Wind Works Power Corp.
Form 10-K
October 28, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ü **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended: June 30, 2011

Or

TRANSITION REPORT PURSUANT TO 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.

(Exact 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 0W5
(Address of principal executive offices) (Zip Code)

(613) 226-1983
(Registrant s telephone number, including area code)
N/A

(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
common stock, $0.001 par value	None

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ü No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ü No

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 ü Yes No
for the past 90 days.

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information
statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form ü
10-K.

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		Smaller reporting company	ü

Indicate by check mark whether the registrant is a shell company (as defined in Yes ü No
Rule 12b-2 of the Act).

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant computed by reference to the price at which the common equity was last sold, or the average bid and asked price for such common equity, as of the last business day of the registrant s most recently completed second fiscal quarter as reported by the OTCBB on December 31, 2010 was approximately $15 million .

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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

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1)Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933.

None.

Forward-Looking Statements

We caution that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Annual Report on Form 10-k or made by our management involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond our control. Accordingly, our future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. You can identify these statements as those that may predict, forecast, indicate or imply future results, performance or advancements and by forward-looking words such as *believe, anticipate, expect, estimate, predict, intend, plan, project, will, will be, will continue, will resu* any variations of such words or other words with similar meanings. Forward-looking statements address, among other things, our expectations, our growth strategies, our plans to acquire additional wind farms, commence development of the wind farms, our actions, plans or strategies. We are including this cautionary statement in this report to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for any forward-looking statements made by, or on behalf, of us.

The following factors, among others, in some cases have affected and in the future could affect our financial performance and actual results and could cause actual results for fiscal 2011 and beyond to differ materially from those expressed or implied in any forward-looking statements included in this report or otherwise made by our management: Actions by our competitors; our inability to manage our growth, successfully develop our wind farms, borrowing costs, the regulatory environment and the loss of our key executives could materially adversely impact operations.

In addition, new risk factors can arise, and it is not possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on our business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. We do not assume any obligation and do not intend to update any forward-looking statements except as may be required by securities laws.

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Background

BUSINESS

The Company's business strategy is to pursue opportunities in the alternative energy field with a particular emphasis on wind energy. The Company intends to develop wind parks It will assemble land packages (Wind Parks), 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.

The development of a wind park involves many steps and can take years before coming to fruition. In order to implement this program we will have to secure and maintain land sites for turbine locations. We will need to negotiate terms for land lease or easement agreements, plan and conduct necessary environmental studies such as environmental screenings, noise assessments, visual assessments and avian and floral assessments. All of these studies are required for environmental approval. Environmental approval is necessary to obtain building permits for the wind parks. 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 project.

In addition to environmental approvals and consultations the Company has to plan and commission technical reports and engineering drawings and layouts in regards to the construction of the actual wind park and any auxiliary structures such as transmission lines that are necessary to operate the wind park.

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 parks. 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 the Company has secured the required licensing and paid any required fees it intends to secure power contracts with local utilities. At this time, it does not intend to become a wind energy producer. Rather, it will develop the wind park for sale to wind energy producers. The Company's 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 it sells wind parks, it 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.

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 remains 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: The location (land) where the wind park 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. (For example, in Ontario, Canada where several of our projects are located, at least 550 meters from any house is required. Most ordinances prohibit more than 45 decibels 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 a layout model is used to determine whether these turbines fit within the layout and how many turbine sites must be secured under an easement agreement.

Growth in Wind Energy

The growth in wind energy will likely continue due to a number of key factors, including:

Increases in electricity demand coupled with the rising cost of fossil fuels used for conventional energy generation resulting in increases in electricity prices;

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Heightened environmental concerns, creating legislative and popular support to reduce carbon dioxide and other greenhouse gases;

Regulatory mandates as well as government tax incentives.

Improvements in wind energy technology;

Increasing obstacles for the construction of conventional fuel plants; and

Abundant wind resources in attractive energy markets.

Wind energy, which has no fuel costs, has become much more competitive by comparison to traditional electricity generation sources, and has grown dramatically relative to other non-hydroelectric renewable sources (including biofuels, geothermal and solar) in recent years. Wind energy also offers an attractive method of managing commodity price risk while maintaining strict environmental standards, as it provides a stable, affordable hedge against the risk of

increases in the price of coal, natural gas and other fuels over time. Increasing the use of wind energy also has the implied benefit of lowering overall demand for natural gas, particularly during winter peak demand.

Concerns over the recent volatility in fuel prices, coupled with the significant dependence on fossil fuels, has been and will continue to be a factor in the political and social movement towards greater use of clean energy.

Heightened Environmental Concerns, Creating Legislative and Popular Support to Reduce Carbon Dioxide and Other Greenhouse Gases

The growing concern over global warming caused by greenhouse gas emissions has also contributed to the growth in the wind energy industry. According to the Intergovernmental Panel on Climate Change Fourth Assessment Report, experts have noted that eleven of the last twelve years (1995 2006) rank among the warmest years since 1850. Additionally, the global average sea level has risen at an average rate of 1.8 millimeters per year since 1961 and at 3.1 millimeters per year since 1993, due to the melting of glaciers, ice caps and polar ice sheets, coupled with thermal expansion of the oceans. The importance of reducing greenhouse gases has been recognized by the international community, as demonstrated by the signing and ratification of the Kyoto Protocol, which requires reductions in greenhouse gases by the 177 (as of March 2008) signatory nations (not including the United States).

Substituting wind energy for traditional fossil fuel-fired generation would help reduce CO2 emissions due to the environmentally-friendly attributes of wind energy. According to the Energy Information Administration, the United States had the highest CO2 emissions of all countries in the world in 2005, contributing approximately 20% of the world s CO2 emissions. Since 1990, CO2 emissions from the United States electric power industry have increased by a cumulative amount of 27%, from 1.9 billion metric tons to 2.5 billion metric tons.

Environmental legislation and regulations provide additional incentives for the development of wind energy by increasing the marginal cost of energy generated through fossil-fuel technologies. Such legislation and regulations have been designed to, for example, reduce ozone concentrations, particulate emissions, haze and mercury emissions and can require conventional energy generators to make significant expenditures, implement pollution control measures or purchase emissions credits to meet compliance requirements. These measures have increased fossil fuel-fired generators capital and operating costs and put upward pressure on the market price of energy. Because wind energy producers are price takers in energy markets, these legislative measures effectively serve to make the return on wind energy more attractive relative to other sources of generation.

It is anticipated that there is significant support to enact legislation that will attempt to reduce the amount of carbon produced by electrical generators. Although the ultimate form of legislation is still being debated, the two most likely alternatives are (i) a direct emissions tax or (ii) a cap-and-trade regime. We believe either of these alternatives would likely result in higher overall power prices, as the marginal cost of electricity.

Improvements in Wind Energy Technology

Wind turbine technology has improved considerably in recent years with significant increases in capacity and efficiency. Multiple types and sizes of turbines are now available to suit a wide range of wind resource characteristics and landscapes. Modern wind turbines are capable of generating electricity for 20 to 30 years.

3

There have been two major trends in the development of wind turbines in recent years:

According to the Danish Wind Industry Association and the U.S. Department of Energy, individual turbine capacity has increased dramatically over the last 25 years, with 30 kW machines that operated in 1980 giving way to the 1.5 MW machines that are standard today;

Wind park performance has improved significantly, according to the U.S. Department of Energy, s turbines installed in 2004 through 2006 averaged a 33%-35% net capacity factor (the ratio of the actual output over a period of time and the output if the wind park had operated at full capacity over that time period) as compared to the 22% net capacity factor realized by turbines installed prior to 1998.

Additionally, as wind energy technology has continued to improve, according to AWEA, the capital cost of wind energy generation has fallen by approximately 80% over the past 20 years.

Increasing Obstacles for the Construction of Conventional Fuel Plants

In addition to the impediments presented by the extensive and growing environmental legislation, new power plants that use conventional fuels, such as coal and nuclear technologies, face a difficult, lengthy and expensive permitting process. Furthermore, increasing opposition from public environmental groups towards coal-fired power plants, coupled with rising construction costs, contributed to the cancellation of many planned coal plants in 2007. Traditional energy developers and utilities are likely to face permitting and restricted supply issues in the future. As a result, alternative energy sources such as wind will need to be developed to meet increasing electricity demand and will be able to capitalize on the resulting higher energy prices.

Abundant Wind Resources in Attractive Energy Markets

The potential for future growth in the North American wind energy market is supported by the large land area available for turbine installations and the availability of significant wind resources. According to AWEA,

Wind energy project revenues are highly dependent on suitable wind and associated weather conditions.

The energy and revenues generated at a wind energy project are highly dependent on climatic conditions, particularly wind conditions, which are variable and difficult to predict. Turbines will only operate within certain wind speed ranges that vary by turbine model and manufacturer, and there is no assurance that the wind resource at any given project site will fall within such specifications. Even after undertaking studies to determine the feasibility of a project, actual climatic conditions at a project site, particularly wind conditions, may not conform to the findings of these wind studies, and, therefore, wind energy projects may not meet anticipated production levels, which could adversely affect forecasts. In addition, global climate change could change existing wind patterns; such effects are impossible to predict.

Tornados, lightning strikes, floods, severe storms, wildfires or other exceptional weather conditions or natural disasters could damage wind energy projects and related facilities and decrease production levels. These events could have a material adverse effect on the operations of any wind park.

Environmental Regulation

Wind park development activities are subject to various government environmental laws and regulations, primarily including environmental impact review requirements and regulations governing the discharge of fill materials into protected wetlands. The impact of these laws and regulations on the development, construction and operation of wind parks is site specific and varies depending upon the location and design of the wind park and the relevant regulations. Potential regulation may require an evaluation us to evaluate the potential environmental impacts caused by wind parks, including assessments of visual and noise impacts, effects on wildlife (primarily birds and bats) and impacts to historical and cultural resources, and to implement measures to mitigate those impacts to the extent practicable. Additional regulation may be imposed with respect to the operations of the wind parks by setting limits on the use of local roads, setback requirements and noise standards. Failure to comply with these requirements or with other regulatory standards may result in the denial of required permits that are required for construction or operation or become subject to regulatory enforcement actions. Legal challenges or enforcement actions, even if ultimately defeated, can result in substantial delays in the completion of a wind park and may have a material adverse effect on business, results of operations and financial condition.

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Wind parks need to be designed to have minimal operational impact on the environment. Operation of a wind park does not produce significant wastes, generate air emissions or result in wastewater discharges. While most of our environmental regulatory obligations arise during or prior to the construction stage for some wind parks, significant

environmental obligations may still exist even after construction is complete. For example, wind parks may be required to monitor impacts on avian species and to adopt mitigating measures if substantial impacts are determined. In most cases, the precise nature of this potential mitigation is not specified in the wind parks permits. Wind parks may also be required to mitigate for damage to or loss of wetland areas which, in some instances, may not be completed for several years after the wind park is constructed.

Management believes that there is tremendous opportunity in entering the renewable energy field. However, any undertaking of this kind will require an infusion of capital and/or a strategic partner.

Feed-inTariffs

The Feed-in Tariff (FIT) contract program is part of the new Green Energy Act in Ontario, Canada. The FIT program offers a power contract with a guaranteed rate of C$135.00/MWh over a 20-year term to qualified wind energy projects. The Ontario Power Authority (OPA) initial launch period deadline for FIT applications was November 30, 2009. This first launch period was designed for projects that were being developed under the Renewable Energy Standard Offer Program (RESOP) and are therefore further advanced. Criteria of earlier commercial operation dates are one such factor in obtaining priority access to transmission availability. To be awarded a Power Purchase Agreement (PPA) under the FIT rules, the application has to be submitted in accordance with strict regulations which can be accessed in details via the OPA website at www.powerauthority.on.ca/.

Corporate Acquisitions:

Zero Emission People:

In September 2009, the Company entered into a joint venture agreement and option agreement with Zero Emission People LLC, (ZEP) an entity controlled by Ingo Stuckmann, our chief executive officer. The Joint Venture Agreement provided for ZEP to contribute to the Joint Venture two wind energy projects of 10MW each, both located in Ontario, Canada. In consideration for the contribution of the wind energy projects to the Joint Venture, the Company issued 1.5 million shares of our restricted common stock. In addition it entered into an option agreement with ZEP. The option granted the Company the exclusive right to purchase up to a 100% interest in a minimum of 400 MW of wind energy projects in Canada, the United States and Europe. In consideration for the grant of the option, the Company issued an additional 3.5 million shares of its restricted common stock.

After further evaluation of the Zero Emission assets, the board of directors authorized the execution of a share exchange agreement with ZEP which provides in part for Wind Works to acquire all of the issued and outstanding equity interest of Zero Emission People LLC in consideration for the issuance of a total of 31 million shares of our common stock. The shares will be issued pursuant to the following schedule:

5,000,000 shares of common stock on January 15, 2010

9,000,000 shares of common stock on August 15, 2010

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

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

The transaction closed on January 31, 2010.

Any shares of common stock or common stock options issued pursuant to the joint venture agreement have been credited against the purchase price paid for the acquisition of Zero Emission People LLC.

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The following is a brief description of the Company s wind projects.

1.

Grey Highlands Wind Park: The Company holds a 100% equity interest in the **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.

In order to develop this Project, we obtained independent financing. In addition to guaranteeing the obligation, we pledged our equity interest as colateral for the repayment of the debt.

2.

Snowy Ridge Wind Park: The Company holds a 100% equity 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.

In order to develop this Project, we obtained independent financing. In addition to guaranteeing the obligation, we pledged our equity interest as colateral for the repayment of the debt.

3.

Grand Prairie Wind Park: WWPC holds a 100% equity 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: Submission pending

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: Submission pending;

b.

Land Acquisition: 5,000 acres secured;

c.

Environmental Screening: preliminary data suggest no significant impact expected;

d.

PPA: application pending system impact study;

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5. Polar Bear Wind Park: The Company holds a 50% equity 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% equity 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% equity 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.

In order to develop this Project, we have obtained independent financing. In addition to guaranteeing the obligation, we pledged our equity interest as colateral for the repayment of the debt.

8. Zorra Festival Wind Park: WWPC holds a 50% equity 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% equity interest in Clean Breeze. In the event of the subsequent resale of the Project, the Company will receive 50% of theprocedes upon resale with the balance to Sunbeam as per the terms of a purchase and sales agreement with Sunbeam. 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.

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10. Whispering Woods Wind Park: The Company holds a 50% equity interest in Whispering Woods. In the event of the subsequent resale of the Project, the Comapny will receive 50% of the proceeds pursuant to the terms and conditions of a purchase and sale agreement dated February 17, 2011 with Sunbeam. 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.

In order to develop this Project, we have obtained independent financing. In addition to guaranteeing the obligation, we pledged our equity interest as colateral for the repayment of the debt.

Skyway 126:

In October 2009, we acquired a 70% equity ownership in Skyway 126 Wind Energy Inc., an Ontario corporation, in consideration for the issuance of 2 million shares of our Common stock. Skyway is the registered and beneficial owner of an existing 10 Megawatt wind energy project (Cloudy Ridge) under development in the Municipality of Grey-Highlands in the Province of Ontario, Canada. Annual mean wind speeds are measured 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 and the project was eligible for a Feed-in Tariff application during the Ontario Power Authority launch period. On November 29, 2009 the Company submitted an application for the FIT Power Purchase Contract fixed at a basic rate of C$135.00/MW that can 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 Cloudy Ridge Skyway 126 project will be awarded a FIT contract by the Ontario Power Authority. The contract was executed May 3, 2010.

Sunbeam LLC

On November 6, 2009 we signed an agreement with Sunbeam LLC (an affiliated entity) to increase our equity interest in the Settlers Landing Wind Park from 50% to 100%. We issued 300,000 restricted shares of our common stock and were required to make a cash payment of $450,000 subject to achieving certain milestones: $225, 000 due 30 days after an FIT contract is awarded and $225,000 ninety days after the FIT is awarded. The cash terms of the agreement were subsequently amended to provide for payments of $450,000 due September 30, 2010. Partial payment has been made. The Company has not received a default notice.

Settlers Landing is a 10MW wind energy project located near Pontypool, in Ontario, Canada.

Sunbeam Joint Venture

On November 27, 2009 the Company signed an agreement with Sunbeam LLC to acquire six wind energy projects totaling 80 megawatts (MW) located in Ontario, Canada with an option to increase its interests to 100%. All six projects submitted power contract applications on November 30, 2009 under the Feed-in Tariff program of the Ontario Power Authority. The agreement called for the issuance of 1,200,000 restricted common shares of the Company s stock and payment of $300,000 CAD on April 30, 2010. The agreement was subsequently amended to reschedule the $300,000 payment to September 30, 2010. Partial payment on the outstanding obligations have been made to Sunbeam with respect to the Settlers Landing wind farm. No payments have been made to Sunbeam with respect to the Ganaraska wind farm. We have not received any default notice on these obligations.

are only due upon receipt of an invoice from Sunbeam, we did that to not constantly be in default.

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The following is a brief description of additional wind projects and options that we have acquired :

1. Ganaraska Wind Park: As of June 30, 2011 the Company held a 50% equity interest in this wind park (The remaining 50% equity interest was subsequently acquired from Sunbeam on September 1, 2011. Pursuant to the terms and conditions of the agreement, 50% of any procedes received on the sale of the **Ganaraska Project will be allocated to Sunbeam.** 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.

In order to develop this Project, we obtained independent financing. . In addition to guaranteeing the obligation, we pledged our equity interest as colateral for the repayment of the debt.

2. Stonetown Wind Park: The Company holds a 50% equity interest 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.

3. Lakeside Breezes Wind Park: The Company holds a 50% equity 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.

4.

Pioneer Wind Park: The Company holds a 50% equity 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.

5.

Beaconsfield Wind Park: The Company holds a 50% equity 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.

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6.

Northern Lights Wind Park: The Company holds a 50% interest 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.

7.

Project Burg I:

On June 8, 2010 the Company signed an agreement with Aquavent Gesellschaft für regenerierbare Energien GmbH (Aquavent) to purchase a 100% interest in the 4 MW project Burg 1 located near Magdeburg for a total cash payment of 900,000 Euros. 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 September 15, 2010 and 56,000 Euros are to be paid by November 15, 2010.

In April 2011 the Company and Aquavent agreed to defer any further acquisition payments until cabling rights are secured by Aquavent. At June 30, 2011, the Company has paid 556,000 Euros ($807,274) towards this acquisition.

Furthermore, in April 2011, the Company entered into an agreement for the sale and construction of 50% of the Burg I project (Note 14). Pursuant to this sale, 50% of the acquisition costs paid to June 30, 2011 have been reclassified as construction contract costs and the 50% related to the portion of the project retained by the Company remains capitalized as wind project acquisition costs.

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Burg II

On September 7, 2010, the Company entered into two option agreements to purchase the Burg II wind project, a 6MW project located near Magdeburg, Germany:

a)

A 90 day option to acquire a 50% interest in the project from Aquavent Gesellschaft für regenerierbare Energien GmbH (Aquavent). To obtain this option, the Company issued 150,000 shares valued at $64,500.

b)

A 90 day option to acquire a 50% interest in the project from EFI Energy Farming International GmbH (EFI). No shares were issued as consideration for this option.

As both options expired prior to the signing of definitive agreements, the Company issued a further 200,000 shares to each vendor to extend the option period to July 2011.

In July 2011, subsequent to year end, the Company signed definitive agreements with both vendors to acquire each respective half of the project for 750,000 Euros. , In the event that a BIMSCH permit cannot be obtained for the project within 18 months, the vendors shall deliver similar projects as replacements to the Company, or, at the Company`s sole discretion, the Company may request reimbursement of any instalments paid by the Company to the vendors.

9.

Raberg

In April 2011, the Company entered into a joint venture option agreement with Naturwerk GmbH. For a refundable deposit of $54,905 (37,815 Euros), the Company obtained a 120 day option to enter into a joint venture on the Raberg wind project being developed by Naturwerk.

Subsequent to June 30, 2011, the Company exercised this option and entered into a definitive joint venture agreement with Naturwerk, against which the initial deposit of $54,905 was applied

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10. Thunder Spirit:

On April 11, 2011, the Company purchased a75% interest in a 150MW North Dakota wind farm project, Thunder Spirit. The Project will connect into the Midwest Independent System Operator`s (Midwest ISO) power market, subject to completion of the facilities study. Wind resource in North Dakota is one of the largest resources in the Midwest ISO power market, which includes States such as North Dakota, Minnesota, Wisconsin, Iowa, and Illinois. A $260,000 deposit was submitted to the Midwest ISO in March 2010 and we entered the Definitive Planning Phase with the grid operator.

In order to develop this Project, we have obtained independent financing. In addition to guaranteeing the obligation, we pledged our equity interest as colateral for the repayment of the debt.

11. Ontario 5MW Project

On June 14, 2011 the Company announced it has signed an Agreement to acquire a 50% interest in a 5MW wind energy project located in Ontario, Canada. The Project was awarded a Feed-in Tariff (FIT) power contract by the Ontario Power Authority in April 2010. Wind Works is required to fund all development costs of approximately $1 Million which includes interconnection to the HONI powergrid. The purchase price is subject to the final economic parameters and is not due until the project has received Renewable Energy Approval by the Provincial Government of Ontario. Wind Works will be required to finance the project after Renewable Energy Approval by securing the necessary debt financing for the project. Wind Works will organize construction of the project

Property Options and Sales.

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. 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.

On January 27, 2011, the company had signed a construction management agreement with EFI Energy Farming International GmbH for a payment of 80,000 Euros. The agreement also calls for a 50,000 Euro commission if EFI finds an investor for 50% the project. On April 16, 2011 the company sold 50% of the Burg I project to an investor. Based on the foregoing, Wind Works currently owns a 50% equity interest in Burg I.

In September 2010, the Company entered into a joint venture agreement with EFI Energy Farming International GmbH (EFI), intending to develop a 20 megawatt wind energy project in Wassertruedingen, Germany. The joint venture was owned 50/50 with EFI and the Company made an investment of 100,000 Euros ($136,120). On December 13, 2010, EFI and Wind Works entered into an agreement to sell the entire project to a third party. Wind Works expected proceeds for this sale are 190,000 Euros, of which 100,000 ($136,120) Euros has been collected and recorded as a recovery of the Company s initial investment. The Company has not recognized revenue related to the remaining 90,000 Euros due to uncertainty surrounding the collectability of this balance.

On September 7, 2010, the Company entered into two option agreements to purchase the Burg II wind project, a 6MW project located near Magdeburg, Germany:

a)

A 90 day option to acquire a 50% interest in the project from Developer A. To obtain this option, the Company issued 150,000 shares valued at $64,500.

b)

A 90 day option to acquire a 50% interest in the project from EFI Energy Farming International GmbH (EFI). No shares were issued as consideration for this option.

Each option permitted the Company to acquire 50% of the project for 750,000 Euros, subject to milestones. As both options expired prior to the signing of definitive agreements, the Company issued a further 200,000 shares to each vendor to extend the option period to July 2011. These additional 400,000 shares were valued at $172,000.

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In July 2011, subsequent to year end, the Company signed definitive agreements with both vendors to acquire each respective half of the project for 750,000 Euros, subject to the same milestones outlined in the option agreements. In the event that a BIMSCH permit cannot be obtained for the project within 18 months, the vendors shall deliver similar projects as replacements to the Company, or, at the Company`s sole discretion, the Company may request reimbursement of any instalments paid by the Company to the vendors.

Item 1a.

Risk Factors

The risks and uncertainties described below are not the only ones facing the Company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the following risks actually occur, our business could be materially adversely affected. In such case, the Company may not be able to proceed with its planned operations and your investment may be lost entirely.

RISK FACTORS

We are dependent on our management team.

We are substantially dependent upon Dr. Ingo Stuckmann, our chief executive officer and J.C. Pennie, the Chairman of our Board of Directors. Both individuals have been actively involved in the wind power industry. The business contacts and relationships that we hope to secure are predominantly those of Dr. Stuckmann and Mr. Pennie. Our business would be materially and adversely affected if their services would become unavailable to us. We cannot assure you that these individuals will continue to be available to us. We do not maintain key man insurance.

Our executive officers, board of directors and key employees are crucial to our business, and we may not be able to recruit, integrate and retain the personnel we need to succeed.

Our success depends upon a number of key management, sales, technical and other critical personnel, including our executive officers, our board of directors and key employees with expertise in the industry. The loss of the services of any key personnel, or our inability to attract, integrate and retain highly skilled technical, management, sales and marketing personnel could result in significant disruption to our operations, including our inability or limited success in locating new sites, effectiveness of sales efforts, quality of customer service, and completion of our initiatives, including growth plans and the results of our operations. Any failure by us to find suitable replacements for our key senior management may be disruptive to our operations. Competition for such personnel in the technology industries is intense, and we may be unable to attract, integrate and retain such personnel successfully.

We may have to depend on outside advisors for some of our primary business operations.

To supplement the business experience of our officers and directors, we may be required to employ accountants, technical experts, appraisers and attorneys or engage other consultants or advisors. The selection of any such advisors will be made by our officers without any input from stockholders. Furthermore, it is anticipated that such persons may be engaged on an as needed basis without a continuing fiduciary or other obligation to us. In the event management considers it necessary to hire outside advisors, they may elect to hire persons who are affiliates, if they are able to provide the required services.

We have no operating history in the wind power industry.

We have no history in the wind power industry nor in assembling wind parks. We were not successful in developing our mining operations and there can be no assurance that our new business venture will prove successful. As such there is no history of developing or managing wind parks which you can use to evaluate our business. Our prospects for success must be considered in the context of a new company in a developing industry. The risks we face include developing and acquiring wind parks, compliance with significant regulation, reliance on third parties, operating in a competitive environment. If we are unable to address all of these risks, our business, results of operations and financial condition may suffer.

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We have pledged our equity interests in several of our wind farms to secure financing.

In order to develop several of our wind farms, we borrowed funds from an unaffiliated third party. In addition to a guarantee for the repayment of all sums borrowed, we have pledged our equity interests in these wind farms. If there is a default, we risk the loss of these wind farms.

Revenues from the sale or lease of our wind parks will be subject to fluctuating market prices for energy and capacity.

The revenues that can be generated by wind parks depend on market prices of energy in competitive energy markets. Market prices for both energy and capacity are volatile and depend on numerous factors outside our control including economic conditions, population growth, electrical load growth, government and regulatory policy, weather, the availability of alternate generation and transmission facilities, balance of supply and demand, seasonality, transmission and transportation constraints and the price of natural gas and alternative fuels or energy sources. These factors will impact the value of our wind parks.

There are a small number of wind turbine manufacturers, and increased demand may lead to difficulty in obtaining wind turbines and related components at affordable prices or in a timely manner.

We will not purchase wind turbines. However, there are only a small number of companies that have the expertise and access to the necessary components to build multi-megawatt class wind turbines. The rapid growth in the aggregate worldwide wind energy industry has created significantly increased demand for wind turbines and their related components that is currently not being adequately satisfied by suppliers. Wind turbine suppliers have significant supply backlogs, which tend to drive up prices and delay the delivery of ordered wind turbines and components. If this continues, our wind parks will become less attractive.

The federal government may not extend or may decrease tax incentives for renewable energy, including wind energy, which would have an adverse impact on our development strategy.

Tax incentives offered by governments make wind energy an attractive business opportunity. If these incentives are eliminated or reduced, our wind parks will be less attractive to prospective purchasers.

Currently, federal tax incentives applicable to the wind energy industry currently in effect include the production tax credit (PTC) and business energy investment tax credit (ITC) together with accelerated tax depreciation for certain assets of wind parks. The PTC provides the owner of a wind turbine placed in operation before the end of 2012 with a ten-year credit against its federal income tax obligations based on the amount of electricity generated by the wind turbine. The ITC provides a 30% credit in the form of a tax credit for property placed in service before the end of year 2012, or, alternatively, a 30% cash grant from the U.S. Treasury Department if an application is submitted by October 2011. The accelerated depreciation for certain assets of wind parks provides for a five-year depreciable life for these assets, rather than the 15 to 25 year depreciable lives of many non-renewable energy assets, with an additional 50% bonus depreciation allowed for wind energy assets placed in service by the end of 2009.

The PTC and ITC are scheduled to expire on December 31, 2012, and, unless extended or renewed by the U.S. Congress, will not be available for energy generated from wind turbines placed in service after that date. We cannot assure you that current or any subsequent efforts to extend or renew this tax incentive will be successful or that any subsequent extension or renewal will be on terms that are as favorable as those that currently exist. In addition, there can be no assurance that any subsequent extension or renewal of the PTC and/or ITC would be enacted prior to its expiration or, if allowed to expire, that any extension or renewal enacted thereafter would be enacted with retroactive effect. We also cannot assure you that the tax laws providing for accelerated depreciation of wind park assets will not be modified, amended or repealed in the future. If the federal PTC or ITC are not extended or renewed, or are extended or renewed at lower rates, financing options for wind parks will be reduced and development plans for additional wind parks will be adversely affected.

The performance of wind parks is dependent upon meteorological and atmospheric conditions that fluctuate over time.

Identifying suitable locations for our wind parks is critical. The production of electricity generated by wind parks will be highly dependent on meteorological and atmospheric conditions.

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Site selection requires the evaluation of the quality of the wind resources based upon a variety of factors. The wind data gathered on site and data collected through other sources form the basis of wind resource projections for a wind park s performance. Wind resource projections do not predict the wind at any specific period of time in the future. Therefore, even in the event where prediction of a wind park s wind resources becomes validated over time, the wind park will experience hours, days, months and even years that are below wind resource predictions. Wind resource projections may not predict the actual wind resources observed by the wind park over a long period of time. Assumptions included in wind resource projections, such as the interference between turbines, effects of vegetation and land use, and terrain effects may not be accurate. Wind resources average monthly and average time of day long-term predictions may not be accurate and, therefore, the energy wind parks produce over time may have a different value than forecast.

Operational factors may reduce energy production below projections, causing a reduction in revenue.

The amount of electricity generated by a wind park depends upon many factors in addition to the quality of the wind resources, including but not limited to turbine performance, aerodynamic losses resulting from wear on the wind turbine, degradation of other components, icing or soiling of the blades and the number of times an individual turbine

or an entire wind park may need to be shut down for maintenance or to avoid damage due to extreme weather conditions. In addition, conditions on the electrical transmission network can impact the amount of energy a wind park can deliver to the network. These matters will adversely impact the value of our wind parks.

The wind energy industry is extensively regulated and changes in or new regulations or delays in regulatory approval could hurt our business development.

Developing our wind parks is subject to extensive energy and environmental regulation by federal, state and local authorities. Delay in obtaining, or failure to obtain and maintain in full force and effect, any of the regulatory approvals we need to develop our wind parks, or delay or failure to satisfy any applicable regulatory requirements, could prevent us from fully implementing our business strategy.

Various state and provincial governments may not extend or may decrease incentives for renewable energy, including wind energy, which would have an adverse impact on our development strategy.

Various types of incentives which support the sale of electricity generated from wind energy presently exist in the United States and Canada. These incentives can be offered at both the state and provincial level. Many states have enacted renewable portfolio standards, or RPS, programs. These programs either require electric utilities and other retail energy suppliers to produce or acquire a certain percentage of their annual electricity consumption from renewable power generation resources or designate an entity to administer the central procurement of renewable energy certificates, or RECs, for the state. We believe that we will benefit from programs such as REC due to the environmentally beneficial attributes associated with their production of electricity. A REC is a stand-alone tradable instrument representing the attributes associated with one megawatt hour of energy produced from a renewable energy source. These attributes typically include reduced air and water pollution, reduced greenhouse gas emissions and increased use of domestic energy sources. Many states and provinces track and verify compliance with their RPS programs. Retail energy suppliers can meet the requirements by purchasing RECs from renewable energy generators, in addition to producing or acquiring the electricity from renewable sources. We cannot assure you that governmental support for alternative energy sources in the form of RPS programs or RECs recognition and trading will continue at the state or provincial level or that the wind parks that we develop will qualify for such incentives. Any decrease in government incentives would have an adverse impact on our development strategy.

We will need to locate and develop new sources of wind power in a timely and consistent manner, and failure to do so would adversely affect our operations and financial performance.

Our success in the industry requires additional and continuing development to become and remain competitive. Subject to available working capital, we expect to make substantial investments in development activities. Our future success will depend, in part, on our ability to continue to locate additional wind power sites. Developing a wind park site is dependent upon, among other things, acquisition of rights to parcels of property and receipt of required local, state and federal permits. This development activity will require continued investment in order to maintain and grow

our market position. We may experience unforeseen problems in our development endeavors. We may not achieve widespread market acceptance of our wind parks. We may not meet some of these requirements or may not meet them on a timely basis. We may modify plans for the development of a wind park. We will typically incur substantial expense in the development of wind parks. Many of these expenses, including obtaining permits and legal and other services, are incurred before we can determine whether a site is environmentally or economically feasible. After such a determination

is made, significant expenses, such as environmental impact studies, are incurred. A number of factors are critical to a determination of whether a site will ultimately be developed as a wind park including changes in regulatory environment, changes in energy prices, community opposition, failure to obtain regulatory and transmission approvals and permits. These factors could materially affect our ability to forecast operations and negatively affect our stock price, results of operations, cash flow and financial condition.

The number of desirable sites available for the development of wind parks is limited, and our inability to identify or acquire sites will limit our ability to implement our development strategy.