months Ended March 31, 2014
(Unaudited)

	Preferred Stock			Common Stock								
	Shares		Amount	Shares		Amount		Additional Paid-in Capital		Accumulated Deficit		Shareholders' Deficit
BALANCE, June 30, 2013	-	$	-	248,200,000	$	248,200	$	1,236,750	$	(1,918,848)	$	(433,898)
Issuance of common stock for cash at $.005 per share				27,000,000		27,000		108,000				135,000
Subscription receivable								(35,000)				(35,000)
Amortization of common stock issued for services	-		-	-		-		56,265		-		56,265
Change in foreign currency translation adjustment										414		414
Net loss	-		-	-		-		-		(112,634)		(112,634)
BALANCE, September 30, 2013	-		-	275,200,000		275,200	$	1,366,015		(2,031,068)	$	(389,853)
Issuance of common stock for cash at $.003 per share				16,914,970		16,915		33,830				50,745
Subscription receivable								(15,000)				(15,000)
Amortization of common stock issued for services	-		-	-		-		46,156		-		46,156
Change in foreign currency translation adjustment										(1,914)		(1,914)
Net loss	-		-	-		-		-		(69,950)		(69,950)
BALANCE, December 31, 2013	-		-	292,114,970		292,115	$	1,431,001		(2,102,932)	$	(379,816)
Issuance of common stock for cash at $.003 per share				5,500,000		5,500		13,750				19,250
Issuance of common stock for cash at $.0035 per share				11,666,667		11,667		23,333				35,000
Paid subscriptions								15,000				15,000
Amortization of common stock issued for services	-		-	-		-		23,712		-		23,712
Net loss	-		-	-		-		-		(6,338)		(6,338)
BALANCE, March 31, 2014	-	$	-	309,281,637	$	309,282	$	1,506,796	$	(2,109,270)	$	(293,192)

PHARMAROTH LABS, INC.
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

1. Description of the Company

PharmaRoth Labs, Inc. (the "Company") was incorporated under the laws of the State of Colorado on December 11, 2000, under the name Fero Industries, Inc. The Company changed its name to PharmaRoth Labs, Inc. on February 27, 2013. From its inception to December 2006, the Company was dormant. From December 2006 to January 2011, the Company was primarily involved in organizational activities and the acquisition of domain names. Since January 2011, the Company has focused on the manufacture and sale of a treatment for Type II Diabetes called Sucanon. In January of 2011, the Company commenced its planned business activity which was the marketing and selling of nutraceutical drugs.

From inception (December 11, 2000) through March 31, 2014, the Company had an accumulated deficit of $2,109,270. Management developing an operating plan to grow its business, which will require additional capital financing.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company has prepared the accompanying consolidated financial statements pursuant to U.S. Generally Accepted Accounting Principle and are expressed in US dollars.

The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty as a result of our financial condition at quarter end.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Management uses its historical records and knowledge of its business in making estimates. Accordingly, actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of PharmaRoth Labs, Inc. (a Colorado Corporation) and its 98% owned subsidiary, Pharmaroth Latin America, S.A. de C.V., a company incorporated under the laws of Mexico. All significant intercompany transactions have been eliminated in consolidation.

Revenue Recognition

The Company's revenue recognition policies are in compliance with ASC 605. Sales revenues are recognized when all of the following have occurred: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the price is fixed and determinable, and (iv) the ability to collect is reasonably assured. These criteria are generally satisfied at the time of shipment when risk of loss and title passes to the customer.

Cash Equivalents

The Company considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

Concentration of Credit Risk for Cash Deposits at Banks

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits.

Fair Value of Financial Instruments

The Company measures fair value based on the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on a three tier hierarchy that prioritizes the inputs used to measure fair value, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

Accounts payable are reported at their historical carrying values, which approximate their fair values based on their short-term nature.

The fair value measurements of the Company's financial instruments at March 31, 2014 are as follows:

	Level 1	Level 2	Level 3	Total
March 31, 2014				
Cash and cash equivalents	$ 9,678	$ -	$ -	$ 9,678

Basis for Recording Fixed Assets, Lives, and Depreciation Methods

Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes.

Recent Accounting Pronouncements

The Company has evaluated recent pronouncements and believes that none of them will have a material impact on the Company's financial position, results of operations or cash flows.

Foreign Translation and Transaction Gains/Losses

We record foreign currency translation adjustments and transaction gains and losses in accordance with SFAS 52, *Foreign Currency Translation.* For our operations that have a functional currency other than the U.S. dollar, gains and losses resulting from the translation of the functional currency into U.S. dollars for financial statement presentation are not included in determining net loss but are accumulated in the cumulative foreign currency translation adjustment account as a separate component of shareholders' deficit. The Company and its subsidiaries also have transactions in foreign currencies other than the functional currency. We record transaction gains and losses in our consolidated statements of income related to the recurring measurement and settlement of such transactions.

Income Taxes

The Company accounts for income taxes under the liability method in accordance with FASB ASC 740-10. Under this standard, deferred income tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using the enacted tax rates expected to be in effect for the year in which the differences are expected to reverse. Deferred income tax assets are reduced by a valuation allowance when the Company is unable to make the determination that it is more likely than not that some portion or all of the deferred income tax asset will be realized.

Earnings (Loss) per Share

The Company utilizes FASB ASC 260. Basic earnings per share is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding. Diluted earnings per share is computed similar to basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Common equivalent shares are excluded from the computation if their effect is anti-dilutive.

Stock-based compensation

The Company records stock-based compensation issued to non-employees or other external entities for goods and services at either the fair market value of the shares issued or the value of the services received, whichever is more readily determinable, using the measurement date guidelines enumerated in FASB ASC 505-50-30.

3. Acquisition of Domain Names and Deposits.

On April 20, 2007, the Company entered into an asset purchase and sale agreement to purchase a 100% undivided right title and interest in seventeen Internet domain names for a total purchase price of $180,000. The Company made good faith deposits of $5,000 and 12,500,000 common stock shares. The Company did not execute this agreement and it never received title and has no right to take possession of the domain names.

4. Acquisition of Sucanon

On May 23, 2010, the Company entered into an Asset Acquisition Agreement (the "Agreement") with Gvest, Inc., ("Gvest") an Ontario, Canada Corporation. The Agreement provided for the Company's purchase of certain assets directly related to the manufacturing, sale and distribution of that certain product known as Sucanon, which is an herbal remedy for Type II Diabetes. The acquired assets include all of the intellectual property rights, training, and "know how" to manufacture and produce Sucanon, including sources and suppliers of Sucanon ingredients and mixing equipment; certain associated trademarks and patents ("Acquired Assets"). The Acquired Assets include the exclusive world-wide rights to manufacture, sell and distribute Sucanon. The Company purchased the Acquired Assets for an aggregate purchase price of $250,000. The Agreement contained customary representations and warranties and pre- and post-closing covenants of each party and customary closing conditions. Breaches of the representations and warranties were subject to customary indemnification provisions, subject to specified aggregate limits of liability. This transaction closed on July 7, 2010.

5. Property and Equipment

Property and equipment consists of the following:

	March 31, 2014
Computer equipment	$ 1,187
Molds	4,973
Total	6,160
Accumulated depreciation	(5,949)
Property and equipment, net	$ 211

Depreciation expense for the three and nine months ended March 31, 2014 was $125 and $460, respectively.

6. Commitments and Contingencies

Facility Leases

On August 1, 2013 the Company entered into a one-year lease of 120 square meters of office space and parking for at a rate of approximately $1,527 per month. As of March 31, 2014 approximately $5,581 was payable under the lease.

Employment Contracts

On September 1, 2011, the Company entered into three-year employment agreements with the Company's Chief Executive Officer. The agreement calls for the officer to receive compensation of $85,000 per year. At March 31, 2014, $220,583 was due and outstanding under his agreement.

Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

We are not presently a party to any material litigation, nor to the knowledge of management is any litigation threatened against us, which may materially affect us.

7. Issuance of Common Stock

On December 11, 2000, the Company issued 15,000,000 shares of its common stock to its then President/Chief Executive Officer at $0.001 per share or $600 in return the officer's time, effort and expense of forming the Company and keeping it in good standing.

On December 28, 2006, the Company issued 12,500,000 shares of our common stock to our then Secretary/Treasurer /Chief Financial Officer at the time at $0.001 per share or $500 in return for the officer's agreement to join our Board of Directors, become an officer, and provide computer and Internet expertise in constructing the Company's websites and providing the server for operation of the sites, at no charge.

On April 20, 2007, the Company issued 12,500,000 shares of our common stock to an individual at $0.001 per share, or $500, as a good faith deposit for seventeen domain names relating to the oil and gas industry.

On April 30, 2007, the Company sold 77,500,000 shares of its common stock to thirty-one non-US persons at a price of $0.01 per share.

On May 10, 2007, the Company sold 10,000,000 shares of its common stock to three US individuals, one of which represented a Grandchildren's Trust, at a price of $0.01 per share.

On November 18, 2008, the Company's Board of Directors passed unanimously a resolution authorizing a forward split of the authorized and issued and outstanding common shares on a five to one (5 – 1) basis bringing the total common shares issued and outstanding to 25,500,000. The forward split has been retroactively recorded in the financial statements of the Company as if the forward split had occurred at the inception of the Company and the authorized common shares have been increased to 500,000,000.

On April 15, 2010, the Board of Directors of the Company passed a resolution declaring a stock dividend of four (4) shares of common stock for each share held, of record as of April 20, 2010. The common shares of the Registrant were considered to be Ex Dividend on April 21, 2010. This brought the total issued and outstanding common shares to 127,500,000. All share references in these financial statements have been retroactively adjusted for this stock dividend.

On September 22, 2010, the Company issued 5,250,000 shares of common stock for legal and consulting services, valued at $.04 per share, which was the closing price of the stock on that date.

On April 1, 2011, the Company issued 14,400,000 shares common stock to employees in connection with the Company's 2011 Employee Incentive Plan filed with the Securities and Exchange Commission.

On April 1, 2011, the Company issued 7,600,000 shares of common stock to advisors in exchange for services valued at $.0374 per share, which was the closing price of the stock on that date.

On May 17, 2011, the Company issued 2,000,000 shares of common stock to advisors in exchanges for services valued at $.03 per share, which was the closing price of the stock on that date.

On September 1, 2011, the Company issued 12,000,000 shares of common stock to the Company's Chief Executive Officer in connection with his three-year employment contract. For accounting purposes, these shares were valued at $.012 per share, which was the closing price of the stock on that date.

On February 1, 2012 the Company issued 12,000,000 shares of common stock to advisors in exchange for services valued at $.0092 per share, which was the closing price of the stock on that date.

On July 1, 2012, the Company issued 10,000,000 shares of common stock to advisors in exchange for services valued at $.0064 per share, which was the closing price of the stock on that date.

On November 1, 2012, the Company sold 26,200,000 shares of our common stock to three US individuals and one trust, at a price of $0.0025 per share.

On December 1, 2012, the Company sold 2,000,000 shares of our common stock to one US individual, at a price of $0.0025 per share.

On January 1, 2013 the Company issued 6,000,000 shares of common stock to an advisor in exchange for services valued at $.0078 per share, which was the closing price of the stock on that date.

On January 1, 2013, the Company sold 8,000,000 shares of our common stock to one US individual, at a price of $0.005 per share.

On February 1, 2013, the Company sold 2,000,000 shares of our common stock to one US individual, at a price of $0.005 per share.

On March 1, 2013 the Company sold 6,000,000 shares of our common stock to one US individual, at a price of $0.005 per share.

On May 1, 2013, the Company issued 2,050,000 shares of common stock to advisors in exchange for services valued at $.01 per share, which was the closing price of the stock on that date.

On May 9, 2013, the Company issued 3,000,000 shares of common stock to an advisor in exchange for services valued at $.01 per share, which was the closing price of the stock on that date.

On June 25, 2013, the Company sold 2,000,000 shares of our common stock to one US individual, at a price of $0.005 per share.

On July 25, 2013, the Company sold 13,000,000 shares of our common stock to one foreign national, at a price of $0.005 per share.

On August 14, 2013, the Company sold 1,000,000 shares of our common stock to one US individual, at a price of $0.005 per share.

On September 25, 2013, the Company sold 13,000,000 shares of our common stock to one foreign national, at a price of $0.005 per share. At September 30, 2013, $35,000 of the subscription price of the shares was receivable.

On December 27, 2013, the Company sold 16,914,970 shares of its common stock for $.003 per share.

On February 2, 2014, the Company sold 5,500,000 shares of its common stock for $.0035 per share.

On March 14, 2014, the Company sold 11,666,667 shares of its common stock for $.003 per share.

The sales and issuances were made pursuant to Section 4(2) of the Securities Act of 1933, as amended.

8. Related Party Transactions

Advances from Shareholders

As of March 31, 2014, the Company has received advances from a shareholder in the amount of $48,950. These advances are non-interest bearing, unsecured, and have no fixed terms of repayment. To date none of these advances have been repaid.

9. Promissory Note

On June 24, 2010, the Company issued a Two Hundred Fifty Thousand Dollars ($250,000) Promissory Note (the “Note”) to an individual (the “Lender”). The Note contains standard representations, and warranties and affirmative and negative covenants. The Note memorializes a loan made by the Lender to the Company, in order for the Company to close that certain Asset Acquisition Agreement with Gvest as described in note 4 to these financial statements. The Note accrued simple interest at a rate equal to 1% over the average Canadian Prime Rate and was due 30 days from the date executed, or thereafter by mutual agreement of the parties hereto, the principal and all accrued interest thereon shall be due and payable within ten (10) days of written demand by Holder. Additionally, the Note could be repaid in whole or in part by the Company without penalty or premium at any time and from time to time prior to the Maturity Date.

On April 25, 2012, the Company entered into an exclusive Distribution and Licensing Agreement (the “License”) for the exclusive sale and distribution of the Company’s Sucanon in the United States and Canada. Under the License the money owed under the note was converted to a deposit on the purchase of Sucanon product in the future. The License also calls for certain minimum purchases for the first two years of the license at a specified price. To date no purchases have been made and the licensee is in violation of the covenants of the license. For accounting purposes the $250,000 received under the note has been reported as a customer deposit.

10. Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has no sales and has incurred a net loss of $2,109,270 since inception. The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations from the sale of Sucanon. Management has plans to seek additional capital through a private placement and public offering of its common stock. The financial statements do not include any adjustments relating to the recoverability and classifications of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.