

Sky Harvest Windpower Corp.  
Form 10-Q/A  
April 21, 2010

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q /A**

Amendment Number 1

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

For the quarterly period ended February 28, 2010

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-52410

**SKY HARVEST WINDPOWER CORP.**

(Exact name of registrant as specified in its charter)

Nevada

N/A

State or other jurisdiction of incorporation or organization (I.R.S. Employer Identification No.)

617-666 Burrard Street, Vancouver, BC, Canada V6C 3P6

(Address of principal executive offices) (Zip Code)

(604) 601-2070

Registrant's telephone number, including area code

N/A

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

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

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required

to submit and post such files).

Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

Yes  No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

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

Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

29,732,016 common shares of \$0.001 par value as of April 12, 2010 (including 15,515,016 shares of common stock reserved for issuance in exchange for certain outstanding exchangeable securities of the registrant)

**Explanatory Note**

We are amending our Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 2010, 2009 (the "Form 10-Q"), as originally filed with the Securities and Exchange Commission on April 14, 2010, regarding certain disclosures which appeared therein.

We are amending certain typographical errors on the cover sheet to the Quarterly Report, in Part 1 Financial Information and Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Amendment No. 1 to the Form 10-Q does not reflect events occurring after the filing of the Form 10-Q or modify or update the disclosures therein in any way other than as required to reflect the changes described in this Explanatory Note.

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**PART I FINANCIAL INFORMATION**

Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)

February 28, 2010

<u>Consolidated Balance Sheets as of February 28, 2010(unaudited) and May 31, 2009</u>	<u>F 1</u>
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Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Consolidated Balance Sheets  
(Expressed in US Dollars)  
(Unaudited)

	February 28, 2010 \$	May 31, 2009 \$
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	83,632	36,589
Short term investment (Note 8)	22,667	658,373
Prepaid expenses	48,874	9,915
Note receivable (Note 7)		280,000
Total Current Assets	155,173	984,877
Property and equipment, net (Note 5)	71,659	8,851
Intangible asset (Note 6)	2,551,565	
Total Assets	2,778,397	993,728
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Liabilities		
Accounts payable	27,457	1,045
Accrued liabilities	16,026	6,030
Total Liabilities	43,483	7,075
Stockholders Equity		
Preferred Stock:		
Authorized: 10,000,000 shares, \$0.001 par value		
Issued and outstanding: 1 share		
(May 31, 2009 None)		
Common Stock:		
Authorized: 100,000,000 shares, \$0.001 par value		
Issued and outstanding: 29,732,016 shares		
(May 31, 2009 12,391,500 shares)	29,732	12,391
Additional paid-in capital	5,212,579	2,071,366
Common stock subscribed (Note 12)	6,750	6,750
Accumulated other comprehensive loss	(25,246)	
Deficit accumulated during the development stage	(2,488,901)	(1,103,854)
Total Stockholders Equity	2,734,914	986,653
Total Liabilities and Stockholders Equity	2,778,397	993,728
Continuing operations (Note 1)		
Commitments and contingencies (Note 12)		

(The accompanying notes are an integral part of these unaudited consolidated financial statements)

Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Consolidated Statements of Operations  
(Expressed in US Dollars, except number of shares)  
(Unaudited)

	Accumulated from February 25, 2005 (Date of Inception) To February 28, 2010 \$	For the Three months Ended February 28, 2010 \$	For the Three months Ended February 28, 2009 \$	For the Nine months Ended February 28, 2010 \$	For the Nine months Ended February 28, 2009 \$
<b>Expenses</b>					
Consulting fees	272,104	10,131	57,230	52,348	117,534
Engineering and development	298,486	43,376	936	179,764	6,452
Management fees (Note 9(a), and (b))	510,098	79,353	22,875	172,905	68,625
Professional fees	303,057	13,456	15,807	121,015	54,400
General and administrative	982,068	58,619	2,628	649,416	9,098
Acquired development costs	242,501			242,501	
Operating loss	2,608,314	204,935	99,476	1,417,949	256,109
<b>Other Income</b>					
Interest income	(89,339)	(170)	(4,145)	(1,994)	(12,561)
Foreign exchange gain	(30,074)	(1,370)	85	(30,908)	749
Net loss	(2,488,901)	(203,395)	(95,416)	(1,385,047)	244,297
<b>Other Comprehensive Loss</b>					
Foreign currency translation adjustments	(25,246)	(1,132)		(25,246)	
Comprehensive loss	(2,514,147)	(204,527)	(95,416)	(1,410,293)	(244,297)
Net loss per common share - basic and diluted		(0.01)	(0.01)	(0.05)	(0.02)
Weighted average number of common stock outstanding		29,732,000	12,392,000	27,001,000	12,392,000

(The accompanying notes are an integral part of these unaudited consolidated financial statements)



Sky Harvest Windpower Corp.  
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 Consolidated Statement of Stockholders' Equity  
 (Expressed in US Dollars, except number of shares)  
 (Unaudited)

	Preferred Stock #	Amount \$	Common Shares #	Amount \$	Additional Paid in Capital \$	Common Stock Subscribed \$	Deficit Accumulated During the Development Stage \$	Total \$
Balance February 25, 2005 (Date of Inception)								
Common stock issued on March 2, 2005 to founders for cash at \$0.00167 per share			6,000,000	6,000	4,000			10,000
Common stock issued from March 4, 2005 to March 20, 2005 for cash at \$0.0033 per share			3,000,000	3,000	7,000			10,000
Common stock issued on March 31, 2005 for cash at \$0.0167 per share			300,000	300	4,700			5,000
Common stock issued from April			480,000	480	7,520			8,000

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7, 2005 to April 28, 2005 for cash at \$0.0167 per share Common stock issued from May 1, 2005 to May 25, 2005 for cash at \$0.0167 per share Common stock issued on May 29, 2005 for cash at \$0.0167 per share								
Net loss for the period							(12,321)	(12,321)
Balance May, 31 2005 carried forward			10,530,000	10,530	43,970		(12,321)	42,179

(The accompanying notes are an integral part of these unaudited consolidated financial statements)

Sky Harvest Windpower Corp.  
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 (Expressed in US Dollars, except number of shares)  
 (Unaudited)

		Preferred Stock #	Amount \$	Common Shares #	Amount \$	Additional Paid in Capital \$	Common Stock Subscribed \$	Deficit Accumulated During the Development Stage \$	Total \$
Balance	May,								
31, 2005				10,530,000	10,530	43,970		(12,321)	42,179
brought forward									
Net loss for the year								(57,544)	(57,544)
Balance	May			10,530,000	10,530	43,970		(69,865)	(15,365)
31, 2006									
Common stock subscribed							500,500		500,500
Stock-based compensation						365,508			365,508
Net loss for the year								(435,426)	(435,426)
Balance	May			10,530,000	10,530	409,478	500,500	(505,291)	415,217
31, 2007									
carried forward									

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Consolidated Statement of Stockholders' Equity  
(Expressed in US Dollars, except number of shares)  
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	Preferred Stock #	Amount \$	Common Shares #	Amount \$	Additional Paid in Capital \$	Common Stock Subscribed \$	Deficit Accumulated During the Development Stage \$	Total \$
Balance May 31, 2007 carried forward			10,530,000	10,530	409,478	500,500	(505,291)	415,217
Common stock issued on July 11, 2007 for cash at \$0.70 per share			715,000	715	499,785	(500,500)		
Common stock issued on July 11, 2007 for finders fees			71,500	71	49,979			50,050
Common stock issued on July 27, 2007 for cash at \$1.20 per share			1,075,000	1,075	1,288,925			1,290,000
One million share purchase warrants					321,279			321,279
Finders Fees					(498,080)			(498,080)
Net loss for the year							(256,830)	(256,830)

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Balance May 31, 2008	12,391,500	12,391	2,071,366		(762,121)	1,321,636
Common stock subscribed				6,750		6,750
Net loss for the year					(341,733)	(341,733)
Balance May 31, 2009 carried forward	12,391,500	12,391	2,071,366	6,750	(1,103,854)	986,653

(The accompanying notes are an integral part of these unaudited consolidated financial statements)

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 Consolidated Statement of Stockholders' Equity  
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 (Unaudited)

	Preferred Stock #	Amount \$	Common Shares #	Amount \$	Additional Paid in Capital \$	Common Stock Subscribed \$	Deficit Accumulated During the Development Stage \$	Total \$
Balance May 31, 2009 carried forward			12,391,500	12,391	2,071,366	6,750	(1,103,854)	986,653
Common stock issued pursuant to business acquisition			17,340,516	17,341	2,583,736			2,601,077
Preferred stock issued pursuant to business acquisition	1							
Stock-based compensation					557,477			557,477
Accumulated other comprehensive loss							(25,246)	(25,246)
Net loss for the period							(1,385,047)	(1,385,047)
Balance February 28, 2010	1		29,732,016	29,732	5,212,579	6,750	(2,488,901)	2,734,914

(The accompanying notes are an integral part of these unaudited consolidated financial statements)

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Sky Harvest Windpower Corp.  
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Consolidated Statements of Cash Flows  
(Expressed in US Dollars)  
(Unaudited)

	Accumulated from February 25, 2005 (Date of Inception) To February 28, 2010 \$	For the Nine months Ended February 28, 2010 \$	For the Nine months Ended February 28, 2009 \$
Operating activities			
Net loss for the period	(2,488,901)	(1,385,047)	(244,297)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	17,533	4,268	4,134
Stock-based compensation	927,945	557,477	256
Acquired development costs	242,501	242,501	
Changes in operating assets and liabilities:			
Prepaid expenses	(34,370)	(26,245)	(10,625)
Accrued interest	221	8,594	10,323
Accounts payable and accrued liabilities	6,535	(540)	(52,508)
Note receivable	(280,000)		(200,000)
Due to related parties	9,357	9,357	
Net cash flows used in operating activities	(1,599,179)	(589,635)	(492,717)
Investing activities			
Purchase of equipment	(23,556)	(1,440)	
Purchase of short term investments	(2,472,644)	(322,644)	(800,000)
Redemption of short term investments	2,470,644	970,644	1,500,000
Cash acquired from acquisition	21,016	21,016	
Net cash flows (used in) provided by investing activities	(4,540)	667,576	700,000
Financing activities			
Proceeds from common stock issuances	1,718,249		
Net cash flows provided by financing activities	1,718,249		
Effect of exchange rate changes on cash	(30,898)	(30,898)	
Increase (decrease) in cash and cash equivalents	83,632	47,043	207,283
Cash and cash equivalents beginning of period		36,589	1,311
Cash and cash equivalents end of period	83,632	83,632	208,594
Supplementary disclosures			
Interest paid			
Income taxes paid			
Significant non-cash investing and financing activities:			
Stock issuance for acquisition	2,601,077	2,601,077	
Increase intangible asset due to acquisition	2,551,400	2,551,400	
Accounts payable increased due to acquisition	30,986	30,986	

(The accompanying notes are an integral part of these unaudited consolidated financial statements)





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Notes to the Unaudited Interim Consolidated Financial Statements  
February 28, 2010  
(Expressed in US Dollars)

1. Organization and Description of Business

Sky Harvest Windpower Corp. (the Company) was incorporated in the State of Nevada on February 25, 2005. The Company is a Development Stage Company, as defined by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 915, *Development Stage Entities*. Its activities to date have been limited to capital formation, organization, and development of its business plan for the exploration and development of wind power projects in Canada.

Effective July 13, 2009, the Company acquired all the outstanding common stock of Sky Harvest Windpower (Saskatchewan) Corp. (Sky Harvest-Saskatchewan), a private company incorporated under the laws of Canada. (Refer to Note 4.)

On September 1, 2009, the Company completed a merger with its wholly-owned inactive subsidiary, Sky Harvest Windpower Corp., a Nevada corporation, which was incorporated solely to effect a change in the Company's name. As a result, the Company changed its name from Keewatin Windpower Corp. to Sky Harvest Windpower Corp.

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenues since inception, has not paid any dividends and is not expected to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, the successful exploitation of economically recoverable electricity in its wind power projects, and the attainment of profitable operations. As at February 28, 2010, the Company has accumulated losses of \$2,488,901 since inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management plans to raise additional funds through debt and equity offerings. Management has yet to decide what type of offering the Company will use or how much capital the Company will attempt to raise and on what terms. There is however no assurance that the Company will be able to raise any additional capital through any type of offering on terms acceptable to the Company.

2. Significant Accounting Policies

a. Basis of Accounting

The Company's consolidated financial statements are prepared using the accrual method of accounting. These consolidated statements include the accounts of the Company and its wholly-owned subsidiaries Keewatin Windpower Inc. and Sky Harvest – Saskatchewan. All significant intercompany transactions and balances have been eliminated. The Company has elected a May 31 year-end.

b. Interim financial statements

These interim unaudited consolidated financial statements have been prepared on the same basis as the annual financial statements and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

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Sky Harvest Windpower Corp.  
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Notes to the Unaudited Interim Consolidated Financial Statements  
February 28, 2010  
(Expressed in US Dollars)

2. Significant Accounting Policies (continued)

c. Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

d. Marketable Securities

The Company defines marketable securities as income yielding securities that can be readily converted into cash. Examples of marketable securities include Treasury and agency obligations, commercial paper, corporate notes and bonds, time deposits with an original maturity greater than 3 months, foreign notes and certificates of deposit. We account for our investment in debt and equity instruments under ASC 320, *Investments - Debt and Equity*. The Company follows the guidance provided by ASC 320 to assess whether our investments with unrealized loss positions are other than temporarily impaired. Realized gains and losses and declines in value judged to be other than temporary are determined based on the specific identification method and are reported in other income (expense). Management determines the appropriate classification of such securities at the time of purchase and re-evaluates such classification as of each balance sheet date.

e. Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, 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. In determining fair value for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

*Fair Value Hierarchy*

ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 establishes three levels of inputs that may be used to measure fair value:

*Level 1*

Level 1 applies to assets and liabilities for which there are quoted prices in active markets for identical assets or liabilities. Valuations are based on quoted prices that are readily and regularly available in an active market and do not entail a significant degree of judgment.



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2. Significant Accounting Policies (continued)

e. Fair Value Measurements (continued)

*Level 2*

Level 2 applies to assets and liabilities for which there are other than Level 1 observable inputs such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data. Level 2 instruments require more management judgment and subjectivity as compared to Level 1 instruments. For instance:

Determining which instruments are most similar to the instrument being priced requires management to identify a sample of similar securities based on the coupon rates, maturity, issuer, credit rating and instrument type, and subjectively select an individual security or multiple securities that are deemed most similar to the security being priced; and

Determining whether a market is considered active requires management judgment.

*Level 3*

Level 3 applies to assets and liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities. The determination of fair value for Level 3 instruments requires the most management judgment and subjectivity.

The Company believes the fair value of its financial instruments consisting of cash, short term investment, and accounts payable approximate their carrying values due to the relatively short maturity of these instruments.

f. Equipment

(i) Amortization Methods and Rates

Equipment is carried at cost. Depreciation is computed using a straight-line method over the estimated useful lives of the depreciable property, which range from 3 to 5 years. Management evaluates useful lives regularly in order to determine recoverability taking into consideration current technological conditions. Maintenance and repairs are charged to expenses as incurred; additions and betterments are capitalized. Upon retirement or disposal of any item of equipment, the cost and related accumulated depreciation of the disposed assets is removed, and any resulting gain or loss is credited or charged to operations. Costs included in wind equipment are under construction and will

be amortized over their useful life on a straight-line basis once they are put into use.

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Sky Harvest Windpower Corp.  
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Notes to the Unaudited Interim Consolidated Financial Statements  
February 28, 2010  
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2. Significant Accounting Policies (continued)

f. Equipment (continued)

(ii) Asset Impairment

The Company performs impairment tests on its property and equipment when events or changes in circumstances occur that indicate the carrying value of an asset may not be recoverable. Estimated future cash flows are calculated using estimated future prices and operating and capital costs on an undiscounted basis. When the carrying value of the property and equipment exceeds estimated future cash flows, the asset is impaired. An impairment loss is recorded to the extent the carrying value exceeds the discounted value of the estimated future cash flows.

(iii) Repairs and Maintenance

Repairs and maintenance costs are charged to expense as incurred, except when these repairs significantly extend the life of an asset or result in an operating improvement. In these instances, the portion of these repairs relating to the betterment is capitalized as part of property and equipment.

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February 28, 2010  
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2. Significant Accounting Policies (continued)

h. Income Taxes

Income taxes are provided in accordance with ASC 740, *Income Taxes*. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

i. Foreign Currency Translation

The functional currency of the Company's Canadian subsidiaries is the applicable local currency. The functional currency is translated into U.S. dollars for balance sheet accounts using current exchange rates in effect as of the balance sheet date and for revenue and expense accounts and cash flow items using a weighted-average exchange rate during the reporting period. Adjustments resulting from translation are included in accumulated comprehensive income (loss), a separate component of shareholders' equity (deficit).

Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the 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. The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

j. Basic Earnings (Loss) per Share

The Company computes net income (loss) per share in accordance with ASC 260, *Earnings per Share*. ASC 260 specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock. The Company has adopted the provisions of ASC 260 effective February 25, 2005 (inception).

Basic net earnings (loss) per share amounts are computed by dividing the net earnings (loss) by the weighted average number of common shares outstanding. Diluted earnings (loss) per share are the same as basic earnings (loss) per share due to the lack of dilutive items in the Company.



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Notes to the Unaudited Interim Consolidated Financial Statements  
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2. Significant Accounting Policies (continued)

k. Use of Estimates

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

Significant estimates made by management are, among others, realizability of long-lived assets, deferred taxes and stock option valuation. Management reviews its estimates on a quarterly basis and, where necessary, makes adjustments prospectively.

l. Stock-Based Compensation

The Company records stock-based compensation in accordance with ASC 718, *Compensation - Stock Based Compensation*, using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. Equity instruments issued to employees and the cost of the services received as consideration are measured and recognized based on the fair value of the equity instruments issued.

m. Website Development Costs

The Company capitalizes website development costs in accordance with ASC 350, *Intangibles - Goodwill and Other*, whereby costs related to the preliminary project stage of development are expensed and costs related to the application development stage are capitalized. Any additional costs for upgrades and enhancements which result in additional functionality will be capitalized. Capitalized costs will be amortized based on their estimated useful life over three years. Internal costs related to the development of website content are charged to operations as incurred.

n. Comprehensive Income

ASC 220, *Comprehensive Income*, establishes standards for the reporting and display of comprehensive income and its components in the consolidated financial statements. As at February 28, 2010, the Company's only component of comprehensive income (loss) was foreign currency translation adjustments. As at February 28, 2009, the Company has no items that represent a comprehensive income (loss).

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### 3. Recent Accounting Pronouncements

In June 2009, the FASB issued guidance now codified as ASC 105, *Generally Accepted Accounting Principles* as the single source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP, aside from those issued by the SEC. ASC 105 does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all authoritative literature related to a particular topic in one place. The adoption of ASC 105 did not have a material impact on the Company's financial statements, but did eliminate all references to pre-codification standards.

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

### 4. Acquisition of Sky Harvest - Saskatchewan

The Company entered into a letter of agreement dated March 26, 2007 to acquire 100% of the issued and outstanding common shares of Sky Harvest - Saskatchewan, a private Canadian company incorporated under the laws of Canada. Sky Harvest - Saskatchewan holds the rights to construct a wind power facility on approximately 8,500 acres of land located in Southwestern Saskatchewan.

On July 13, 2009, the Company acquired 100% of the issued and outstanding common shares of Sky Harvest Saskatchewan in consideration for the issue of 17,343,516 restricted shares of common stock to the shareholders of Sky Harvest - Saskatchewan, equating to 1.5 shares of common stock in the capital of the Company for every issued common share of Sky Harvest - Saskatchewan. The determination of the purchase price was supported by a fairness opinion issued by an independent valuator. The acquisition was subject to Sky Harvest - Saskatchewan completing an audit of its financial statements, and shareholders of both companies approving the acquisition agreement. As the directors of the Company are also directors and principal shareholders of Sky Harvest - Saskatchewan, they abstained from voting their shares in respect of the transaction.

The Company's common shares issued to the Sky Harvest - Saskatchewan shareholders were determined to have a fair value of \$2,601,077. After reflecting the purchase adjustments, the excess of the purchase consideration over the fair values of the Company's assets and liabilities of \$2,793,941 as at July 13, 2009, has been allocated to wind farm asset in the amount of \$2,551,440 and allocated to acquired development costs in the amount of \$242,501.

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4. Acquisition of Sky Harvest - Saskatchewan (continued)

Allocation of Purchase Price	\$
Cash and cash equivalents	21,016
Short term investments	20,889
Prepaid expenses	12,714
Due from related parties	9,357
Property and equipment	59,563
Wind farm asset	2,551,440
Acquired development costs	242,501
Intangible asset	543
Accounts payable	(30,986)
Accrued liabilities	(5,962)
Loan payable	(279,998)
	2,601,077
Allocation of Excess Purchase Price	\$
Wind Farm asset	2,551,440
Acquired development costs	242,501
	2,793,941

Pro forma Information (unaudited)

The following financial summary represents the amount of expenses and losses of Sky Harvest - Saskatchewan since the acquisition date (July 13, 2009) included in the consolidated income statement for the nine months ended February 28, 2010.

From the  
 Date of Acquisition  
 (July 13, 2009)  
 To February 28,  
 2010  
 \$

Expenses	
Consulting fees	7,471
Engineering and development	162,296
Management fees	94,030
Professional fees	5,564
General and administrative	59,095
Operating loss	328,456
Other Income	
Interest income	(32)
Foreign exchange gain	(30,602)

Net loss

(297,822)

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4. Acquisition of Sky Harvest - Saskatchewan (continued)

The following interim *pro forma* consolidated financial summary is presented as if the acquisition of Sky Harvest - Saskatchewan was completed on June 1, 2009 and June 1, 2008, respectively. The *pro forma* combined results have been prepared for informational purpose only and do not purport to be indicative of the results which would have actually been attained had the business combination been consummated on the dates indicated or of the results which may be expected to occur in the future.

	For the Nine months Ended February 28, 2010 \$	For the Nine months Ended February 28, 2009 \$
Expenses		
Consulting fees	53,361	126,755
Engineering and development	190,618	55,380
Management fees	195,565	126,835
Professional fees	123,134	88,172
General and administrative	668,665	97,019
Acquired development costs	242,501	
Operating loss	1,473,844	494,161
Other Income		
Interest income	(2,022)	(12,785)
Foreign exchange (gain) loss	(16,099)	27,060
Net loss	(1,455,723)	(508,436)
Net loss per common share basic and diluted	(0.05)	(0.02)
Weighted average number of common stock outstanding	29,732,000	29,732,000

5. Property and equipment

	Cost \$	Accumulated depreciation \$	February 28, 2010 Net carrying value \$	May 31, 2009 Net carrying value \$
Computer equipment	5,799	(4,506)	1,293	
Asset under construction	64,831		64,831	
Wind tower equipment	22,116	(16,581)	5,535	8,851
	92,746	(21,087)	71,659	8,851



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#### 6. Intangible Assets

	Cost	Accumulated Amortization	February 28, 2010 Net carrying value	May 31, 2009 Net carrying value
	\$	\$	\$	\$
Website development	2,253	(2,128)	125	
Wind farm assets	2,551,440		2,551,440	
	2,553,693	(2,128)	2,551,565	

#### 7. Note Receivable

On September 23, 2008, the Company entered into a loan agreement with Sky Harvest - Saskatchewan to lend Sky Harvest - Saskatchewan \$100,000. This loan is non-interest bearing, unsecured and was due on September 22, 2009. On January 28, 2009, the Company entered into the second loan agreement with Sky Harvest - Saskatchewan to lend Sky Harvest - Saskatchewan an additional \$100,000. This loan is non-interest bearing, unsecured and was due to be repaid on January 28, 2010. On April 23, 2009, the Company entered into the third loan agreement with Sky Harvest - Saskatchewan to lend Sky Harvest - Saskatchewan an additional \$80,000. This loan is non-interest bearing, unsecured and is due on April 23, 2010. As of February 28, 2010, Sky Harvest - Saskatchewan has not repaid the \$100,000 loan that was due on September 22, 2009 and the \$100,000 loan that was due on January 28, 2010. As of February 28, 2010, these intercompany transactions and balances have been eliminated upon consolidation.

#### 8. Short-term Investments

- On July 30, 2008, the Company purchased a term deposit in the amount of \$150,000, bearing interest rate of 2%, maturing on July 29, 2009. As at February 28, 2010, the Company accrued \$nil (May 31, 2009 - \$2,885) of interest income.
- On July 30, 2008, the Company purchased a term deposit in the amount of \$300,000, bearing interest rate of 2%, maturing on July 29, 2009. As at February 28, 2010, the Company accrued \$nil (May 31, 2009 - \$5,016) of interest income.
- On February 5, 2009, the Company purchased a term deposit in the amount of \$200,000, bearing interest rate of 0.75%, maturing on February 10, 2010. As at February 28, 2010, the Company accrued \$nil (May 31, 2009 - \$472) of interest income.
- On August 6, 2009, the Company purchased a term deposit in the amount of \$300,000, bearing interest rate of 0.2%, maturing on August 5, 2010. During the nine month ended February 28, 2010, the Company redeemed the short term deposit. As at February 28, 2010, the Company accrued \$nil (May 31, 2009 - \$nil) of interest income.

- e) On July 23, 2008, the Company purchased a term deposit in the amount of CDN \$11,500, bearing interest of 2.10% per annum, maturing on July 23, 2009. The term deposit was renewed on July 28, 2009 for the amount of \$10,926 (CDN \$11,500), bearing interest of 0.20% per annum, maturing on July 23, 2010. As at February 28, 2010, the Company accrued \$7 (CDN \$8) (May 31, 2009 \$190) of interest income.

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8. Short-term Investments (continued)

- f) October 31, 2008, the Company purchased a term deposit in the amount of CDN \$12,278, bearing floating interest rate of prime rate less 2.65%, maturing on October 31, 2009. The term deposit was renewed on October 30, 2009 for the amount of \$11,718 (CDN \$12,334), bearing floating interest rate of prime rate less 1.85%, maturing on October 29, 2010. As at February 28, 2010, the Company accrued \$16 (CDN \$17) (May 31, 2009 - \$39) of interest income.

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#### 11. Stock Based Compensation (continued)

On September 11, 2009, pursuant to the Plan the Company granted 1,000,000 options with immediate vesting to directors, officers, and employees to acquire 1,000,000 common shares at an exercise price of \$0.51 per share exercisable for 5 years and recorded stock based compensation for the vested options of \$493,939, as a general and administrative expense.

On September 11, 2009, pursuant to the Plan, the Company granted 250,000 options to consultants to acquire 250,000 common shares at an exercise price of \$0.51 per share exercisable for 5 years. The options granted vest at the rate of 12.5% every 90 days from the date of grant. The Company recorded stock based compensation of \$63,538, as a general and administrative expense.

The fair value for stock options granted was estimated at the date of grant using the Black-Scholes option-pricing model and the weighted average fair value of stock options granted during the nine months ended February 28, 2010 was \$0.49 per share.

The weighted average assumptions used are as follows:

	June 30, 2009	Nine Months Ended February 28, 2010
Expected dividend yield	0%	0%
Risk-free interest rate	1.33%	2.29%
Expected volatility	132%	198%
Expected option life (in years)	3.99	4.96

The following table summarizes the continuity of the Company's stock options:

	Number of Options	Weighted Average Exercise Price \$	Weighted- Average Remaining Contractual Term (years)	Aggregate Intrinsic Value \$
Outstanding, May 31, 2009				
Granted	1,250,000	0.51		
Outstanding, February 28, 2010	1,250,000	0.51	4.54	50,000
Exercisable, February 28, 2010	1,031,250	0.51	4.54	41,250

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#### 11. Stock Based Compensation (continued)

A summary of the status of the Company's non-vested stock options as of February 28, 2010, and changes during the nine month period ended February 28, 2010, is presented below:

Non-vested options	Number of options	Weighted Average Grant Date Fair Value \$
Non-vested at May 31, 2009		
Granted	1,250,000	0.49
Forfeited/Cancelled		
Vested	(1,031,250)	0.49
Non-vested at February 28, 2010	218,750	0.49

At February 28, 2010, there was \$58,962 of unrecognized compensation costs related to non-vested share-based compensation arrangements granted under the Plan, which is expected to be recognized over a weighted average period of 1.53 years.

#### 12. Commitments and contingencies

On February 23, 2009, the Company entered into a consulting agreement with a consultant (the Consultant). Pursuant to the agreement, the Consultant provided investor relations services for the Company from February 24, 2009 to July 5, 2009. In consideration for the investor relations services, the Company agreed to pay the Consultant \$5,000 per month and to issue 15,000 shares of the Company's common stock. At February 28, 2009 and February 28, 2010, the fair value of the 15,000 shares issuable was \$6,750 and is included in common stock subscribed. In addition, if the Company receives equity or debt funding of at least \$3,000,000 from a source introduced to the Company by the Consultant then the parties agree to extend the agreement by an additional year. In consideration for the additional year of investor relations services, the Company must pay \$8,500 per month and issue 50,000 shares of the Company's common stock or pay \$7,500 per month and issue 80,000 shares of the Company's common stock.

#### 13. Subsequent events

In accordance with ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 13, 2010, the date of issuance of the unaudited interim consolidated financial statements. During this period, the Company did not have any material recognizable subsequent events.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

*The following discussion and analysis should be read together with our Consolidated Financial Statements and the Notes to those statements included elsewhere in this quarterly report on Form 10-Q and the Consolidated Financial Statements and the Notes to those statements included in our Form 10-K for the year ended May 31, 2009. Certain statements contained herein constitute "forward-looking statements" as defined in the U.S. Private Securities Litigation Reform Act of 1995. In some cases forward-looking statements can be identified by terminology, such as "believes," "anticipates," "expects," "estimates," "plans," "may," "intends," or similar terms. These statements appear in a number of places in this Form 10-Q and include statements regarding the intent, belief or current expectations of our company, its directors or its officers with respect to, among other things: (i) trends affecting our financial condition or results of operations, (ii) our business and growth strategies and (iii) our financing plans. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors", that may cause our company's or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.*

*Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we undertake no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur.*

*Our consolidated financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles. In this quarterly report, unless otherwise specified, all references to common shares refer to the common shares in our capital stock and the terms we, us and our, the Company and Sky Harvest mean Sky Harvest Windpower Corp., a Nevada Corporation and its subsidiaries.*

### **Corporate Overview**

We were incorporated in the State of Nevada on February 25, 2005. We are a development stage company in the business of electrical power generation through the use of wind energy. We have not generated any revenue from operations since our incorporation. We do not anticipate earning any revenue until the completion of an environmental assessment on our properties, securing a power purchase agreement and erecting and commissioning wind turbines on our properties, of which there is no guarantee.

## Recent Corporate Developments

Since the commencement of our most recent fiscal quarter on December 1, 2009 we have experienced the following significant corporate development:

### *Acquisition of additional land under lease*

*On February 4, 2010, we executed further leases with existing and new landowners, increasing the total land area under lease to the Company from approximately 8,500 acres to approximately 15,680 acres.*

### *SaskPower issues a Request for Qualifications*

On December 19, 2009, Saskatchewan Power Corporation (SaskPower), the Crown Corporation responsible for electricity supply in the Canadian province of Saskatchewan, issued a request for qualifications ( RFQ ) in connection with the procurement of up to 175 megawatts of wind power from one or more independent power producers. The purpose of the RFQ is to identify qualified bidders with the interest and capability to finance, build and operate a wind generation facility of between 100MW and 175MW in the Province. Saskpower set certain criteria for respondents to the RFQ relating to the nature of the project, control of the proposed site, wind project expertise and financial strength. The closing date for the RFQ was extended to March 12, 2010. Saskpower has indicated that the names of qualified respondents the RFQ will be announced during April 2010, and that qualified respondents will be invited to participate in a request for proposals ( RFP ) stage in the spring of 2010.

The Company was unable to satisfy all the criteria as set out in the RFQ and accordingly entered into a non-binding letter of intent with an established international wind farm developer and operator for the purpose of assisting the Company to qualify in the RFQ. The letter of intent provides that if the Company is qualified by SaskPower to participate in the RFP, the Company and the international wind farm developer and operator will negotiate a definitive joint venture agreement and submit a joint proposal in the RFP stage.

The Company submitted its response to the RFQ on March 12, 2010. As of the date of this report, SaskPower has not announced the names of qualified respondents to the RFQ.

## Results of Operations

The following summary of our results of operations should be read in conjunction with our unaudited interim consolidated financial statements for the fiscal quarter ended February 28, 2010 which are included herein.

	Three months ended February 28,				Nine months ended February 28,			
	2010	2009	Increase/(Decrease)		2010	2009	Increase/(Decrease)	
	\$	\$	\$	%	\$	\$	\$	%
Revenue	0	0	0	N/A	0	0	0	N/A
Expenses	204,935	99,476	105,459	106%	1,417,949	256,109	1,161,840	454%
Foreign exchange (gain) loss	(1,370)	85	(1,455)	N/A	(30,908)	749	(31,657)	N/A
Interest income	(170)	(4,145)	(3,975)	(96%)	(1,994)	(12,561)	(10,567)	(84%)
Net Loss	203,395	95,416	107,979	113%	1,385,047	244,297	1,140,750	467%

### Revenues

We recorded a net operating loss of \$203,395 for the fiscal quarter ended February 28, 2010 and have an accumulated deficit of \$2,514,147 since inception. We have had no operating revenues since our inception on February 25, 2005 through to the fiscal quarter ended February 28, 2010. We anticipate that we will not generate any revenues while we are a development stage company.

### Expenses

Our expenses for the three and nine months ended February 28, 2010 and 2009 are outlined below:

	Three months ended February 28,				Nine months ended February 28,			
	2010	2009	Increase/(Decrease)		2010	2009	Increase/(Decrease)	
	\$	\$	\$	%	\$	\$	\$	%
Consulting fees	10,131	57,230	(47,099)	(82%)	52,348	117,534	(65,186)	(55%)
Engineering and development	43,376	936	42,440	4534%	179,764	6,452	173,312	2686%
Management fees	79,353	22,875	56,478	246%	172,905	68,625	104,280	152%
Professional fees	13,456	15,806	(2,350)	(15%)	121,015	54,400	66,615	122%
General and administrative	58,619	2,628	55,991	2130%	649,416	9,098	640,318	7038%
Acquired development costs	0	0	0	N/A	242,501	0	242,501	N/A
Net Loss	204,935	99,476	105,459	106%	1,417,949	256,109	1,161,840	454%

Consulting expenses decreased by \$47,099 to \$10,131 in the three months ended February 28, 2010 from \$57,230 in the three months ended February 28, 2009, and by \$65,186 to \$52,348 for the nine months ended February 28, 2010 as compared \$117,534 incurred the nine months ended February 28, 2009. This decrease resulted from reduced expenditure on investor relations activities conducted during the period.

Engineering and development expenses increased by \$42,440 to \$43,376 in the three months ended February 28, 2010 from \$936 in the three months ended February 28, 2009, and by \$173,312 to \$179,764 in the nine months ended February 28, 2010 from \$6,452 in the nine months ended February 28, 2009 as we incurred further project engineering costs related to the project acquired as a result of the acquisition of Sky Harvest Saskatchewan. Engineering and development expenses in the amount of \$165,504 were incurred for the nine months ended February 28, 2010, of which we expended \$148,036 on the project acquired as a result of the acquisition of Sky Harvest Saskatchewan. (nine months ended February 28, 2009 - \$Nil). During this period we also incurred \$17,468 in project engineering costs related to our original project as compared with \$6,452 in the nine months ended February 28, 2009.

Management fees increased by \$56,478 to \$79,353 for the three months ended February 28, 2010 from \$22,875 for the three months ended February 28, 2009; and by \$104,280 to \$172,905 for the nine months ended February 28, 2010 as compared with \$68,625 incurred in the nine months ended February 28, 2009. This increase resulted from the acquisition of Sky Harvest Saskatchewan together and the engagement of a consultant to assist us with various financial projects.

Professional fees decreased by \$2,350 to \$13,456 in the three months ended February 28, 2010 from \$15,806 for the three months ended February 28, 2009. The decrease in this category of expenses resulted from reduced requirements for professional services in the three months ended February 28, 2010 as compared with the three months ended February 28, 2009. Professional fees increased by \$66,615 to \$121,015 for the nine months ended February 28, 2010 as compared with the amount expended in this category during the nine months ended February 28, 2009, as a result of additional legal expenses incurred in connection with our acquisition of Sky Harvest Saskatchewan, the creation of the 2009 Stock Option plan, and additional professional accounting services during the period.

General and administrative expenses increased by \$55,991 to \$58,619 for the three months ended February 28, 2010 from \$2,682 for the three months ended February 28, 2009. The increase in this category of expenses for the three months ended February 28, 2010 resulted from additional insurance costs and the recognition of \$28,857 in stock based compensation expense, together with increased expenditure on costs associated with the maintenance of the public company, and travel and office expenses associated with our subsidiary. General and administrative expenses increased by \$640,318 to \$649,416 for the nine months ended February 28, 2010 as compared with the nine months ended February 28, 2009 resulting from the recognition of \$557,477 in stock compensation expense together with increased insurance, travel and office expenses, and expenses associated with the maintenance of the public company.

Acquired development costs amounting to \$242,501 expensed during the nine months ended February 28, 2010, represent development costs incurred by Sky Harvest Saskatchewan prior to acquisition by the Company on July 11, 2009.

#### **Foreign exchange (gain) loss**

Foreign currency transactions are primarily undertaken in Canadian dollars. Foreign exchange gains and losses arise from the translation of transactions in Canadian dollars into US dollars. Foreign currency exchange rates fluctuate, and gains and losses resulting from these fluctuations recognized as they occur. Company has not, to the date of this report, utilized derivative instruments to offset the impact of foreign currency fluctuations

#### **Interest income**

Interest income declined by \$3,975 to \$170 for the three months ended February 28, 2010 from \$4,145 for the three months ended February 28, 2009, and decreased by \$10,567 to \$1,994 for the nine months ended February 28, 2010 as compared \$12,561 received in the nine months ended February 28, 2009. The reduction in interest income resulted from the utilization of the Company's short term investments to fund development of the Company's wind power projects and continued corporate operations. In addition, the significant reduction in interest rates offered by commercial banks resulting from the current adverse economic conditions impacted this item negatively.

## Liquidity and Capital Resources

Our financial condition as at February 28, 2010, and May 31, 2009 and the changes for on those dates are summarized as follows:

### Working Capital

	February 28, 2010	May 31, 2009	Increase/Decrease	
	\$	\$	\$	%
Current Assets	155,173	984,877	(829,704)	(84%)
Current Liabilities	43,483	7,075	36,408	(515%)
Working Capital	111,690	977,802	(866,112)	(89%)

The decrease of \$866,112 or 89% in our working capital was primarily due to a decrease in cash and cash equivalents as result the of expenditures undertaken during the period and the elimination of the Note receivable on consolidation of our subsidiary, offset by an increase in prepaid expenses and increases in Accounts payable and Accrued liabilities acquired on acquisition of Sky Harvest Saskatchewan.

### Cash Flows

	Three months ended February 28,				Nine months ended February 28,			
	2010	2009	Increase/(Decrease)		2010	2009	Increase/(Decrease)	
	\$	\$	\$	%	\$	\$	\$	%
Cash Flows (used in) Operating Activities	(139,127)	(181,635)	42,508	(23.4%)	(589,627)	(492,717)	96,910	(20%)
Cash Flows provided by (used in) Investing Activities	199,011	(50,000)	249,011	(498.0%)	667,576	700,000	32,424	(5%)
Cash Flows provided by Financing Activities	0	0	0	N/A	0	0	0	N/A
Effect of exchange rate changes on cash	(421)	0	(421)	N/A	(30,906)	0	30,906	N/A
Net increase (decrease) in cash during year	59,884	(231,635)	(291,519)	125.9%	47,043	207,283	(160,240)	(77%)

During the three months ended February 28, 2010 we used net cash in operating activities in the amount of \$139,127. The cash used in the current period by our operating activities was primarily represented by our operations on our wind power projects, our acquisition of Sky Harvest - Saskatchewan and shareholder communications.

Cash flows provided by investing activities represent short term investments redeemed during the three months ended February 28, 2010.



**Disclosure of Outstanding Share Data***Warrants*

None

*Share options*

On September 11, 2009, we granted stock options to directors, officers and key advisors to acquire up to 1,250,000 shares of common stock exercisable at \$0.51 per share on or before September 11, 2014.

A summary of our stock option activity is as follows:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price \$</b>
Balance, as at May 31, 2009	-	-
Granted	1,250,000	0.51
Expired	-	-
Exercised	-	-
Balance, as at April 13, 2010	1,250,000	0.51

**Future Financings**

We recorded a net operating loss of \$1,385,047 for the nine months ended February 28, 2010, and have an accumulated deficit of \$2,514,147 since inception. As of February 28, 2010 we had cash and cash equivalents, and short term investments totaling \$247,974 (May 31, 2009 - \$694,962). As of April 12, 2010, we had cash and cash equivalents, and short term investments totaling \$49,343.

As of the date of this report, management anticipates that we will require at least \$970,000 to fund our corporate operations and proposed exploration and development program for the next 12 months. Accordingly we do not have sufficient funds to meet our planned expenditures over the next 12 months. In addition we will require further financing in order to fund our anticipated expenses for the construction of the proposed wind turbine project.

We have begun sourcing additional debt or equity financing to cover the balance of the anticipated costs for the next 12 months. Until such financing is arranged, we intend to rely on the proceeds of a financing concluded in July, 2007 for net proceeds of approximately \$1,163,000 to cover the cost of operations before the erection of wind turbines. Accordingly, as of the date of this report, we do not have any arrangements in place for debt financing nor for the sale of our securities, and there is no assurance that we will be able to raise the required funds through equity and debt financing.

We have not had any specific communications with any representative of a debt financing institution regarding our proposed wind power project. We will only be able to secure debt financing for wind turbines if we are able to prove that an economic wind resource exists on a site over which we have acquired the rights to erect turbines and that we have negotiated a power purchase agreement with a credit-worthy counter-party.

We anticipate continuing to rely on equity sales of our common shares in order to continue to fund our business operations. Issuances of additional shares will result in dilution to our existing shareholders. We may also seek to raise additional cash by the issuance of debt instruments. As of the date of this report, there is no assurance that we will achieve any additional sales of our equity securities or arrange for debt or other financing to fund our exploration and development activities during the next 12 month period.



## **Off Balance Sheet Arrangements**

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

## **Risks Related to our Business**

### ***If we do not obtain additional financing our business will fail.***

Over the next 12 months, we expect to spend \$480,000 on administrative costs, including management fees payable to our President and Directors, professional fees and general business expenses, including costs related to complying with our filing obligations as a reporting company. As our operations become more complex, it is anticipated that these costs will increase. We also expect incur a further \$490,000 in pre-development costs related to our wind power projects.

As of the date of this report, we do not have sufficient cash on hand fund these expenditures. We will need to raise additional debt or equity financing in order to cover remaining business costs. We do not currently have any arrangements for financing and may not be able to find such financing if required.

### ***Because we have not commenced business operations, we face a high risk of business failure.***

We have not yet commenced business operations as an independent power producer; accordingly, we have no way to evaluate the likelihood that our business will be successful. We were incorporated on February 25, 2005 and to date have been involved primarily in organizational activities and wind assessment of the Saskatchewan properties on which we have erected a meteorological towers.

Potential investors should be aware of the difficulties normally encountered by development stage companies and the high rate of failure of such enterprises. Prior to earning revenue, of which there is no assurance, we will likely incur significant costs and expect to incur significant losses in the foreseeable future. If we are unable to acquire a property interest and erect a wind farm on our property, we will not earn profits nor be able to continue operations.

### ***Because our continuation as a going concern is in doubt, we will be forced to cease business operations unless we can generate profitable operations in the future.***

We have incurred losses since our inception. Further losses are anticipated in the development of our business. As a result, there is substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon our ability to achieve profitable operations in the future and/or to obtain the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. If we cannot raise financing to meet our obligations, we will be insolvent and will cease business operations.

### ***If we are not able to obtain an interest in a suitable property with a potential wind resource, our business will fail.***

We have entered into an agreement to operate a meteorological tower on a property in south-western Saskatchewan to determine whether it possesses a sufficient wind resource to justify the erection of wind turbines. However, we do not have an arrangement where it may erect turbines on the property if it contains an economic wind resource. Even if we are able to reach an agreement to acquire an interest in this property, we may not be able to obtain the financing necessary to complete the lease or purchase. If we are unable to acquire a suitable property interest, our business will fail.

### ***Future changes in weather patterns could negatively impact our business, reducing potential profitability or causing our business to fail.***

Changes in weather patterns may affect our ability to operate a wind power project on any property we acquire. Energy production actually achieved when a wind turbine is installed may differ from predictions of expected energy production based on wind data that we collect from a meteorological tower. Changing global environmental and

weather conditions may also affect the reliability of the data relating to a property.

Any wind farm that we develop, no matter where it is located, would be subject to variations in wind and changes in worldwide climatic conditions. Sudden or unexpected changes in environmental and meteorological conditions could reduce the productivity of our wind farm. Climatic weather patterns, whether seasonal or for an extended period of time, resulting in lower, inadequate and/or inconsistent wind speed to power the wind turbines may render our wind farms incapable of generating adequate, or any, electrical energy.

***Our ability to erect turbines on a property in Saskatchewan will be contingent upon it obtaining environmental and municipal permits. If it cannot acquire these permits, our business will fail.***

In order to erect turbines on the Saskatchewan property, we must excavate portions of the land and install concrete platforms below surface. Before we commence this, we will need to obtain environmental and municipal permits from the Saskatchewan provincial government and the town responsible for the property interest it acquires. Depending on environmental impact, our proposed land disturbance may be unacceptable to these government bodies. In addition, the turbines themselves may be seen to have a negative impact on bird migration patterns or on the aesthetics of the region. These factors may prevent us from obtaining necessary permits. In such circumstances, we would be forced to abandon our business plan.

***We may fail to qualify to participate in the Request for Proposals to be issued by the Saskatchewan Power Corporation, or fail to submit a successful proposal, or fail to negotiate a power purchase agreement.***

On December 19, 2009, Saskatchewan Power Corporation (SaskPower), the Crown Corporation responsible for electricity supply in the Canadian province of Saskatchewan, issued a request for qualifications ( RFQ ) in connection with the procurement of up to 175 megawatts of wind power from one or more independent power producers. The purpose of the RFQ is to identify qualified bidders with the interest and capability to finance, build and operate a wind generation facility of between 100MW and 175MW in the Province. Saskpower set certain criteria for respondents to the RFQ relating to the nature of the project, control of the proposed site, wind project expertise and financial strength. The closing date for the RFQ was extended to March 12, 2010. Saskpower has indicated that the names of qualified respondents the RFQ will be announced during April 2010, and that qualified respondents will be invited to participate in a request for proposals ( RFP ) stage in the spring of 2010.

The Company was unable to satisfy all the criteria as set out in the RFQ and accordingly entered into a non-binding letter of intent with an established international wind farm developer and operator for the purpose of assisting the Company to qualify in the RFQ. The letter of intent provides that if the Company is qualified by SaskPower to participate in the RFP, the Company and the international wind farm developer and operator will negotiate a definitive joint venture agreement and submit a joint proposal in the RFP stage.

The Company submitted its response to the RFQ on March 12, 2010. As of the date of this report, SaskPower has not announced the names of qualified respondents to the RFQ.

Although the Company expects to be qualified in the RFQ stages with the support of the international wind farm developer and operator, there is no assurance that it will in fact be qualified.

If the Company is qualified in the RFQ stage there is no assurance that it will be able to conclude a definitive joint venture agreement with the international wind farm developer and operator on terms acceptable to the Company. There is also no assurance that a joint proposal by the Company and international wind farm developer and operator will be successful in the RFP stage. Furthermore, there is no assurance that if the proposal submitted by the Company and the international wind farm developer and operator were accepted by SaskPower, the Company and the international wind farm developer operator will be able to negotiate a power purchase agreement with SaskPower on terms acceptable to Company and/or international wind farm developer and operator.

***If we cannot find a party which will purchase our electricity on acceptable terms, we will not be able establish a wind power project and our business will fail.***

Even if we demonstrate a significant wind resource on a property that we acquire, we may not be able secure a purchaser for any electricity that we produce on acceptable terms. Without a purchaser electricity from a property, we will not be able to proceed with our business plan.

***Because all of our assets and a majority of our directors and officers are located in Canada, U.S. residents' enforcement of legal process may be difficult.***

All of our officers and directors reside in Canada. As well, all of our assets are located in Canada Accordingly, service of process upon our company, or upon individuals related to Keewatin, may difficult or impossible to obtain within the United States. As well, any judgment obtained in the United States against us may not be collectible within the United States.

### **Risks Related to our Common Stock**

***A decline in the price of our common stock could affect our ability to raise further working capital, it may adversely impact our ability to continue operations and we may go out of business.***

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because we may attempt to acquire a significant portion of the funds we need in order to conduct our planned operations through the sale of equity securities, a decline in the price of our common stock could be detrimental to our liquidity and our operations because the decline may cause investors not to choose to invest in our stock. If we are unable to raise the funds we require for all of our planned operations, we may force us to reallocate funds from other planned uses which may have a significant negative effect on our business plan and operations, including our ability to develop new products and continue our current operations. As a result, our business may suffer and not be successful and we may go out of business. We also might not be able to meet our financial obligations if we cannot raise enough funds through the sale of our common stock and we may be forced to go out of business.

***If we issue additional shares in the future, it will result in the dilution of our existing shareholders.***

Our certificate of incorporation authorizes the issuance of up to 100,000,000 shares of common stock with a par value of \$0.001. Our board of directors may choose to issue some or all of such shares to acquire one or more businesses or to provide additional financing in the future. The issuance of any such shares will result in a reduction of the book value and market price of the outstanding shares of our common stock. If we issue any such additional shares, such issuance will cause a reduction in the proportionate ownership and voting power of all current shareholders. Further, such issuance may result in a change of control of our corporation.

***Trading on the OTC Bulletin Board may be volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.***

Our common stock is quoted on the OTC Bulletin Board service of the Financial Industry Regulatory Authority ( FINRA ). Trading in stock quoted on the OTC Bulletin Board is often thin and characterized by wide fluctuations in trading prices due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the OTC Bulletin Board is not a stock exchange, and trading of securities on the OTC Bulletin Board is often more sporadic than the trading of securities listed on a quotation system like NASDAQ or a stock exchange like the American Stock Exchange. Accordingly, our shareholders may have difficulty reselling any of their shares.

***Our stock is a penny stock. Trading of our stock may be restricted by the SEC's penny stock regulations and FINRA's sales practice requirements, which may limit a stockholder's ability to buy and sell our stock.***

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15c-9 which generally defines penny stock to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The term accredited investor refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in, and limit the marketability of, our common stock.

***FINRA sales practice requirements may also limit a stockholder's ability to buy and sell our stock.***

In addition to the penny stock rules promulgated by the Securities and Exchange Commission (see above for a discussion of penny stock rules), FINRA rules require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Not applicable

**Item 4T. Controls and Procedures.**

Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures at February 28, 2010, which is the end of the period covered by this report. This evaluation was carried out by our principal executive officer and principal financial officer. Based on this evaluation, our principal executive officer and principal financial officer has concluded that the design and operation of our disclosure controls and procedures are effective as at the end of the period covered by this report.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by our company 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 SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by our company in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting during the three months ended February 28, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.



**PART II OTHER INFORMATION**

**Item 1. Legal Proceedings.**

None

**Item 1A. Risk Factors.**

Not applicable

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

None

**Item 3. Defaults Upon Senior Securities.**

None

**Item 4. Removed and Reserved**

**Item 5. Other Information.**

None

**Item 6. Exhibits.**

<b>Description</b>	<b>Exhibit No.</b>	<b>Form</b>	<b>Filing date</b>	<b>Filed with this Form 10-Q</b>
<b><i>Articles of Incorporation and Bylaws</i></b>				
Articles of Incorporation	3.1	SB-2	July 14, 2005	
Bylaws	3.2	SB-2	July 14, 2005	
Certificate of designation	3.3	8-K	July 13, 2009	
<b><i>Instruments defining the rights of security holders</i></b>				
Form of Warrant Certificate for July 13, 2007	4.1	10-QSB	January 14, 2008	
Private Placement				
<b><i>Material Contracts management contracts and compensatory plans</i></b>				
Management Agreement between Keewatin Windpower Corp. and Christopher Craddock, dated March 1, 2005	10.1	SB-2	July 14, 2005	
<b><i>Material Contracts financing agreements</i></b>				
Form of Subscription Agreement for July 13, 2007 Private Placement for US Subscribers	10.2	10-QSB	January 14, 2008	
Form of Subscription Agreement for July 13, 2007 Private Placement for Non-US Subscribers	10.3	10-QSB	January 14, 2008	
<b><i>Material Contracts other</i></b>				
Consent to Entry/Right of Access Agreement between Keewatin Windpower Corp. and Edward and Charlotte Bothner, dated August 23, 2005	10.4	SB-2	September 29, 2005	
Letter of Intent between Keewatin Windpower Corp. and Sky Harvest Windpower Corp. dated March 27, 2007	10.5	10-QSB	January 14, 2008	
Loan Agreement between Sky Harvest Windpower Corp. and Keewatin Windpower Corp. dated September 23, 2008	10.6	10-QSB	January 14, 2009	
Promissory Note of Sky Harvest Windpower Corp. dated September 23, 2008	10.7	10-QSB	January 14, 2009	
Financial Communications and Strategic Consulting Agreement with Aspire Clean Tech Communications, Inc. dated February 23, 2009	10.8	8-K	March 3, 2009	
Promissory Note of Sky Harvest Windpower Corp. dated September 23, 2008	10.9	10-Q	February 28, 2009	
Loan Agreement between Sky Harvest Windpower Corp. and Keewatin Windpower Corp. dated January 28, 2009	10.10	10-Q	February 28, 2009	
Share exchange agreement between Keewatin Windpower Corp. and Sky Harvest Windpower Corp. dated May 11, 2009	10.11	8-K	July 10, 2009	
Exchangeable share support agreement between Keewatin Windpower Corp. and Keewatin Windpower Inc. dated May 11, 2009	10.12	8-K	July 10, 2009	

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Voting and exchange trust agreement between Keewatin Windpower Corp., Keewatin Windpower Inc. and Valiant Trust Company dated May 11, 2009	10.13	8-K	July 10, 2009
Articles of Merger filed between Keewatin Windpower Corp. and Sky Harvest Windpower Corp. filed September 1, 2009	10.14	8-K	September 17, 2009
Adoption of 2009 Stock Option Plan dated September 11, 2009	10.15	8-K	September 23, 2009

***Code of Ethics***

Code of Ethics	14.1	10-K	August 31, 2009
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Certification Statement of the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002

<u>31.1</u>	*
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Certification Statement of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002

<u>32.1</u>	*
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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SKYHARVEST WINDPOWER CORP.

/s/ Chris Craddock

Chris Craddock

Chief Executive Officer and Chief Financial Officer

Principal Executive Officer, Principal Accounting Officer and Principal Financial Officer

Date: April 16, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

/s/ Chris Craddock

Chris Craddock

Chief Executive Officer, Chief Financial Officer, President, Treasurer, Secretary, and Director, Principal Executive Officer, Principal Accounting Officer and Principal Financial Officer

Date: April 16, 2010

/s/ William Iny

William Iny

Director

Date: April 16, 2010