

INTERNET GOLD GOLDEN LINES LTD
Form SC 13D/A
January 03, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D/A

Amendment No. 23

Under the Securities Exchange Act of 1934

Internet Gold - Golden Lines Ltd.

(Name of Issuer)

Ordinary Shares, NIS 0.01 Par Value per Share

(Title of Class of Securities)

M 56595 10 7

(CUSIP Number)

Steven J. Glusband

Carter Ledyard & Milburn LLP

2 Wall Street, New York, New York 10005

(212) 238-8605

Edgar Filing: INTERNET GOLD GOLDEN LINES LTD - Form SC 13D/A

(Name, Address and Telephone Number of Person Authorized

To Receive Notices and Communications)

January 3, 2018

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g).

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. M 56595 10 7

NAME OF REPORTING PERSON: Eurocom Communications Ltd.

1

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY): Not applicable.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

2(a)

(b)
SEC USE ONLY

3

SOURCE OF FUNDS: WC

4

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or
5 2(e):

CITIZENSHIP OR PLACE OF ORGANIZATION: Israel

6

| | | |
|--|-----------|---|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER: -0- |
| | 8 | SHARED VOTING POWER: 11,633,966 Ordinary Shares* |
| | 9 | SOLE DISPOSITIVE POWER: -0- |
| | 10 | SHARED DISPOSITIVE POWER: 11,633,966 Ordinary Shares* |

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 11,633,966 Ordinary
11 Shares*

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
12

13PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 60.58 %**

TYPE OF REPORTING PERSON: CO

14

* Mr. Shaul Elovitch, Mr. Yossef Elovitch, Eurocom Communications and Eurocom Holdings (1979) Ltd. are the beneficial owners of 11,633,966 of the Issuer's ordinary shares. Eurocom Communications Ltd., or Eurocom Communications, holds 10,508,966 of the Issuer's ordinary shares directly. Eurocom Communications is 99.33% owned by Eurocom Holdings (1979) Ltd., or Eurocom Holdings, and 0.67% owned by Mr. Shaul Elovitch. Mr. Shaul Elovitch and Mr. Yossef Elovitch own 80% and 20%, respectively, of Eurocom Holdings (Mr. Shaul Elovitch and Mr. Yossef Elovitch own 75% and 25%, respectively, of Eurocom Holdings' management shares). Accordingly, Mr. Shaul Elovitch may be deemed to have the sole voting and dispositive power as to the Issuer's ordinary shares held of record by Eurocom Communications. Mr. Shaul Elovitch may also be deemed to be the beneficial owner of 26,893 ordinary shares held of record by his wife, Mrs. Iris Elovitch. 1,125,000 of the Issuer's ordinary shares are held directly in a joint account of Messrs. Shaul and Yossef Elovitch.

** Based on 19,203,186 Ordinary Shares that the Issuer advised were issued and outstanding (which excludes 5,862,615 Ordinary Shares held as treasury stock) as of January 3, 2018.

1

CUSIP No. M 56595 10 7

NAME OF REPORTING PERSON: Eurocom Holdings (1979) Ltd.

1

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY): Not applicable.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

2(a)

(b)
SEC USE ONLY

3

SOURCE OF FUNDS: WC

4

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or
5 2(e):

CITIZENSHIP OR PLACE OF ORGANIZATION: Israel

6

| | | |
|--|-----------|---|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER: -0- |
| | 8 | SHARED VOTING POWER: 11,633,966 Ordinary Shares* |
| | 9 | SOLE DISPOSITIVE POWER: -0- |
| | 10 | SHARED DISPOSITIVE POWER: 11,633,966 Ordinary Shares* |

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 11,633,966 Ordinary
11 Shares*

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
12

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 60.58 %**

TYPE OF REPORTING PERSON: CO

14

* Mr. Shaul Elovitch, Mr. Yossef Elovitch, Eurocom Communications and Eurocom Holdings (1979) Ltd. are the beneficial owners of 11,633,966 of the Issuer's ordinary shares. Eurocom Communications Ltd., or Eurocom Communications, holds 10,508,966 of the Issuer's ordinary shares directly. Eurocom Communications is 99.33% owned by Eurocom Holdings (1979) Ltd., or Eurocom Holdings, and 0.67% owned by Mr. Shaul Elovitch. Mr. Shaul Elovitch and Mr. Yossef Elovitch own 80% and 20%, respectively, of Eurocom Holdings (Mr. Shaul Elovitch and Mr. Yossef Elovitch own 75% and 25%, respectively, of Eurocom Holdings' management shares). Accordingly, Mr. Shaul Elovitch may be deemed to have the sole voting and dispositive power as to the Issuer's ordinary shares held of record by Eurocom Communications. Mr. Shaul Elovitch may also be deemed to be the beneficial owner of 26,893 ordinary shares held of record by his wife, Mrs. Iris Elovitch. 1,125,000 of the Issuer's ordinary shares are held directly in a joint account of Messrs. Shaul and Yossef Elovitch.

** Based on 19,203,186 Ordinary Shares that the Issuer advised were issued and outstanding (which excludes 5,862,615 Ordinary Shares held as treasury stock) as of January 3, 2018.

2

CUSIP No. M 56595 10 7

NAME OF REPORTING PERSON: Shaul Elovitch

1

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY): Not applicable.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

2(a)

(b)
SEC USE ONLY

3

SOURCE OF FUNDS: WC

4

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or
5 2(e):

CITIZENSHIP OR PLACE OF ORGANIZATION: Israel

6

| | | |
|--|-----------|--|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER: -0- |
| | 8 | SHARED VOTING POWER: 11,660,859 Ordinary Shares * |
| | 9 | SOLE DISPOSITIVE POWER: -0- |
| | 10 | SHARED DISPOSITIVE POWER: 11,660,859 Ordinary Shares * |

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 11,660,859 Ordinary
11 Shares*

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
12

13PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 60.72%**

TYPE OF REPORTING PERSON: IN

14

* Mr. Shaul Elovitch, Mr. Yossef Elovitch, Eurocom Communications and Eurocom Holdings (1979) Ltd. are the beneficial owners of 11,633,966 of the Issuer's ordinary shares. Eurocom Communications Ltd., or Eurocom Communications, holds 10,508,966 of the Issuer's ordinary shares directly. Eurocom Communications is 99.33% owned by Eurocom Holdings (1979) Ltd., or Eurocom Holdings, and 0.67% owned by Mr. Shaul Elovitch. Mr. Shaul Elovitch and Mr. Yossef Elovitch own 80% and 20%, respectively, of Eurocom Holdings (Mr. Shaul Elovitch and Mr. Yossef Elovitch own 75% and 25%, respectively, of Eurocom Holdings' management shares). Accordingly, Mr. Shaul Elovitch may be deemed to have the sole voting and dispositive power as to the Issuer's ordinary shares held of record by Eurocom Communications. Mr. Shaul Elovitch may also be deemed to be the beneficial owner of 26,893 ordinary shares held of record by his wife, Mrs. Iris Elovitch. 1,125,000 of the Issuer's ordinary shares are held directly in a joint account of Messrs. Shaul and Yossef Elovitch.

** Based on 19,203,186 Ordinary Shares that the Issuer advised were issued and outstanding (which excludes 5,862,615 Ordinary Shares held as treasury stock) as of January 3, 2018.

3

CUSIP No. M 56595 10 7

NAME OF REPORTING PERSON: Yossef Elovitch

1

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY): Not applicable.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

2(a)

(b)
SEC USE ONLY

3

SOURCE OF FUNDS: WC

4

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or
5 2(e):

CITIZENSHIP OR PLACE OF ORGANIZATION: Israel

6

| | | |
|--|-----------|---|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER: -0- |
| | 8 | SHARED VOTING POWER: 11,633,966 Ordinary Shares* |
| | 9 | SOLE DISPOSITIVE POWER: -0- |
| | 10 | SHARED DISPOSITIVE POWER: 11,633,966 Ordinary Shares* |

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 11,633,966 Ordinary
11 Shares*

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
12

13PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 60.58%**

TYPE OF REPORTING PERSON: IN

14

* Mr. Shaul Elovitch, Mr. Yossef Elovitch, Eurocom Communications and Eurocom Holdings (1979) Ltd. are the beneficial owners of 11,633,966 of the Issuer's ordinary shares. Eurocom Communications Ltd., or Eurocom Communications, holds 10,508,966 of the Issuer's ordinary shares directly. Eurocom Communications is 99.33% owned by Eurocom Holdings (1979) Ltd., or Eurocom Holdings, and 0.67% owned by Mr. Shaul Elovitch. Mr. Shaul Elovitch and Mr. Yossef Elovitch own 80% and 20%, respectively, of Eurocom Holdings (Mr. Shaul Elovitch and Mr. Yossef Elovitch own 75% and 25%, respectively, of Eurocom Holdings' management shares). Accordingly, Mr. Shaul Elovitch may be deemed to have the sole voting and dispositive power as to the Issuer's ordinary shares held of record by Eurocom Communications. Mr. Shaul Elovitch may also be deemed to be the beneficial owner of 26,893 ordinary shares held of record by his wife, Mrs. Iris Elovitch. 1,125,000 of the Issuer's ordinary shares are held directly in a joint account of Messrs. Shaul and Yossef Elovitch.

** Based on 19,203,186 Ordinary Shares that the Issuer advised were issued and outstanding (which excludes 5,862,615 Ordinary Shares held as treasury stock) as of January 3, 2018.

4

Item 1. Security and Issuer.

This Amendment No. 23 (the “Amendment”) is filed by Eurocom Communications, Eurocom Holdings, Mr. Shaul Elovitch and Mr. Yossef Elovitch (collectively, “the “Reporting Persons”) pursuant to Rule 13d-2 of the Securities Exchange Act of 1934 and amends the initial Statement on Schedule 13D filed by the Reporting Persons on June 17, 2005, Amendment No. 1 filed on August 3, 2005, Amendment No. 2 filed on May 17, 2007, Amendment No. 3 filed on February 12, 2009, Amendment No. 4 filed on December 1, 2009, Amendment No. 5 filed on December 21, 2009, Amendment No. 6 filed on January 21, 2010, Amendment No. 7 filed on May 11, 2010, Amendment No. 8 filed on September 7, 2010, Amendment No. 9 filed on November 26, 2010, Amendment No. 10 filed on December 28, 2010, Amendment No. 11 filed on May 23, 2011, Amendment No. 12 filed on June 3, 2011, Amendment No. 13 filed on June 6, 2011, Amendment No. 14 filed on September 8, 2011, Amendment No. 15 filed on September 2, 2014, Amendment No. 16 filed on October 2, 2014, Amendment No. 17 filed on November 28, 2014, Amendment No. 18 filed on December 4, 2015, Amendment No. 19 filed on January 15, 2016, and Amendment No. 20 filed on January 22, 2016, Amendment No. 21 filed on June 3, 2016 and Amendment No. 22 filed on May 26, 2017 (the initial Schedule 13D and together with the Amendments, the “Statement”). The Statement relates to the ordinary shares, nominal par value NIS 0.01 per share (“Ordinary Shares”) of Internet Gold-Golden Lines Ltd. (the “Issuer”), an Israeli company whose principal executive offices are located at 2 Dov Friedman Street, Ramat-Gan, 5250301, Israel.

Item 2. Identity and Background.

ITEM 5 OF THE STATEMENT IS HEREBY AMENDED AND RESTATED TO READ IN ITS ENTIRETY AS FOLLOWS:

The Statement is being filed by the Reporting Persons.

Mr. Shaul Elovitch, a citizen of Israel, serves as the Chairman of the board of directors of Eurocom Communications and Eurocom Holdings, and serves as the Chairman of the board of directors of the Issuer. Mr. Shaul Elovitch’s business address is 2 Dov Friedman Street, Ramat Gan 5250301, Israel. Mr. Shaul Elovitch is the brother of Mr. Yossef Elovitch.

Mr. Yossef Elovitch, a citizen of Israel, serves as director of Eurocom Communications and Eurocom Holdings, and of the Issuer. Mr. Yossef Elovitch’s business address is 2 Dov Friedman Street, Ramat Gan 5250301, Israel. Mr. Yossef Elovitch is the brother of Mr. Shaul Elovitch.

Eurocom Communications is a privately held company incorporated under the laws of the State of Israel. Eurocom Communications is primarily engaged in the telecommunications business. The address of its principal office is 2 Dov Friedman Street, Ramat Gan 5250301, Israel. Eurocom Communications is 99.33% owned by Eurocom Holdings. The remaining 0.67% in Eurocom Communications is directly owned by Mr. Shaul Elovitch.

Eurocom Holdings is a privately held holding company incorporated under the laws of the State of Israel. The address of its principal office is 2 Dov Friedman Street, Ramat Gan 5250301, Israel. Eurocom Holdings is 80% owned by Mr. Shaul Elovitch and 20% owned by Mr. Yossef Elovitch. Mr. Shaul Elovitch and Mr. Yossef Elovitch own 75% and 25%, respectively, of Eurocom Holdings' management shares.

During the last five years, none of the Reporting Persons, or any of the directors and executive officers of the respective corporations listed on Schedule 1 hereto, has been convicted in any criminal proceeding (excluding traffic violations or similar misdemeanors), or has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which proceeding it, he or she was or is subject to a judgment, decree or final order either enjoining future violations of, or prohibiting or mandating activities subject to, United States federal or state securities laws, or finding any violation with respect to such laws.

As previously reported by the Issuer, on June 20, 2017, the Israel Securities Authority announced that it was investigating part of the Reporting Persons (Shaul Elovitch) and other executives of Eurocom and the Bezeq Group with respect to alleged securities violations, which center on Bezeq's 2015 acquisition of the Reporting Persons' stake in D.B.S. Satellite Services (1998).

ISA Investigation: The Company has been reporting the events concerning the investigation by the Israel Securities Authority ("ISA") relating to alleged improprieties surrounding the YES-Bezeq transaction and the transaction between YES and Space Communication Ltd. As reported, the investigation appears to focus on Bezeq's 2015 acquisition of the remaining ownership interest in its satellite TV unit, YES, from its then parent company, Eurocom DBS. Following initial reports concerning the investigation, civil claims with motions to certify the claims as class action lawsuits were filed in Israel against the Company, Bezeq and others. The Company is currently evaluating the claims and its course of action. On November 6, 2017, the Securities Authority issued a press release indicating the conclusion of the Investigation and the transfer of the investigation file to the Tel Aviv District Attorney's Office (Taxation and Economics). The District Attorney's Office is authorized to decide on further action at their discretion.

Item 3. Source and Amount of Funds or Other Consideration.

ITEM 3 OF THE STATEMENT IS HEREBY AMENDED TO ADD THE FOLLOWING:

Since the last reported 13D/A, the Reporting Persons sold an aggregate of 60,099 Ordinary Shares of the Issuer effected in private transactions in Israel. The aggregate sales price for such 60,099 Ordinary Shares was approximately NIS 2,267,453.

Item 4. Purpose of Transaction.

ITEM 4 OF THE STATEMENT IS HEREBY AMENDED TO ADD THE FOLLOWING:

The 60,099 Ordinary Shares sold by Eurocom Communications since the last reported 13D/A were sold in order to provide funds to be used for general corporate purposes. The Reporting Persons currently do not have any plan or proposal which relates to, or would result in:

- (i) The acquisition by any person of additional securities of the Issuer, or the disposition of securities of the Issuer other than purchases in the normal course of business;
- (ii) An extraordinary corporate transaction, such as a merger, reorganization, or liquidation, involving the Issuer or any of its subsidiaries;
- (iii) A sale or transfer of a material amount of the assets of the Issuer or any of its subsidiaries;
- (iv) Any change in the present board of directors or management of the Issuer, including any plan or proposal to change the number or term of directors or to fill any existing vacancies on the board;
- (v) Any material change in the present capitalization or dividend policy of the Issuer;
- (vi) Any other material change in the Issuer's business or corporate structure;
- (vii) Changes in the Issuer's charter or by-laws or other actions which may impede the acquisition of control of the Issuer by any person;
- (viii) A class of securities of the Issuer being delisted from a national securities exchange or ceasing to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;

(ix) A class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934; or

(x) Any action similar to any of those enumerated above.

Item 5. Interest in Securities of the Issuer.

ITEM 5 OF THE STATEMENT IS HEREBY AMENDED AND RESTATED TO READ IN ITS ENTIRETY AS FOLLOWS:

(a) and (b)

The Reporting Persons are the beneficial owners of 11,633,966 of the Issuer's ordinary shares. Eurocom Communications holds 10,508,966 of the Issuer's ordinary shares directly. Eurocom Communications is 99.33% owned by Eurocom Holdings and 0.67% owned by Mr. Shaul Elovitch. Mr. Shaul Elovitch and Mr. Yossef Elovitch own 80% and 20%, respectively, of Eurocom Holdings (Mr. Shaul Elovitch and Mr. Yossef Elovitch own 75% and 25%, respectively, of Eurocom Holdings' management shares). Accordingly, Mr. Shaul Elovitch may be deemed to have the sole voting and dispositive power as to the Issuer's ordinary shares held of record by Eurocom Communications. Mr. Shaul Elovitch may also be deemed to be the beneficial owner of 26,893 ordinary shares held of record by his wife, Mrs. Iris Elovitch. 1,125,000 of the Issuer's ordinary shares are held directly in a joint account of Messrs. Shaul and Yossef Elovitch.

(c) The following table sets forth all of the transactions in the Ordinary Shares of the Issuer effected by the Reporting Persons since the last reported 13D/A. All such Ordinary Shares were sold by Eurocom Communications Ltd. in private transactions.

| Date of Sale | Number of Ordinary Shares Sold | Price Per Share (NIS) |
|--------------|--------------------------------|-----------------------|
| 28/05/2017 | 1,904 | 39.8 |
| 07/06/2017 | 23,327 | 39.4 |
| 13/06/2017 | 12,000 | 38.4 |
| 14/06/2017 | 12,000 | 38.6 |
| 16/06/2017 | 10,000 | 39.1 |

19/06/2017 868 40.7

Except for such transactions, the Reporting Persons have not effected any transactions in the Ordinary Shares of the Issuer since the last reported 13D/A.

(d) No person other than the Reporting Persons has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares reported above in this Item 5, other than with respect to the Ordinary Shares held of record by Mrs. Iris Elovitch and the other family members mentioned above.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

On November 24, Eurocom Communications reported that it had received a written request from its banks, to repay a substantial amount of its debt within a specified period of time and that it was in intensive negotiations with the creditors in order to reach an agreement within a short period of time.

On December 20, 2017, the Company reported that the banks of Eurocom filed a motion with the court in Israel to appoint observers (acting with a specific role, or “*baalei tafkid*” in Hebrew) to oversee the operation of Eurocom, the Issuer’s parent, which shares are pledged to the banks

on December 25, 2017, The Court ordered as follows:

1. The Court ordered the appointment of three observers in Eurocom only (the “Observers”), effective as of December 27, 2017.
2. The Court expressly stated that the appointment does not negate the powers of Eurocom’s Board of Directors, committees and office holders. the appointment does not relate to the Company or its business.

The Observers are authorized to receive from Eurocom all information of any kind whatsoever of Eurocom, including financial statements, accounts and data relating to its operations, assets and rights in the subsidiaries. The Observers are also authorized to consider the implementation of urgent actions and to recommend them to the competent bodies in Eurocom. The Observers are authorized to oversee Eurocom’s actions, participate in meetings of the Board of Directors of Eurocom and of the Board of Directors committees of Eurocom, management meetings and so forth. The Observers may be assisted by professionals in carrying out their duties, subject to the approval of the Court.

About 35% of Internet Gold outstanding shared (held by Eurocom Communications) are pledged to Eurocom Communications main creditors/Banks in Israel.

Item 7. Material to be filed as Exhibits.

None.

SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, we certify that the information set forth in this statement is true, complete and correct.

Date: January 3, 2018

/s/ Shaul Elovitch
Mr. Shaul Elovitch

/s/ Yossef Elovitch
Mr. Yossef Elovitch

Eurocom Communications Ltd

/s/ Shaul Elovitch
Name: Shaul Elovitch
Title: Chairman

Eurocom Holdings (1979) Ltd.

/s/ Shaul Elovitch
Name: Shaul Elovitch
Title: Chairman

Schedule 1

List of Officers and Directors

Eurocom Communications Ltd.

| Name | Position |
|-----------------|------------------------------------|
| Shaul Elovitch | Chairman of the Board of Directors |
| Yossef Elovitch | Director |
| Or Elovitch | CEO |
| Felix Cohen | Chief Financial Officer |
| Ami Barlev | VP and General Counsel |

Eurocom Holdings (1979) Ltd.

| Name | Position |
|-----------------|------------------------------------|
| Shaul Elovitch | Chairman of the Board of Directors |
| Yossef Elovitch | Director |

10

p;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. In consideration for the issuance of 150,000 shares of the Company's common stock, we have the right to buy AQUAVENT's 50% share in the project for 750,000 Euros payable in cash and/or shares at the Company's discretion. In the event a BIMSCH permit cannot be obtained for the project within 18 months AQUAVENT shall deliver a similar project, or at the Company's sole discretion, the Company may request reimbursement of any installments paid to AQUAVENT or cancel any share certificates previously issued.

On September 17, 2010 the Company entered into a joint venture agreement with 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.

On September 21, 2010 the Company signed an option agreement with 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 our restricted common stock, the Company obtained a 90 day option to buy EFI's 50% share in the project for 750,000 Euros payable in cash and/or shares at the Company's discretion. 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).

15

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 new management team.

Except for W. Campbell Birge, we have replaced former management and installed a new Board of Directors. We will be substantially dependent upon Dr. Ingo Stuckmann, our new 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. However, neither has experience in running a public company. 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.

16

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.

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.

17

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.

Wind parks can be built only in regions with suitable wind conditions. In addition, certain constraints must be taken into account in connection with the development of each wind park. These include topographic constraints, landowners willingness to grant access to their land, connection capacities of the local transmission network and regulatory constraints associated with the proximity to housing, airports or protected sites.

If we cannot locate sufficient available sites on which to develop wind parks, it could have a material adverse effect on our business, results of operations, financial condition, or on our ability to implement our business strategy.

We will face competitive pressures from a variety of competitors.

We are a small company, and we will be operating in a highly competitive market, and this competition may accelerate in the future. In both Canada and the United States, large utility companies dominate the energy production industry and coal continues to dominate as the primary resource for electricity production followed by other traditional resources such as nuclear, oil and natural gas. We expect that primary competition for the wind power industry will continue to come from utility company producers of electricity generated from coal and other non-renewable energy sources. Within the wind power market itself, there is also a high degree of competition, with growth opportunities in all sectors of the industry regularly attracting new entrants.

There are a limited number of sites desirable for wind parks and a limited supply of wind turbines and other related equipment necessary to operate wind park facilities. Our competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements. They may also be able to devote greater resources to the development, promotion and sale of wind parks than we can. Current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties that enhance their ability to address the needs of our prospective customers. It is possible that new competitors or alliances among competitors may emerge and rapidly gain significant market share. This would in turn reduce our ability to develop wind parks.

Access to, availability and cost of transmission networks are critical to development of wind parks; failure to obtain sufficient network connections for future wind parks would adversely affect our operations and financial performance.

Wind park operators will be dependent on electric transmission facilities owned and operated by third parties to deliver the electricity. To the extent that these facilities are not readily available, the value of our wind parks will be adversely affected. The capacity of the local transmission network may be limited or constrained, and the owner of the network may not allow wind park operators to interconnect without first constructing the system upgrades that the owner requires. For this reason, we may be required to pay some or all of the costs of upgrading the existing transmission facilities to support the additional electricity that a wind park will be delivering into the network. The location of a wind park in a particular area therefore depends significantly on whether it is possible to interconnect with the transmission network at a reasonable cost. Many wind parks are located in remote areas with limited transmission networks where intense competition exists for access to, and use of capacity on, the existing transmission facilities. We cannot assure you that we will obtain sufficient network connections for future wind parks within planned timetables and budgetary constraints.

Wind parks are required to meet certain technical specifications in order to be connected to the transmission network. If any wind park does not meet, or ceases to comply with, these specifications, we will not be able to connect, to or remain connected, to the transmission network. We may also incur liabilities and penalties, including disconnection from the network, if the transmission of electricity by one or more of wind parks does not comply with applicable technical requirements. In the agreements with respect to connecting to the existing electricity transmission network between wind parks and the applicable transmission owner or operator, the transmission owner or operator retains the right to interrupt or curtail our transmission deliveries as required in order to maintain the reliability of the transmission network. We cannot assure you that our wind parks will not be adversely impacted by any such interruption or curtailment.

Public opposition toward wind parks may make it more difficult to obtain the necessary permits and authorizations required to develop or maintain a wind park.

Public attitude towards aesthetic and environmental impacts of wind energy projects impacts the ability to develop our wind parks. In many localities, the environmental impact review process ensures a role for concerned members of the public that can lead to changes in design or layout, extensive impact mitigation requirements, or even the rejection of a project. In such areas, local acceptance is critical to the ability to obtain and maintain necessary permits and approvals. We cannot assure you that any wind park projects under development will be accepted by the affected population. Public opposition can also lead to legal challenges that may result in the invalidation of a permit or, in certain cases, the dismantling of an existing wind park as well as increased cost and delays. Reduced acceptance of wind parks by local populations, an increase in the number of legal challenges or an unfavorable trend in the outcome of these challenges could prevent us from achieving our plans, which, in turn, could have a material adverse effect on our business, results of operations and financial condition.

19

We will need additional capital to fund our operations and if we are not able to obtain sufficient capital, we may be forced to limit the scope of our operations.

We do not have sufficient capital to fund our future operations. Market conditions and other factors may not permit future financings. Our ability to arrange financing is dependent on numerous factors including general economic and market conditions, credit availability from lenders, investor confidence and the existence of regulatory and tax incentives that are conducive to raising capital. If we cannot obtain additional funding, we may be required to limit our investments in development activities, limit our marketing efforts and decrease or eliminate capital expenditures. Such reductions could materially adversely affect our business and our ability to compete.

Even if we do find a source of additional capital, we may not be able to negotiate terms and conditions for receiving the additional capital that are acceptable to us. Any future capital investments could dilute or otherwise materially and adversely affect the holdings or rights of our existing stockholders. In addition, new equity or convertible debt securities issued by us to obtain financing could have rights, preferences and privileges senior to our common stock. We cannot give you any assurance that additional financing will be available to us or, if available, will be on terms favorable to us.

There is an absence of historical price data that you can use to evaluate the likely success of our business model.

There is an absence of historical price data that you can use to assess the likelihood that we will be able to recoup the costs of developing the wind parks. In addition, factors beyond our control may impact our operations including:

- a decrease in prices of other sources of electricity, which would make electricity prices from those other sources more competitive with our wind-powered electricity generating stations,
- additional supplies of electric energy becoming available from our current competitors or new market entrants, including the development of new generation facilities that may be able to produce energy less expensively than our wind-powered electricity generating stations,
- additional supplies of energy or energy-related services becoming available if there is an increase in physical transmission capacity into the power pool,
- the extended operation of nuclear generating plants located in adjacent markets or the resumption of generation by nuclear facilities that are currently out of service,
- weather conditions prevailing in the province of Ontario where the wind power will be generated initially,
- the possibility of a reduction in the projected rate of growth in electricity usage as a result of factors such as regional economic conditions and the implementation of conservation programs, and
- our ability to negotiate successfully and enter into advantageous contracts for sales of our electric energy.

We need to manage growth in operations to maximize our potential growth. Our failure to manage growth will cause a disruption of our operations resulting in the failure to generate revenue.

In order to maximize potential growth in the wind power markets, we must focus on the growth of our joint venture. We must be able to expand our development activities to locate sites to generate wind power, as well as explore outlets for the sale of electricity generated. This expansion will place a significant strain on our management team and our operational, accounting and information systems. We expect that we will need to continue to improve our financial controls, operating procedures and management information systems. We will also need to effectively hire, train, motivate and manage our employees. Our failure to properly manage our growth could disrupt our operations and ultimately prevent us from generating the revenues we expect.

We have no patent protection on our products.

We have no patents on our products relating to the generation of wind energy. There is no assurance that our products will not infringe upon patents or technologies owned by others. We do not consider a grant of patents essential to the success of our business.

20

The transmission networks to which wind parks connect may fail or experience downtime, which will cause us to lose revenue.

Transmission networks may experience congestion, outages or technical incidents, and operators of these networks may fail to meet their contractual transmission obligations or terminate the contracts involved. Moreover, if the interconnection or transmission agreement of a wind park is terminated for any reason, we may not be able to replace it with an interconnection and transmission arrangement on terms as favorable as the existing arrangement or at all, or we may experience significant delays or costs in connection with securing a replacement.

If a network to which one or more of wind parks is connected experiences down time, the affected wind park may lose revenue and be exposed to non-performance penalties and claims from its customers. These may include claims for damages incurred by customers, such as the additional cost of acquiring alternative electricity supply at then-current spot market rates. The owners of the network will not usually compensate electricity generators, including wind parks, for lost income due to down time.

Our operating results may be adversely affected by the uncertain geopolitical environment and unfavorable factors affecting economic and market conditions.

Adverse factors affecting economic conditions worldwide have contributed to a general inconsistency in the power industry and may continue to adversely impact our business, resulting in:

- reduced demand for electricity as a result of a decrease in spending by customers and potential customers
- increased price competition for electricity, and

- higher overhead costs as a percentage of revenues.

Terrorist and military actions may continue to put pressure on economic conditions. If such an attack should occur or if the economic and market conditions could deteriorate as a result of a terrorist attack, we may experience a material adverse impact on our business, operating results, and financial condition as a consequence of the above factors or otherwise.

It is unlikely that we will be able to sustain profitability in the future.

We have incurred significant losses to date and there can be no assurance that we will be able to reverse this trend. Even if we are able to successfully launch our new business, there can be no assurance that we will be able to generate revenues to operate profitably.

We will need to raise additional capital to build our wind parks.

Developing a wind park for commercial exploitation will require additional capital. There is no commitment in place to secure this additional financing. Any equity financing may be dilutive to shareholders, and debt financing, if available, would increase expenses and may involve restrictive covenants. The Company will be required to raise additional capital, at times and in amounts, which are uncertain, especially under the current capital market conditions. Under these circumstances, if the Company is unable to acquire additional capital or is required to raise it on terms that are less satisfactory than desired, it may have a material adverse effect on its financial condition and you will lose your investment.

Our agreements with affiliated entities present conflicts of interests

We have entered into agreements with affiliated entities in which our officers or directors have a direct or indirect financial interest. We have issued significant sums of cash and issued our common stock to these affiliated entities. We believe that the terms and conditions of these agreements are no less favorable to the Company than what would be negotiated in an arm's length transaction. Our officers and directors owe the Company a fiduciary responsibility. If it is determined that our officers and directors breached their fiduciary obligation, these officers may be required to resign in which case, our operations will be significantly impaired. We may also face shareholder derivative actions in connection with these activities.

Conflicts of interests may develop between our officers, directors and affiliates

Companies that our directors are affiliated with may identify new wind park projects or choose to otherwise develop wind parks outside of the joint venture or option agreement. We have not implemented any corporate policy with respect to handling potential conflicts of interest. However, Dr. Stuckmann has indicated that before a company he has affiliation with undertakes a new project, that the new project will be brought to Wind Works and the Wind Works Board will then vote on whether to pursue the project under the same terms and conditions as offered to the affiliated company.

RISKS RELATED TO OUR COMMON STOCK

Our stock price may be volatile.

The market price of our common stock has historically been volatile. We believe investors should expect continued volatility in our stock price as a result of various factors, including:

1. Low daily trading volume,
2. Generally large spreads between quoted bid and offer prices,
3. Uncertainty of the company's future,
4. Sales of substantial amounts of our common stock by existing stockholders, including short sales,
5. Company disclosures regarding the results of various stages of our exploration operations.

Such volatility may make it difficult or impossible for you to obtain a favorable selling price for our shares.

Although publicly traded, our common stock has substantially less liquidity than the average trading market for a stock quoted on other national exchanges, and our price may fluctuate dramatically in the future.

Although the Company's common stock is listed for trading on the Over-the-Counter Electronic Bulletin Board, the trading market in the common stock has substantially less liquidity than the average trading market for companies quoted on other national stock exchanges and our price may fluctuate dramatically. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of our common stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which we have no control. Due to limited trading volume, the market price of the Company's common stock may fluctuate significantly in the future, and these fluctuations may be unrelated to the Company's performance. General market price declines or overall market volatility in the future could adversely affect the price of the Company's common stock, and the current market price may not be indicative of future market prices.

We may issue additional common shares in the future which would dilute the outstanding shares.

The prices at which we sell these securities and other terms and provisions will depend on prevailing market conditions and other factors in effect at that time, all of which are beyond our control.

We have not voluntarily implemented various corporate governance measures, in the absence of which, shareholders may have more limited protections against interested director transactions, conflicts of interest and similar matters.

Recent federal legislation, including the Sarbanes-Oxley Act of 2002, has resulted in the adoption of various corporate governance measures designed to promote the integrity of the corporate management and the securities markets. Some of these measures have been adopted in response to legal requirements. Others have been adopted by companies in response to the requirements of national securities exchanges, such as the NYSE or The NASDAQ Stock Market, on which their securities are listed. Among the corporate governance measures that are required under the rules of national securities exchanges and NASDAQ are those that address board of directors' independence, audit committee oversight, and the adoption of a code of ethics. While our board of directors has adopted a Code of Ethics and Business Conduct, we have not yet adopted any of these corporate governance measures. It is possible that if we were to adopt some or all of these corporate governance measures, shareholders would benefit from somewhat greater assurances that internal corporate decisions were being made by disinterested directors and that policies had been

implemented to define responsible conduct. For example, in the absence of audit, nominating and compensation committees comprised of at least a majority of independent directors, decisions concerning matters such as compensation packages to our senior officers and recommendations for director nominees may be made by a majority of directors who have an interest in the outcome of the matters being decided. Prospective investors should bear in mind our current lack of corporate governance measures in formulating their investment decisions.

We may be exposed to potential risks relating to our internal controls over financial reporting and our ability to have those controls attested to by our independent auditors.

As directed by Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX 404"), the Securities and Exchange Commission adopted rules requiring public companies to include a report of management on the company's internal controls over financial reporting in their annual reports, including Form 10-K. In addition, the independent registered public accounting firm auditing a company's financial statements must also attest to and report on management's assessment of the effectiveness of the company's internal controls over financial reporting as well as the operating effectiveness of the company's internal controls..

We expect to expend significant resources in developing the necessary documentation and testing procedures required by SOX 404, there is a risk that we will not comply with all of the requirements imposed thereby. At present, there is no precedent available with which to measure compliance adequacy. Accordingly, there can be no positive assurance that we will receive a positive attestation from our independent auditors. In the event we identify significant deficiencies or material weaknesses in our internal controls that we cannot remediate in a timely manner or we are unable to receive a positive attestation from our independent auditors with respect to our internal controls, investors and others may lose confidence in the reliability of our financial statements and our ability to obtain equity or debt financing could suffer.

"Penny stock" rules may make buying or selling the common stock difficult and severely limit their market and liquidity.

Trading in our common stock is subject to certain regulations adopted by the SEC commonly known as the "Penny Stock Rules". The Company's common stock qualifies as penny stock and is covered by Section 15(g) of the Securities and Exchange Act of 1934, as amended (the "1934 Act"), which imposes additional sales practice requirements on broker/dealers who sell the Company's common stock in the market. The "Penny Stock" rules govern how broker/dealers can deal with their clients and "penny stock". For sales of the Company's common stock, the broker/dealer must make a special suitability determination and receive from clients a written agreement prior to making a sale. The additional burdens imposed upon broker/dealers by the "penny stock" rules may discourage broker/dealers from effecting transactions in the Company's common stock, which could severely limit its market price and liquidity. This could prevent investors from reselling our common stock and may cause the price of our common stock to decline.

The Company does not expect to pay dividends in the foreseeable future.

The Company has never paid cash dividends on its common stock and has no plans to do so in the foreseeable future. The Company intends to retain earnings, if any, to develop and expand its business.

A sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

If our stockholders sell substantial amounts of our common stock in the public market, the market price of our common stock could fall. These sales also may make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate.

Item 1b

Unresolved Staff Comments

None.

Item 2.

Description of Properties.

Our corporate headquarters are located at 346 Waverley Street, Ottawa, Ontario, Canada K2P 0W5. We lease approximately 750 square feet. Our monthly rent is \$700. A director of the company is also a director of the corporation which owns the leased premises. The office facilities meet our current needs and our current monthly rent is equivalent to the monthly rent we would be required to pay for similar office space.

23

Item 3.

Legal Proceedings

None.

Item 4.

Submission of Matters to a Vote of the Security Holders.

None.

PART II

Item 5.

Market for Common Equity and Related Stockholder Matters.

A. Market Information

Our common stock trades on the NASDAQ Over-the-Counter-Bulletin Board under the symbol ("WWPW"). There is a very limited market for our common stock, with very limited trading activities. Until July 6, 2006, there was no posted bid or ask price for our common stock. The reported bid quotations reflect inter-dealer prices without retail markup, markdown or commissions, and may not necessarily represent actual transactions.

The high and low bid price for those periods in which quotes are available is set forth below:

2010

HIGH*

LOW*

First Quarter

\$0.90

\$0.22

Second Quarter

\$1.23

\$0.56

Third Quarter

\$0.65

\$0.39

Fourth Quarter

\$0.72

\$0.42

2009

First Quarter

\$0.70

\$0.30

Second Quarter

\$0.40

\$0.10

Third Quarter

\$0.40

\$0.10

Fourth Quarter

\$0.49

\$0.20

The price of the common stock has been adjusted to reflect a 10:1 reverse split of our common stock in June 2009.

B. Holders

As of September 15, 2010 there were 272 shareholders of record of our Common Stock.

Our transfer agent is Corporate Stock Transfer . Their mailing address is 3200 Cherry Creek Drive South, Suite 430, Denver, Colorado 80209 and their telephone number is 303-282-4800.

C. Dividends

Holders of our common stock are entitled to receive such dividends as our board of directors may declare from time to time from any surplus that we may have. We have not paid dividends on our common stock since the date of our incorporation and we do not anticipate paying any common stock dividends in the foreseeable future. We anticipate that any earnings will be retained for development and expansion of our businesses and we do not anticipate paying any cash dividends in the foreseeable future. Future dividend policy will depend upon our earnings, financial condition, contractual restrictions and other factors considered relevant by our Board of Directors and will be subject to limitations imposed under Nevada law.

D. Equity Compensation Plans

2007/08 Stock INCENTIVE AND COMPENSATION PLAN

24

We have approved the 2007/08 Stock Incentive and Compensation Plan n (the Plan). The purpose of the Plan is to enhance the profitability and value of the Company for the benefit of its stockholders by enabling the Company to attract, retain and reward directors, employees and consultants (collectively, Participants) and strengthen the mutuality of interests between such persons and the Company s stockholders.

AWARDS

Pursuant to the Plan, the Company may issue non-qualified stock options (*Non-Qualified Stock Options*), incentive stock options (*Incentive Stock Options*), together with Non-Qualified Stock Options referred to herein as *Stock Options*), stock appreciation rights (*Stock Appreciation Rights*), restricted stock (*Restricted Stock*) and registered stock (*Registered Stock*), (collectively, the *Awards*) to eligible Participants.

All employees of and consultants to the Company and its affiliates are eligible to be granted Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock and Registered Stock. All employees and directors of the Company and its affiliates are eligible to be granted Incentive Stock Options.

The aggregate number of shares of Common Stock which may be issued under the Plan with respect to which Awards may be granted shall not exceed 6,000,000 shares of Common Stock . The number of shares of our common stock authorized under the Plan was not required to be adjusted as a result of our 10:1 Reverse Stock Split. We have issued a total of 3,100,000 shares of our common stock under the Plan to our officers, directors and consultants. As of the date hereof, no Stock Appreciation Rights, Restricted Stock or Registered Stock have been issued under the Plan.

If any Stock Option or Stock Appreciation Right granted under the Plan expires, terminates or is cancelled for any reason without having been exercised in full or, with respect to Stock Options, the Company repurchases any Stock Option, the number of shares of Common Stock underlying the repurchased Stock Option, and/or the number of shares of Common Stock underlying any unexercised Stock Appreciation Right or Stock Option shall again be available for the purposes of Awards under the Plan.

ADMINISTRATION

The Plan is administered and interpreted by a Committee (*Committee*) appointed by the Board of Directors, or if no Committee, by the Board of Directors. The Company expects the Plan will be administered by the newly formed Compensation Committee. The Committee has full authority, among other things, to: (a) select the eligible employees and consultants to whom Stock Options, Stock Appreciation Rights, Restricted Stock or Registered Stock may from time to time be granted; (b) determine, in accordance with the terms of the Plan, the number of shares of Common Stock to be covered by each Award to an eligible employee or consultant granted; and (c) determine the terms and conditions of any Award granted hereunder, including, but not limited to, the exercise or purchase price (if any), any restriction or limitation, any vesting schedule or acceleration thereof, or any forfeiture restrictions or waiver thereof, regarding any Stock Option or other Award, and the Common Stock relating thereto, based on such factors, if any, as the Committee shall determine, in its sole discretion.

STOCK OPTIONS

The option price per Common Stock purchasable under an Incentive Stock Option shall not be less than 100% of the fair market value of the Common Stock at the time of grant. For the purposes of the Plan, the *fair market value* means: (i) if the Common Stock is listed on a national securities exchange or quoted on the Nasdaq National Market or Nasdaq SmallCap Market, the last sale price of the Common Stock in the principal trading market for the Common Stock on such date; (ii) if the Common Stock is not listed on a national securities exchange or quoted on the Nasdaq National Market or Nasdaq SmallCap Market, but is traded in the over-the-counter market, the closing bid price for the Common Stock on such date, as reported by the OTC Bulletin Board or the National Quotation Bureau, Incorporated or similar publisher of such quotations; and (iii) if the fair market value of the Common Stock cannot be otherwise determined, such price as the Committee shall determine, in good faith, based on reasonable methods set forth under Section 422 of the Code.

The purchase price of shares of Common Stock subject to a Non-Qualified Stock Option shall be determined by the Committee.

The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten (10) years after the date the Stock Option is granted.

25

STOCK AWARDS

Shares of Restricted Stock or Registered Stock may be issued to eligible employees or consultants either alone or in addition to other Awards granted under the Plan. The Committee shall determine the eligible persons to whom, and the time or times at which, grants of Restricted Stock or Registered Stock will be made, the number of shares to be awarded, the price (if any) to be paid by the recipient, the time or times within which such Awards may be subject to forfeiture, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the Awards.

The purchase price of Restricted Stock shall be fixed by the Committee. The purchase price for shares of Restricted Stock may be zero to the extent permitted by applicable law. The Participant shall not be permitted to transfer shares of Restricted Stock awarded under the Plan during a period set by the Committee.

TANDEM STOCK APPRECIATION RIGHTS

Stock Appreciation Rights may be granted in conjunction with all or part of any Stock Option (a Reference Stock Option) granted under the Plan (Tandem Stock Appreciation Rights). In the case of a Non-Qualified Stock Option, such rights may be granted either at or after the time of the grant of such Reference Stock Option. In the case of an Incentive Stock Option, such rights may be granted only at the time of the grant of such Reference Stock Option.

A Tandem Stock Appreciation Right or applicable portion thereof granted with respect to a Reference Stock Option shall terminate and no longer be exercisable upon the termination or exercise of the Reference Stock Option, except that, unless otherwise determined by the Committee, in its sole discretion, at the time of grant, a Tandem Stock Appreciation Right granted with respect to less than the full number of shares covered by the Reference Stock Option shall not be reduced until and then only to the extent the exercise or termination of the Reference Stock Option causes the number of shares covered by the Tandem Stock Appreciation Right to exceed the number of shares remaining available and unexercised under the Reference Stock Option.

Upon the exercise of a Tandem Stock Appreciation Right, a Participant shall be entitled to receive up to, but no more than, an amount in cash and/or Common Stock equal in value to the excess of the fair market value of one share of Common Stock over the option price per share specified in the Reference Stock Option multiplied by the number of shares in respect of which the Tandem Stock Appreciation Right shall have been exercised, with the Committee having the right to determine the form of payment.

NON-TANDEM STOCK APPRECIATION RIGHTS

Stock Appreciation Rights may also be granted without reference to any Stock Options granted under the Plan (Non-Tandem Stock Appreciation Rights). The term of each Non-Tandem Stock Appreciation Right shall be fixed by the Committee, but shall not be greater than ten (10) years after the date the right is granted.

Non-Tandem Stock Appreciation Rights shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee at grant. Subject to such terms and conditions, Non-Tandem Stock Appreciation Rights may be exercised in whole or in part at any time during the option term, by giving written notice of exercise to the Company specifying the number of Non-Tandem Stock Appreciation Rights to be exercised.

Upon the exercise of a Non-Tandem Stock Appreciation Right, a Participant shall be entitled to receive, for each right exercised, up to, but no more than, an amount in cash and/or Common Stock equal in value to the excess of the fair market value of one share of Common Stock on the date the right is exercised over the fair market value of one (1) share of Common Stock on the date the right was awarded to the Participant.

TRANSFER OF AWARDS

No Stock Option or Stock Appreciation Right granted shall be transferable by the Participant otherwise than by will or by the laws of descent and distribution. All Stock Options and all Stock Appreciation Rights granted to Participants shall be exercisable, during the Participant's lifetime, only by the Participant. Tandem Stock Appreciation Rights shall be transferable, to the extent permitted, only with the underlying Stock Option. Shares of Restricted Stock may not be transferred prior to the date on which shares are issued, or, if later, the date on which any applicable restriction period lapses.

26

TERMINATION OF EMPLOYMENT

Generally, unless otherwise determined by the Committee at grant, if a Participant is terminated for cause, any Stock Option held by such Participant shall thereupon terminate and expire as of the date of termination. Unless otherwise determined by the Committee at grant, any Stock Option held by a Participant:

(i)

on death or termination of employment or consultancy by reason of disability or retirement may be exercised, to the extent exercisable at the Participant's death or termination, by the legal representative of the estate or Participant as the case may be, at any time within a period of one (1) year from the date of such death or termination;

(ii)

on termination of employment or consultancy by involuntary termination without cause or for good reason may be exercised, by the Participant at any time within a period of ninety (90) days from the date of such termination; or

(iii)

on termination of employment or consultancy by voluntary termination but without good reason and occurs prior to, or more than ninety (90) days after, the occurrence of an event which would be grounds for termination by the Company for cause, any Stock Option held by such Participant may be exercised, to the extent exercisable at termination, by the Participant at any time within a period of thirty (30) days from the date of such termination,

but in no event beyond the expiration of the stated term of such Stock Option.

AMENDMENTS TO THE PLAN

The Board may at any time amend, in whole or in part, any or all of the provisions of the Plan, or suspend or terminate the Plan entirely. Provided, however, that, unless otherwise required by law or specifically provided in the Plan, the rights of a Participant with respect to Awards granted prior to such amendment, suspension or termination, may not be impaired without the consent of such Participant and, provided further, without the approval of the stockholders of the Company, if and to the extent required by the applicable provisions of Rule 16b-3 of the 1934 Act or, if and to the extent required, under the applicable provisions of the Code, no amendment may be made which would, among other things: increase the aggregate number of shares of Common Stock that may be issued under the Plan; change the classification of Participants eligible to receive Awards under the Plan; decrease the minimum option price of any Stock Option; extend the maximum option period; change any rights under the Plan with regard to non-employee directors; or require stockholder approval in order for the Plan to continue to comply with the applicable provisions.

E. Sale of Unregistered Securities

We have issued shares of our common stock for services rendered, capital formation, corporate acquisitions and in connection with the acquisition of wind farms. We relied on the exemptive provisions of Section 4(2) of the Securities Act. We have also offered shares pursuant to the exemptive provisions of Regulation S.

27

During the quarter ended September 30, 2009 we issued a total of 8,086,727 unregistered shares of our common stock at an offering price of \$0.10 per share.

During the quarter ended December 31, 2009, we issued a total of 10,100,001 shares of our common stock. The shares were valued at \$0.89 per share and were issued in connection with various corporate acquisitions, joint ventures and for services rendered.

The Company also issued \$992,000 of convertible debt. The convertible debt provides for interest at 10% per annum until its maturity date on November 30, 2010. The debt can be converted into shares of our common stock at \$.70 per share. We also issued one million warrants with an exercise price of \$1.00 per share expiring November 30, 2011.

During the quarter ended March 31, 2010, we issued a total of 185,700 shares of our common stock for consulting or services rendered. The shares were valued between \$0.53 and \$0.61 per share.

During the quarter ended June 30, 2010 we issued a total of 4,394,000 shares of our common stock. The shares were issued in connection with joint venture agreements, pursuant to share purchase agreements and for services rendered.

With respect to the sale of all unregistered securities:

- the sale was made to a sophisticated or accredited investor, as defined in Rule 502;

- 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 in the manner contained in Rule 502(d)2; and

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

Item 6.

Selected Financial Data

As a smaller reporting company we are not required to present the information required by this item.

Item 7.

Management's Discussion and Analysis of Financial Condition and Results of Operations.

FORWARD LOOKING STATEMENTS

The statements contained in this report that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are made based upon management's current expectations and beliefs concerning future developments and their potential effects upon the Company. There can be no assurance that future developments affecting the Company will be those anticipated by management. Actual results may differ materially from those included in the forward-looking statements.

Readers are also directed to other risks and uncertainties discussed in other documents filed by the Company with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise.

The following discussion and analysis should be read in conjunction with our audited financial statements for the fiscal year ended June 30, 2010.

28

Introduction

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. The Company 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.

Our primary focus has been the acquisition of wind parks in Canada. We have however acquired projects in both the United States and Europe. We financed these acquisitions with cash, shares of our common stock or both.

We began our new business operations with the acquisition of Zero Emission People, LLC. (Zero Emission). The acquisition 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 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.

Results Of Operations For Fiscal Year Ended June 30, 2010 as compared to June 30, 2009

REVENUES

TO DATE, WE HAVE HAD NOT GENERATED ANY REVENUES. OUR CASH HOLDINGS WERE GENERATED FROM THE SALE OF OUR SECURITIES. ALL FUNDS GENERATED FROM THE SALE OF OUR SECURITIES ARE USED FOR GENERAL WORKING CAPITAL PURPOSES INCLUDING BUT NOT LIMITED TO FEES ASSOCIATED WITH POWER CONTRACT SUBMISSIONS AND ACQUISITIONS.

For the year ended June 30, 2010, we incurred operating expenses totaling \$2,477,370 as compared to operating expenses totaling \$53,184 for the year ended June 30, 2009. Cumulative operating expenses since May 2, 2008 (Inception) totaled \$2,531,704. Our single largest expense items are attributable to our outstanding convertible debt. We recognized \$591,043 of accretion expense and \$564,130 loss of extinguishment of debt. (See footnote 8). Our largest operating expense is attributable to wind project acquisition development costs totaling \$555,420 in 2010 and \$46,000 in 2009. With the launch of our new business professional fees incurred with respect to corporate acquisitions, financing and regulatory compliance totaled \$127,525 in 2010 as compared to \$6,738 for the fiscal year

ended June 30, 2010. In order to preserve working capital, we incurred \$374,348 in stock based compensation. Our net loss for the year ended June 30, 2010 totaled \$(2,477,370) as compared to a net loss in 2009 of \$(53,184). Total losses since inception were \$2,531,704. Basic and diluted loss per share in 2010 totaled \$(0.17) as compared to a loss per share of \$(0.01) in 2009.

LIQUIDITY AND CAPITAL RESOURCES

Assets and Liabilities

At June 30, 2010 we had cash totaling \$39,263, prepaid expenses totaling \$625,961 and VAT receivables totaling \$57,545. . We have current assets totaling \$727,117. Our long term assets total \$3,945,484 consisting primarily of the value of our wind farm acquisitions and optioned properties totaling \$3,900,735. (See footnote 12.) We have \$2,576,433 in accounts payable and accrued liabilities, and \$485,216 in convertible debentures and short term notes. Our current liabilities total \$3,061,649. We have a working capital deficit of \$(2,334,532) and an accumulated deficit of \$(2,531,704).

At June 30, 2009 we had nominal assets. Total current asset were \$13,850 and long term assets totaled \$49,554 consisting of primarily of \$49,554 in capitalized lease costs. Our liabilities totaled \$7,738 and we had a working capital surplus of \$(6,112). We had an accumulated deficit totaling \$(54,334).

The significant increase in our assets and liabilities is attributable to our corporate acquisitions and the acquisition of various wind parks.

We will require a significant cash infusion, of which there is no assurance, either through the sale of debt or equity financing in order for us to continue our operations. We may also sell one or several of our wind parks which will provide us with a cash infusion for us to continue our operations. We are currently in negotiations for the sale of a wind park. However, there can be no assurance that this transaction will close.

29

Plan of Operation For Fiscal Year 2011

We intend to develop the wind parks that we have acquired and investigate other possible purchases. We will also undertake further due diligence with respect to any wind energy projects which have been optioned to us. We may also sell our wind farms to a power utility or company that wants to build out the wind parks.

Any cash infusion that we receive will be used to expand our wind power programs and for general working capital purposes.

CRITICAL ACCOUNTING POLICIES

Financial Reporting Release No. 60, which was released by the Securities and Exchange Commission (the SEC), encourages all companies to include a discussion of critical accounting policies or methods used in the preparation of

financial statements. The Company's consolidated financial statements include a summary of the significant accounting policies and methods used in the preparation of the consolidated financial statements. Management believes the following critical accounting policies affect the significant judgments and estimates used in the preparation of the financial statements.

Use of Estimates - Management's discussion and analysis or plan of operation is based upon the Company's consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates these estimates, including those related to allowances for doubtful accounts receivable and long-lived assets. Management bases these estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We review the carrying value of property and equipment for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by comparison of its carrying amount to the undiscounted cash flows that the asset or asset group is expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the property, if any, exceeds its fair market value.

The Company's consolidated financial statements are prepared using the accrual method of accounting and according to the provision of Statement of Financial Accounting No. 7 (SFAS 7), Accounting and Reporting for Development Stage Enterprises, as if it were devoting substantially all of its efforts to acquiring and exploring mineral properties. It is industry practice that mining companies in the development stage are classified under Generally Accepted Accounting Principles as exploration stage companies. Until such properties are acquired and developed, the Company will continue to prepare its consolidated financial statements and related disclosures in accordance with entities in the exploration or development stage.

Effective January 1, 2006, we adopted the provisions of SFAS No. 123(R), Share-Based Payment, under the modified prospective method. SFAS No. 123(R) eliminates accounting for share-based compensation transactions using the intrinsic value method prescribed under APB Opinion No. 25, Accounting for Stock Issued to Employees, and requires instead that such transactions be accounted for using a fair-value-based method. Under the modified prospective method, we are required to recognize compensation cost for share-based payments to employees based on their grant-date fair value from the beginning of the fiscal period in which the recognition provisions are first applied. For periods prior to adoption, the financial statements are unchanged, and the pro forma disclosures previously required by SFAS No. 123, as amended by SFAS No. 148, will continue to be required under SFAS No. 123(R) to the extent those amounts differ from those in the Statement of Operations.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements. We do not anticipate entering into any off-balance sheet arrangements during the next 12 months.

Item 7a.

Quantitative and Qualitative Disclosure.

Not applicable.

30

Item 8.

Financial Statements and Supplementary Data.

WINDWORKSPOWER

Wind Works Power Corp.

(A Continuation of Zero Emission People LLC)

Audited
Consolidated Financial Statements

Year ended June 30, 2010 and 2009

F-1

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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

The consolidated 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 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

F-2

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of **Wind Works Power Corp. (A Development Stage Corporation)**:

We have audited the accompanying consolidated balance sheets of Wind Works Power Corp. as at June 30, 2010 and 2009, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the two years in the period ended June 30, 2010 and cumulative from inception on May 2, 2008 to June 30, 2010. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting.

Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements referred to above present fairly, in all material respects, the financial position of the company as at June 30, 2010 and 2009, and the results of its operations and its cash flows for each of the two years in the period ended June 30, 2010 and cumulative from inception May 2, 2008 to June 30, 2010 in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements referred to above have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company is in the development stage, has no established source of revenue and is dependent on its ability to raise capital from shareholders or other sources to sustain operations. These factors, along with other matters as set forth in Note 1, raise substantial doubt that the Company will be able to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Chartered Accountants

Vancouver, BC, Canada

October 12, 2010

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

2300 1055 DUNSMUIR STREET VANCOUVER, BC V7X 1J1

PH. (604) 685-8408 FAX (604) 685-8594 www.mnp.ca

Wind Works Power Corp.**(Formerly AmMex Gold Mining Corp. An Exploration Stage Company)****Consolidated Balance Sheets (Audited)****As at June 30, 2010 and 2009**

(Expressed in United States dollars, unless otherwise stated)

| Assets | June 30, 2010 | June 30, 2009 |
|--|----------------------|----------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 39,263 | \$ - |
| Prepaid Expenses | 625,961 | - |
| Accounts Receivable | 2,498 | 1,500 |
| VAT receivable | 57,545 | - |
| Due from shareholder (Note 5) | 1,850 | 12,350 |
| | 727,117 | 13,850 |
| Long Term Assets | | |
| Capitalized lease costs | 38,711 | 49,554 |
| Wind Projects (Note 5,12) | 3,900,735 | - |
| Fixed assets (Note 7) | 6,038 | - |
| | 3,945,484 | 49,554 |
| | \$ 4,672,601 | \$ 63,404 |
| Liabilities and Stockholders Equity | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable and Accrued Liabilities | \$ 483,571 | \$ 7,738 |
| Due to related parties (Note 5) | 2,092,862 | - |
| Convertible debentures (Note 8) | 385,216 | - |
| Short term loan (Note 9) | 100,000 | - |
| | 3,061,649 | 7,738 |
| Stockholders Equity | | |
| Common Stock (Note 5, 10) | 31,448 | 5,000 |
| Additional Paid-in Capital | 4,023,824 | 105,000 |
| Contributed Surplus | 88,085 | - |
| Deficit Accumulated during the Development Stage | (2,531,704) | (54,334) |

| | | | |
|-----------------------------------|--------------|----|--------|
| Cumulative translation adjustment | (701) | | |
| | 1,610,952 | | 55,666 |
| | \$ 4,672,601 | \$ | 63,404 |

Going concern (Note 1), Contingencies (Note 13), Commitments (Note 14) Subsequent Events (Note 16)

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

F-4

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

Consolidated Statement of Operations (Audited)

For the Years Ended June 30, 2010 and 2009

(Expressed in United States dollars, unless otherwise stated)

| | Year Ended June 30, 2010 | Year Ended June 30, 2009 | Cumulative from May 2, 2008 (Inception) to June 30, 2010 |
|--|---|---|---|
| Expenses | | | |
| Advertising and promotion | 11,133 | - | 11,133 |
| Accretion interest (note 8) | 591,043 | - | 591,043 |
| Consulting fees (note 5) | 82,850 | - | 82,850 |
| Depreciation | 719 | - | 719 |
| Office and miscellaneous | 9,521 | - | 9,521 |
| Professional fees | 127,525 | 6,738 | 135,859 |
| Rent | 3,946 | - | 3,946 |
| Stock-based compensation | 374,348 | - | 374,348 |
| Interest and service charges | 48,855 | - | 48,679 |
| Travel and lodging | 14,130 | - | 14,130 |
| Project development costs | 555,420 | 46,000 | 601,423 |
| Foreign exchange | 9,863 | - | 9,863 |
| Loss on extinguishment of debt (Note 8) | 564,130 | - | 564,130 |
| Lease expense | 83,887 | 446 | 84,060 |
| Total operating expenses | 2,477,370 | 53,184 | 2,531,704 |
| Net loss for the year | 2,477,370 | 53,184 | 2,531,704 |
| Comprehensive loss | | | |
| Foreign currency translation adjustment | 701 | - | 701 |
| Comprehensive loss for the year | \$ 2,478,071 | \$ 53,184 | \$ 2,532,405 |
| Basic and Diluted Loss per Share | \$ 0.17 | \$ 0.01 | |
| Weighted Average Number of Shares Outstanding | 14,657,851 | 4,747,227 | |

F-5

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

Wind Works Power Corp.

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

Consolidated Statement of Cash Flows (Audited)**For the Year Ended June 30, 2010 and 2009**

(Expressed in United States dollars, unless otherwise stated)

| | Year ended June 30, 2010 | Year Ended June 30, 2009 | May 2, 2008 (Date of Inception) to June 30, 2010 |
|---|-------------------------------------|-----------------------------|---|
| Cash Flows from Operating Activities | | | |
| Net loss for the period | \$ (2,477,370) | \$ (53,184) | \$ (2,531,704) |
| Add (deduct) non-cash items: | | | |
| Depreciation | 718 | - | 718 |
| Lease amortization | 10,843 | 446 | 11,289 |
| Loss on extinguishment of debt | 564,130 | - | 564,130 |
| Accretion interest | 591,043 | - | 591,043 |
| Shares issued for services | 286,038 | - | 286,038 |
| Stock based compensation | 88,310 | - | 88,310 |
| Changes in non-cash working capital items: | | | |
| Accounts receivable | (502) | (1,500) | (502) |
| VAT receivable | (57,545) | - | (57,545) |
| Prepaid expenses | 143 | - | - |
| Accounts payable and accrued liabilities | 439,680 | 6,588 | 342,361 |
| | \$ (554,513) | \$ (47,650) | \$ (705,863) |
| Cash Flows from Investing Activities | | | |
| Cash acquired on reverse take-over | 34,192 | - | 34,192 |
| Purchase of fixed assets | (2,559) | - | (2,559) |
| Investment in wind projects (Note 12 ix) | (363,357) | - | (263,357) |
| Leases | - | - | (50,000) |
| | \$ (331,724) | \$ - | \$ (281,724) |
| Cash Flows from Financing Activities | | | |
| Proceeds from private placements | 540,000 | - | 650,000 |
| Issuance of convertible debentures | 275,000 | - | 275,000 |
| Proceeds from loan payable | 100,000 | - | 100,000 |
| | 10,500 | (12,350) | 1,850 |

Advances from related parties
(note 5)

| | | | | | | |
|---|----|---------|----|----------|----|-----------|
| | \$ | 925,500 | \$ | (12,350) | \$ | 1,026,850 |
| Increase (decrease) in cash from continuing operations | | 39,263 | | (60,000) | | 39,263 |
| Cash, beginning of the year | | - | | 60,000 | | - |
| Cash, end of the year | \$ | 39,263 | \$ | - | \$ | 39,263 |

Supplemental disclosure of non-cash transactions (Note 6)

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

Wind Works Power Corp.**(Formerly AmMex Gold Mining Corp. - an Exploration Stage Company)****Consolidated Statements of Stockholders Equity (Audited)****June 30, 2010**

(Stated in US Dollars)

| | Common Shares | | Additional | Contributed | Cumulative | Deficit | Total |
|---|---------------|--------|------------|-------------|-------------|-------------|--------------|
| | Number | Amount | Paid-in | Surplus | Translation | Accumulated | Stockholders |
| | | | Capital | | Adjustment | During the | Equity |
| | | | | | | Exploration | |
| | | | | | | Stage | |
| 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 (Note 5) | 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 |

Edgar Filing: INTERNET GOLD GOLDEN LINES LTD - Form SC 13D/A

| | | | | | | | |
|-------------------------------------|------------|--------|-----------|--------|-------|-------------|-------------|
| 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 |

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

F-7

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 June 30, 2009 comparative figures are the June 30, 2009 financial statements of Zero Emissions People LLC (note 10).

Going Concern

These 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.

June 30 2010 June 30 2009

Deficit accumulated during the exploration stage

2,531,704

54,334

Working capital (deficiency)

(2,234,532)

6,112

Significant Accounting Policies

The consolidated 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 year ended June 30, 2010, the Company recognized amortization of \$10,843 (2009 - \$446).

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 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.

F-9

1.

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.

Wind Projects represent costs incurred for the acquisition of prospective projects. Development costs for prospective projects are expensed as incurred and costs of a project under development are written off in the year if the project is abandoned.

Long lived assets

In accordance with ASC 350, *Intangibles – Goodwill and Other*, goodwill is required to be tested for impairment on an annual basis, or more frequently if certain indicators arise, using the guidance specifically provided, and purchased intangible assets other than goodwill are required to be amortized over their useful lives unless their lives are determined to be indefinite.

Management reviews intangible assets at least annually, and on an interim basis when conditions require, evaluates events or changes in circumstances that may indicate impairment in the carrying amount of such assets. An impairment loss is recognized in the statement of operations in the period that the related asset is deemed to be impaired.

In accordance with ASC 360, the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life.

Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

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 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.

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 June 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.

F-12

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.

| Assets | Fair Value at June 30, 2010 | | | | June 30, 2009 | |
|------------------------|-----------------------------|---------|---------|---------|---------------|----|
| | Total | Level 1 | Level 2 | Level 3 | Total | |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash equivalents | 39,263 | 39,263 | - | - | - | - |
| Liabilities | | | | | | |
| Convertible debentures | 385,216 | - | - | 385,216 | - | - |

The carrying value of accounts receivable, due from shareholder, 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:

| | June 30, 2010 |
|---------------------------------|---------------|
| Risk free interest rate | 0.42 - 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.

F-15

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 855 on 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.

F-16

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.

(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 will adopt ASC 860 on July 1, 2010. The Company has determined that the adoption of ASC 860 will have no impact will have on its consolidated financial statements.

5.

Related Party Transactions

As at June 30, 2010 the Company had a balance owing from a shareholder of \$1,850 (2009 \$13,850) pertaining to funds held in trust. The amount is due on demand, unsecured, and bears no interest.

During the year ended June 30, 2010, the Company accrued an amount of \$1,316,000 payable to a director of the Company based on the fair value of common shares granted to the director on October 19, 2009. 1,400,000 common shares were issued in payment of the amount subsequent to the year end (Note 16).

At June 30, 2010, the Company had payables to officers and directors of \$40,212 (2009 nil) for services rendered.

At June 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).

During the year ended June 30, 2010, the Company issued 1,200,000 shares (2009 nil) related to the acquisition of interests in six wind projects (Notes 10, 12 vi), valued at 1,200 (2009 nil) from a company related to the Company by way of directors, officers and shareholders in common.

At June 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) from a company related to the Company by way of directors, officers and shareholders in common (Note 12 vii).

5.

Related Party Transactions (Continued)

During the year ended June 30, 2010, the Company issued 300,000 shares (2009 nil) related to the acquisition of a 50% interest in the Settlers Landing wind development project) from a company related to the Company by way of directors, officers and shareholders in common (Notes 10, 12 vii), valued at \$300.

During the year ended June 30, 2010, the Company issued 250,000 shares (2009 nil) related to the St-Thomas option (Notes 10, 12 viii), valued at \$250 (2009 nil).

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 year ended June 30, 2010, the company entered into certain non-cash operating activities as follows:

During the year ended June 30, 2010, the Company issued 1,080,000 common shares at various share prices with a total fair market value of \$540,000 pursuant to private placements.

During the year ended June 30, 2010, the Company issued 1,501,500 common shares at various share prices with a total fair market value of \$904,350 for services. \$286,038 has been recognized as stock based compensation, and \$618,312 has been included in prepaid expenses.

During the year ended June 30, 2010, the Company issued 62,500 common shares at a value of \$0.40 per share for convertible debenture conversion in the amount of \$25,000.

During the year ended June 30, 2010, the Company issued 300,000 common shares pursuant to the acquisition an interest in the Settlers Landing Wind Park valued at \$300 (notes 4, 10).

During the year ended June 30, 2010 the Company issued 1,200,000 common shares pursuant to the joint venture agreement with Sunbeam valued at \$1,200 (notes 4, 10).

During the year ended June 30, 2010 the Company issued 250,000 common shares pursuant to the acquisition of an option to acquire a wind development project in St. Thomas valued at \$250 (notes 4, 10).

7.

Fixed Assets

| Cost Opening Balance | Additions During the Year | Accumulated Depreciation | Net Book Value at June 30, 2010 | Net Book Value at June 30, 2009 |
|-------------------------|------------------------------|-----------------------------|------------------------------------|------------------------------------|
| \$ 8,102 | \$ 2,561 | \$ 4,625 | \$ 6,038 | \$ - |

During the year ended June 30, 2010, total additions to property, plant and equipment were \$ 2,561 (2009- \$ nil). During the year ended June 30, 2010 the Company recorded depreciation of \$719.

F-18

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 year ended June 30, 2010 the Company recognized \$283,514 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 year ended June 30, 2010 the Company recognized \$65,796 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.

The above two convertible debenture liabilities are as follows:

Edgar Filing: INTERNET GOLD GOLDEN LINES LTD - Form SC 13D/A

| | June 30, 2010 | June 30, 2009 |
|---|---------------|---------------|
| March 31, 2010 convertible debentures payable | \$ 250,000 | \$ - |
| April 29, 2010 convertible debentures payable | 992,300 | - |
| Total convertible debentures payable | 1,242,300 | - |
| Less: unamortized discount on March 31, 2010 convertible debentures payable | (101,338) | - |
| Less: unamortized discount on April 29, 2010 convertible debentures payable | (708,422) | - |
| Net convertible debentures payable | \$ 385,216 | \$ - |

F-19

9.

Short Term Loan

Short term loans of \$100,000 are unsecured, non-interest bearing and are due on demand.

10.

Common Stock

Total authorized share capital of the Company is as follows:

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

During the year ended June 30, 2010:

a)

The Company issued 1,501,500 (2009 nil) shares of the company at various share prices for a total consideration of \$904,350 (2009 - nil) for services rendered.

b)

The Company issued 300,000 shares (2009 nil) related to the acquisition of a 50% interest in the Settlers Landing wind development project (Notes 5, 12), valued at \$300 (2009 nil).

c)

The Company issued 1,200,000 shares (2009 nil) related to the Sunbeam deal (Notes 5, 12), for total consideration of \$1,200 (2009 nil).

d)

Edgar Filing: INTERNET GOLD GOLDEN LINES LTD - Form SC 13D/A

The Company issued 250,000 shares (2009 nil) related to the St-Thomas option, valued at \$250 (2009 nil) (Notes 5, 12).

e)

The Company issued 1,080,000 (2009 nil) common shares at various share prices with a total fair market value of \$540,000 (2009 nil) pursuant to private placements.

f)

The Company issued 62,500 (2009 nil) common shares at a value of \$0.40 per share for convertible debenture conversion in the amount of \$25,000 (2009 nil) (Note 8).

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

| | Weighted Average Exercise price | Number of warrants | Weighted Average Remaining contractual life (years) |
|---|--|-----------------------|---|
| Balance beginning of year | - | - | - |
| Warrants | 0.50 | 1,000,000 | 2.42 |
| Warrants | 0.85 | 250,000 | 2.51 |
| Warrants | 0.85 | 150,000 | 4.38 |
| Warrants | 0.75 | 575,500 | 1.75 |
| Outstanding and exercisable at June 30, 2010 | 0.64 | 1,975,000 | 2.39 |

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:

| | June 30, 2010 | June 30, 2009 |
|---------------------------------|---------------|---------------|
| Risk free interest rate | 0.48% - 0.96% | N/A |
| Expected life of warrants | 1 year | N/A |
| Expected stock price volatility | 110.8% | N/A |
| Expected dividend yield | 0% | N/A |

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.

Edgar Filing: INTERNET GOLD GOLDEN LINES LTD - Form SC 13D/A

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 year ended June 30, 2010 are summarized below:

| | Number | Weighted Avg. Exercise Price | Weighted Avg. Years to Expiry |
|----------------------------|-----------|---------------------------------|-------------------------------------|
| Balance, beginning of Year | - | \$ - | - |
| Cancelled | - | - | - |
| Issued | 1,000,000 | 0.85 | 2.5 |
| Balance, June 30, 2010 | 1,000,000 | \$ 0.85 | 2.5 |

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:

| | <u>June 30, 2010</u> | <u>June 30, 2009</u> |
|---------------------------------|----------------------|----------------------|
| Risk free interest rate | 0.60% | - |
| Expected dividend yield | 0% | - |
| Expected stock price volatility | 110%% | - |
| Expected life of options | 1 year | - |

During the year ended June 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 June 30, 2010, the Company had capitalized wind development project costs as follows:

Edgar Filing: INTERNET GOLD GOLDEN LINES LTD - Form SC 13D/A

| | June 30, 2010 | June 30, 2009 |
|-----------------------------------|---------------|---------------|
| Skyway 126 (Note 12 i) | 1,997,468 | - |
| Zero emissions people (Note 12ii) | 570,760 | - |
| Sunbeam (Note 12 vi) | 571,650 | - |
| Settlers Landing (Note 12 vii) | 497,500 | - |
| Burg 1 (Note 12 x) | 263,357 | - |
| | 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 valued at \$1,897,468. During June 30, 2010 the Company capitalized an additional \$100,000 related to costs payable on signing a Feed-in Tariff contract with the Ontario Power Authority (Note 13) 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

- 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.

F-22

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.

During the year ended June 30, 2010 the Company capitalized \$570,760 of security deposits paid to the Ontario Power Authority related to these wind development projects.

(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. As at June 30, 2010, no payments have been made pursuant to this option agreement.

(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. As at June 30, 2010, no payments have been made pursuant to this option agreement.

(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. As at June 30, 2010, no payments have been made pursuant to this option.

(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 \$286,650 (\$300,000 CDN) on April 30, 2010 (Notes 5, 10).

12.

Acquisitions, Option Agreements and Power Contract Applications (Continued)

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). During the year ended June 30, 2010 the Company capitalized \$285,000 of security deposits paid to the Ontario Power Authority related to these wind development projects.

(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 from Sunbeam LLC, a related party, 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) and capitalized \$47,500 of security deposits paid to the Ontario Power Authority related to these wind projects.

(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 June 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.

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 | \$ 84,698 |
| 2011 | \$ 69,348 |
| 2012 | \$ 32,937 |
| 2013 | \$ 8,923 |
| 2014 | \$ 5,961 |
| There after | \$ 118,720 |

15.

Income Taxes

At June 30, 2010, the Company has unused tax loss carry forwards in the United States of \$34,749,432 (2009 - \$18,474) expiring between the years 2026 and 2030 which are available to reduce taxable income. As at June 30, 2010 the Company has unused tax loss carry forwards in Mexico of \$245,146 (2009 - \$Nil) which are available to reduce taxable income. The tax effect of the significant components within the Company's deferred tax asset (liability) at June 30, 2010 are as follows:

| | 2010 | 2009 |
|------------------------|-------------|-------------|
| Loss carry forwards | 4,994,578 | 18,474 |
| Other | 1,118,190 | |
| Valuation allowance | (6,112,768) | (18,474) |
| Net deferred tax asset | - | - |

The income tax expense differs from the amounts computed by applying the statutory rate to pre-tax losses as a result of the following:

| | 2010 | 2009 |
|---|-------------|-------------|
| Loss before income taxes | (2,477,370) | (53,184) |
| Statutory tax rate | 34% | 34% |
| Effective tax rate | - | - |
| Expected recovery at statutory tax rate | (842,306) | (18,082) |
| Adjustments to benefits resulting from: | | |
| Non deductible expenses | 221,753 | - |
| Unrecognized tax assets acquired on recapitalization of the company (Notes 1, 12) | (5,473,742) | - |
| Valuation allowance | 6,094,294 | 18,082 |
| Provision for income taxes | - | - |

The potential benefit of operating losses have not been recognized in these financial statements as the Company cannot be assured it is more likely than not it will utilize the operating losses carried forward to future years.

As at June 30, 2010, the Company is in arrears filing its statutory income tax returns and the operating losses noted above are based on estimates. The Company does not expect material adjustments to the total amount of unrecognized tax benefits within the next 12 months, but the outcome of tax matters is uncertain and unforeseen results can occur.

As at June 30, 2010, there were no accrued interest or penalties relating to tax uncertainties. The Company is not currently under examination in any state or foreign jurisdiction.

16.

Subsequent events

Subsequent events have been identified as of October 12, 2010.

Subsequent to June 30, 2010 the Company issued 1,400,000 common shares in settlement of accounts payable of \$1,316,000 (Note 5).

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 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.

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).

On July 9, 2010 Wind Works Power Corp. completed the establishment of a 100% owned German-based subsidiary through the acquisition of Blue Wind Harvest KG and renamed the entity Wind Works Project UG (haftungsbeschränkt) & Co. KG. The purpose of the subsidiary is to serve as a holding company of wind projects located in Europe.

Our financial statements have been examined to the extent indicated in their reports by Meyers Norris Penny LLP, Chartered Accountants and have been prepared in accordance with generally accepted accounting principles and pursuant to Regulation S-K as promulgated by the Securities and Exchange Commission and are included herein, on Page F-1 hereof in response to Part F/S of this Form 10-K.

F-27

Item 9.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A .

Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Our disclosure controls and procedures are also designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officer, to allow timely decisions regarding required disclosure. Our chief executive officer and chief financial officer, with assistance from other members of our management, have reviewed the effectiveness of our disclosure controls and procedures as of June 30, 2010 and, based on their evaluation, have concluded that the disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the year ended June 30, 2010 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as that term is defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our principal executive and principal financial officers, we assessed, as of June 30, 2009, the effectiveness of our internal control over financial reporting. This assessment was based on criteria established in the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment using those criteria, management concluded that our internal control over financial reporting as of June 30, 2010, was effective.

Internal control over financial reporting is defined as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

- provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

31

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of the inherent limitations of any internal control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

This Annual Report on Form 10-K does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Annual Report on Form 10-K.

Evaluation of Changes in Internal Controls over Financial Reporting

There was no change in the internal control over financial reporting that occurred during the fiscal quarter ended June 30, 2010, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B.

Other Information

None.

PART III

Item 10.

Directors and Executive Officers.

The following information sets forth the names of our officers and directors, their present positions, and some brief information about their background.

Name

Age

Position

Dr. Ingo Stuckmann

43

CEO/Director

J.C. Pennie

71

Chairman

Greg Wilson

47

Director

Dr. Thomas Tschiesche

52

Former Director

W. Campbell Birge

CFO/Secretary/Treasurer

Dr. Ingo Stuckmann serves as our chief executive officer, president and serves on our Board of Directors. Dr. Stuckmann received a Ph.D. in Natural Sciences from the University of Heidelberg and conducted research at Harvard thereafter. In 2002, Dr. Stuckman joined Energy Farming International, a wind park financing and construction company based in Germany. During his tenure wind park projects were developed in both Spain and the United States. In 2007, Energy Farming International merged with Seeba Energy Farming Group at which time Dr. Stuckman served as a principal of the merged entity. SeeBa Energy Farming Group has approximately 80 employees and is involved in the planning and development of wind turbines throughout the world. In 2008, Dr. Ingo co-founded Zero Emission People LLC for wind energy development in North America. Zero Emission People was acquired by Wind Works.

J.C. Pennie serves as chairman of our Board of Directors. Mr. Pennie has developed six wind energy projects in Ontario, Canada. Several of these wind energy projects have been sold or joint ventures have been established with international firms such as Energy Farming International of Germany and Schneider Power of Toronto. Mr. Pennie is on the IESO (Independent Electrical System Operators) renewable energy standing committee. The IESO is responsible for coordination of generation and transmission with electricity demand. Mr. Pennie is also Vice-Chairman of DareArts Foundation for Children, founded in 1994 using multi-cultural arts education programs for children at risk. DareArts has reached over 110,000 children in Canada.

Dr. Thomas Tschiesche, Ph.D., formerly served on our Board of Directors. Dr. Tschiesche received a Master of Science in Mechanical Engineering from the University of Washington, Seattle and a Ph.D. from the University of Duisburg. He served over five years as general manager at Nordex, a leading wind turbine manufacturer. Nordex has developed over 100 wind park projects throughout the world including projects in Pennsylvania, California, Germany, Spain, Greece, Turkey, Egypt, and China.

In 2002 serving as its CEO, Dr. Tschiesche co-founded Energy Farming International, a company organized for wind park financing and construction. Energy Farming International merged with Seeba Energy Farming Group in 2007 where he also serves as a Principal of the merged entity. In 2008, Thomas co-founded Zero Emission People LLC for wind energy development in North America.

Greg Wilson serves on our Board of Directors. Mr. Wilson is a financier and corporate strategist. In 1997, he founded EMT Capital Corp., a financial advisory firm concentrating in various aspects of capital market transactions including mergers and acquisitions and corporate financings. Mr. Wilson has completed the Canadian Investment Management (CIM) program, and has earned the Fellow of the Canadian Securities Institute (FCSI) designation.

W. Campbell Birge was appointed our president and joined our board of directors in December 2007. In September 2009, he stepped down as our president and as a director and assumed the role of chief financial officer.

Mr. Birge has been a consultant to several public and private companies located in the United States, Canada and Mexico including Industrial Minerals Inc. and Sigma Capital Group. He is on the Advisory Board of the Trust for Sustainable Development and was instrumental in working on the Loreto Bay project, a large real estate development project. Mr. Birge has lived in Mexico and was an Associate Professor at United States International University (Mexico City campus) for five years. He was also elected to serve on the Academic counsel as the Head of the Graduate Business studies while at the university. Mr. Birge earned a Master's Degree in Management and Organizational Development from United States International University, a Bachelor of Arts degree in Sociology from Simon Fraser University and a Bachelor of Education degree from the University of Calgary.

Committees of the Board of Directors

We presently do not have an audit committee, compensation committee, nominating committee, corporate governance committee or any other committee of our board of directors. Our entire Board of Directors meets to undertake the responsibilities which would otherwise be delegated to a committee of our board of directors.

Compensation of Directors

Our directors do not receive cash compensation for their services as directors but are reimbursed for their reasonable expenses incurred in attending board or committee meetings.

Terms of Office

There are no family relationships among our directors and/or officers. Our directors are appointed for one-year terms to hold office until the next annual general meeting of the holders of our Common Stock or until removed from office in accordance with our by-laws. Our officers are appointed by our board of directors and hold office until removed by

Penalties or Sanctions

To the best of our knowledge, none of our directors, officers or stockholders holding a sufficient number of securities to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

To the best of our knowledge, none of our directors, officers or stockholders holding a sufficient number of securities to affect materially the control of the Company, nor any personal holding company of any such person has, within the last ten years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Compensation of Directors

Beginning in May 2010, we compensate Greg Wilson and J.C. Pennie the sum of CDN \$5,000 per month in consideration for serving on our Board of Directors. Dr. Stuckmann receives \$8,000 per month which includes compensation for his services as an officer and director. In addition we have issued directors stock based compensation as more fully set forth under Item 11. Executive Compensation . Our directors have been issued shares of our common stock in consideration for their service on the Board.

Terms of Office

Our directors are appointed for one-year terms to hold office until the next annual general meeting of the holders of our Common Stock or until removed from office in accordance with our by-laws. Our officers are appointed by our board of directors and hold office until removed by our board of directors.

Family Relationships

There are no family relationships among our directors and/or officers.

Code of Ethics

Code of Ethics for Senior Executive Officers and Senior Financial Officers

We have adopted a Code of Ethics for our officers. The code provides as follows:

Each officer is responsible for full, fair, accurate, timely and understandable disclosure in all periodic reports and financial disclosures required to be filed by us with the Securities and Exchange Commission or disclosed to our stockholders and/or the public.

Each officer shall immediately bring to the attention of the audit committee, or disclosure compliance officer, any material information of which the officer becomes aware that affects the disclosures made by us in our public filings and assist the audit committee or disclosure compliance officer in fulfilling its responsibilities for full, fair, accurate, timely and understandable disclosure in all periodic reports required to be filed with the Securities and Exchange Commission.

34

Each officer shall promptly notify our general counsel, if any, or the president or chief executive officer as well as the audit committee of any information he may have concerning any violation of our Code of Business Conduct or our Code of Ethics, including any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees who have a significant role in our financial reporting, disclosures or internal controls.

Each officer shall immediately bring to the attention of our general counsel, if any, the president or the chief executive officer and the audit committee any information he may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable to us and the operation of our business, by us or any of our agents.

Any waiver of this Code of Ethics for any officer must be approved, if at all, in advance by a majority of the independent directors serving on our board of directors. Any such waivers granted will be publicly disclosed in accordance with applicable rules, regulations and listing standards.

The Code of Ethics is set forth on our website located at www.windworkspower.com. We will also

provide to any person without charge, upon request, a copy of such Code of Ethics. Persons wishing to make such a request should contact W. Campbell Birge, our chief executive officer at our corporate headquarters located at 346 Waverley Street, Ottawa, Ontario K2P1B8.

Section 16(a) Beneficial Ownership Reporting Compliance

Compliance with Section 16(a) of the Securities Exchange Act of 1934

For companies registered pursuant to section 12(g) of the Exchange Act, Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who beneficially own more than ten percent of our equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and greater than ten percent shareholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on a review of the copies of reports furnished to us and written representations that no other reports were required, Section 16(a) filing requirements applicable to our officers, directors and greater than ten percent beneficial owners were complied with on a timely basis for the period which this report relates.

Item 11.

Executive Compensation.

The Company has no formalized any employment agreement with either its past or current officers. Rather, our Board meets on as as needed basis to evaluate compensation issues. Our compensation philosophy is based on our belief that our compensation programs should: be aligned with stockholders interests and business objectives; reward performance; and be externally competitive and internally equitable. We seek to achieve three objectives, which serve as guidelines in making compensation decisions:

(1)

Providing a total compensation package which is competitive and therefore enables us to attract and retain, high-caliber executive personnel;

(2)

Integrating compensation programs with our short-term and long-term strategic plan and business objectives; and

(3)

Encouraging achievement of business objectives and enhancement of stockholder value by providing executive management long-term incentive through equity ownership.

35

We have not established a compensation package for our current officers or directors. We anticipate that our compensation program will consist of three key elements:

A base salary;

A performance bonus; and

Periodic grants and/or options of our common stock.

Base Salary. Our chief executive officer and all other officers will receive compensation based on such factors as competitive industry salaries, a subjective assessment of the contribution and experience of the officer, and the specific recommendation by our chief executive officer.

Performance Bonus. A portion of each officer's total annual compensation will be in the form of a bonus. All bonus payments to officers must be approved by our compensation committee based on the individual officer's performance and company performance.

Stock Incentive. Stock options are granted to executive officers based on their positions and individual performance. Stock options provide incentive for the creation of stockholder value over the long term and aid significantly in the recruitment and retention of executive officers.

Our Board has not established any quantifiable criteria with respect to the level of compensation, stock grants or options. Rather, the Board will evaluate cash, stock grants and stock options paid to similarly situated companies after consideration of the Company's financial condition.

With respect to stock grants and options issued to the Company's officers and directors, we consider an overall compensation package that includes both cash and stock based compensation which would be in line with the Company's overall operations and compensation levels paid to similarly situated companies. The Board grants stock options and shares of our common stock under our Stock Incentive and Compensation Plan. (the Plan). Pursuant to the Plan, the Board may grant non-qualified stock options (Non-Qualified Stock Options), incentive stock options (ISOs), together with Non-Qualified Stock Options referred to herein as Stock Options), stock appreciation rights (SARs), restricted stock (Restricted Stock) and registered stock (Registered Stock), (collectively, the Awards) to eligible Participants. To date, our Board has approved the grant of stock awards and stock options to officers and directors. Under the various Plans, the Compensation Committee has the ability to determine the vesting schedule for any award.

All stock options were granted at the market on the date of grant. Under GAAP we were required to value these grants based on the date of grant. The dollar value of both the stock options and the stock awards are accounting entries and do not necessarily reflect actual compensation received by any of our officers.

Retirement Benefits

We currently do not offer any type of retirement savings plan for our executive officers, directors or employees.

Perquisites

None of our executive officers have perquisites in excess of \$10,000 in annual value.

36

Severance Benefits

We currently do not offer any type of severance program for our executive officers or employees. As we expand our operations, we may implement such a plan to preserve employee morale and productivity and encourage retention in the face of the disruptive impact of an actual or rumored workforce reduction or a change in control of our company.

| | | | | | |
|-------------------|------|--------|-----------|--------|-----|
| J.C. Pennie | 2010 | 10,000 | 1,880,000 | 99,380 | |
| | | | 1,989,380 | | - |
| (Director) | 2009 | 0 | 0 | 0 | |
| | | | -0- | | |
| W, Campbell Birge | 2010 | 5,000 | 30,000 | | |
| | | | 49,690 | 89,680 | |
| (CFO/Sec/Treas) | 2009 | 10,000 | 0 | 0 | |
| | | | 10,000 | | |
| Greg Wilson | 2010 | 10,000 | 1,376,000 | 99,380 | |
| | | | 1,485,380 | | |
| (Director) | 2009 | 0 | 0 | 0 | |
| | | | -0- | | |
| Thomas | 2010 | 0 | 1,880,000 | 99,380 | |
| | | | 1,979,380 | | |
| Tschiesche | 2009 | 0 | 0 | 0 | -0- |
| Former Director | | | | | |
| (1) | | | | | |

The amounts in these columns reflect the dollar amount recognized for financial statement reporting purposes for the fiscal years indicated in accordance with Statement of Financial Accounting Standards No. 123R (SFAS 123R.). These amounts reflect the Company's accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executives.

(2)

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.

Employment Agreements

Beginning in May 2010, we pay Dr. Stuckmann our chief executive officer and a director a fee of \$8,000 per month. We also pay W. Campbell Birge \$2,500 per month in his role as our chief executive officer. There are no written agreements memorializing these agreements.

Directors Compensation

Beginning in May 2010, we pay our non-officer directors a monthly fee of \$5,000. In addition, our directors are reimbursed for reasonable expenses incurred in connection with attendance at meetings of the Board and of Committees of the Board. In addition to the monthly cash compensation, directors may also receive share based compensation. In order to attract new directors, it may be necessary for us to compensate newly appointed directors in order to attract a quality governance team. At this time the Company has not identified any specific individuals or candidates nor has it entered into any negotiations or activities in this regard.

Stock Options Granted/Exercised in Last Year

During the fiscal year ended June 30, 2010 we issued a total of 1 million common stock options to our officers and directors. The options are exercisable at \$0.85 per share.

No stock options have been exercised.

Item 12.**Security Ownership of Certain Beneficial Owners and Management.**

The following table sets forth certain information as of June 30, 2010 with respect to the beneficial ownership of the Company's Common Stock by: (i) all persons known by the Company to be beneficial owners of more than 5% of the Company's Common Stock, (ii) each director and Named Executive Officer, and (iii) by all executive officers and directors as a group.

| Name | No. of Shares of Common Stock and Options | No. of Options | Percent of Class(7) |
|------------------------|---|----------------|---------------------|
| Ingo Stuckman (2)* | 2,300,000 | 300,000 | 6.2% |
| Greg Wilson (3)* | 957,067 | 200,000 | 2.6% |
| J.C. Pennie (4) | 2,200,000 | 200,000 | 5.9% |
| W. Campbell Birge (5) | 518,241 | 100,000 | 1.4% |
| Thomas Tschiesche (6)* | 2,200,000 | 200,000 | 5.9% |
| Derreck Tenannt | | | |
| | 2,000,000 | | |
| | | | -0- |
| | | | 5.4% |

(All officers and directors as a group

4 persons)

8,175,308

1,000,000

22.0%

38

*With respect to Dr. Stuckmann and Dr. Tschiesche, their respective spouses each own 179,083 shares of the Company's common stock. With respect to Mr. Wilson, his spouse owns 53,000 shares of common stock. Each director disclaims beneficial ownership of any shares held by a spouse.

(1)

Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding on September 30, 2009. As of September 30, 2009 there were 16,763,345 shares of our common stock issued and outstanding.

(2)

The mailing address for Dr. Stuckmann is Muehlenstrasse 51, 45473 Muelheim Ruhr, Germany

(3)

The mailing address for Mr. Wilson is in care of Wind Works Power Corp. 346 Waverley Street Ottawa, Ontario Canada K2P 0W5

(4)

The mailing address for Mr. Pennie is in care of Wind Works Power Corp. 346 Waverley Street Ottawa, Ontario Canada K2P 0W5

(5)

The mailing address for Mr Birge is in care of Wind Works Power Corp. 346 Waverley Street Ottawa, Ontario Canada K2P 0W5.

(6)

The mailing address for Dr. Tschiesche s Muehlenstrasse 51, 45473 Muelheim Ruhr, Germany.

(7)

Based on 36,863,346 issued and outstanding shares of common stock

Item 13.

Certain Relationships and Related Transactions.

Except as described below, none of the following persons has any direct or indirect material interest in any transaction to which we are a party during the past two years, or in any proposed transaction to which the Company is proposed to be a party:

(A) any director or officer;

(B) any proposed nominee for election as a director;

(C) any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to our common stock; or

(D) any relative or spouse of any of the foregoing persons, or any relative of such spouse, who has the same house as such person or who is a director or officer of any parent or subsidiary.

We issued shares of our common stock and common stock options to our officers and directors for services rendered.

39

Related Party Transactions

For the period ended September 30, 2009:

Directors received payments on account of professional fees and reimbursement of expenses. _

The Company issued 236,567 shares of common stock valued at \$23,657 to directors and officers in settlement of accounts payable.

The Company issued 900,000 shares of our common stock valued at \$90,000 to directors for services rendered.

The Company has a payable to a director in the amount of \$7,854.

The Company entered into a joint venture agreement and option agreement with Zero Emission People LLC, a company controlled by directors and officers.

For the period ended December 31, 2009:

Directors received payments on account of professional fees and reimbursement of expenses in the amount of \$ 14,527.

The Company issued 2,000,000 shares of common stock valued at \$1,880,000 for services rendered.

At December 31, 2009, the Company recorded a payable of \$1,316,000 in connection with the issuance of 1,400,000 shares of common shares. The shares were issued for services rendered.

At December 31, 2009, the Company recorded a payable to an affiliated entity in the amount of \$450,000 related to the acquisition of a 50% interest in the Settlers Landing wind development project.

At December 31, 2009, the Company recorded a payable to an affiliated entity in the amount of CDN \$300,000 related to the acquisition of a 50% interest in six wind development project (companies) .

For the period ended March 31, 2010

During the period ended March 31, 2010 the Company had a balance owing from a shareholder of \$1,850 pertaining to funds held in trust.

At March 31, 2010, the Company had a payable to a company related by way of directors in common of \$450,000 related to the acquisition of a 50% interest in the Settlers Landing wind development .

At March 31, 2010, the Company had a payable to a company related by way of directors in common of \$300,000 related to the Joint Venture with Sunbeam on six wind projects.

For the period ended June 30, 2010

The Company had a balance owing from a shareholder of \$1,850 pertaining to funds held in trust.

At June 30, 2010, the Company had a payable to related parties for shares granted of 1,400,000 common shares for services rendered, for total consideration of \$1,316,000.

At June 30, 2010, the Company had payables to related parties of \$40,212.

At June 30, 2010, the Company had a payable to a company related by way of directors in common of \$450,000 related to the acquisition of a 50% interest in the Settlers Landing wind development project.

At June 30, 2010, the Company had a payable to a company related by way of directors in common of \$300,000 related to the Joint Venture with Sunbeam on 6 wind projects.

During the year ended June 30, 2010, the Company issued 300,000 shares (related to the acquisition of a 50% interest in the Settlers Landing wind development project for total consideration of \$198,000.

During the year ended June 30, 2010, the Company issued 1,200,000 shares related to the Sunbeam transaction for total consideration of \$792,000.

During the year ended June 30, 2010, the Company issued 250,000 shares related to the 100 MW project option for total consideration of \$140,000.

Management believes that the consideration paid for these affiliated transactions represent the true value of the services rendered or acquisitions and that the purchase price would have been no different than if negotiated at arm's length.

Item 14. Principal Accounting Fees and Services.

AUDIT FEES. The aggregate fees billed for professional services rendered was \$14,750 and \$21,000 for the audit of our annual financial statements for the fiscal years ended June 30, 2009 and 2008, respectively, and \$10,500 and \$10,718 for the reviews of the financial statements included in our Forms 10-Q for the fiscal years ended 2010 and 2009 respectively.

AUDIT-RELATED FEES. The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of our financial statements and not reported under the caption "Audit Fee."

TAX FEES. No fees were billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice and tax planning services.

ALL OTHER FEES. Other than the services described above, there were no other services provided by our principal accountants for the fiscal years ended June 30, 2010 and 2009.

We do not have an audit committee. Therefore, our entire Board of Directors (the "Board") serves in the capacity of the audit committee. In discharging its oversight responsibility as to the audit process, our Board obtained from the independent auditors a formal written statement describing all relationships between the auditors and us that might bear on the auditors' independence as required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees."

Our Board discussed with the auditors any relationships that may impact their objectivity and independence, including fees for non-audit services, and satisfied itself as to the auditors' independence. The Board also discussed with management and the independent auditors the quality and adequacy of its internal controls. The Board reviewed with the independent auditors their management letter on internal controls.

Our Board discussed and reviewed with the independent auditors all matters required to be discussed by auditing standards generally accepted in the United States of America, including those described in Statement on Auditing Standards No. 61, as amended, "Communication with Audit Committees". Our entire Board, acting in the capacity of the audit committee reviewed the audited consolidated financial statements of the Company as of and for the year ended June 30, 2010 with the independent auditors. Management has the responsibility for the preparation of the Company's financial statements and the independent auditors have the responsibility for the examination of those statements. Based on the above-mentioned review and discussions with the independent auditors our Board of Directors approved the Company's audited consolidated financial statements and recommended that they be included in its Annual Report on Form 10-K for the year ended June 30, 2010, for filing with the Securities and Exchange Commission.

41

PART IV

Item 15. Exhibits, Financial Statement Schedules.

a.

The following report and financial statements are filed together with this Annual Report.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2010 and 2009

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED JUNE 30, 2010 and 2009 AND
CUMULATIVE SINCE INCEPTION (November 20, 2002).

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2010 and 2009
AND CUMULATIVE SINCE INCEPTION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS DEFICIENCY

NOTES TO FINANCIAL STATEMENTS

(b)

Index to Exhibits

31.1

Certificate of the Chief Executive Officer pursuant Section 302 of the Sarbanes-Oxley Act of 2002

31.2

Certificate of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32 .1

Certificate of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32 .2

Certificate of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of
2002

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WIND WORKS POWER CORP.

Date: June 10, 2011

By: /s/ Ingo Stuckman

Ingo Stuckman

CEO and Director

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Ingo Stuckman

Date: June 10, 2011

Ingo Stuckmann

CEO/ Director

By: /s/ W. Campbell Birge

Date: June 10, 2011

W. Campbell Birge, CFO

By: /s/ J.C. Pennie

Date: June 10, 2011

J.C. Pennie, Director

By: /s/Glen MacMullin

Date: June 10, 2011

Glen MacMullin