

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

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2010

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

COMMISSION FILE NUMBER: 000-50978

AMERICAS ENERGY COMPANY-AECo

(Exact name of small business issuer as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

98-0343712

(IRS Employer Identification No.)

243 N. Peter Road

Knoxville, Tennessee 37823

(Address of principal executive offices)

(865) 238-0668

(Registrants telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company; as defined within Rule 12b-2 of the Exchange Act.

☐ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

The number of shares outstanding of each of the issuer's classes of common equity as of September 30, 2010:
73,151,340 shares of common stock

AMERICAS ENERGY COMPANY
(FORMERLY TREND TECHNOLOGY CORPORATION)

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AMERICAS ENERGY COMPANY - AECO
(FORMERLY TREND TECHNOLOGY CORPORATION)

Condensed Consolidated Balance Sheets
September 30, 2010

| | September 30, 2010 (Unaudited) | March 31, 2010 |
|--|--------------------------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 305,078 | \$ 542,331 |
| Trade receivables | 290,429 | 256,377 |
| Other receivables | 10,000 | - |
| Prepaid expenses | 222,940 | 103,913 |
| Deferred tax asset | - | 718,150 |
| Total current assets | 828,447 | 1,620,771 |
| Property, plant equipment and mining development, net | 22,800,019 | 33,963,696 |
| Other assets | | |
| Deposits | 366,000 | 100,000 |
| Certificates of deposit – pledged | 1,580,508 | 1,580,508 |
| Goodwill | 742,000 | 742,000 |
| Total other assets | 2,688,508 | 2,422,508 |
| TOTAL ASSETS | \$ 26,316,974 | \$ 38,006,975 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 1,833,483 | \$ 296,013 |
| Accrued expenses | 266,634 | 132,835 |
| Convertible debenture, net of discount – related party | 79,951 | - |
| Current maturities of long-term debt | 606,593 | 859,814 |
| Current portion of capital lease obligations | 12,157 | 13,091 |
| Short-term loan payable | 1,198,685 | 1,198,685 |
| Total current liabilities | 3,997,503 | 2,500,438 |
| Long-term liabilities | | |
| Asset retirement obligation | 1,337,859 | 1,296,674 |
| Accrued royalty | - | 5,676,000 |
| Deferred tax liability | 15,375 | 15,375 |
| Capital lease obligations, net of current portion | 26,907 | 31,736 |
| Loan payable, net of current portion | 1,959,164 | 19,140,141 |
| Total long-term liabilities | 3,339,305 | 26,159,926 |
| Stockholders' equity | | |
| Common stock; \$0.0001 par value, 100,000,000 shares authorized 73,151,340 and 70,525,595 issued and outstanding as of September 30, 2010 and March 31, 2010, respectively | 7,315 | 7,052 |
| Additional paid in capital | 22,725,254 | 19,066,614 |
| Accumulated deficit | (3,752,402) | (9,727,055) |
| Total stockholders' equity | 18,980,167 | 9,346,611 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 26,316,975 | \$ 38,006,975 |

(See accompanying notes to financial statements)

AMERICAS ENERGY COMPANY - AECO
(FORMERLY TREND TECHNOLOGY CORPORATION)

Condensed Consolidated Statement of Operations
(Unaudited)

| | For the Three Months Ended September 30, 2010 | From Inception (July 13, 2009) to September 30, 2009 | For the Six Months Ended September 30, 2010 |
|--|---|--|---|
| REVENUE | | | |
| Coal sales and related income | \$ 2,142,717 | \$ - | \$ 5,758,537 |
| Other income | 5,126 | - | 20,607 |
| Total revenue | 2,147,843 | - | 5,779,144 |
| OPERATING EXPENSES | | | |
| Cost of coal sales | 2,822,227 | 47,509 | 6,017,774 |
| Depreciation, depletion and amortization | 277,510 | 703 | 439,176 |
| Compensation expense | 962,766 | 227,037 | 4,024,452 |
| Professional fees | 189,048 | 2,804 | 278,395 |
| General and administrative expenses | 74,925 | 23,138 | 257,370 |
| Total operating expenses | 4,326,476 | 301,191 | 11,017,167 |
| (Loss) from operations | (2,178,633) | (301,191) | (5,238,023) |
| OTHER INCOME (EXPENSE) | | | |
| Interest income | 8,854 | - | 17,937 |
| Interest expense | (501,129) | (22,313) | (854,635) |
| Gain on debt settlement | 4,272 | - | 4,272 |
| Net gain on modification of acquisition | 12,763,252 | - | 12,763,252 |
| Total other income (expense) | 12,275,249 | (22,313) | 11,930,826 |
| INCOME (LOSS) BEFORE INCOME TAX | 10,096,616 | (323,504) | 6,692,803 |
| PROVISION FOR INCOME TAX | - | - | (718,150) |
| NET INCOME (LOSS) | \$ 10,096,616 | \$ (323,504) | \$ 5,974,653 |
| PER SHARE DATA | | | |
| Basic and diluted loss per common share | \$ 0.14 | \$ (0.01) | \$ 0.08 |
| Weighted average common shares outstanding | 72,257,064 | 33,000,000 | 71,845,153 |

(See accompanying notes to financial statements)

AMERICAS ENERGY COMPANY
(FORMERLY TREND TECHNOLOGY CORPORATION)

Condensed Consolidated Statements of Cash Flows
(Unaudited)

| | For the Six-Months Ended September 30, 2010 | From Inception (July 13, 2009) to September 30, 2009 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) | \$ 5,974,653 | \$ (323,504) |
| Adjustments to reconcile net income (loss) to net cash | | |
| Provided by (used) operating activities: | | |
| Gain on acquisition modification | (12,763,252) | - |
| Gain on debt settlement | (4,272) | - |
| Depreciation, depletion and amortization | 439,176 | 703 |
| Shares issued for services | 3,530,638 | 200,000 |
| Amortization of debt discount | 50,617 | - |
| Changes in operating assets and liabilities | | |
| (Increase) in accounts receivable | (34,052) | - |
| (Increase) in prepaid expenses | (39,772) | (12,935) |
| Decrease in deferred tax asset | 718,150 | - |
| Increase in accounts payable | 1,563,233 | 13,848 |
| Increase in accrued expenses | 90,651 | 21,629 |
| Accrued interest expense | 640,653 | - |
| Net cash provided by (used) operating activities | 166,423 | (100,260) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of equipment | (179,345) | (14,638) |
| Purchase of building and improvements | (47,599) | - |
| Development of mineral properties | (453,265) | (313,013) |
| Note receivable | (10,000) | - |
| Acquisition deposits | (265,000) | - |
| Net cash (used) in investing activities | (955,209) | (327,651) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from convertible debt | 100,000 | - |
| Proceeds from notes payable, net of fees of \$35,000 | 500,000 | 565,000 |
| Payments on capital lease obligations | (5,763) | - |
| Payments on accrued royalties | (28,708) | - |
| Payments on note payable | (13,996) | (13,621) |
| Net cash provided by financing activities | 551,533 | 551,379 |
| NET INCREASE(DECREASE) IN CASH AND EQUIVALENTS | (237,253) | 126,468 |
| CASH AND EQUIVALENTS - beginning of period | 542,331 | - |
| CASH AND EQUIVALENTS - end of period | \$ 305,078 | \$ 126,468 |

(See accompanying notes to financial statements)

AMERICAS ENERGY COMPANY
(FORMERLY TREND TECHNOLOGY CORPORATION)

Condensed Consolidated Statements of Cash Flows
(Unaudited)

| | For the Six-Months Ended September 30, 2010 | From Inception (July 13, 2009) to September 30, 2009 |
|--|--|--|
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION | | |
| Interest paid | \$ 136,475 | \$ 404 |
| Income taxes paid | \$ - | \$ - |

SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

- In September 2010, the Company negotiated a new agreement with the shareholders of Evan's Coal Company relating to the purchase of Evan's Coal Company. Under the new term, the \$25,000,000 promissory note and 2% finders fee were canceled. The Company recognized a gain on the extinguishment of this debt amounting to \$25,183,147 which was credited to operations and included in net gain on modification of acquisition.
- During the six months ended September 30, 2010, the Company issued a total of 2,461,745 shares of its common stock to officers, employees and consultants. These shares were valued at their respective trading price on date of issuance totaling \$3,488,638, which was charged to operations.
- During the six months ended September 30, 2010, the Company issued 140,000 shares of its common stock in cancellation of past due professional fees. The Company valued the shares at their respective trading price on date of issuance and recognized a gain of \$4,272 on the debt cancellation.
- In May 2010, the Company purchases a commercial building for \$975,000. Under the terms of the agreement, the Company made a down payment of \$20, 956 (See Note 8).
- In May 2010, the Company authorized the issuance of 25,000 shares of its common stock to a director as interest in connection with a \$100,000 loan he made to the Company. The 25,000 shares were valued at their respective market value on the date of issuance totaling \$32,000 which is being amortized and charged to operations over the six-month term of the loan. The director has the right to convert all or a portion of the \$100,000 loan into common shares of the Company at a conversion price of \$0.75 per share. The Company recognized a beneficial conversion feature of \$70,666 which was accounted for as a discount against the \$100,000 principal balance of the note. The discount is being amortized and charged to interest expense over the six-month term of the loan (See Note 8).

(See accompanying notes to financial statements)

AMERICAS ENERGY COMPANY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010
(UNAUDITED)

1. Organization and Summary of Significant Accounting Policies

Nature of Operations – Americas Energy Company – AEC Co (“the Company”) was incorporated under the name of Trend Technology Corporation in the State of Nevada on February 16, 2001. On October 14, 2009, the Company changed its name to Americas Energy Company-AEC Co in anticipation of the acquisition of Americas Energy Company (“AECO”). The acquisition occurred on January 21, 2010 when the Company issued 33,000,000 shares of its common stock in exchange for receiving all of the outstanding shares of AECO. The transaction was accounted for as a reverse acquisition pursuant to ASC Topic 805-40 whereby AECO is the accounting acquirer and its operation continue to be reported as if it had actually been the acquirer. AECO was organized in Nevada on July 13, 2009. In recording the acquisition, the Company valued the shares issued using the net book value of AECO and recorded \$742,000 as goodwill, which represented the difference between the fair value of the common shares issued and the net assets of AECO.

On March 31, 2010, the Company acquired all of the outstanding shares of Evans Coal Corp. (“Evans”) In exchange for \$7,000,000 in cash, a \$25,000,000 promissory note and a 2% overriding royalty on all coal sales generated from the properties acquired from Evans. Evans was organized in Kentucky on July 9, 1987 and is engaged in the business of mining high-grade steam coal from its properties located in Southeast Kentucky.

Since acquiring Evans, the Company determined that the reserves actually received in the acquisition were less than what was expected. Based upon the new information, management initiated negotiations with Evans requesting a modification to the purchase price and terms of the original agreement. Pursuant to the agreed upon modifications, Evans agreed to cancel the \$25,000,000 promissory note present valued at \$19,535,854 and the 2% overriding royalty valued at \$5,647,293 in exchange for granting the former shareholders of Evans a \$2 per ton royalty on all coal produced from the leases acquired as a result of this agreement, excluding the Cardinal lease on which a royalty of \$1 per ton will be paid. As of September 30, 2010, the Company recorded a gain on the modification of \$12,763,252 which is comprised of the de-recognition of liabilities totaling \$25,183,147 less \$12,419,895, the adjusted value of reserves acquired. (See Note 8).

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the financial position of the Company as of September 30, 2010, and the results of its operations and cash flows for the three months ended then ended. Certain information and footnote disclosures normally included in financial statements have been condensed or omitted pursuant to rules and regulations of the U.S. Securities and Exchange Commission (the “Commission”). The Company believes that the disclosures in the unaudited condensed consolidated financial statements are adequate to make the information presented not misleading. However, the unaudited condensed consolidated financial statements included herein should be read in conjunction with the financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended March 31, 2010 filed with the Commission on July 14, 2010.

The accompanying unaudited condensed consolidated financial statements are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America and have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. As shown in the accompanying financial statements the Company has an accumulated deficit since its inception (July 13, 2009) of \$3,752,403 and a working capital deficit of \$3,169,056 as of September 30, 2010.

In view of current matters, the continuation of the Company’s operations is dependent on revenue from its coal mining operations, advances made by its officers and directors, and the raising of capital through the sale of its equity instruments or issuance of debt. Management believes that these sources of funds will allow the Company to continue as a going concern through 2011. However, no assurances can be made that current or anticipated future sources of funds will enable the Company to finance future periods’ operations. In light of these circumstances, substantial doubt exists about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

AMERICAS ENERGY COMPANY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010
(UNAUDITED)

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates of coal, oil and gas reserves, asset retirement obligations, and impairment on unproved properties are inherently imprecise and may change materially in the near term.

Cash and Cash Equivalents – The Company considers all highly liquid debt instruments and other short-term investments with maturities of three months or less, when purchased, to be cash equivalents. The Company maintains cash balances at two financial institutions that are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. As of September 30, 2010, the Company exceeded its FDIC limits by \$44,204.

Accounts Receivable – Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company evaluates the need for an allowance for doubtful accounts based on review of historical write-off experience and industry data. As of September 30, 2010, there was no allowance for doubtful accounts, since all of the Company’s receivables were subsequently collected.

Advanced Mining Royalties – Lease rights to coal lands are often acquired in exchange for royalty payments. Advance mining royalties are advance payments made to lessors under terms of mineral lease agreements that are recoupable against future production. These advance payments are deferred and charged to operations as the coal reserves are mined. The Company regularly reviews recoverability of advance mining royalties and establishes or adjusts the allowance for advance mining royalties as necessary using the specific identification method. In instances where advance payments are not expected to be offset against future production royalties, the Company establishes a provision for losses on the advance payments that have been paid and the scheduled future minimum payments are expensed and recognized as liabilities. Advance royalty balances are charged off against the allowance when the lease rights are either terminated or expire. As of September 30, 2010, the Company had advanced royalties totaling \$124,000, which is included on the balance sheet in prepaid expenses.

Property and Equipment – Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method and with useful lives used in computing depreciation ranging from 3 to 20 years. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Expenditures for maintenance and repairs are charged to operations as incurred; additions, renewals and betterments are capitalized.

Coal Properties – Costs incurred to purchase, lease or otherwise acquire mineral properties are capitalized when incurred. Mine development costs are recorded at cost as incurred. The Company’s coal reserves are controlled either through direct ownership or through leasing arrangements, which generally last until the recoverable reserves are depleted. Depletion of reserves and amortization of mine development costs is computed using the units-of-production method over the estimated proven and probable recoverable tons.

The Company reviews its long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If impairment indicators are present and the future undiscounted cash flows are less than the carrying value of the assets, the carrying values are reduced to the estimated fair value.

Oil and Gas Property – The Company follows the full cost method of accounting for its oil and gas property, which is located in Cumberland County, Kentucky. Accordingly, all costs associated with acquisition, exploration and development of oil and gas reserves are capitalized. All capitalized costs, including the estimated future costs to develop proved reserves are amortized on the unit-of-production method using estimates of proved reserves. Investments in unproved properties and major development projects will not be amortized until proved reserves associated with the projects can be determined or until impairment occurs. Potential impairment of unproved properties and other oil and gas property and equipment are assessed periodically. If the assessment indicates that the properties are impaired, the amount of the impairment will be added to the capitalized costs to be amortized.

AMERICAS ENERGY COMPANY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010
(UNAUDITED)

Long-Lived Assets – The Company accounts for its long-lived assets in accordance with ASC Topic 360-10, Formerly SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." ASC Topic 360-10 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of an asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value or disposable value.

Goodwill - Goodwill represents the excess of the purchase price over the fair value of the net identifiable tangible and intangible assets of acquired companies. Goodwill is not amortized; instead, it is tested for impairment annually or more frequently if indicators of impairment exist. On an ongoing basis, absent any impairment indicators, the Company performs its goodwill impairment testing as of March 31 of each year.

The Company tests its consolidated goodwill for impairment using a fair value approach at the consolidated level, and performs the goodwill impairment test in two steps. Step one compares the fair value to its carrying amount. If step one indicates that an impairment potentially exists, the second step is performed to measure the amount of impairment, if any. Goodwill impairment exists when the estimated fair value of goodwill is less than its carrying value.

For purposes of the step one analysis, estimates of fair value are based on discounted cash flows (the "income approach"). Under the income approach, the fair value is based on the present value of estimated future cash flows. The income approach is dependent on a number of significant management assumptions including markets, sales volumes and prices, costs to produce, capital spending, working capital changes and the discount rate. The discount rate is commensurate with the risk inherent in the projected cash flows and reflects the rate of return required by an investor in the current economic conditions. The Company estimates the fair value of goodwill using a number of factors, including the application of multiples and discounted cash flow estimates.

Goodwill was \$742,000 as of September 30, 2010 and was acquired January 21, 2010 in connection with the Company's reverse Merger of AECO.

Asset Retirement Obligations –Minimum standards for mine reclamation have been established by various regulatory agencies and dictate the reclamation requirements at the Company's operations. The Company's asset retirement obligations consist principally of costs to reclaim acreage disturbed at surface operations and estimated costs to reclaim support acreage and perform other related functions at underground mines. The Company records these reclamation obligations at fair value in the period in which the legal obligation associated with the retirement of the long-lived asset is incurred. When the liability is initially recorded, the offset is capitalized by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. To settle the liability, the obligation is paid, and to the extent there is a difference between the liability and the amount of cash paid, a gain or loss upon settlement is recorded. The Company annually reviews its estimated future cash flows for its asset retirement obligations. See Note 10 for further disclosures related to the Company's asset retirement obligations.

Income Taxes – Income taxes are accounted for under the asset and liability method in accordance with ASC Topic 740-10, formerly SFAS 109 "Accounting for Income Taxes." Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. When it is considered to be more likely than not that a deferred tax asset will not be realized, a valuation allowance is provided for the excess.

AMERICAS ENERGY COMPANY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010
(UNAUDITED)

Revenue Recognition – The Company earns revenues primarily through the sale of coal, but also earns revenue from the sale of oil. The Company recognizes revenues utilizing the following general revenue recognition criteria: 1) pervasive evidence of an arrangement exists; 2) delivery has occurred; 3) the price to the buyer is fixed or determinable; and 4) collectability is reasonably assured.

Delivery on coal sales is determined to be complete for revenue recognition purposes when title and risk of loss has passed to the customer in accordance with stated contractual terms and there is no future obligations related to the shipment. Title generally passes as the coal is loaded into transport carriers for delivery to the customer.

Pneumoconiosis (Black Lung) Benefits - The Company is required by federal and state statutes to provide benefits to employees for awards related to black lung. Charges are made to operations for state black lung claims. The Company recognizes on its balance sheet the amount of the Company's unfunded Accumulated Benefit Obligation ("ABO") at the end of the year. Amounts recognized in Accumulated other comprehensive income (loss) are adjusted out of Accumulated other comprehensive income (loss) when they are subsequently recognized as components of net periodic benefit cost.

Convertible Debentures - If the conversion feature of conventional convertible debt provides for a rate of conversion that is below market value, this feature is characterized as a beneficial conversion feature ("BCF"). A BCF is recorded by the Company as a debt discount pursuant to ASC Topic 470-20 "*Debt with Conversion and Other Options*." In those circumstances, the convertible debt is recorded net of the discount related to the BCF and the Company amortizes the discount to interest expense or equity (if the debt is due to a related party), over the life of the debt using the effective interest method.

Financial Instruments – Financial instruments consist of cash, accounts receivable, accounts payable, notes payable and advances payable. Recorded values of cash, receivables, accounts payable and accrued liabilities approximate fair values due to the short maturities of such instruments. Recorded values for notes payable and related liabilities approximate fair values, since their stated or imputed interest rates are commensurate with prevailing market rates for similar obligations.

Share-Based Compensation – The Company measures and records compensation expense for all share-based payment awards to consultants, employees and directors based on estimated fair values. Additionally, compensation costs for share-based awards are recognized over the requisite service period based on the grant-date fair value.

Loss Per Share – The Company reports earnings (loss) per share in accordance with ASC Topic 260-10, formerly SFAS No. 128, "Earnings per Share." Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) 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. Potential common shares at September 30, 2010 comprised of 9,000,000 Warrants.

2. Recent Accounting Pronouncements

In August 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-22 (ASU 2010-22), Accounting for Various Topics - Technical Corrections to SEC Paragraphs - An announcement made by the staff of the U.S. Securities and Exchange Commission. This Accounting Standards Update amends various SEC paragraphs based on external comments received and the issuance of SAB 112, which amends or rescinds portions of certain SAB topics. The Company does not expect the provisions of ASU 2010-22 to have a material effect on its financial position, results of operations or cash flows.

In August 2010, the FASB issued ASU 2010-21, Accounting for Technical Amendments to Various SEC Rules and Schedules: Amendments to SEC Paragraphs Pursuant to Release No. 33-9026: Technical Amendments to Rules, Forms, Schedules and Codification of Financial Reporting Policies. The Company does not expect the provisions of ASU 2010-21 to have a material effect on its financial position, results of operations or cash flows.

AMERICAS ENERGY COMPANY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010
(UNAUDITED)

In July 2010, the FASB issued ASU 2010-20, Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses. The amendments in this Update are to provide financial statement users with greater transparency about an entity's allowance for credit losses and the credit quality of its financing receivables. The disclosures about activity that occurs during the reporting period are effective for interim and annual reporting periods beginning on or after December 15, 2010. The Company does not expect the provisions of ASU 2010-20 to have a material effect on its financial position, results of operations or cash flows.

3. Concentration of Credit Risk

Significantly, all of the Company's revenues during the three months ended and six months ended September 30, 2010 were derived from five customers of whom two customers purchased approximately 85% of the Company's total coal sales for the period. Trade receivables at September 30, 2010 totaling \$290,429 were due from two customers of which one owed \$234,739 of the total.

All of the Company's coal mining during the period was subcontracted to two operators.

4. Property, Plant, Equipment and Mining Development

Property, plant, equipment, and mining development at September 30, 2010 consist of the following:

| | Useful Life | September 30, 2010 |
|---|----------------|-----------------------|
| Land | - | \$ 244,348 |
| Mining properties | | 17,540,377 |
| Mining and transportation equipment | 5 to 10 years | 4,562,740 |
| Building and improvements | 5 to 20 years | 778,251 |
| Trucks held under capital leases | 3 years | 49,439 |
| Office equipment and furnishings | 3 to 5 years | 21,298 |
| | | 22,196,453 |
| Less accumulated depreciation and depletion | | (396,434) |
| | | <u>\$ 22,800,019</u> |

Depreciation expense for the three and six months ended September 30, 2010 totaled \$237,798 and \$361,293, respectively. Depletion expense for the three and six months ended September 30, 2010 totaled \$11,242 and \$21,863, respectively.

As discussed in Note 1, the fair value of mining properties acquired in the Evans acquisition were reduced in September 2010 by \$12,419,895.

5. Deposits and Other Assets

On March 30, 2010, the Company entered into a non-binding letter of intent to purchase all of the outstanding shares of Proton Power, Inc., and subsidiaries located in Lenoir City, Tennessee, for the purpose of diversification into new energy production technologies. As of September 30, 2010, the Company has made good faith deposits in the amount of \$250,000. The final terms of the purchase were still under negotiations as of September 30, 2010.

During the six months ended September 30, 2010, the Company paid \$116,000 as deposits and good faith payments on acquisition of various leases of coal properties. As of September 30, 2010, the final term of these leases were still under negotiation and the \$116,000 was included in deposits as reflected on the Company's balance sheet.

On March 31, 2010, the Company acquired \$1,580,508 in certificates of deposit in connection with its acquisition of Evans Coal Corp., which are offset against an assumed liability to the former president of ECC in the amount of \$1,198,685. The certificates of deposit are pledged as collateral for future reclamation costs attributable to the mining permits acquired through the aforementioned acquisition.

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Under the new agreement with the former shareholder of Evans, the certificate of deposits remain in place until the related reclamation has been completed and releases have been obtained as to the respective pledged permit. The principal of an unsecured certificate of deposit may be used to secure future Evan Coal Company permits. Commencing September 1, 2010, all interest earned on the certificates of deposit will be paid to the former shareholder of Evans.

6. Accrued Expenses

Accrued expenses and other liabilities consisted of the following:

| | September 30, 2010 | March 31, 2010 |
|--|-----------------------|-------------------|
| Accrued royalties | \$ 151,897 | \$ 58,509 |
| Accrued taxes payable | 26,853 | 29,590 |
| Employee benefits | 31,032 | 31,031 |
| Accrued insurance | 56,852 | 13,705 |
| Total accrued expenses and other current liabilities | <u>\$ 266,634</u> | <u>\$ 132,835</u> |

7. Obligations Under Capital Lease

The Company is leasing two Ford F150 trucks under capital leases. The assets and related obligations have been recorded at the present value of the minimum lease payments. The capitalized costs of the trucks are \$49,439, which is being depreciated over their estimated useful lives of 3 years. The leases are payable in payments of \$3,883 per quarter. The imputed interest rate on the capital leases is 6%. The discounted balance due on the leases at September 30, 2010 totaled \$39,064. The net book value of the value of these leased trucks as of September 30, 2010 amounted to \$37,861, which is net of accumulated depreciation of \$11,578.

Minimum future lease payments under the capital lease as of September 30, 2010 and for each year of the lease is as follows:

| | |
|-------------------------------------|------------------|
| 2011 | \$ 15,534 |
| 2012 | 15,534 |
| 2013 | 9,653 |
| 2014 | <u>1,980</u> |
| Total minimum future lease payments | 42,701 |
| Less: amount representing interest | <u>(3,637)</u> |
| Present value of minimum | |
| Future lease payments | \$ <u>39,064</u> |

Imputed interest charged to operations on these leases for the three and six month period ended September 30, 2010 amounted to \$766 and \$2,123, respectively. Depreciation expense on the leased trucks for the three and six month period ended September 30, 2010 totaled \$4,120 and \$8,240, respectively, and are included in accretion, depreciation and depletion expense in the accompanying condensed consolidated statements of operations.

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8. Notes and Loans Payable

Evans Coal Corp.

On March 31, 2010, the Company finalized its acquisition of all of the outstanding shares of Evans Coal Corp ("ECC"). Pursuant to the terms of the purchase, the Company issued a \$25,000,000 promissory note. Based on the terms of the Note, the face value of \$25,000,000 was inclusive of imputed simple interest at the applicable Federal Rate of 4.37%. In accordance with ASC 835, the Company present valued the obligation utilizing a fair market rate of 6.34% to \$18,974,900.

As discussed in Note 1, the former shareholders of Evans and the Company agreed to modify the terms of the purchase agreement. Under the new terms, the \$25,000,000 promissory note and a 2% overriding royalty were cancelled in exchange for granting the former shareholders of Evans a \$2 per ton royalty on all coal produced on existing Evan Coal Corp leases with the exception of the Cardinal lease, where a \$1 per ton is to be paid on production. . In addition, the Company recognized a gain on the modification of 12,763,252 that was recorded as other income. The \$12,763,252 gain consisted of the balance of the note amounting to \$19,535,854, the balance of the 2% overriding royalty of \$5,647,293 less the decrease in reserves of \$12,419,895.

During the three and six months ended September 30, 2010, the Company accrued imputed interest of \$298,467 and \$599,494, respectively, which was charged to operations. During the six months ended September 30, 2010, the Company paid \$38,540 on the note based upon coal production.

As part of the aforementioned Acquisition Agreement, the Company assumed a note payable to the former President of ECC in the amount of \$1,198,685. The note is non-interest bearing and due on demand. (See Note 6)

Bledsoe Acquisition – Related party

On July 27, 2009, the Company entered into an Assignment of Mineral Lease with RJCC#1 ("RJCC"), a Tennessee Partnership whereby RJCC agreed to assign their interest in mineral leases located in Bledsoe County Tennessee in exchange for \$1,250,000. Pursuant to the original terms of the agreement, \$25,000 was paid upon execution of the Agreement and the remaining balance is payable in 49 monthly installments of \$25,000 each beginning on January 1, 2010. As the terms of the Agreement did not provide for interest on the installments, In accordance with ASC 835, the Company imputed interest using an effective annual interest rate of 6% and discounted the balance due to \$1,086,801.

RJCC and the Company agreed to modify the terms of the lease and suspend future monthly payments until such time as the Company's operations allow for payments to be reinstated.

Imputed interest charged to operations for the three and six months ended September 30, 2010, totaled \$121,540 and \$136,617, respectively. The balance of the obligation at September 30, 2010, totaled \$1,086,671.

Note Payable – Related Party

On May 2010, the Company borrowed \$500,000 from a shareholder that is evidenced by a Promissory Note. Under the original terms of the note, the loan was assessed interest at an annual rate of 10%, and is secured by the Company's assets. The principal and accrued interest were initially fully due and payable on September 1, 2010; however, the note holder agreed to extend the maturity date to March 1, 2011 and reduce the interest rate to 8% per annum. Accrued interest for the three and six months ended September 30, 2010 totaled \$18,082 and \$12,603, respectively, which was charged to operations. The balance of the obligation as of September 30, 2010 amounted to \$518,082.

Mortgage Payable

On May 10, 2010, the Company acquired a commercial building where its corporate offices are now located. The property was purchased for \$975,000 and included a down payment of \$20,956. The remaining balance of \$962,763 is assessed interest at an annual rate of 6.54% and is payable in 60 monthly installments of \$6,985 commencing August 10, 2010. An additional payment of \$63,015 is due on October 10, 2010 with the remaining principal balance and accrued interest of approximately \$764,756 is fully due and payable on April 10, 2015. Interest charged to operations on this obligation for the three and six months ended September 30, 2010 totaled \$20,930 and \$12,212.

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9. Convertible Notes Payable - Related Party

On May 19, 2010, the Company received \$100,000 from one of its directors through the issuance of a convertible promissory note. The note matures on November 17, 2010. Under the terms of the note, the Company issued 25,000 shares of its common stock as interest. The common shares were valued at their respective trading price on the date of the loan amounting to \$32,000, which was charged to prepaid expense and is being amortized over the six-month term of the loan. Amortized interest charged to operations during the three and six months ended September 30, 2010 totaled \$23,560 and \$16,175, respectively. While the loan is outstanding, the director has the option to convert all or a portion of the \$100,000 due into shares of the Company's common stock at a conversion price of \$0.75 per share.

As the conversion price was less the trading price of the Company's common stock on the date of the note, the Company recognized a beneficial conversion feature of \$70,666 pursuant to ASC Topic 470-20 "Debt with conversion and other Options" that was recorded as a discount against the \$100,000 principal balance due with an offsetting credit to equity. The discount is amortized and charged to operations over the six month terms of the loan using the effective interest method. The amount of discount that was amortized and charged to operations during the three and six months ended September 30, 2010 totaled \$50,617 and \$36,153, respectively.

10. Asset Retirement Obligation

As of September 30, 2010, the Company had recorded asset retirement obligation accruals for mine reclamation and closure costs totaling \$1,324,224. These regulatory obligations are secured by certificates of deposit.

Changes in the asset retirement obligations from continuing operations were as follows:

| | |
|--|--------------|
| Total asset retirement obligation at March 31, 2010 | \$ 1,296,674 |
| Accretion for the period | 56,020 |
| Expenditures during the period | (14,835) |
| Total asset retirement obligations at September 30, 2010 | \$ 1,337,859 |
| Less current portion | -0- |
| Long-term portion | \$ 1,327,859 |

11. Other Non-Current Liabilities

In March 2010, the Company recorded accrued royalties in the amount of \$5,647,292 pursuant to the terms of the original purchase agreement with Evans. As discussed in Notes 1 and 8, the accrued royalty was canceled pursuant to the new agreement between the former shareholder, and \$5,647,292 was credited to operations and is included in gain on acquisition modification.

12. Fair Value of Assets and Liabilities

Determination of Fair Value

The Company's financial instruments consist of notes payable and loans payable. The Company believes all of the financial instruments' recorded values approximate their fair values because of their nature and respective durations.

The Company complies with the provisions of ASC No. 820-10 (ASC 820-10), "*Fair Value Measurements and Disclosures*." ASC 820-10 relates to financial assets and financial liabilities. ASC 820-10 defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (GAAP), and expands disclosures about fair value measurements. The provisions of this standard apply to other accounting pronouncements that require or permit fair value measurements and are to be applied prospectively with limited exceptions.

ASC 820-10 defines fair value as the price 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. ASC 820-10 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions, about market participant assumptions, that are developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820-10 are described below:

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The Company's financial instruments consist of notes payable and loans payable. The Company believes all of the financial instruments' recorded values approximate their fair values because of their nature and respective durations.

Level 1. Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3. Inputs that are both significant to the fair value measurement and unobservable. These inputs rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include the Company's own data.

Application of Valuation Hierarchy

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following is a description of the valuation methodology used to measure fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Notes Payable. The Company assessed that the fair value of these liabilities to approximate its carrying value based on the effective yields of similar obligations.

Loans Payable - Other. The Company assessed that the fair value of this liability approximates its carrying value due to its short-term nature.

The methodology described above may produce a current fair value calculation that may not be indicative of net realizable value or reflective of future fair values. If readily determined market values became available or if actual performance were to vary appreciably from assumptions used, assumptions may need to be adjusted, which could result in material differences from the recorded carrying amounts. The Company believes its method of determining fair value is appropriate and consistent with other market participants. However, the use of different methodologies or different assumptions to value certain financial instruments could result in a different estimate of fair value.

The following table presents the fair value of financial instruments that are measured and recognized on a non-recurring basis classified under the appropriate level of the valuation hierarchy described above, as of September 30, 2010:

| Liabilities measured at fair value at June 30, 2010 | Level 1 | Level 2 | Level 3 | Total |
|---|---------|--------------|---------|--------------|
| Nonrecurring: | | | | |
| Notes payable | \$ -0- | \$ 2,604,821 | \$ -0- | \$ 2,604,821 |
| Convertible note | -0- | 79,951 | | 79,951 |
| Loans payable - other | -0- | 1,198,685 | -0- | 1,198,685 |

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13. Stockholders Equity

On March 31, 2010, the Company authorized the issuance of 17,000,000 shares of its common stock in consideration for the cancellation of convertible debt and related accrued interest totaling \$9,167,414. As additional consideration to the Convertible note holders, the Company granted them warrants to purchase a total of 9,000,000 shares of the Company's common stock at a price of \$0.75 per share. The warrants expire three years from the date of issuance.

On May 4, 2010, the Company issued 200,000 shares of its common stock to a director of the Company for services performed. The fair value of the shares issued was \$388,000.

On May 4, 2010, the Company issued a total of 525,000 shares of its common stock to four individuals for services performed for the Company. The fair value of the shares issued was \$1,018,500.

On May 4, 2010, the Company issued 700,000 shares of its common stock to a corporation for professional services received in connection with investor relations and financing activities. The fair value of the issuance on the date of grant was \$1,358,000.

On May 4 2010, the Company issued 25,000 shares of its common stock in connection with receiving \$100,000 from one of its directors. The 25,000 shares were issued as interest on the loan. The 25,000 shares were valued at their trading price on the date of the loan totaling \$32,000. The \$32,000 was treated as a prepaid expense and is being amortized and charged to operations over the six-month term of the loan.

During the three months ended September 30, 2010, the Company issued 161,745 shares of its common stock its officers and employees as part compensation for services rendered during the period. The fair value of the shares issued was \$77,638 (See Note 16 Related Party Transactions).

During the three months ended September 30, 2010, the Company issued a total of 875,000 shares of its common stock for consulting services. The fair value of the shares issued was \$646,500.

During the three months ended September 30, 2010, the Company issued a total of 140,000 shares of its common stock in cancellation of \$67,764 due for past due professional services. The Company recognized a gain of \$4,272 on the debt cancellation which was credited to operations and is included in gain from extinguishment of debt,

The following is a schedule of warrants outstanding as of September 30, 2010:

| | Warrants Outstanding | Weighted Average Exercise Price | Weighted Average Remaining Life | Aggregate Intrinsic Value |
|-----------------------------|---------------------------------|--|--|--|
| Balance, July 13, 2009 | - | \$ - | - | \$ - |
| Warrants granted | 9,000,000 | 0.75 | 3 Years | - |
| Warrants expired | - | - | | - |
| Balance, September 30, 2010 | 9,000,000 | \$ 0.75 | 3 Years | \$ - |

All the warrants are available for exercise at September 30, 2010.

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14. Income Taxes

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS No. 109"), which requires use of the liability method. SFAS No. 109 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

At September 30, 2010, the Company had a total of approximately \$5,000,000 of federal and state net operating losses subject to the limitations imposed by the change in control under Internal Revenue Code Section 382. These losses can be utilized to offset future taxable income. An allowance of \$934,250 has been provided to reduce the tax benefits accrued by the Company for these operating losses to zero as it cannot be determined when, or if, the tax benefits derived from these losses will materialize. Timing differences between expenses deducted for income tax and deducted for financial reporting purposes are insignificant and have no material impact to the differences in the reporting of income taxes. During the period ended September 30, 2010,

Deferred tax liabilities are summarized below:

| | |
|------------------------|------------------|
| Deferred tax liability | |
| Property, plant | |
| and equipment | \$ <u>15,375</u> |

The provision for income tax expense for the six months ended September 30, 2010 are as follows:

| | |
|---|---------------------|
| Current income tax benefit | \$ (-) |
| Deferred income tax benefit previously recognized | <u>(718,150)</u> |
| Net income tax expense | <u>\$ (718,150)</u> |

15. Commitments and Contingencies

Liabilities for loss contingencies, arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated.

Minimum Royalty Payments

The Company has future minimum royalty commitments under coal lease agreements at September 30, 2010 they were as follows:

Year ending March 31:

| | | |
|---------------------|-----------|------------------|
| 2011 | \$ | 126,000 |
| 2012 | | 126,000 |
| 2013 | | 126,000 |
| 2014 | | 126,000 |
| 2015 | | 126,000 |
| 2016 and Thereafter | | 403,000 |
| | <u>\$</u> | <u>1,033,000</u> |

Certain coal leases do not have set expiration dates but extend until completion of mining of all merchantable and minable coal reserves. We have assumed a period of ten years for this table.

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16. Related Party Transactions

On May 19, 2010, the Company borrowed \$100,000 from one of its directors in exchange for issuing a convertible promissory note. In connection with the loan, the Company issued the director 25,000 shares of its common stock (See Note 8).

During the three months ended September 30, 2010, officers and certain employees agreed to take a temporary 30% reduction in monetary wages and in its stead, received shares of the Company's common stock through its 2010 Employee and Consultant Stock Plan. During the three months ended September 30, 2010, 61,745 shares of common stock were issued to officers and employees. These shares were valued at their trading price on the respective date of issuance and totaled \$77,638.

17. Subsequent Events

On October 29, 2010, the Company issued a former director, David Nelson 200,000 common shares as compensation for his past service.

On October 29, 2010, the Company issued an employee, Hersh Hayden, 100,000 common shares as compensation for services.

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

The following contains forward-looking statements that involve risks and uncertainties, as described below. Americas Energy Company-AECo (previously known as Trend Technology Corporation) (the "Company", "we", "us" or "our") actual results could differ materially from those anticipated in these forward-looking statements. The following discussion should be read in conjunction with the unaudited financial statements and notes thereto and the Plan of Operation included in this Quarterly report on Form 10-Q for the period ended September 30, 2010.

Our financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles.

Forward-Looking Statements

This quarterly report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" 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 law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The reported financial results and disclosures were determined using the significant accounting policies, practices and estimates described below.

Coal Properties – Costs incurred to purchase, lease or otherwise acquire mineral properties are capitalized when incurred. Mine development costs are recorded at cost as incurred. The Company's coal reserves are controlled either through direct ownership or through leasing arrangements, which generally last until the recoverable reserves are depleted. Depletion of reserves and amortization of mine development costs is computed using the units-of-production method over the estimated proven and probable recoverable tons.

The Company reviews its long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If impairment indicators are present and the future undiscounted cash flows are less than the carrying value of the assets, the carrying values are reduced to the estimated fair value.

Oil and Gas Property – The Company follows the full cost method of accounting for its oil and gas property, which is located in Cumberland County, Kentucky. Accordingly, all costs associated with acquisition, exploration and development of oil and gas reserves are capitalized. All capitalized costs, including the estimated future costs to develop proved reserves are amortized on the unit-of-production method using estimates of proved reserves. Investments in unproved properties and major development projects will not be amortized until proved reserves associated with the projects can be determined or until impairment occurs. Potential impairment of unproved properties and other oil and gas property and equipment are assessed periodically.

Revenue Recognition – Revenues include sales to customers of Company-produced coal and oil. The Company recognizes revenue when title or risk of loss passes to the common carrier or customer.

Asset Retirement Obligations – The Surface Mining Control and Reclamation Act of 1977 and similar state statutes require mine properties to be restored in accordance with specified standards. Accounting Standards Codification (“ASC”) Topic 410-20, formerly Statement of Financial Accounting Standards No. 143 (“SFAS No. 143”) requires recognition of an asset retirement obligation (“ARO”) for eventual reclamation of disturbed acreage remaining after mining has been completed. The Company records its reclamation obligations on a permit-by-permit basis using requirements as determined by the Office of Surface Mining of the U.S. Department of the Interior (“OSM”). The liability is calculated based upon the reclamation activities remaining after coal removal ceases, assuming that reclamation activities have been contemporaneous within state and federal guidelines during mining. A liability is recorded for the estimated future cost that a third party would incur to perform the required reclamation and mine closure discounted at the Company’s credit-adjusted risk-free rate. A corresponding increase in the asset carrying value of mineral rights is also recorded. The ARO asset is amortized on the units-of-production method over the proven and probable reserves associated with that permit. These expenses are included in depreciation, depletion, amortization, and accretion in the operating expenses section of the statement of operations.

Long-Lived Assets – The Company accounts for its long-lived assets in accordance with ASC Topic 360-10, Formerly SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets.” ASC Topic 360-10 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of an asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset’s carrying value and fair value or disposable value. As of March 31, 2010, the Company did not deem any of its long-term assets to be impaired.

Share-Based Compensation – The Company measures and records compensation expense for all share-based payment awards to consultants, employees and directors based on estimated fair values. Additionally, compensation costs for share-based awards are recognized over the requisite service period based on the grant-date fair value.

Financial Instruments – Financial instruments consist of cash, accounts receivable, accounts payable, notes payable and advances payable. Recorded values of cash, receivables, and accounts payable and accrued liabilities approximate fair values due to the short maturities of such instruments. Recorded values for notes payable and related liabilities approximate fair values, since their stated or imputed interest rates are commensurate with prevailing market rates for similar obligations.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates of coal, oil and gas reserves, asset retirement obligations, and impairment on unproved properties are inherently imprecise and may change materially in the near term.

Financial Condition and Results of Operations

The following should be read in conjunction with our Consolidated Financial Statements and related Notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

Explanatory Note

On January 21, 2010, Americas Energy Company, a private Nevada corporation. ("AEC") and Americas Energy Company-AECo, (formerly Trend Technology Corporation) ("AECo") merged, with AECo continuing as the surviving legal corporation of the Merger. For accounting purposes, the Merger is treated as a "reverse acquisition" with AEC considered the accounting acquirer. Accordingly, AEC's historical financial statements are included in periodic filings of AECo subsequent to the Merger. The financial results for the reporting period ended September 30, 2010 include only that period and therefore, no year-over-year results are available for comparison.

During the three month period ended September 30, 2010, we have generated \$2,147,843 in total revenue which is comprised of coal sales of \$2,142,717 and oil sales of \$5,126. Our primary revenue source is derived through internal mining activities on our permitted leases and represents approximately 88% of our total revenue. In addition to our internal mining activities, we also generated revenue through acquiring coal from third parties for sale and from our oil production. As we continue to acquire and expand our mineral rights, we anticipate increases in our future production capacity to result in revenue growth.

Our operating expenses totaled \$16,746,370 and primarily consisted of \$12,419,894 impairment loss; and further consisted of costs directly attributable to coal sales, accretion, depreciation, and depletion, compensation, professional fees and general and administrative costs. During the three month period ended September 30, 2010 our cost of coal sales was \$2,822,227 or 17% of total operating expenses. Accretion, depreciation, and depletion totaled \$277,519. Compensation expense includes salaries to our executives and administrative staff and related employee costs. Our compensation expense was \$962,766 for the period. We incurred \$189,048 in professional fees for the period which include legal and accounting fees related to our regulatory reporting requirements. Our general and administrative expenses totaled \$74,925 and consist of normal office related expenses.

We experienced a loss from operations of \$ 14,598,527 for the three month period ended September 30, 2010. Other income and expense totaled \$24,695,143 and is primarily the result of gain on the extinguishment of debt in the amount of \$25,187,143 resulting from the renegotiated agreement which occurred on our note related to our acquisition of ECC.

On March 31, 2010, the Company acquired all of the outstanding shares of Evans Coal Corp. ("Evans") In exchange for \$7,000,000 in cash, a \$25,000,000 promissory note and a 2% overriding royalty on all coal sales generated from the properties acquired from Evans.

Since acquiring Evans, the Company determined that the reserves actually received in the acquisition were less than what was expected. Based upon the new information, management initiated negotiations with Evans whereby requesting a modification to the purchase price and terms of the original agreement. Pursuant to the agreed upon modifications, Evans agreed to cancel the \$25,000,000 promissory note present valued at \$19,535,854 and the 2% overriding royalty valued at \$5,647,293 in exchange for granting the former shareholders of Evans a \$2 per ton royalty on all coal produced from the leases acquired as a result of this agreement, excluding the Cardinal lease on which a royalty of \$1 per ton will be paid. As of September 30, 2010, the Company recorded a gain on the modification of \$12,763,252 which is comprised of the de-recognition of liabilities totaling \$25,183,147 less \$12,419,895, the adjusted value of reserves acquired.

Liquidity and Capital Resources

For the three month period ended September 30, 2010, net cash provided by operating activities totaled \$166,423. Net cash used in investing activities totaled \$955,209, which included \$253,265 coal and oil development costs, \$265,000 in deposits, and 179,345 for the purchase of equipment. Financing activities provided a total of \$551,533, which included \$500,000 in proceeds from a note payable. The resulting change in cash for the period was a decrease of \$237,253; cash at the beginning of the period totaled \$542,331, the decrease resulted in \$305,078 in cash at the end of the period ending September 30, 2010.

Critical components of our operating plan impacting our continued existence are the net revenue to be generated from the production and sale of coal and oil and the ability to obtain additional capital through additional equity and/or debt financing. Over the next twelve months we believe that our existing capital and funds from the production and sale of coal and oil will not be sufficient to sustain operations at current levels.

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Based upon current operating levels and obligations, we may require additional capital to sustain our operations for the foreseeable future. The financial statements do not include any adjustments relating to the recoverability and classification of liabilities that might be necessary should we be unable to continue as a going concern. Our continuation as a going concern is dependent upon our ability to generate sufficient cash flow to meet our obligations on a timely basis and ultimately to attain profitability.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements or financing activities with special purpose entities.

Plan of Operation

Americas Energy Company-AECo with offices located in Knoxville, Tennessee currently operates surface mines in southeastern Kentucky. Americas Energy Company holds Evans Coal Corp. as a wholly owned subsidiary. The company owns or controls by lease mineral rights and currently operates by use of contractors, two surface mines in Bell County and one in Knox County, Kentucky. Their primary product is a high BTU, mid-sulfur steam coal. In addition, the Company has rights to oil properties located in Cumberland County, Kentucky that are intended for future development.

Evans Coal Corp. was organized in Kentucky on July 9, 1987 and is engaged in the business of mining high grade coal from its property located in Bell County, Kentucky. The company holds various leases and permits to mine those lease rights. The Company owns a variety of mining equipment consisting of trucks, loading, drilling, dozers and other heavy equipment for use in its mining operations.

Americas Energy Company currently has two mining projects, located in Kentucky and Tennessee. Americas Energy Company presently uses two distinct extraction techniques: dozer and front-end loader surface mining and auger mining. In 2009, all of Americas Energy Company's production was shipped via truck to various locations for purchase. Beginning in 2010 the Company has made additional shipments of coal via unit train.

The Company looks to identify coal properties with potential to produce high grade specialty coal. (coal rendering a high amount of thermal energy per pound with low sulfur and ash content.) The properties must be permitted and ready for mining operations. Once a suitable property is identified and mining rights are obtained we will begin mining. We subcontract mining operations on each project utilizing miners experienced in the type of extraction required that may be particular to each site.

Our intended focus is on high grade specialty coal used in industrial applications due to higher sales margins. We are not a large operation producer who is able to better exploit the lower margin coal typical to steam generation. These large volume producers employ high capital cost mining equipment which produce at a volume sufficient to reduce per ton mining costs to compete in the market for these grades of coal.

In addition to direct production, the company on occasion, has brokered coal and will continue to do so when profitable opportunities exist.

Evans Coal Corporation – Settlement Agreement

As of March 31, 2010, the parties agreed that the material terms of the Purchase agreement were met and full ownership and control of Evans Coal Corp., a Kentucky corporation transferred to Americas Energy Company-AECO “AENY” as a wholly owned subsidiary.

As of that date AENY had paid the full amount due of \$7,000,000 of the purchase price and executed the required \$25,000,000 promissory note.

The \$25,000,000 note was to be paid at the rate of \$5.00 per short ton of coal mined, sold and shipped from the leaseholds of Evans. Minimum payments of at least \$500,000 per quarter were to be made commencing March 31, 2011. The \$25,000,000 is secured by a promissory note and the note Matures on March 5, 2025. In addition to the purchase price a separate finder’s fee is to be paid as a 2% override to A.Y. Evans, Jr.

As of September 28, 2010, the parties related to the purchase of Evans Coal Corp. have agreed to revise some of the outstanding terms and obligations of the related agreements. A summary of those revised terms are as follows:

- a. The \$25,000,000 promissory note is considered paid.
- b. Mr. A.Y. Evans Jr. released his finder's fees payable as a 2% override.
- c. Barbara Evans and A.Y. Evans forgive and release the Company from all sums unpaid by the Company prior to September 1, 2010 and release the Company from paying a minimum sum of production payments.
- d. A.Y. Evans, Jr. shall complete to Phase I standards the Rocky Branch, Darby and Kellioka, Kentucky permits reclamation and remove the designated five ponds on the Harlan seam level permits
- e. Barbara Evans and A.Y. Evans accept the single sum of \$2.00 per clean ton on existing Evans Coal Corp. leases excluding the Cardinal lease, (payable \$1 each to Barbara Evans and A.Y. Evans and/or their heirs) with the production payment commencing on September 1, 2010.
- f. Mr. A Y. Evans, Jr. and or his heirs shall additionally be paid \$1 per clean ton on the Cardinal lease
- g. All outstanding certificates of deposit held in the name of Evans Coal Corp. on the existing Evans Coal Corp. permits and the accompanying reclamation bonds shall remain in place until the reclamation has been completed and releases obtained as to each permit. The principal of the CD's may be used to secure in the future new Evans Coal Corp. permits on Evans Coal leases.
- h. All certificates of deposit held in individual names shall be returned to those individuals upon completion of required reclamation work and release of those reclamation bonds.
- i. All the interest in certain CD's at First State Bank totaling an original value of \$1,795,700 is being paid to Barbara Evans commencing September 1, 2010
- j. A General Warranty Bill of Sale free and clear of all liens was given to A Y. Evans, Jr. for the six pieces of equipment for the reclamation activities committed to and to be conducted by A Y. Evans, Jr.
- k. Production payments are secured by the leases and permits of Evans Coal Corp. as originally secured.
- l. Upon the release of all CD's at First State Bank, Pineville, Kentucky, the Company shall be released of any liens upon the equipment of the Company.

Mining Status

i) **Upland Church-**

a) Permits- 1 strip permit in the Hance coal seams, 1 strip permit in the Harlan seam and 2 deep mine permits, 1 in the Darby coal seam and the other in the Kelliokae coal seam. The Harlan seam is permitted for reclamation only resulting in zero production.

b) Mining Conditions- Clear Development, LLC is engaged to act as our contract miner on the property. With the exception of a substantial recoverable tonnage discrepancy, no problems were encountered in the mining.

c) Current status- Strip and auger mining on the existing surface permit were finished in October 2010 with a total production of approximately 82,000 short tons of coal. The reduced production resulted in a deficit of more than 500,000 producible tons. Clear Development is currently reclaiming the surface mine in the Hance seams.

ii) **Hwy 92**

a) Permits- 1 strip and auger permit allowing production in both the Rooster (2 seams- upper and lower) and the Dean seam.

b) Mining Conditions- Black Diamond Energy, Inc. is engaged to act as our contract miner on the property. Upon completion of the first pit of strip and auger coal Black Diamond indicated that the coal in the Rooster Seams had pinched down to a level that was not mineable and merchantable and that drilling indicated that the lower Rooster seam of coal was not present in their advance drilling program. Black Diamond indicated that the Dean seam also was showing only in 3 out of 10 holes drilled for seam confirmation. The lack of coal in Rooster and Dean seams have resulted in total production of approximately 12,000 tons. Our engineers have determined that the shortfall in estimated permitted surface reserves to be approximately 1,200,000 tons.

c) Current status- Black Diamond continues to operate in limited capacity on the Dean seam producing approximately 1,800 tons per month. AENY has determined that the Rim (aka Jellico) seam remains viable as mineable and merchantable for strip, auger and Underground mining.

iii) **Artemus**

a) Leases- During our title work on this property we found discrepancies in title to the property and had to negotiate a settlement with three heirs, and sue for quiet title on two unknown heirs. The majority of the Estimated Recoverable Underground tonnage is situated on properties that was represented to be leased by Evans Coal, but were in fact verbal agreements that will require AENY to acquire a leasehold interest. Our engineers estimate that the present tonnage for the Underground mines are 1.6 million tons in the Lily seam and 1.8 million tons in the Jellico seam representing a potential net loss of 34 million tons of coal from prior estimates in the event the verbal agreements are not perfected.

b) Permits- Issued on April 1, 2010. The permits included were surface, auger and deep permits for the Jellico, Blue Gem and Lily seams.

c) Mining Conditions- Black Diamond Energy, Inc. was initially hired as a contract miner for the

Jellico surface and auger mining. Production in the Jellico seam resulted in a review of the mining ratios.

Excessive ratios required an amendment to the mining plan changing planned surface mine area to auger mine area.

d) Current status- Black Diamond Energy, Inc. is completing reclamation on the property disturbed while mining the Jellico seam. Clear Development, LLC has been engaged as the contract miner on the Lily seam. Clear estimates production in the Lily seam by strip and auger to be approximately 12,000 tons per month.

iv) **Breathitt County**

- a) Permits- Exploration permit is being prepared.
- b) Mining Conditions- to be determined by exploration.
- c) Current status- Pending exploration

Analysis

Our current mining operations are limited to surface mining on the Artemus - Lily Seam by Clear at approximately 12,000 tons per month and surface mining on the HWY 92 - Dean seam by Black Diamond at approximately 1,800 tons per month. Revisions to the Evans Coal have improved the per ton profitability for mining operations and eliminated the burden of minimum payments which would have compelled higher production rates. We have also gained the continued use of certificates of deposit as security bonding for reclamation. The potential exists that total purchase price of Evans coal could exceed the terms of the original transaction based on total tonnage mined through the life of the leases.

The improved economics provide a new opportunity to increase the current mining operations on our existing permits. We are currently consulting and negotiating with Clear and Black Diamond to expand operations.

Item 3 - Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 4 - Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of September 30, 2010. This evaluation was carried out under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer. Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that, as of September 30, 2010, our disclosure controls and procedures were effective.

We have made the determination that our disclosure controls and procedures were effective, due to the small scale of our operations, we anticipate that when operational activities expand it will be necessary to add additional controls and procedures to ensure effectiveness.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Changes in Internal Controls

During the period covered by this report, there was no significant change in our internal controls over financial reporting or in other factors that materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Part II OTHER INFORMATION

Item 1 Legal Proceedings

No legal proceedings were initiated or served upon the Company in the period ending September 30, 2010.

From time to time the Company may be named in claims arising in the ordinary course of business. Currently, no legal proceedings or claims, other than those disclosed above, are pending against or involve the Company that, in the opinion of management, could reasonably be expected to have a material adverse effect on its business and financial condition.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

On October 29, 2010, the Company issued a former director David Nelson 200,000 common shares as compensation for his past service.

On October 29, 2010, the Company issued an employee, Hersh Hayden, 100,000 common shares as compensation for services.

All of the above sales were issued as exempted transactions under Section 4(2) of the Securities Act of 1933 and are subject to Rule 144 of the Securities Act of 1933. The recipient(s) of our securities took them for investment purposes without a view to distribution. Furthermore, they had access to information concerning our Company and our business prospects; there was no general solicitation or advertising for the purchase of our securities; and the securities issued are restricted pursuant to Rule 144.

Item 3 Defaults upon Senior Securities

None, for the period ending September 30, 2010

Item 4 (Removed and Reserved)

None, for the period ending September 30, 2010

Item 5 Other Information

None, for the period ending September 30, 2010

Item 6 Exhibits

Americas Energy Company- AECo includes by reference the following exhibits:

- 3.1 Articles of Incorporation ⁽¹⁾
- 3.2 Bylaws ⁽¹⁾
- 3.3 Amended Articles of Incorporation - Name Change to Americas Energy Company, filed October 14, 2009 ⁽²⁾
- 4.1 Form of Warrant - filed on Form 10-K as Exhibit 4.1 on July 14, 2010
- 4.2 Americas Energy Company-AECo 2010 Employee and Consultant Stock Plan - filed on Form S-8 as Exhibit 4.1 on August 13, 2010
- 14.1 Code of Business Conduct and Ethics - filed on Form 10KSB as Exhibit 14.1 on June 28, 2005
- 10.1 Agreement and Plan of Merger, as amended January 21, 2009 - between Americas Energy Company - AECo (PubCo) and Americas Energy Company - AECo (Private) ⁽²⁾
- 10.2 Agreement - Assignment of Leases and Permits, between Americas Energy Company and Evans Coal Corporation, dated July 17, 2009 ⁽²⁾
- 10.3 Agreement - Assignment of Mineral Lease, between Americas Energy Corporation and RJCC Group 1, dated July 27, 2009 ⁽²⁾
- 10.4 Agreement - Letter of Intent, between Americas Energy Corporation and D and D Energy, Inc., dated July 7, 2009 ⁽²⁾
- 10.5 Agreement - Letter of Intent, between Americas Energy Corporation and Evans Coal Corporation, dated November 5, 2009 ⁽²⁾
- 10.6 Agreement - Agreement for the Sale of all Shares in Evans Coal Corp., between Americas Energy Corporation and Barbara Evans, widow and not married, and Evans Coal Corporation, dated February 6, 2010 ⁽³⁾
- 10.7 Agreement- Confidential Settlement Agreement, Release and Covenant not to Sue, between Americas Energy Company-AECo, Evans Coal Corporation, Mrs. Barbara Evans and A.Y. Evans, Jr. dated September 28, 2010⁽⁴⁾

⁽¹⁾ Filed with the Registrant's Registration Statement on Form 10SB, October 07, 2004

⁽²⁾ Filed with Registrant's Current Report on Form 8K, January 27, 2010

⁽³⁾ Filed with Registrant's Quarterly Report on Form 10-Q, February 18, 2010

⁽⁴⁾ Filed with Registrant's Current Report on Form 8K, October 12, 2010

Americas Energy Company- AECo includes herewith the following exhibits:

- 31.1 Certification of Principal Executive Officer and Principal Accounting Officer (Rule 13a-14(a)/15d-14(a))
- 32.1 Certification of Principal Executive Officer and Principal Accounting Officer (18 U.S.C. 1350)

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Americas Energy Company

Date: November 22, 2010

By: /s/ Christopher L. Headrick
Christopher L. Headrick, President
Principal Executive Officer
Principal Financial Officer