

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

Keewatin Windpower Corp.
Form 10QSB
April 19, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

Quarterly Report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended February 28, 2007

Transition Report under 13 or 15(d) of the Exchange Act

For the transition period from _____ to _____

Commission File Number 333-126580

Keewatin Windpower Corp.
(Exact name of small Business Issuer as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

Pending
(IRS Employer Identification No.)

666 Burrard Street, Suite 617
Vancouver, BC, Canada
(Address of principal executive offices)

V6C 2X8
(Zip Code)

Issuer's telephone number: (778) 835-7980

409 Granville Street, Suite 603, Vancouver, B.C., V6C 1T2
(Former name, former address and former fiscal year,
if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 10,530,000 shares of \$0.001 par value common stock outstanding as of April 18, 2007.

Keewatin Windpower Corp.
(A Development Stage Company)
Balance Sheets
(Expressed in US Dollars)
(unaudited)

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

	February 28, 2007 \$ -----	May 31, 2006 \$ -----
ASSETS		
Current Assets		
Cash and cash equivalents	416,958	3,000
Short term investment	50,432	
Prepaid expenses	--	1,300
	-----	-----
Total Current Assets	467,390	4,300
Property and equipment, net (Note 4)	16,976	20,000
	-----	-----
Total Assets	484,366	24,400
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)		
Liabilities		
Accounts payable	2,772	
Accrued liabilities	1,930	
Loans payable to related party (Note 5)	--	22,100
Management fees payable (Note 5)	37,600	17,700
	-----	-----
Total Liabilities	42,302	39,800
	-----	-----
Contingencies (Note 2)		
Stockholders' Equity (Deficiency)		
Preferred Stock:		
Authorized: 10,000,000 shares, \$0.001 par value		
Issued and outstanding: None	--	
Common Stock:		
Authorized: 100,000,000 shares, \$0.001 par value		
Issued and outstanding: 10,530,000 shares as of February 28, and May 31, 2006	10,530	10,500
Additional paid-in capital	409,478	43,900
Common stock subscribed (Note 6)	500,500	
Deficit accumulated during the development stage	(478,444)	(69,800)
	-----	-----
Total Stockholders' Equity (Deficiency)	442,064	(15,300)
	-----	-----
Total Liabilities and Stockholders' Equity (Deficiency)	484,366	24,400
	=====	=====

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

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

Statements of Operations (Expressed in US Dollars) (unaudited)

	Accumulated from February 25, 2005 (Date of Inception) To February 28, 2007 \$ -----	For the Three Months Ended February 28, 2007 \$ -----	For the Three Months Ended February 28, 2006 \$ -----	For the Nine Months Ended February 28, 2007 \$ -----
Expenses				
Management fees	152,577	98,877	900	113,877
General and administrative	331,033	285,640	10,015	299,867
	-----	-----	-----	-----
Operating loss	483,610	384,517	10,915	413,744
	-----	-----	-----	-----
Other Income				
Interest income	(5,166)	(5,166)	--	(5,166)
	-----	-----	-----	-----
Net loss	478,444	379,351	10,915	408,578
	=====	=====	=====	=====
Net loss per common share - basic and diluted		(0.04)	--	(0.04)
		=====	=====	=====
Weighted average number of common stock outstanding		10,530,000	10,530,000	10,530,000
		=====	=====	=====

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

3

Keewatin Windpower Corp. (A Development Stage Company) Statements of Cash Flows (Expressed in US Dollars) (unaudited)

	Accumulated from February 25, 2005 (Date of Inception) To February 28, 2007 \$ -----	Nine Months Ended February 28, 2007 \$ -----
Operating activities		
Net loss for the period	(478,444)	(408,578)
Adjustments to reconcile net loss to net cash		

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

used in operating activities:		
Depreciation	3,837	3,120
Stock-based compensation	365,508	365,508
Changes in operating assets and liabilities:		
Deposit	--	--
Prepaid expenses	--	1,338
Accrued interest	(432)	(432)
Accounts payable and accrued liabilities	4,701	4,701
Management fees payable	37,600	19,900
	-----	-----
Net cash flows (used in) operating activities	(67,229)	(14,443)
	-----	-----
Investing activities		
Purchase of equipment	(20,813)	--
Purchase of short term investment	(50,000)	(50,000)
	-----	-----
Net cash flows (used in) investing activities	(70,813)	(50,000)
	-----	-----
Financing activities		
Proceeds from common stock issuances	54,500	--
Proceeds from common stock subscriptions	500,500	500,500
(Repayment of) / Proceeds from related party loans	--	(22,100)
	-----	-----
Net cash flows provided by financing activities	555,000	478,400
	-----	-----
Increase (decrease) in cash and cash equivalents	416,958	413,957
Cash and cash equivalents - beginning of period	--	3,001
	-----	-----
Cash and cash equivalents - end of period	416,958	416,958
	=====	=====
Supplementary disclosures		
Interest paid		--
Income taxes paid		--
		=====

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

4

Keewatin Windpower Corp.
(A Development Stage Company)
Notes to the Financial Statements
(Expressed in US Dollars)
(unaudited)

1. Basis of Presentation

The unaudited financial information furnished herein reflects all adjustments, which in the opinion of management, are necessary to fairly state the Company's financial position and the results of its operations for the periods presented. This report on Form 10-QSB should be read in conjunction with the Company's financial statements and notes thereto included in the Company's Form 10-KSB for the fiscal year ended May 31, 2006. The Company assumes that the users of the interim financial information

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

herein have read or have access to the audited financial statements for the preceding fiscal year and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. Accordingly, footnote disclosure, which would substantially duplicate the disclosure contained in the Company's Form 10-KSB for the fiscal year ended May 31, 2006, has been omitted. The results of operations for the nine-month period ended February 28, 2007 are not necessarily indicative of results that may be expected for the fiscal year ending May 31, 2007.

2. Nature of Operations and Continuance of Business

The Company was incorporated in the State of Nevada on February 25, 2005. The Company is a Development Stage Company, as defined by Statement of Financial Accounting Standard ("SFAS") No.7 "ACCOUNTING AND REPORTING FOR DEVELOPMENT STAGE COMPANIES". 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.

These 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 never generated revenues since inception and has never paid any dividends and is unlikely 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, 2007, the Company has accumulated losses of \$477,617 since inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These 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 or equity offerings. Management has yet to decide what type of offering the Company will use of how much capital the Company will attempt to raise. There is no guarantee that the Company will be able to raise any capital through any type of offering. During the period ended February 28, 2007, the Company received \$500,500 in share subscription proceeds, but to date has not issued any shares.

3. Recent Accounting Pronouncements

In February 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 159, "THE FAIR VALUE OPTION FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES - INCLUDING AN AMENDMENT OF FASB STATEMENT NO. 115". This statement permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS No. 159 apply only to entities that elect the fair value option. However, the amendment to SFAS No. 115 "ACCOUNTING FOR CERTAIN INVESTMENTS IN DEBT AND EQUITY SECURITIES" applies to all entities with available-for-sale and trading securities. SFAS No. 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provision of SFAS No. 157, "FAIR VALUE MEASUREMENTS". The adoption of this statement is not expected to have a material effect on the Company's financial statements.

In September 2006, the SEC issued Staff Accounting Bulletin ("SAB") No. 108,

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

"CONSIDERING THE EFFECTS OF PRIOR YEAR MISSTATEMENTS WHEN QUANTIFYING MISSTATEMENTS IN CURRENT YEAR FINANCIAL STATEMENTS." SAB No. 108 addresses how the effects of prior year uncorrected misstatements should be considered when quantifying misstatements in current year financial statements. SAB No. 108 requires companies to quantify misstatements using a balance sheet and income statement approach and to evaluate whether either approach results in quantifying an error that is material in light of relevant quantitative and qualitative factors. SAB No. 108 is effective for fiscal years ending after November 15, 2006. The Company is currently evaluating the impact of adopting SAB No. 108 but does not expect that it will have a material effect on its financial statements.

5

Keewatin Windpower Corp.
(A Development Stage Company)
Notes to the Financial Statements
(Expressed in US Dollars)
(unaudited)

3. Recent Accounting Pronouncements (continued)

In September 2006, the FASB issued SFAS No. 158, "EMPLOYERS' ACCOUNTING FOR DEFINED BENEFIT PENSION AND OTHER POSTRETIREMENT PLANS - AN AMENDMENT OF FASB STATEMENTS NO. 87, 88, 106, AND 132(R)". This statement requires employers to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for-profit organization. This statement also requires an employer to measure the funded status of a plan as of the date of its year-end statement of financial position, with limited exceptions. The provisions of SFAS No. 158 are effective for employers with publicly traded equity securities as of the end of the fiscal year ending after December 15, 2006. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In September 2006, the FASB issued SFAS No. 157, "FAIR VALUE MEASUREMENTS". The objective of SFAS 157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, "ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, AN INTERPRETATION OF FASB STATEMENTS NO. 109". FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a two-step method of first evaluating whether a tax position has met a more likely than not recognition threshold and second, measuring that tax position to determine the amount of benefit to be recognized in the financial statements. FIN 48 provides guidance on the presentation of such positions within a classified statement of financial position as well as on derecognition, interest and penalties,

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In March 2006, the FASB issued SFAS No. 156, "ACCOUNTING FOR SERVICING OF FINANCIAL ASSETS, AN AMENDMENT OF FASB STATEMENT NO. 140, ACCOUNTING FOR TRANSFERS AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES". This statement requires all separately recognized servicing assets and servicing liabilities be initially measured at fair value, if practicable, and permits for subsequent measurement using either fair value measurement with changes in fair value reflected in earnings or the amortization and impairment requirements of Statement No. 140. The subsequent measurement of separately recognized servicing assets and servicing liabilities at fair value eliminates the necessity for entities that manage the risks inherent in servicing assets and servicing liabilities with derivatives to qualify for hedge accounting treatment and eliminates the characterization of declines in fair value as impairments or direct write-downs. SFAS No. 156 is effective for an entity's first fiscal year beginning after September 15, 2006. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In February 2006, the FASB issued SFAS No. 155, "ACCOUNTING FOR CERTAIN HYBRID FINANCIAL INSTRUMENTS-AN AMENDMENT OF FASB STATEMENTS NO. 133 AND 140", to simplify and make more consistent the accounting for certain financial instruments. SFAS No. 155 amends SFAS No. 133, "ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES", to permit fair value re-measurement for any hybrid financial instrument with an embedded derivative that otherwise would require bifurcation, provided that the whole instrument is accounted for on a fair value basis. SFAS No. 155 amends SFAS No. 140, "ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS", to allow a qualifying special-purpose entity to hold a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. SFAS No. 155 applies to all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006, with earlier application allowed. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

6

Keewatin Windpower Corp.
(A Development Stage Company)
Notes to the Financial Statements
(Expressed in US Dollars)
(unaudited)

4. Property and equipment

		February 28, 2007	May 31, 2006
Cost	Accumulated depreciation	Net carrying value	Net carrying value
\$	\$	\$	\$
-----	-----	-----	-----
Wind tower equipment	20,813	(3,837)	16,976
-----	-----	-----	-----
	20,813	(3,837)	16,976
	-----	-----	-----

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

20,813	(3,837)	16,976	20,096
=====	=====	=====	=====

5. Related Party Transactions

- a) The Company neither owns nor leases any real or personal property. A director provides office services without charge. Such costs are immaterial to the financial statements and accordingly, have not been reflected therein. The officer and director of the Company is involved in other business activities and may, in the future, become involved in other business opportunities as they become available, and therefore he may face a conflict in selecting between the Company and his other business interest. The Company has not formulated a policy for the resolution of such conflicts.
- b) Since inception through the period ended February 28, 2007, a director and principal shareholder of the Company had advanced the Company funds in the amount of \$27,100. The balance was unsecured and interest free with no specific terms of repayment. During the nine-month period ended February 28, 2007, the balance was repaid in full.
- c) For the nine month period ended February 28, 2007, a director and principal shareholder of the Company, pursuant to a management agreement, has incurred \$22,500 in management fees. As at February 28, 2007 the Company owes this director \$37,600 in accrued management fees. There are no specified terms of repayment on the accrued amount.

These related party transactions are recorded at the exchange amount, being the amount established and agreed to by the related parties.

6. Common Stock

- a) On September 25, 2006 the Company effected a 3:1 forward split of its share capital such that every one share of common stock issued and outstanding prior to the split was exchanged for three post-split shares of common stock. The Company also changed its post-split authorized capital to 100,000,000 shares of common stock with a par value of \$0.001 per share, and to 10,000,000 shares of preferred stock with a par value of \$0.001 per share. All share amounts have been retroactively adjusted for all periods presented.
- b) The Company is in the process of raising funds through a private placement offering consisting of up to 715,000 shares of common stock at \$0.70 per share for proceeds of \$500,500. The Company will pay a 10% finders fee consisting of 71,500 shares of common stock. To date, the common stock has not been issued.

7. Stock Options

During the nine-month period ended February 28, 2007, the Company granted stock options to directors, officers and key advisors to acquire up to 1,000,000 shares of common stock exercisable at \$1.10 per share on or before February 26, 2009. The fair value for options granted was estimated at the date of grant to be \$365,508 using the Black-Scholes option pricing model assuming an expected life of 2 years, a risk-free rate of 4.49%, an expected volatility of 42% and no expected dividends. The fair value of these stock options granted was approximately \$0.37 per share. During the nine-month period ended February 28, 2007, the Company recorded stock-based compensation of \$365,508 as management fees and consulting fees.

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

Keewatin Windpower Corp.
(A Development Stage Company)
Notes to the Financial Statements
(Expressed in US Dollars)
(unaudited)

7. Stock Options (continued)

A summary of the Company's stock option activity is as follows:

	Nine month period ended February 28, 2007	
	Number of Options	Weighted Average Exercise Price
	-----	-----
Balance, Beginning of period	--	\$ --
Granted	1,000,000	1.10
Cancelled/Forfeited	--	--
Exercised	--	--
	-----	-----
Balance, End of period	1,000,000	\$1.10
	=====	=====

8. Subsequent Events

- a) The Company is proposing a private placement of up to 1,000,000 shares of common stock at \$1.20 per share for cash proceeds of \$1,200,000. The Company will pay a finder's fee of 7.5% in common stock or cash in connection with the financing.
- b) The Company entered into a letter agreement dated March 26, 2007 to acquire 100% of the issued and outstanding common shares of Sky Harvest Windpower Corp. ("Sky Harvest"), a private Canadian company incorporated under the laws of British Columbia, in consideration for 17,343,516 restricted shares of the Company's common stock. The directors of the Company are also directors and principal shareholders of Sky Harvest. Sky Harvest holds the rights to construct a wind power facility on approximately 8,500 acres of land located in Southwestern Saskatchewan.

8

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

RESULTS OF OPERATIONS

We are still in our development stage and have generated no revenue to date.

We incurred operating expenses of \$413,744 for the nine-month period ended February 28, 2007. These expenses consisted of management fees of \$113,877 and \$299,867 in general and administrative costs.

Our net loss for the nine-month period ended February 28, 2007 increased substantially from the comparative period in fiscal 2006 (2007: \$408,578; 2006: \$35,634) primarily due to increases in management fees and general and

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

administrative costs.

At February 28, 2007, we had assets of \$484,366 consisting of cash on hand of \$416,958, a short term investment of \$50,432 and property and equipment recorded at \$16,976. At the same date, our liabilities were \$42,302 consisting of \$37,600 in management fees payable, accounts payable of \$2,772 and accrued liabilities of \$1,930.

Our auditors have expressed their doubt about our ability to continue as a going concern unless we are able to generate profitable operations.

LIQUIDITY AND CAPITAL RESOURCES

Our current operating funds are not sufficient to complete our intended business objectives. As of February 28, 2007, we had cash on hand in the amount of \$416,958. We anticipate spending \$60,000 on annual land lease costs and \$67,250,000 on erecting wind turbines on our proposed Saskatchewan windpower project. We will need to acquire additional 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. The most likely sources of future funds that will be available to us are through debt financing and through the sale of equity capital.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements.

PLAN OF OPERATIONS

Our plan of operations for the twelve months is to commence discussions with potential customers that may be interested in purchasing electricity that would be generated from our potential wind power project in southwest Saskatchewan, contact wind turbine suppliers regarding the planned purchase and delivery of equipment and seek potential sources of debt and equity financing.

We erected a meteorological tower on a property in southwest Saskatchewan for the purpose of determining whether the property possesses a wind resource sufficient to justify the erection of wind turbines. This 12 month study was completed during the quarter ended November 30, 2006.

We have determined that the Saskatchewan property has a wind resource that warrants the erection of wind turbines. We must now negotiate a lease, purchase or further land access agreement with the landowners and/or surrounding land owners of the Saskatchewan property. Currently, all land owners in the area have indicated their preference to retain ownership of their lands and enter into a lease arrangement with us, although we have not reached any formal agreement in this regard. Accordingly, we do not expect to incur any expenses in connection

9

with acquiring a property interest until the wind towers have been erected. Annual land lease costs are estimated to be \$60,000.

Subsequent to the quarter, we reached an agreement with Sky Harvest Windpower Corp., a private Canadian company, whereby Keewatin will acquire all of its issued and outstanding share capital.

Sky Harvest Windpower Corp. ("Sky Harvest") holds the rights to construct a wind power facility on approximately 8,500 acres of land located in southwestern Saskatchewan. Its company has completed a wind resource assessment on the

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

property that demonstrates that the potential wind resource greatly exceeds the minimum capacity factor necessary to justify the planning and construction of a 150 megawatt wind power project. The company is now in the process of completing the necessary environmental assessment and permitting of the property. Sky Harvest has also commenced initial discussions regarding the potential sale of electricity that would be generated by a wind power facility.

In order to acquire a 100% interest in Sky Harvest, we have agreed to issue a total of 17,343,516 restricted shares of common stock to the shareholders of Sky Harvest, equating to 1.5 shares of common stock in our capital for every currently issued common share of Sky Harvest. The acquisition will be subject to Sky Harvest completing an audit of its financial statements, us changing our name to "Sky Harvest Windpower Corp." and shareholders of both companies approving the acquisition agreement. Our directors, Chris Craddock, William Iny and Greg Yanke are also directors and principal shareholders of Sky Harvest. Accordingly, they will abstain from voting their shares in respect of the transaction.

Over the next 12 months, we anticipate spending \$300,000 on administrative costs, including management fees payable to our president, 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 intend to cover these costs from current cash on hand.

To erect wind turbines on the property, at an anticipated cost of \$67,250,000, we expect to raise up to 75%, or approximately \$50,000,000 by way of debt financing and 25%, or approximately \$17,000,000 through the sale of our common stock. Additional funds will be required to develop the Sky Harvest property following the completion of our acquisition of the company.

The chartered banks in Canada, as well as many United States financial institutions, each have departments that are familiar with financing wind power projects and assessing the ability of companies with proposed projects to generate profit through operations. These institutions may be approached for debt financing following completion of our wind study and once we have entered into an agreement in principal to sell the power to be generated from the project. The factors that the banks consider in providing the debt financing include wind study data, the size and number of wind turbines to be erected and the price the purchaser has agreed to pay for the power produced.

We have not had any specific communications with any representative of a debt financing institution regarding our proposed wind power project. Accordingly, we cannot guarantee that we will be able to raise 75% of our required funds through debt financing.

The following table discloses the number of shares of common stock that we would have to issue in order to raise the \$25,000,000 in equity financing at various prices, resulting in dilution to existing shareholders:

10

Price Per Share	No. of Shares Issuable
-----	-----
\$0.50	50,000,000
\$1.00	25,000,000
\$2.00	12,500,000
\$3.00	8,333,333

Wind power generation companies typically make marginal profit based upon the price they receive for each kilowatt hour of power they sell. Government subsidies and credits add to the profit margin that such companies realize.

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

We will attempt to execute a power purchase agreement with a utility in Saskatchewan or a neighboring jurisdiction. The agreement will include the price to be paid for the electricity we produce in cents per kilowatt hour and the term of the agreement. It will also be subject to us obtaining the necessary financing to proceed with the wind power project.

Debt financiers will only provide us with the financing that we require if our project will be economically viable based on the terms of the power purchase agreement.

CRITICAL ACCOUNTING POLICIES

The unaudited financial statements as of November 30, 2006 included herein have been prepared without audit pursuant to the rules and regulations of the U.S. Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with general accepted accounting procedures have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. It is suggested that these financial statements be read in conjunction with our May 31, 2006 audited financial statements and notes thereto, which can be found in our Form 10K-SB Annual Statement on the SEC website at www.sec.gov under our SEC File Number 333-126580.

FORWARD LOOKING STATEMENTS

Some of the statements contained in this Form 10-QSB that are not historical facts are "forward-looking statements" which can be identified by the use of terminology such as "estimates," "projects," "plans," "believes," "expects," "anticipates," "intends," or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this Form 10-QSB, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties and other factors affecting our operations, market growth, services, products and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face, and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events.

All written forward-looking statements made in connection with this Form 10-QSB that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

The safe harbors of forward-looking statements provided by the Securities Litigation Reform Act of 1995 are unavailable to issuers not subject to the reporting requirements set forth under Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended. As we have not registered our securities

11

pursuant to Section 12 of the Exchange Act, such safe harbors set forth under the Reform Act are unavailable to us.

ITEM 3. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

our principal executive officer and the principal financial officer, we have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer concluded as of the evaluation date that our disclosure controls and procedures were effective such that the material information required to be included in our Securities and Exchange Commission reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to our company, particularly during the period when this report was being prepared.

Additionally, there were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the evaluation date. We have not identified any significant deficiencies or material weaknesses in our internal controls, and therefore there were no corrective actions taken.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

The following exhibits are included with this registration statement filing. Those marked with an asterisk and required to be filed hereunder:

Exhibit No. -----	Description -----
31.1	Certification pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
31.2	Certification pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Reports filed on Form 8-K during the quarter ended February 28, 2007:

Qualifying Event -----	File Date -----
Sale of Unregistered Securities (Stock Option Grant)	February 26, 2007

12

SIGNATURES

Pursuant to the requirements of Section 13(a) 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.

April 18, 2007

Keewatin Windpower Corp., Registrant

By: /s/ Chris Craddock

Chris Craddock, President, C.E.O.
Secretary, Treasurer, and principal
accounting officer

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

Edgar Filing: Keewatin Windpower Corp. - Form 10QSB

dates indicated.

April 18, 2007

Keewatin Windpower Corp., Registrant

By: /s/ Chris Craddock

Chris Craddock, President, C.E.O.
Secretary, Treasurer, and principal
accounting officer

13