Wind Works Power Corp.
Form 10-Q
November 22, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(MARK ONE)

FORM 10-Q

[√] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2010

OR

[ ] **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM __________________ TO __________________________
COMMISSION FILE NUMBER: 333-113296

WIND WORKS POWER CORP.
(Name of registrant as specified in its charter)

NEVADA	**98-0409895**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

346 Waverley Street Ottawa, Ontario, Canada	**K2P OW5**
(Address of principal executive offices)	(Zip Code)

(613)226-7883
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] 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 X

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated Filer

[ ]

Accelerated Filer

[ ]

Non-accelerated Filer

[ ]

Small Reporting Company [X]

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Section 12, 13, or 15 (d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes _________ No___________

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer s classes of Common Stock as of the latest practicable date: 37,029,844 shares of Common Stock as of November 18, 2010.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this quarterly report on Form 10-Q contain or may contain forward-looking statements that are subject to known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Generally, the words believes , anticipates, may, will, should, expect, inter estimate, continue, and similar expressions or the negative thereof or comparable terminology are intended to identify forward-looking statements which include, but are not limited to, statements concerning the Company s expectations regarding its working capital requirements, financing requirements, business prospects, and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. These forward-looking statements were based on various factors and were derived utilizing numerous assumptions and other factors that could cause our actual results to differ materially from those in the forward-looking statements. These factors include, but are not limited to, economic, political and market conditions and fluctuations, government and industry regulation, interest rate risk, U.S. and global competition, and other factors. Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the areas of risk described in connection with any forward-looking statements that may be made herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. Readers should carefully review this quarterly report in its entirety, including but not limited to our financial statements and the notes thereto. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

PART 1 - FINANCIAL INFORMATION

Item 1.

Financial Statements.

Wind Works Power Corp.

(A Continuation of Zero Emission People LLC)

Unaudited

Consolidated Interim Financial Statements

Period ended September 30, 2010 and 2009

MANAGEMENT S RESPONSIBILITY FOR CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the shareholders of Wind Works Power Corp. (A Continuation of Zero Emission People LLC)

The consolidated interim financial statements and the notes thereto are the responsibility of the management of Wind Works Power Corp. (A Continuation of Zero Emission People LLC). These consolidated interim financial statements have been prepared in accordance with United States generally accepted accounting principles.

Management has developed and maintained a system of internal controls to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable and timely financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control.

Ingo Stuckmann

Ingo Stuckmann

President

Wind Works Power Corp.

(Formerly AmMex Gold Mining Corp. An Exploration Stage Company)

Consolidated Interim Balance Sheets

As at September 30 (Unaudited) and June 30, 2010 (Audited)

(Expressed in United States dollars, unless otherwise stated)

Assets		**September 30, 2010**		**June 30, 2010**
Current Assets				
Cash and Cash Equivalents	$	132,763	$	39,263
Prepaid Expenses		999,916		625,961
Accounts Receivable		15,895		2,498
Convertible debenture receivable (Note 8)		50,000		-
VAT receivable		65,413		57,545
Due from shareholder		1,850		1,850
		1,265,837		727,117
Long Term Assets				
Capitalized lease costs		35,978		38,711
Wind Projects (Note 12)		4,323,253		3,900,735
Fixed assets (Note 7)		5,733		6,038
Loans Receivable		2,720		-
		4,367,684		3,945,484
	$	5,633,521	$	4,672,601
Liabilities and Stockholders Equity				
Liabilities				
Current Liabilities				
Accounts Payable and Accrued Liabilities	$	1,641,264	$	2,576,433
Convertible debentures (Note 8)		918,172		385,216
Short term loans (Note 9)		259,796		100,000
		2,819,232		3,061,649
Stockholders Equity				
Common Stock (Note 10)		34,764		31,448
Additional Paid-in Capital		6,228,789		4,023,824
Contributed Surplus		88,085		88,085
Share subscription liability		150,000		-

Deficit Accumulated during the Development Stage		(3,680,960)		(2,531,704)
Cumulative translation adjustment		(6,389)		(701)
		2,814,289		1,610,952
	$	5,633,521	$	4,672,601

Going concern (Note 1), Contingencies (Note 13), Commitments (Note 14)

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

Wind Works Power Corp.
(Formerly AmMex Gold Mining Corp. An Exploration Stage Company)

Consolidated Interim Statement of Operations (Unaudited)

For the Periods Ended September 30, 2010 and 2009

(Expressed in United States dollars, unless otherwise stated)

	Three Month Period Ended September 30, 2010	Three Month Period Ended September 30, 2009	Cumulative from May 2, 2008 (Inception) to September 30, 2010
Income			
Interest	362	-	362
Non-refundable deposit	97,290	-	97,290
Total income	97,652	-	97,652
Expenses			
Advertising and promotion	2,019	-	13,152
Accretion interest (note 8)	498,061	-	1,089,104
Consulting fees	18,760	-	101,610
Depreciation	304	-	1,023
Office and miscellaneous	834	-	10,355
Professional fees	92,669	-	228,528
Rent	2,465	-	6,411
Stock-based compensation	399,461	-	773,809
Interest and service charges	38,120	19	86,799
Travel and lodging	3,392	-	17,522
Project development costs	177,443	-	778,866
Foreign exchange	(10,358)	-	(495)
Loss on extinguishment of debt (Note 8)	-	-	564,130
Lease expense	23,738	-	107,798
Total operating expenses	1,246,908	19	3,778,612
Net loss for the period	1,149,256	19	3,680,960
Comprehensive loss			
Foreign currency translation adjustment	5,687	-	6389
Comprehensive loss for the period	1,154,943	19	3,687,349
Basic and Diluted Loss per Share	(.03)	(.00)	
Weighted Average Number of Shares Outstanding	33,524,250	5,000,000	

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

Wind Works Power Corp.

(Formerly AmMex Gold Mining Corp.- an Exploration Stage Mining Company)

Consolidated Interim Statement of Cash Flows (Unaudited)

For the Period Ended September 30, 2010 and 2009

(Expressed in United States dollars, unless otherwise stated)

	Three Month Period ended September 30, 2010	Three Month Period Ended September 30, 2009	**May 2, 2008 (Date of Inception) to September 30, 2010**
Cash Flows from Operating Activities			
Net loss for the period	$ (1,149,256)	$ (19)	$ (3,680,960)
Add (deduct) non-cash items:			
Depreciation	305	-	1,023
Lease amortization	2733	-	14,022
Loss on extinguishment of debt	-	-	564,130
Accretion interest	498,061	-	1,089,104
Shares issued for services	399,461	-	685,499
Stock based compensation	-	-	88,310
Changes in non-cash working capital items:			
Accounts receivable	(13,397)		(13,899)
Convertible debenture receivable	(50,000)	-	(50,000)
VAT receivable	(7,868)	-	(65,413)
Prepaid expenses	443	-	642

Loan receivable		(2,720)		-		(2,720)
Accounts payable and accrued liabilities		242,340		19		584,701
	$	(79,898)	$	-	$	(785,561)
Cash Flows from Investing Activities						
Cash acquired on reverse take-over		-		-		34,192
Purchase of fixed assets		-		-		(2,559)
Investment in wind projects (Note 12)		(197,920)		-		(461,477)
Leases		-		-		(50,000)
	$	(197,920)	$	-	$	(479,844)
Cash Flows from Financing Activities						
Proceeds from private placements		-		-		650,000
Issuance of convertible debentures		150,000		-		425,000
Proceeds from loan payable		71,318		-		171,318
Subscriptions payable		150,000		-		150,000
Advances from related parties		-				1,850
	$	371,318	$	-	$	1,398,168
Increase (decrease) in cash from continuing operations		93,500				132,763
Cash, beginning of the period		39,263		-		-
Cash, end of the period	$	132,763	$	-	$	132,763

Supplemental disclosure of non-cash transactions (Note 6)

The accompanying notes are an integral part of the consolidated interim financial statements

Wind Works Power Corp.

(Formerly AmMex Gold Mining Corp. - an Exploration Stage Company)

Consolidated Interim Statements of Stockholders Equity (Unaudited)

September 30, 2010

(Stated in US Dollars)

	Common Shares		Additional Paid-in Capital	Contributed Surplus	Share Subscription Liability	Cumulative Translation Adjustment	Deficit Accumulated During the Exploration Stage	Total Stockholders Equity
	Number	Amount						
Capital issued for financing	4,454,454	4,454	95,546	-	-	-	-	100,000
Net Loss	-	-	-	-	-	-	(1,150)	(1,150)
Balance June 30, 2008	4,454,454	4,454	95,546	-	-	-	(1,150)	98,850
Capital issued for financing	545,546	546	9,454	-	-	-	-	10,000
Net Loss	-	-	-	-	-	-	(53,184)	(53,184)
Balance June 30, 2009	5,000,000	5,000	105,000	-	-	-	(54,334)	55,666
Recapitalization (Note 1)	22,053,117	22,053	1,245,394	-	-	-	-	1,267,451
Capital issued for financing	1,080,000	1,080	538,920	-	-	-	-	540,000
Capital issued for services	1,501,500	1,502	902,849	-	-	-	-	904,350
Capital issued for wind projects	1,750,000	1,750	-	-	-	-	-	1,750
Stock based Compensation	-	-	-	88,085	-	-	-	88,085
Fair value of warrants	-	-	364,071	-	-	-	-	364,071
Beneficial conversion feature	-	-	842,650	-	-	-	-	842,650
Conversion of convertible debenture	62,500	63	24,937	-	-	-	-	25,000
Translation adjustment	-	-	-	-	-	(701)	-	(701)
Net Loss	-	-	-	-	-	-	(2,477,370)	(2,477,370)
Balance June 30, 2010	31,447,117	31,448	4,023,824	88,085	-	(701)	(2,531,704)	1,610,952
Capital issued for services	3,316,250	3,316	2,089,859	-	-	-	-	2,093,175

Fair value of warrants	-	-	51,356	-	-	-	-	51,356
Beneficial conversion feature	-	-	63,750	-	-	-	-	63,750
Share subscription liability	-	-	-	-	150,000	-	-	150,000
Translation adjustment	-	-	-	-	-	(5,688)	-	(5,688)
Net Loss	-	-	-	-	-	-	(1,149,256)	(1,149,256)
Balance September 30, 2010	34,763,367	34,764	6,228,789	88,085	150,000	(6,389)	(3,680,960)	2,814,289

The accompanying notes are an integral part of the consolidated interim financial statements

1.

Basis of Presentation

AmMex Gold Mining Corp. changed its name to Wind Works Power Corp. (the Company) on March 25, 2009. The Company, incorporated under the laws of the State of Nevada, was primarily engaged in the acquisition and exploration of mining properties, but has since modified its business plan to focus on alternate energy. The Company intends to develop wind parks. It will assemble land packages, secure requisite environmental permitting, provide wind testing by erecting towers to measure wind speed. Subject to favorable wind testing results, it will then apply for a power contract for the number of megawatts (MW) that the project will allow. Once it secures power contracts, management believes that it will be able to lease or sell the wind parks to operating utility companies or companies desiring to purchase wind turbines and erect the necessary power lines.

Effective January 31, 2010, the Company completed the acquisition of Zero Emissions People LLC. According to accounting principles generally accepted in the United States, the above noted acquisition is considered to be a capital transaction in substance, rather than a business combination. That is, the acquisition is equivalent to the issuance of stock by Zero Emissions People LLC for the net monetary assets of the Company accompanied by a recapitalization and is accounted for as a change in capital structure. Accordingly, the accounting for the acquisition is identical to that resulting from a reverse acquisition, except that no goodwill or intangible asset is recorded. All material inter-company balances and transaction have been eliminated. The September 30, 2009 comparative figures are the September 30, 2009 financial statements of Zero Emissions People LLC (note 10).

Going Concern

These consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the balance sheet classifications used.

The operations of the Company have primarily been funded by the sale of common stock and the issuance of convertible debentures. Continued operations of the Company are dependent on the Company s ability to complete additional equity financings or generate profitable operations in the future. Management s plan in this regard is to secure additional funds through future equity financings. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

	September 30 2010	June 30 2010
Deficit accumulated during the exploration stage	3,680,960	2,531,704
Working capital (deficiency)	(1,553,395)	(2,334,532)

2.

Significant Accounting Policies

The consolidated interim financial statements are prepared by management in accordance with generally accepted accounting principles of the United States of America. Actual results could differ from these estimates. The principal accounting policies followed by the Company are as follows:

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with an original maturity of three months or less.

Fair Value of Financial Instruments

The Company has adopted FASB ASC 820, Fair Value Measurements and Disclosures, which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. The company applies fair value accounting for all financial assets and liabilities and non financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company has adopted FASB ASC 825, Financial Instruments, which allows companies to choose to measure eligible financial instruments and certain other items at fair value that are not required to be measured at fair value. The Company has not elected the fair value option for any eligible financial instruments.

Capitalized Lease Cost

Capitalized lease cost represents the cost of taking over land leases located on the Company s Grey Highlands Wind Park. Capital lease cost is amortized over the term of the operating leases taken over. During the period ended September 30, 2010, the Company recognized amortization of $2,733 (2009 - $nil).

Fixed Assets

Fixed Assets are capitalized at cost. Depreciation is recorded on a declining balance basis at a rate of 20% per annum.

Use of Estimates

The preparation of consolidated interim financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

1.

2.

Significant Accounting Policies (Continued)

Wind Farm Developmental Properties

The Company has not yet realized any revenues from its planned operations. It was primarily engaged in the acquisition and exploration of mining properties, but has since modified its business plan to focus on alternate energy. The Company expenses all costs related to the maintenance and exploration of developmental wind farms in which it has secured rights prior to establishment of commercial feasibility. To date, the Company has not established the commercial feasibility of its projects; therefore, all development costs are being expensed. Developmental wind farm acquisition costs are initially capitalized when incurred. The Company assesses the carrying cost for impairment under ASC 360-10 Accounting for Impairment or Disposal of Long Lived Assets at each fiscal quarter end. When it has been determined that a wind farm property can be economically developed, the costs then incurred to develop such property are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the project. If developmental wind farm properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.

Income Taxes

The Company records income taxes in accordance with ASC 740, using the asset and liability method. Pursuant to ASC 340 the company is required to compute tax asset benefits for net operating losses carried forward. Potential benefits of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future period and accordingly is offset by a valuation allowance. ASC 340 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken into in tax returns.

To the extent interest and penalties may be assessed by taxing authorities on any underpayment of income tax, such amounts would have been accrued and are classified as a component of income tax expense in the consolidated statements of operations.

Foreign Currency Translation

The Company s functional currency is the United States dollar. The consolidated interim financial statements of the Company are translated to United States dollars in accordance with ASC 830. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the consolidated balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. Foreign currency transactions are primarily undertaken in Canadian dollars and the European Euro. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

The financial statements the subsidiaries are translated to United States dollars in accordance with ASC 830 using period-end rates of exchange for assets and liabilities, and average rates of exchange for the period for revenues and expenses. Translation gains (losses) are recorded in accumulated other comprehensive income (loss) as a component of stockholders equity. Foreign currency transaction gains and losses are included in the statement of operations.

2.

Principal Accounting Policies (Continued)

Comprehensive Income

ASC 220, Reporting Comprehensive Income establishes standards for the reporting and display of comprehensive income and its components in the financial statements. As at September 30, 2010 and 2009 the Company s only component of comprehensive income is foreign currency translation adjustments.

Asset Retirement Obligation

The Company has adopted ASC 410-20, Accounting for Asset Retirement Obligations , which requires that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred and becomes determinable, with an offsetting increase in the carrying amount of the associated asset. The cost of the tangible asset, including the initially recognized ARO, is depleted, such that the cost of the ARO is recognized over the useful life of the asset. The ARO is recorded at fair value, and accretion expense is recognizable over time as the discounted liability is accreted to its expected settlement value. The fair value of the ARO is measured using expected future cash flow, discounted at the Company s credit-adjusted-risk-free interest rate. To date, no material asset retirement obligation exists due to the early stage of the Company s wind development projects. Accordingly, no liability has been recorded.

Environmental Protection and Reclamation Costs

The operations of the Company have been, and may in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company may vary from region to region and are not predictable.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against statements of operations as incurred or capitalized and amortized depending upon their future economic benefits. The Company does not anticipate any material capital expenditures for environmental control facilities.

Basic and Diluted Net Loss Per Share

The Company computes net income (loss) per share in accordance with ASC 260, Earnings per Share . ASC 260 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS give effect to all dilutive potential common shares outstanding during the period using the treasury stock method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

Stock Issued in Exchange for Services

The valuation of the Company s common stock issued in exchange for services is valued at an estimated fair market value as determined by officers and directors of the Company based upon trading prices of the Company s common stock on the dates of the stock transactions. The corresponding expense of the services rendered is recognized over the period that the services are performed.

2.

Principal Accounting Policies (Continued)

Stock Based Compensation

The Company has adopted the provisions of ASC 718, Share-Based Payment which establishes accounting for equity instruments exchanged for employee services. Under the provisions of SFAS ASC 718, stock-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employees requisite service period (generally the vesting period of the equity grant).

Convertible Debentures

The Company accounts for convertible debentures in accordance with ASC 470-20. The allocation of proceeds on the issuance of debt with detachable warrants is allocated between the debt and the warrants based on the relative fair value of the two instruments at their time of issuance. Beneficial conversion features embedded in debt instruments are recognized separately according to ASC 470-20-25-5 and are measured at their intrinsic value.

The Fair Value Option for Financial Assets and Financial Liabilities

On July 1, 2008, the Company adopted ASC 820 as it relates to financial assets and financial liabilities. In February 2008, the FASB staff issued ASC 845. ASC 845 delayed the effective date of ASC 820 for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The provisions of ASC 845 are effective for the Company s fiscal year beginning July 1, 2009.

ASC 820 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. ASC 820 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. This standard is now the single source in GAAP for the definition of fair value, except for the fair value of leased property as defined in ASC 820. ASC 820 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 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 are described below:

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.

1.

2.

Principal Accounting Policies (Continued)

The Fair Value Option for Financial Assets and Financial Liabilities

Level 3 Inputs that are both significant to the fair value measurement and unobservable.

The following table sets forth the Company s financial assets and liabilities measured at fair value by level within the fair value hierarchy. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair Value at September 30, 2010				June 30, 2010
Assets	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	$	$	$	$
Cash equivalents	132,763	132,763	-	-	39,263
Accounts receivable	15,895	15,895	-	-	2,498
Convertible debenture receivable	50,000	50,000	-	-	-
Due from shareholder	1,850	1,850	-	-	1,850
Loan receivable	2,720	2,720	-	-	-
Accounts payable and accrued liabilities	1,641,264	1,641,264	-	-	2,476,433
Short term loan	259,796	259,796	-	-	100,000
Convertible debentures	918,172	-	-	918,172	385,216

The carrying value of accounts receivable, due from shareholder, loan receivable, accounts payable and accrued liabilities, and short term loans approximates their fair value due to their short term nature. The Company s cash equivalents and GIC are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. VAT receivable represent amounts due from a national government regarding refund of taxes.

The estimated fair value of the convertible debentures accounted for as liabilities was determined using the relative fair value basis of the convertible debentures and warrants issued. The fair value of the warrants was estimated using the Black-Scholes option-pricing model with the following inputs:

	September 30, 2010
Risk free interest rate	0.25 0.98%
Expected life of warrants	1-2 years
Expected stock price volatility	106 - 110%
Expected dividend yield	0%

3.

Accounting Standards Adopted

(i)

Business Combinations

In December 2007, the FASB issued FASB ASC 805 (revised 2007), Business Combinations (ASC 805). ASC 805 significantly changes the accounting for business combinations in a number of areas including the treatment of contingent consideration, pre acquisition contingencies, transaction costs, in-process research and development, and restructuring costs. In addition, under ASC 805, changes in an acquired entity's deferred tax assets and uncertain tax positions after the measurement period will impact income tax expense. ASC 805 is effective for fiscal periods beginning after December 15, 2008. The Company has adopted ASC 805 on July 1, 2009. This standard will change the accounting treatment for business combinations on a prospective basis.

In December 2007, the FASB issued ASC 810, No controlling Interests in Consolidated Financial Statements an amendment of Accounting Research Bulletin No. 51 (ASC 810), which establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the non controlling interest, changes in a parent s ownership interest and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. ASC 810 is effective for fiscal periods beginning after December 15, 2008. The Company has adopted ASC 810 on July 1, 2009. Adoption of this standard did not have a material impact on the Company s financial position, results of operations, or cash flows.

(ii)

ASC 815

In March 2008, the FASB issued ASC 815, Disclosures about Derivative Instruments and Hedging Activities (ASC 815). ASC 815 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. This statement is effective for financial statements issued for fiscal periods beginning after November 15, 2008. The Company has adopted ASC 815 on July 1, 2009. Adoption of this standard did not have a material impact on the Company s financial position, results of operations, or cash flows.

(iii) ASC 460

In May 2008, the FASB issued ASC 460, "Accounting for Financial Guarantee Insurance Contracts - an interpretation of FASB Statement No. 60." (ASC 460) requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This Statement also clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement to be used to account for premium revenue and claim liabilities. Those clarifications will increase comparability in financial reporting of financial guarantee insurance contracts by insurance enterprises. This Statement requires expanded disclosures about financial guarantee insurance contracts. The accounting and disclosure requirements of the Statement will improve the quality of information provided to users of financial statements. ASC 460 will be effective for financial statements issued for fiscal years beginning after December 15, 2008.

The Company adopted ASC 460 on July 1, 2009. Adoption of this standard did not have a material impact on the Company s financial condition or results of operation.

3.

Accounting Standards Adopted (Continued)

(iv) ASC 855

In May 2009, the FASB issued ASC 855, "Subsequent Events," which establishes general standards for accounting for, and disclosures of, events that occur after the balance sheet date, but before the financial statements are issued or are available to be issued. The pronouncement requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date and whether that date represents the date the financial statements were issued or were available to be issued. ASC 855 is effective with interim and annual financial periods ending after June 15, 2009. The Company adopted ASC 855on July 1, 2009. Adoption of this standard did not have an impact on the Company's results of operations, financial position, or cash flows.

(v) ASC 105-10-05

In July 2009, the FASB issued ASC 105-20-05, "FASB Accounting Standards Codification" ("ASC 105-10-05"), as the single source of authoritative nongovernmental U.S. generally accepted accounting principles (GAAP). The Codification is effective for interim and annual periods ending after September 15, 2009. All existing accounting standards are superseded as described in ASC 105-

10-05. All other accounting literature not included in the Codification is non-authoritative.

Management is currently evaluating the impact of the adoption of ASC 105-10-05 but does not expect the adoption of ASC 105-10-05 to impact the Company's results of operations, financial position, or cash flows.

(vi) ASC 470-20

In May 2008, the FASB issued FSP No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement) (FSP 14-1). FSP 14-1 applies to convertible debt instruments that, by their stated terms, may be settled in cash (or other assets) upon conversion, including partial cash settlement, unless the embedded conversion option is required to be separately accounted for as a derivative under FASB Statement No. 133. Convertible debt instruments within the scope of FSP 14-1 are not addressed by the existing APB 14. FSP 14-1 would require that the liability and equity components of convertible debt instruments within the scope of FSP 14-1 be separately accounted for in a manner that reflects the entity s nonconvertible debt borrowing rate. This will require an allocation of the convertible debt proceeds between the liability component and the embedded conversion option (i.e., the equity component). The difference between the principal amount of the debt and the amount of the proceeds allocated to the liability component would be reported as a debt discount and subsequently amortized to earnings over the instrument s expected life using the effective interest method. FSP APB 14-1 is effective for the Company s fiscal year beginning July 1, 2009 and will be applied retrospectively to all periods presented. Adoption of this standard is not expected to have a material impact on the Company s financial position, results of operations, or cash flows.

(ii) ASC 860

In June 2009, the FASB issued ASC 860, Accounting for Transfers of Financial Assets an amendment of FASB Statement (ASC 860). ASC 860 is intended to establish standards of financial reporting for the transfer of assets to improve the relevance, representational faithfulness, and comparability. ASC 860 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2009. The Company adopted ASC 860 on July 1, 2010. The Company has determined that the adoption of ASC 860 has no impact on its consolidated interim financial statements.

4.

Recent Accounting Pronouncements

(i) ASC 810

In June 2009, the FASB issued ASC 810, Amendments to FASB Interpretation No. 46(R) (ASC 810). ASC 810 eliminates the exception to consolidate a qualifying special-purpose entity, changes the approach to determining the primary beneficiary of a variable interest entity, and requires companies to more frequently re-assess whether they must consolidate variable interest entities. Under the new guidance, the primary beneficiary of a variable interest entity is identified qualitatively as the enterprise that has both (a) the power to direct the activities of a variable interest entity that most significantly impact the entity s economic performance, and (b) the obligation to absorb losses of the entity that could potentially be significant to the variable interest entity or the right to receive benefits from the entity that could potentially be significant to the variable interest entity. ASC 810

becomes effective for the Company s fiscal 2011 year-end and interim reporting periods thereafter. The Company does not expect ASC 810 to have a material impact on its financial statements.

5.

Related Party Transactions

At September 30, 2010, the Company had a balance owing from a shareholder of $1,850 (2009 $nil) pertaining to funds held in trust. The amount is due on demand, unsecured, and bears no interest.

At September 30, 2010, the Company had a loan payable from an officer of $88,478 (2009 - $nil). The amount is due on demand, unsecured, and bears a 10% interest.

At September 30, 2010, the Company had a loan payable from a director of $24,333 (2009 - $nil). The amount is due on demand, unsecured, and bears no interest.

During the period ended September 30, 2010, the Company issued 1,400,000 shares valued at $1,316,000 in settlement of an amount payable to a director of the Company based on the fair value of common shares granted to the director on October 19, 2009.

During the period ended September 30, 2010, directors received payments of $24,080 (2009 nil) for services rendered.

At September 30, 2010, the Company had payables to officers and directors of $79,750 (2009 nil) for services rendered.

At September 30, 2010, the Company had accrued a payable to a company related by way of directors, officers and shareholders in common of $286,650 (2009 nil) related to the acquisition of interests in six wind projects (Note 12 vi).

At September 30, 2010, the Company had a payable to a company related by way of directors in common of $450,000 (2009 nil) related to the acquisition of a 50% interest in the Settlers Landing wind project (Note 12 vii).

All transactions with related parties are made in the normal course of business and measured at carrying value.

6.

Non-Cash Transactions

There were no income taxes paid during 2010 or 2009. During the period ended September 30, 2010, the company entered into certain non-cash operating activities as follows:

During the period ended September 30, 2010, the Company issued 1,916,250 common shares at various share prices with a total fair market value of $777,175 for services. $167,805 has been recognized as stock based compensation, and $609,370 has been included in prepaid expenses.

During the period ended September 30, 2010, the Company issued 1,400,000 shares valued at $1,316,000 in settlement of an amount payable to a director of the Company based on the fair value of common shares granted to the director on October 19, 2009.

7.

Fixed Assets

Cost Opening Balance	Additions During the Year	Accumulated Depreciation	Net Book Value at September 30, 2010	Net Book Value at June 30, 2010
$ 6,038	$ -	$ 305	$ 5,733	$ 6,038

During the period ended September 30, 2010, total additions to property, plant and equipment were $ nil (2009- $ nil). During the period ended September 30, 2010 the Company recorded depreciation of $305.

8.

Convertible Debentures

On November 25, 2009 the Company issued $992,000 of convertible debt in a subscription agreement between the Company and a group of investors. The debt carries an interest rate of 10% annually, due upon the maturity date, November 30, 2010. The debt may be converted into shares of common stock at a conversion price of $0.70 per share. In conjunction with the debt, the Company also issued warrants to purchase 1,000,000 warrants with an exercise price of $1.00 per share that expire on November 30, 2011. The fair value of the warrants is $0.53 per share as calculated using the Black-Scholes method. Assumptions include the stock price at $1.14 with a maturity date of 1 year and an interest rate of 0.48%. The debt carries a beneficial conversion feature, which along with the relative fair value of the warrants, resulted in a debt discount of $967,076 which was recorded against the convertible debt and offset in additional paid in capital. During the year ended June 30, 2010, the Company recognized $241,769 of accretion interest on the debt.

On April 29, 2010, the Company agreed to modify to the terms of the convertible debentures listed above. Under the modified debentures, the conversion price of the debentures was reduced to $0.40 per share. In addition, the warrant exercise price was reduced to $0.50 per share and the expiry date of the warrants was extended to November 30, 2012.

As a result of the above modification, the Company reported a loss of $564,130 for the extinguishment of debt relative to the original beneficial conversion feature and debt discount. At April 29, 2010, a new debt discount of $992,300 was recorded against the convertible debt and will be amortized as interest expense over the life of the debt. During the period ended September 30, 2010 the Company recognized $425,271 of accretion interest on the debt.

On March 31, 2010 the Company issued $275,000 of convertible debt in a subscription agreement between the Company and a group of investors. The debt carries an interest rate of 10% annually, due upon the maturity date, March 31, 2011. The debt may be converted into shares of common stock at a conversion price of $0.40 per share. In conjunction with the debt, the Company also issued warrants to purchase 575,000 common shares with an exercise price of $0.75 per share that expire on March 31, 2012. The fair value of the warrants is $0.21 per share as calculated using the Black-Scholes method. Assumptions include the stock price at $0.59 with a maturity date of 1 year and effective interest rate of 0.96%. The debt carries a beneficial conversion feature, which along with the relative fair value of the warrants, resulted in a debt discount of $214,421 which was recorded against the convertible debt and offset in additional paid in capital. During the period ended September 30, 2010 the Company recognized $53,605 of accretion interest on the debt.

During the year ended June 30, 2010 the Company received notice of conversion for $25,000 in principal of convertible debentures resulting in the issuance of 62,500 shares of common stock.

On August 31, 2010 the Company issued $150,000 of convertible debt in a subscription agreement between the Company and a group of investors, of which $50,000 is receivable. The debt carries an interest rate of 10% annually, due upon the maturity date, February 28, 2011. The debt may be converted into shares of common stock at a conversion price of $0.40 per share. In conjunction with the debt, the Company also issued warrants to purchase 300,000 common shares with an exercise price of $0.50 per share that expire on August 31, 2012. The fair value of the warrants is $0.26 per share as calculated using the Black-Scholes method. Assumptions include the stock price at $0.57 with a maturity date of 1 year and effective interest rate of 0.25%. The debt carries a beneficial conversion feature, which along with the relative fair value of the warrants, resulted in a debt discount of $115,105 which was recorded against the convertible debt and offset in additional paid in capital. During the period ended September 30, 2010 the Company recognized $19,184 of accretion interest on the debt.

8.

Convertible Debentures(Continued)

The above convertible debenture liabilities are as follows:

	September 30, 2010	June 30, 2010
March 31, 2010 convertible debentures payable	$ 250,000	$ 250,000
April 29, 2010 convertible debentures payable	992,300	992,300
August 31, 2010 convertible debentures payable	150,000	-
Total convertible debentures payable	1,392,300	1,242,300
Less: unamortized discount on March 31, 2010 convertible debentures payable	(94,693)	(148,298)
Less: unamortized discount on April 29, 2010 convertible debentures payable	(283,514)	(708,786)
Less: unamortized discount on August 31, 2010 convertible debentures payable	(95,921)	-
Net convertible debentures payable	$ 918,172	$ 385,216

9.

Short Term Loan

Short term loans of $259,796 are unsecured, non-interest bearing and are due on demand except for $88,478 which bears interest at 10% per annum.

10.

Share Capital

Total authorized share capital of the Company is as follows:

200,000,000 Common shares with a par value of $0.001

During the period ended September 30, 2010:

a)

The Company issued 1,916,250 (2009 nil) shares of the company at various share prices for a total consideration of $777,175 (2009 - nil) for services rendered.

b)

During the period ended September 30, 2010, the Company issued 1,400,000 shares valued at $1,316,000 in settlement of an amount payable to a director of the Company based on the fair value of common shares granted to the director on October 19, 2009.

c)

During the period ended September 30, 2010 the Company issued 300,000 warrants at an exercise price of .50 with an expiry date of August 31, 2012 through subscriptions to convertible debentures.

The following share purchase warrants were outstanding at September 30, 2010:

	Weighted Average Exercise price	Number of warrants	Weighted Average Remaining contractual life (years)
Balance beginning of year	0.64	1,975,000	2.39
Warrants	0.50	300,000	2.00
Outstanding and exercisable at September 30, 2010	0.62	2,275,000	2.14

The Company uses the Black-Scholes option valuation model to value warrants granted. The Black-Scholes model was developed for use in estimating the fair value of traded warrants. The model requires management to make estimates, which are subjective and may not be a representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation, the following assumptions were used:

	September 30, 2010	June 30, 2010
Risk free interest rate	0.25%	0.48% - 0.96%
Expected life of warrants	1 year	1 year
Expected stock price volatility	110.8%	110.8%
Expected dividend yield	0%	0%

11.

Employee Stock Option Plan

On July 12, 2007, the board and shareholders approved the 2007/2008 Stock Incentive & Compensation Plan thereby reserving 6,000,000 common shares for issuance to employees, directors and consultants. The significant details of the plan are as follows:

.

All employees and consultants of the company are eligible to be granted stock options;

.

May issue up to 6,000,000 common shares;

.

Options shall not be priced at less than 100% of the FMV of common stock at the date of grant;

.

Maximum life of option is 10 periods;

.

Options are non-transferable, may only be exercised;

.

Options expire on termination of employment.

On October 19, 2009, the board granted 1,000,000 stock options expiring December 31, 2012 to officers and directors of the company vesting immediately at an exercise price of $0.85.

Changes in the Company s stock options for the period ended September 30, 2010 are summarized below:

	Number	Weighted Avg. Exercise Price	Weighted Avg. Years to Expiry
Balance, beginning of Year	1,000,000	$ 0.85	2.25
Cancelled	-	-	-
Issued	-	-	-
Balance, June 30 and September 30, 2010	1,000,000	$ 0.85	2.00

Stock Based Compensation

The Company uses the Black-Scholes option valuation model to value stock options granted. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation, the following assumptions were used:

	September 30, 2010	June 30, 2010
Risk free interest rate	-	0.60%
Expected dividend yield	-	0%
Expected stock price volatility	-	110%
Expected life of options	-	1 year

During the period ended September 30, 2010 the Company recognized stock based compensation expense in the amount of $ nil (2009: nil).

12.

Acquisitions, Option Agreements and Power Contract Applications

As at September 30, 2010, the Company had capitalized wind development project costs as follows:

	September 30, 2010	June 30, 2010
Skyway 126 (Note 12 i)	1,997,468	1,997,468
Zero emissions people (Note 12ii)	570,760	570,760
Sunbeam (Note 12 vi)	571,650	571,650
Settlers Landing (Note 12 vii)	497,500	497,500
Burg 1 (Note 12 x)	549,755	263,357
EFI Joint Venture (Note 12xii)	136,120	-
	4,323,253	3,900,735

(i)

Skyway 126

On October 23, 2009 the Company announced it had signed an agreement to acquire a 70% controlling interest in Skyway 126 Wind Energy Inc. in exchange for two million restricted shares of Wind Works common stock. Skyway 126 is a 10 megawatt (MW) project located in Grey-Highlands Township, Ontario, Canada.

(ii)

Zero Emission People

On October 28, 2009 the Company announced it had signed a share exchange agreement whereby it will acquire all of the outstanding equity interests in Zero Emission People (ZEP), which includes 10 wind energy development projects totaling 375 megawatts (MW). As consideration, the Company will issue thirty-one million shares of its common stock pursuant to the following schedule (Note 13):

- 5,000,000 shares of common stock on January 15, 2010 (issued)

- 9,000,000 shares of common stock on August 15, 2010 (refer to Note 14)

- 9,000,000 shares of common shares on August 15, 2011

- 8,000,000 shares of common shares on August 15, 2012

The acquisition by Wind Works of Zero Emissions People is deemed to be a reverse acquisition. Wind Works (the legal acquirer) is considered the accounting acquiree and Zero Emissions People (the legal acquiree) is considered the accounting acquirer. The combined financial statements of the combined entity are in substance be those of Zero Emissions People, with the assets and liabilities, and revenues and expenses of Wind Works being included effective from the date of consummation of Share Exchange Transaction. Wind Works is deemed to be a continuation of business of Zero Emissions People. The outstanding common stock of Wind Works prior to the Share Exchange

Transaction will be accounted for at their net book value and no goodwill will be recognized.

12.

Acquisitions, Option Agreements and Power Contract Applications (Continued)

On February 3, 2010 the Company announced that it had successfully closed the acquisition of Zero Emissions People effective Jan. 31, 2010. On January 31, 2010, in an addendum to the share exchange agreement between the Company and Zero Emission People LLC, it was agreed that any provisions in regards to considerations in shares made in the joint venture agreement and option agreements entered into on September 18, 2009 will be superseded by the share exchange agreement of October 28, 2009. Both parties further acknowledged that any amount of shares issued by the Company as consideration as per provisions contained in any of the previous agreements shall be subtracted from the overall amount of shares due under the share exchange agreement if such a previous issuance does concern a project that is part of both the agreement under which the shares were issued previously and the share exchange agreement.

(iii)

Honelles

On November 9, 2009 the Company announced it had signed an option agreement to acquire a 100% interest in Honelles, a 10 megawatt wind energy project located in Belgium, from a company controlled by a former director of the Company. In consideration for the 100% interest, Wind Works must make an initial cash payment of $100,000 on January 15, 2010 and a further cash payment of $375,000 on March 15, 2010. On May 28, 2010 the option was extended and payments deferred to October 31, 2010. On September 30, 2010 the Company decided to not exercise its options on this project as it was not considered part of the strategic focus on Germany, Canada and the United States.

(iv)

Ecsed

On November 11, 2009 the Company announced it had signed an option agreement to acquire a 100% interest in Ecsed, a 50 megawatt wind energy project located in Hungary, from a company controlled by a former Director of the Company . In consideration for the 100% interest, the Company must make an initial cash payment of $125,000 on January 15, 2010 and a further cash payment of $375,000 on March 15, 2010. On May 28, 2010, the option was extended and payments deferred to October 31, 2010. On September 30, 2010 the Company decided to not exercise its options on this project as it was not considered part of the strategic focus on Germany, Canada and the United States.

(v)

Halas

On October 27, 2009 the Company signed an option agreement to acquire a 100% interest in Halas, a three phase 85 megawatt wind energy project located in Hungary, from a company controlled by a former director of the Company. The consideration for the 100% interest is to be determined. On May 28, 2010 the option was extended to October 31, 2010. On September 30, 2010 the Company decided to not exercise its options on this project as it was not considered part of the strategic focus on Germany, Canada and the United States.

(vi)

Sunbeam

On November 27, 2009 the Company signed an agreement whereby it acquired a 50% interest in another 6 wind energy projects totaling 80 megawatts (MW) located in Ontario, with an option to increase its interests to 100%, from Sunbeam LLC, a related party. All 6 projects submitted power contract applications on November 30th under the new Feed-in Tariff program of the Ontario Power Authority. The agreement calls for the issuance of 1,200,000 restricted common shares of the Company s stock, and payment in cash of $300,000 CDN on April 30, 2010 (Note 5).

12. <u>Acquisitions, Option Agreements and Power Contract Applications (Continued)</u>

On June 5, 2010 the cash payment portion of the agreement was amended to defer the due date to within 30 days upon written request by the selling party but no earlier than Sept. 30, 2010. The Company issued 1,200,000 common shares during the year ended June 30, 2010 related to the acquisition of these projects (Notes 5, 10).

(vii)

Settlers Landing

On November 6, 2009 the Company announced it had signed an agreement to acquire an additional 50% interest in the Settlers Landing Wind Park to give it a 100% interest in the project. As part of the acquisition of Zero Emission People, announced October 28, 2009, the Company acquired a 50% interest in Settlers Landing, a 10 megawatt wind energy project located near Pontypool, in Ontario, Canada. The agreement calls for the issuance of 300,000 restricted common shares of the Company s stock, and the payment in cash of $450,000, the latter subject to milestones. The affect of payment is as follows:

Milestone 1:

The payment of $225,000 upon the earlier of: within 30 days of award of FIT/power contract or latest July 30, 2010.

Milestone 2:

The payment of $225,000 within 90 days upon award of a FIT/power contract.

On July 5, 2010 the cash payment portion of the agreement was amended to defer the due date to within 30 days upon written request by the selling party but no earlier than Sept. 30, 2010. As at June 30, 2010, $450,000 has been accrued as an account payable pursuant to this acquisition (Note 5).

During the year ended June 30, 2010 the Company issued 300,000 common shares related to the acquisition of this project (Notes 5, 10).

(viii)

St. Thomas

On April 1, 2010 the Company signed an exclusive option agreement with Sunbeam LLC, an affiliated entity, to purchase 100% of EB Farms LLC for 250,000 shares of the Company s restricted common stock. The grant of the common stock was fully vested and non-refundable at the time of issuance Sunbeam LLC owns the rights to a 100MW wind energy project. The option had to be exercised by June 1, 2010. The Company chose not to exercise its option.

(ix)

EFI Energy Farming

On May 17, 2010 the Company signed an option agreement with EFI Energy Farming International GmbH, an affiliated entity. The option gives the Company the right to purchase up to 50% of several wind generation projects in Germany with a nameplate capacity of between 36 and 40 MW subject to obtaining construction permits according to all necessary approvals. The option cost was 100,000 euros, which has been paid. Wind Works can obtain the 50% equity interest upon payment of an additional 2,600,000 euros. Payment terms for the remaining 2.6 million euros will be based upon achieving agreed upon milestones to be set forth in a definitive agreement.

As at September 30, 2010, the definitive agreement had not been established.

12. Acquisitions, Option Agreements and Power Contract Applications (Continued)

(x)

Burg 1

On June 8, 2010 the Company signed an agreement to purchase a 100% interest in the 4 MW project Burg 1 located near Magdeburg for a total cash payment of 900,000 euros plus the sales tax if applicable. The agreement called for an initial payment of 450,000 euros by June 15, 2010, a second payment of 225,000 euros no later than Jan. 15, 2011 and a final payment of 225,000 euros no later than April 30, 2011. On July 9, 2010 an amendment to the original agreement was executed whereby 300,000 euros were to be paid by July 9, 2010, 94,000 euros were paid by Sept. 15, 2010 and 56,000 euros are to be paid by Nov. 15, 2010. As at June 30, 2010, $225,000 euros ($263,357 USD) has been paid pursuant to this agreement. Terms affecting the two 225,000 euro payments in 2011 were not changed.

On April 13, 2010 the Company announced it had been offered seven power purchase agreements totaling 80 MW by the Ontario Power Authority.

(xi)

Burg II

On September 7, 2010 the Company signed an option agreement to purchase a 50% interest from Aquavent Gesellschaft für regenerierbare Energien GmbH (Aquavent) in the Burg II Wind Project, a 6MW project located near Magdeburg, Germany. The project area has been secured and permitting is ongoing. Once construction permits have been obtained the project would be eligible for a Feed-in Tariff rate of 9.52 cents/kWh over a 20-year term. For 150,000 shares of the Company s common stock, the Company obtains an option for 90 days to buy Aquavent`s 50% share in the project for 750,000 Euros payable in cash and/or shares at the Company`s discretion as agreed to in a definitive agreement. In the event a BIMSCH permit cannot be obtained for the project within 18 months Aquavent shall deliver a similar project as a replacement to the Company, or, at the Company`s sole discretion, the Company may request reimbursement of any instalments paid by the Company to Aquavent (or cancellation of any share certificates issued).

On September 21, 2010 the Company signed an option agreement with EFI Energy Farming International GmbH (EFI) to acquire the remaining 50% interest in the 6 MW Wind Park Burg Phase II. The Company now has an option to acquire a 100% interest in the project. For 1,000,000 shares of restricted Wind Works stock, the Company obtains an option for 90 days to buy EFI`s 50% share in the project for 750.000 Euros payable in cash and/or shares at the Company`s discretion as agreed to in a definitive agreement. In the event a BIMSCH permit cannot be obtained for the project within 18 months EFI shall deliver a similar project as a replacement to the Company, or, at the Company`s sole discretion, the Company may request reimbursement of any instalments paid by the Company to EFI (or cancellation of any share certificates issued).

(xii)

Joint venture with EFI

On September 17, 2010 the Company entered into a joint venture agreement with EFI Energy Farming International GmbH (EFI). The joint venture intends to develop a 20 megawatt wind energy project in Wassertruedingen, Germany. The joint venture will be owned on a 50/50 basis. Total cost to the Company will be 1.5 million Euros (approximately $1.959 million based on the current exchange rate) of which the Company has paid a total of 100,000 Euros representing a down payment for the first project milestone. Equity ownership in the joint venture will be subject to achieving and fulfilling the funding and project milestones. The project area has been secured and permitting is ongoing. Once construction permits have been obtained the project would be eligible for a Feed-in Tariff rate of 9.52 cents/kWh over a 20-year term.

13. Contingencies

The Company has accrued contingent liability of $100,000 Cad, which was due thirty days upon signing a Feed-In Tariff contract with Ontario Power Authority pertaining to its Grey-Highlands wind energy project. The amount is payable to a company that originally owned the Grey-Highlands property operating lease agreement.

The Company may be required to make additional lease payments based on (a) the number of meteorological towers and/or (b) megawatt of turbine installed on its land leases. The contingent payments are not determinable at this time.

The Company has royalty payments contingent on gross revenue from the sale of units of electricity sold pertaining to its land leases. Total contingent payments required to be made under this agreement are not determinable at this time.

14.

Commitments

On May 17th, the Company signed a financing, marketing and construction organization agreement with EFI Energy Farming International GmbH for Project Burg 1, with payments of 220,000 Euros according to development milestones.

The following are expected lease payments regarding the Company s operating land leases:

2010	$	7,214
2011	$	71,084
2012	$	34,575
2013	$	8,991
2014	$	5,961
There after	$	118,720

At the request of Zero Emissions People L.L.C. 9,000,000 common shares to be issued to Zero Emissions People L.L.C. on Aug.15, 2010 have not been issued pending review of tax treatment.

15.

Subsequent Events

There are no subsequent events.

Item 1A.

Risk Factors

There have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the period ended June 30, 2010.

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

THE FOLLOWING DISCUSSION OF THE RESULTS OF OUR OPERATIONS AND FINANCIAL CONDITION SHOULD BE READ IN CONJUNCTION WITH OUR FINANCIAL STATEMENTS AND THE NOTES THERETO INCLUDED ELSEWHERE IN THIS REPORT.

Background

Our business strategy is to pursue opportunities in wind energy. We intend to develop wind farms We will assemble land packages (Wind Farms), secure requisite environmental permitting, provide wind testing for a one year period by erecting towers to measure wind speed. Subject to favorable wind testing results, we then apply for power contracts for the number of megawatts (MW) that our land position will allow. Once we secure power contracts, we believe that we will be able to lease or sell the Wind Farms to operating utility companies or companies desiring to purchase wind turbines and erect the necessary power lines.

The development of a wind farm involves many steps and can take years before coming to fruition. Development in this context means the securing and maintenance of land sites for the proposed turbine locations by ways and according to the terms of the respective land lease or easement agreements, planning and conducting of all necessary environmental studies such as environmental screenings, noise assessments, visual assessments and avian and floral assessments assemblance which is required for the Environmental approval. Environmental approval is necessary to obtain building permit for the wind farms. Further development encompasses liaison with various Aboriginal and First Nations groups as well as consultations with provincial and federal agencies in order to obtain any permits that may be required for any such project.

In addition to environmental approval and consultations we have to engage in the planning and commissioning of all technical reports and engineering drawings and layouts of the planned projects in regards to the construction of the actual wind farm and any auxiliary structures such as transmission lines that are necessary to operate the wind farm. Wind energy engineers must prepare a three stage site implementation program

The first stage of the program involves locating the ideal placement for the wind turbines and determining which type of wind turbine can provide the optimal results for the wind farms. The second stage of the program involves building access roads to the property and constructing transmission lines which can be connected to the power grid. The final stage of the site implementation program is determining the final yield assessment which occurs after a power purchase agreement is signed with a local utility.

After we have secured the required licensing, and paid any required fees we intend to secure power contracts with local utilities. At this time, we do not intend to become a wind energy producer. Rather, we will develop the wind park for sale to wind energy producers. Our business model is to assemble a land package, secure regulatory approval, provide engineering studies, build the required infrastructure and finally enter into power purchase agreements with local utilities. When we sell our wind farms, we will be offering buyers a complete turnkey package. Purchasers will be required to purchase the wind turbines. Following the installation of the wind turbines, purchasers will then be able to sell wind power electricity pursuant to the terms and conditions of the power purchase agreements.

The following is a brief description of the Company s wind projects acquired from ZEP and their current status:

1. Grey Highlands Wind Park: The Company holds 100% interest **the Grey Highlands Project**. The Grey Highlands Wind Park project is a 10 MW project 25kms south of Georgian Bay, Ontario, Canada which is an area that benefits from the westerly winds crossing from Lake Huron. Annual mean wind speeds are modeled at over 6.5 meters per second at an 80 meter hub height, modeled meaning a finding based on data as per the Canadian Wind Atlas for that area. The project area has been secured by the execution of option and surface lease agreements with various landowners. Environmental studies are near completion. On November 29, 2009 the company submitted an application for an FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8, 2010 that the Grey Highlands project has been awarded a FIT contract by the Ontario Power Authority. The FIT contract was executed May 3, 2010.

2. Snowy Ridge Wind Park: The Company holds a 100% interest in **the Snowy Ridge Project.** The Snowy Ridge Wind Park Project is a 10 MW project in the vicinity of the village of Bethany, Ontario. The project has been developed in an area of high elevation that can optimize the wind resources to their maximum. Annual mean wind speeds are modeled at over 6.7 meters per second at an 80 meter hub height. The project area has been secured by the execution of options to lease and easement agreements with various land owners. Environmental studies are near completion. On November 29, 2009 the Company submitted an application for a FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8, 2010 that the Snow Ridge project has been awarded a FIT contract by the Ontario Power Authority. The FIT contract was executed May 3, 2010.

3. Grand Prairie Wind Park: WWPC holds a 100% interest in the **Grand Prairie Project**. The Grand Prairie Wind Park project is a 75 MW project located in the state of Illinois. This project has been developed in an area of crop fields that can optimize the wind resources. Annual mean wind speeds are measured at over 7 meters per second at a 100 m hub height.

a.

Interconnection: System Impact Study stage

b.

Land Acquisition: 3,000 acres secured

c.

Environmental Screening: preliminary data suggest no significant impact expected

d.

PPA: application pending system impact study

4. Baker Wind Park: The Company holds a 90% interest in **the Baker Wind Project.** The Baker Wind Park project is a 200MW project located in the state of Montana. This project has been developed in an area of crop fields that can optimize the wind resources. Annual mean wind speeds are estimated at over 8 meters per second at an 80 m hub height.

a.

Interconnection: System Impact Study stage;

b.

Land Acquisition: 5,000 acres secured;

c.

Environmental Screening: preliminary data suggest no significant impact expected;

d.

PPA: application pending system impact study;

5. Polar Bear Wind Park: The Company holds a 50% interest (with an option to increase to 100%) in **the Polar Bear Project.** The Polar Bear Project is a 20MW project located in Ontario, Canada. Annual mean wind speeds are modeled at over 7 meters per second at an 80 m hub height. The project area has been secured by the execution of options for wind park easement agreements with various landowners. Environmental studies are near completion. On November 29, 2009 the company submitted an application for a FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8, 2010 that the Polar Bear project will be undergoing Economic Connection Testing before a further decision on a FIT contract award can be made by the Ontario Power Authority.

6. Pleasant Bay Wind Park: The Company holds a 50% interest (with an option to increase to 100%) in **the Pleasant Bay Project.** The Pleasant Bay Project is a 20MW project located in an area just north of Lake Ontario that

has one of the best wind regimes in Ontario. The project area has been secured by the execution of options for wind park easement agreements with various landowners. Annual mean wind speeds are modeled at over 7.0 meters per second at an 80 m hub height. Environmental studies are near completion. On November 29, 2009 the Company submitted an application for a FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8, 2010 that the Pleasant Bay project will be undergoing Economic Connection Testing before a further decision in a FIT contract award can be made by the Ontario Power Authority.

7. Settlers Landing Wind Park: The Company holds a100% interest in **the Settlers Landing Project.** The Settlers Landing Project is a 10MW project located near Pontypool, Ontario, Canada. This project has been developed in an area of high elevation. Annual mean wind speeds are modeled at over 6.8 meters per second at an 80 m hub height. The project area has been secured by the execution of options for wind park easement agreements and surface lease agreements with various landowners. Environmental studies are near completion. On November 29, 2009 the Company submitted an application for the FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. WWPC was notified on April 8th, 2010 that the Settlers Landing project has been awarded a FIT contract by the Ontario Power Authority. The contract was executed on May 3, 2010.

8. Zorra Festival Wind Park: WWPC holds a 50% interest in the **Zorra Wind Park Project**. The Zorra Wind Park Project is a 10MW project located northwest of Woodstock, Ontario, Canada. Annual mean wind speeds are modeled at over 7.0 meters per second at an 80 m hub height. The project area has been secured by the execution of options for wind park easement agreements with various landowners. Environmental studies are near completion. On November 29, 2009 the Company submitted an application for a FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8, 2010 that the Zorra Festival project will be undergoing Economic Connection Testing before a further decision in a FIT contract award can be made by the Ontario Power Authority.

9. Clean Breeze Wind Park: The Company holds a 50% interest (with an option to increase to 100%) in **the Clean Breeze Wind Park Project.** The Clean Breeze Wind Park is a 10MW project located in Ontario, Canada in the Northumberland Hills. This project is 5kms from the north shore of Lake Ontario in an area of high elevation that optimizes wind resources. The project area has been secured by the execution of options for wind park easement agreements with various landowners. Annual mean wind speeds are modeled at over 6.7 meters per second at an 80 m hub height. Environmental studies are near completion. On November 29, 2009 the company submitted an application for a FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8th, 2010 that the Clean Breeze project has been awarded a FIT contract by the Ontario Power Authority. The contract was executed May 3, 2010.

10. Whispering Woods Wind Park: The Company holds a 50% interest (with an option to increase to 100%) in **the Whispering Woods Wind Park.** The Whispering Woods Wind Park Project is a 10MW project located near Millbrook, Ontario, Canada. Annual mean wind speeds are modeled at over 6.7 meters per second at an 80 m hub

height. The project area has been secured by the execution of options for wind park easement agreements with various landowners. Environmental studies are near completion. On November 29, 2009 the Company submitted an application for the FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8, 2010 that the Whispering Woods project has been awarded a FIT contract by the Ontario Power Authority. The contract was executed May 3, 2010.

11. Ganaraska Wind Park: The Company holds a 50% interest (with an option to increase to 100%) in **the Ganaraska Project.** The Ganaraska Wind Park project is a 20MW project located north of Oshawa, Ontario, Canada. Annual mean wind speeds are modeled at over 6.5 meters per second at an 80 m hub height. The project area has been secured by the execution of options for wind park easement agreements with various landowners. Environmental studies are near completion. On November 29, 2009 the Company submitted an application for a FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8, 2010 that the Ganaraska project has been awarded a FIT contract by the Ontario Power Authority. The contract was executed May 3, 2010.

12. Stonetown Wind Park: The Company holds a 50% interest (with an option to increase to 100%) in the **Stonetown Wind Project**. The Stonetown Wind Park project is a 10MW project located near St. Mary, Ontario. Annual mean wind speeds are modeled at over 6.7 meters per second at an 80 m hub height. The project area has been secured by the execution of options for wind park easement agreements with various landowners. Environmental studies are near completion. On November 29, 2009 the Company submitted an application for a FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8, 2010 that the Stonetown project will be undergoing Economic Connection Testing before a further decision on a FIT contract award can be made by the Ontario Power Authority.

13. Lakeside Breezes Wind Park: The Company holds a 50% interest (with an option to increase to 100%) in the **Lakeside Breezes Wind Park**. The Lakeside Breezes Wind Park is a 10MW project located south of London, Ontario, Canada. This project has been developed in an area of high elevation. Annual mean wind speeds are modeled at over 6.5 meters per second at an 80 m hub height. The project area has been secured by the execution of option and surface lease agreements with various landowners. Environmental studies are near completion. On November 29, 2009 the Company submitted an application for a FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to ditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8, 2010 that the Lakeside Breezes project will be undergoing Economic Connection Testing before a further decision in a FIT contract award can be made by the Ontario Power Authority.

14

Pioneer Wind Park: The Company holds a 50% interest (with an option to increase to 100%) in the **Pioneer Wind Park**.

The Pioneer Wind Park is a 10MW project located near St. Thomas, Ontario, Canada. Annual mean wind speeds are modeled at over 6.5 meters per second at an 80 m hub height. The project area has been secured by the execution of option and surface lease agreements with various landowners. Environmental studies are near completion. On November 29, 2009 the Company submitted an application for a FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8th, 2010 that the Pioneer project will be undergoing Economic Connection Testing before a further decision in a FIT contract award can be made by the Ontario Power Authority.

15.

Beaconsfield Wind Park: The Company holds a 50% interest (with an option to increase to 100%) in the **Beaconsfield**

Wind Park. The Beaconsfield Wind Park is a 10MW project located east of London, Ontario, Canada. Annual mean wind speeds are measured at over 6.7 meters per second at an 80 m hub height. The project area has been secured by the execution of options for wind park easement agreements with various landowners. Environmental studies are near completion. On November 29, 2009 the Company submitted an application for a FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8, 2010 that the Beaconsfield project will be undergoing Economic Connection Testing before a further decision in a FIT contract award can be made by the Ontario Power Authority.

16.

1Northern Lights Wind Park: The Company holds a 50% interest (with an option to increase to 100%) in the **Northern**

Lights Wind Park. The Northern Lights Wind Park is a 10MW project located south of Georgian Bay in Ontario, Canada. The project area has been secured by the execution of options for wind park easement agreements with various landowners. Environmental studies are near completion. On November 29, 2009 the Company submitted an application for a FIT Power Purchase Contract fixed at a basic rate of C$135.00/MWh, that can potentially be increased to C$145.00/MW under certain conditions (community or aboriginal price adder), over a 20-year term. The Company was notified on April 8, 2010 that the Northern Lights project will be undergoing Economic Connection Testing before a further decision in a FIT contract award can be made by the Ontario Power Authority.

17.

On June 8, 2010 the Company signed an agreement to purchase a 100% interest in the 4 MW project Burg 1 located near

Magdeburg for a total cash payment of 900,000 euros plus the sales tax if applicable. The agreement called for an initial payment of 450,000 euros by June 15, 2010, a second payment of 225,000 euros no later than Jan. 15, 2011 and a final payment no later than April 30, 2011. On July 9, 2010 an amendment to the original agreement was executed whereby 300,000 euros were paid on June 18, 2010, 94,000 euros are to be paid by Sept. 15, 2010 and 56,000 euros to be paid by Nov. 15, 2010. Terms affecting the two 225,000 euro payments in 2011 were not changed. The project has obtained construction permits and is eligible for a Feed-in Tariff rate of 9.52 cents/kWh over a 20-year term.

In addition to the numerous wind farms, the Company has property options for additional wind farms.

Following is a brief summary of these options.

EFI Energy Farming International GmbH.

On May 17, 2010 the Company signed an option agreement with EFI Energy Farming International GmbH, an affiliated entity. The option gives the Company the right to purchase up to 50% of several wind generation projects in Germany with a nameplate capacity of between 36 and 40 MW subject to obtaining construction permits according to all necessary approvals.

Burg II Wind Project

On September 7, 2010 the Company signed an option agreement to purchase a 50% interest from Aquavent Gesellschaft für regenerierbare Energien GmbH (Aquavent) in the Burg II Wind Project, a 6MW project located near Magdeburg, Germany. The project area has been secured and permitting is ongoing. Once construction permits have been obtained the project would be eligible for a Feed-in Tariff rate of 9.52 cents/kWh over a 20-year term. For 150,000 shares of the Company s common stock, the Company obtains an option for 90 days to buy Aquavent`s 50% share in the project for 750,000 Euros payable in cash and/or shares at the Company`s discretion as agreed to in a definitive agreement. In the event a BIMSCH permit cannot be obtained for the project within 18 months Aquavent shall deliver a similar project as a replacement to the Company, or, at the Company`s sole discretion, the Company may request reimbursement of any installments paid by the Company to Aquavent (or cancellation of any share certificates issued).

On September 21, 2010 the Company signed an option agreement with EFI Energy Farming International GmbH (EFI) to acquire the remaining 50% interest in the 6 MW Wind Park Burg Phase II. The Company now has an option to acquire a 100% interest in the project. For 1,000,000 shares of restricted Wind Works stock, the Company obtains an option for 90 days to buy EFI`s 50% share in the project for 750.000 Euros payable in cash and/or shares at the Company`s discretion as agreed to in a definitive agreement. In the event a BIMSCH permit cannot be obtained for the project within 18 months EFI shall deliver a similar project as a replacement to the Company, or, at the Company`s sole discretion, the Company may request reimbursement of any installments paid by the Company to EFI (or cancellation of any share certificates issued).

Joint Venture Agreements:

Following is a brief summary of our joint venture agreements.

On September 17, 2010 the Company entered into a joint venture agreement with EFI Energy Farming International GmbH (EFI). The joint venture intends to develop a 20 megawatt wind energy project in Wassertruedingen, Germany. The joint venture will be owned on a 50/50 basis. Total cost to the Company will be 1.5 million Euros (approximately $1.959 million based on the current exchange rate) of which the Company has paid a total of 100,000 Euros representing a down payment for the first project milestone. Equity ownership in the joint venture will be subject to achieving and fulfilling the funding and project milestones. The project area has been secured and permitting is ongoing. Once construction permits have been obtained the project would be eligible for a Feed-in Tariff rate of 9.52 cents/kWh over a 20-year term.

WIND POWER

Industry Overview

In today s society, wind power and alternative energy are becoming a fast growing force along with the Go Green attitude. Renewable energy is produced using resources that are naturally replenished, such as wind, sunlight, geothermal heat, tides and biofuels. Technologies that produce energy from these renewable sources (other than biofuels) are often referred to as clean or green as they produce few, if any, pollutants that negatively impact the environment. Comparatively, fossil fuels such as coal, natural gas and oil are exhaustible and release greenhouse gases such as carbon dioxide or other pollutants into the atmosphere during energy production. As a result of increased environmental awareness, the deployment of renewable energy technologies has grown rapidly during the past several years. According to the Energy Information Administration, 37% of new U.S. power generation capacity in 2007 consisted of renewable technologies, compared with only 2% in 2003. This increase is expected to continue in both the United States and Canada. It is anticipated that renewable energy capacity in North America is expected to grow by a compounded annual growth rate between 9% and 11% through 2025. At this rate, the United States and Canada could supply 25% of its electrical energy requirements with renewable energy by 2025.

Wind energy is the fastest-growing renewable energy generation technology worldwide due to its cost efficiency, technological maturity and the wide availability of wind resources. It has been suggested that wind power has the greatest potential among all renewable energy technologies for further growth in North America. Although the United States and Canada have hydroelectric and geothermal resources, many potential hydroelectric sites have already been developed and geothermal production is confined by geographical limitations to only certain areas. In contrast, the available untapped wind resources across North America remain vast. Additionally, other renewable energy technologies, such as solar power, are currently less economically attractive than wind energy, and others, such as biofuels, emit particulates which have a greater negative impact on the environment than wind energy.

Wind Energy Fundamentals

The term wind energy refers to the process used to generate electricity through wind turbines. The turbines convert wind s kinetic energy into electrical power by capturing it with a three blade rotor mounted on a nacelle that houses a gearbox and generator. When the wind blows, the combination of the lift and drag of the air pressure on the blades spins the blades and rotor, which turns a shaft through the gearbox and generator to create electricity.

Wind turbines are typically grouped together in what are often referred to as wind parks. Electricity from each wind turbine travels down a cable inside its tower to a collection point in the wind park and is then transmitted to a substation for voltage step-up and delivery into the electric utility transmission network, or grid. Today s wind turbines can efficiently generate electricity when the wind speed is between 11 and 55 miles per hour.

A key factor in the success of any wind park is the profile and predictability of the wind resources at the site. Extensive studies of historical weather and wind patterns have been performed across North America and many resources, in the forms of charts, graphs and maps, are available to wind energy developers. The most attractive wind park sites offer a combination of land accessibility, power transmission, proximity to construction resources and strong and dependable winds.

When wind energy developers identify promising sites, they perform detailed studies to provide greater certainty with respect to the long-term wind characteristics at the site and to identify the most effective turbine strategy. The long-term annual output of a wind park is assessed through the use of on-site wind data, publicly available reference data and sophisticated software. Wind speeds are estimated in great detail for specific months, days or even hours, and are then correlated to turbine manufacturers specifications to identify the most efficient turbine for the site. Additional calculations and adjustments for turbine availability (which is principally affected by planned and unplanned maintenance events), wake effects (wind depletion caused by turbines sited upwind), blade soiling and icing and other factors are made to arrive at an estimate of net expected annual kilowatt hour electricity production at the site.

Wind development determines the MW capacity of a project. Generally, MW for projects are decided as follows: Generally, the location (land) where the wind farm is located allows for a certain number of turbines to be fitted on to the projects land due to setbacks from houses roads and other buildings or infrastructure items. Also turbines create a noise parameter which circles out a portion of the land and which parameter has to be fitted in with the setbacks towards any structure. (Generally, in Ontario at least 550m from a house. Most ordinances prohibit more than 45 decibel in an inhabited structure at any time). Wind turbines have a nameplate capacity of generally 1.5-2.5 MW. By using the land and the turbine model you create a layout which is used to determine whether these turbines fit within the layout and how many turbine sites must be secured under an easement agreement.

Financial Statements

On January 31, 2010 we acquired all of the outstanding equity interests in Zero Emissions. We have treated this transaction as a reverse merger with by Zero Emissions, as the former shareholders of Zero Emissions now own a majority of the Company s issued and outstanding shares of common stock. As a result of the foregoing transaction, the acquisition is considered to be a capital transaction in substance, rather than a business combination.

Accordingly, the accounting for the acquisition is identical to that resulting from a reverse acquisition, except that no goodwill or intangible asset is recorded. All material inter-company balances and transaction have been eliminated and the financial statements presented are those of Zero Emissions . Wind Works is deemed to be a continuation of the business of Zero Emissions.

As a result of the foregoing transaction with Zero Emission, it will be very difficult for you to assess the prior operations of Wind Works with the information presented herein.

Comparison of Operating Results for the Three Months ended September 30, 2010 and 2009 and from May 2, 2008 (Inception) to September 30, 2010.

Revenue

For the three months ended September 30, 2010 we generated $97,290 in income representing revenues earned from a non-refundable deposit. Until this time, our only other revenue was from interest income which we earned as a result of our cash holdings generated from the sale of our securities. Monies are deposited in interest bearing accounts until such time as needed for wind farm acquisitions, land commitments or contractual obligations. Interest income for the three months ended September 30, 2010 and from Inception totaled $362. Total revenues were $97,652.

Operating Expenses

For the three months ended September 30, 2010 our operating expenses totaled $1,246,908. As a result of our categorization of the acquisition of Zero Emission as a reverse merger, there are no operations reported for the comparable period ended September 30, 2009. Total operating expenses since inception were $3,778,612.

In order to preserve our cash holdings, we have relied on stock based compensation. As a result, for the three months ended September 30, 2010 and since Inception totaled stock based compensation totaled $399,461 and $773,809 respectively. Other significant expenditures for the three months ended September 30, 2010 were project development costs of $177,443, professional fees of $92,669, interest and service charges totaling $38,120 and consulting fees totaling $18,760. Since Inception these expenses totaled $778,866, $228,528, $86,799 and $101,610 respectively.

We recorded accretion interest expense totaling $498,061. This expense item was incurred as a result of the modification of the terms and conditions of $992,000 in the Company s outstanding convertible debt. Accretion interest since Inception totaled $1,089,104. For the three months ended September 30, 2009, the Company did not record any loss on the extinguishment of indebtedness. However, since Inception loss from the extinguishment of debt totaled $564,130. (See Footnote 8.)

All other line item expenses that we incurred for the quarter ended September 30, 2010 represented less than 1% of our total expenses for the year.

Net Income (loss)

Our Net Loss for the three months ended September 30, 2010 totaled $(1,149,256) and $(3,680,960) since Inception.

For the three months ended September 30, 2010 We had a net loss per share of $(.03).

We will require additional capital to fully implement our business plan. There can be no assurance that we will be able to secure additional capital or if available, on commercially acceptable terms. Until such time as we can fully implement our business plan, it is unlikely that we will be able to reverse our continuing losses in which case you may lose your entire investment.

Liquidity and Capital Resources

Assets and Liabilities

At September 30, 2010 we had cash and cash equivalents totaling $132,763 and prepaid expenses totaling $999,916. We also have a value added tax receivable of $65,413, a convertible debenture receivable of $50,000 and accounts receivable totaling $15,895. Total current assets are $1,265,837. At June 30, 2010 we had cash totaling $39,263, prepaid expenses totaling $625,951, VAT receivable totaling $57,545 and accounts receivable totaling $2,498. Total current assets at June 30, 2010 were $727,117.

Prepaid assets consist primarily of common stock issued for services to be rendered.

The significant increase in our cash holdings is primarily attributable to proceeds we received from the sale of our securities. Similarly the increase in our prepaid expenses is attributable to the issuance of our common stock for services to be rendered.

Our long term assets at September 30, 2010 totaled $4,367,684. These assets are primarily attributable to our wind projects valued at $4,323,253. At June 30, 2010 long term assets totaled $3,945,484 of which $3,900,735 was attributable to our wind projects.

Total assets at September 30, 2010 were $5,633,521 as compared to $4,672,601 at June 30, 2010.

Our current liabilities at September 30, 2010 totaled $2,819,232 consisting primarily of accounts payable totaling $1,641,264, convertible debentures totaling $918,172 and short term loans totaling $259,796. Current liabilities at June 30, 2010 totaled $3,061,649 consisting of $2,576,433 in accounts payable, $385,216 in convertible debentures and $100,000 in short term loans. We used proceeds from the sale of our securities to reduce our outstanding accounts payable by approximately $935,000.

We have a working capital deficit at September 30, 2010 (current assets less current liabilities) of $1,553,395 as compared to a working capital deficit of $2,334,532 at June 30, 2010. Unless we secure additional funding to meet our short term capital requirements, there can be no assurance that we will be able to implement our business plan. If we are unable to pay our liabilities as they become due, and our creditors are not willing to defer payments, we may be required to seek protection from creditor claims.

Off-Balance Sheet Arrangements

We are not currently a party to, or otherwise involved with, any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 3.

Quantitative and Qualitative Disclosure About Market Risk

Not applicable.

Item 4.

Controls and Procedures

(a)

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) and determined that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q. The evaluation considered the procedures designed to ensure that the information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms and communicated to our management as appropriate to allow timely decisions regarding required disclosure.

(b)

Changes in Internal Control over Financial Reporting

During the period covered by this Quarterly Report on Form 10-Q, there was no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(d) and 13d-15(d) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

(c)

Inherent Limitations of Disclosure Controls and Internal Controls over Financial Reporting

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Projections of any evaluation or effectiveness to future periods are subject to risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART II. OTHER INFORMATION

Item 1.

Legal Proceedings.

None.

Item 2.

Unregistered Sales of Equity Securities.

During the quarter ended September 30, 2010 we issued a total of 3,316,250 shares of our common stock in consideration for services rendered. We issued 375,000 shares of our common stock at $.40 per share and we issued 1,250,000 shares of our common stock pursuant to the conversion of $500,000 of the Company s outstanding convertible debt at $.40 per share.

We also issued $150,000 of convertible debt and 300,000 common stock purchase warrants exercisable at $0.50 per share.

At all times relevant:

- the sale was made to a sophisticated or accredited investor;

- we gave the purchaser the opportunity to ask questions and receive answers concerning the terms and conditions of the offering and to obtain any additional information which we possessed or could acquire without unreasonable effort or expense that is necessary to verify the accuracy of information furnished;

- at a reasonable time prior to the sale of securities, we advised the purchaser of the limitations on resale of the securities; and

- neither we nor any person acting on our behalf sold the securities by any form of general solicitation or general advertising

In issuing the foregoing securities, we relied on the exemptive provisions of Section 4(2), Regulation D and/or Reg S of the Securities Act.

Item 3.

Defaults upon senior securities.

None

Item 4.

Removed and Reserved.

Item 5.

Other information

None.

Item 6.

Exhibits

Exhibit No.

Description

3.1.**

Certificate of Incorporation

3.2.**

Certificate of Amendment to Certificate of Incorporation

3.3.**

Bylaws

3.4**

Form of Convertible Debenture

3.5**

Form of Warrant

3.6**

Form of Option

10.1**

Investment Agreement with Kodiak Capital Group, Inc.

10.2**

Registration Rights Agreement with Kodiak Capital Group, Inc.

10.3**

Share Exchange Agreement between Wind Works Power Corp. and Zero Emission People, LLC

10.4**

Addendum to Share Exchange Agreement with Zero Emission

10.5**

Joint Venture Agreement with Sunbeam, LLC

10.6**

Share Exchange Agreement with Skyway 126 Inc.

14**

Code of Business Conduct and Ethics

21**

Subsidiaries of Registrant

31.1*

Section 302 Certification of the Principal Executive Officer *

31.2 * Section 302 Certification of the Principal Financial Officer *

32.1 * Section 906 Certification of Principal Executive Officer *

32.2 *

Section 906 Certification of Principal Financial and Accounting Officer *

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Wind Works Power Corp.

Date: November 22, 2010

By: /s/ Ingo Stuckmann

Ingo Stuckmann

Chief Executive Officer

Date: November 22, 2010

By:/s/ W. Campbell Birge

Chief Financial Officer