

Sky Harvest Windpower Corp.  
Form 10-Q  
October 20, 2009

---

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

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

For the quarterly period ended August 31, 2009

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

**SKYHARVEST WINDPOWER CORP.**

(Exact name of registrant as specified in its charter)

Nevada State or other jurisdiction of incorporation or organization  
N/A (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

Keewatin Windpower Corp.  
(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).

Edgar Filing: Sky Harvest Windpower Corp. - Form 10-Q

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 October 19, 2009. (including 15,590,016 shares of common stock reserved for issuance in exchange for certain outstanding exchangeable securities of the registrant)

## INDEX

<b>PART I FINANCIAL INFORMATION</b>	Page
<u>Item 1. Financial Statements (unaudited)</u>	<u>2</u>
<u>CONSOLIDATED BALANCE SHEETS as of August 31, 2009 and May, 2009</u>	<u>F-1</u>
<u>CONSOLIDATED STATEMENTS OF OPERATIONS for the Three Months Ended August 31, 2009 and 2008</u>	<u>F-2</u>
<u>CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY for the Three Months Ended August 31, 2009 and the Year Ended May 31, 2009</u>	<u>F-3</u>
<u>CONSOLIDATED STATEMENTS OF CASH FLOWS for the Three Months Ended August 31, 2009 and 2008</u>	<u>F-5</u>
<u>NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>F-7</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>3</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>10</u>
<u>Item 4. Controls and Procedures</u>	<u>10</u>
<b><u>PART II OTHER INFORMATION</u></b>	<b><u>11</u></b>
<u>Item 1. Legal Proceedings</u>	<u>11</u>
<u>Item 1A. Risk Factors</u>	<u>11</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>11</u>
<u>Item 3. Defaults Upon Senior Securities.</u>	<u>11</u>
<u>Item 4. Submission of Matters to a Vote of Security Holders.</u>	<u>11</u>
<u>Item 5. Other Information.</u>	<u>11</u>
<u>Item 6. Exhibits</u>	<u>12</u>
<b><u>SIGNATURES</u></b>	<b><u>14</u></b>

**PART I FINANCIAL INFORMATION**

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

August 31, 2009

<u>Consolidated Balance Sheets as of August 31 and May 31, 2009</u>	<u>F 1</u>
<u>Consolidated Statements of Operations for the three months ending August 31, 2009 and 2008, and for the period since inception</u>	<u>F 2</u>
<u>Consolidated Statement of Stockholders' Equity for the three months ending August 31, 2009 and the period since inception</u>	<u>F 3</u>
<u>Consolidated Statements of Cash Flows for the three months ending August 31, 2009 and 2008, and for the period since inception</u>	<u>F 5</u>
<u>Notes to the Unaudited Interim Consolidated Financial Statements</u>	<u>F 7</u>

Edgar Filing: Sky Harvest Windpower Corp. - Form 10-Q

Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Consolidated Balance Sheets  
(Expressed in US Dollars)  
(Unaudited)

	August 31, 2009 \$	May 31, 2009 \$
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	4,107	36,589
Short term investment (Note 7)	502,931	658,373
Prepaid expenses	18,264	9,915
Due from related parties (Note 9 (d))	724	
Note receivable (Note 6)		280,000
Total Current Assets	526,026	984,877
Property and equipment, net (Note 5)	70,291	8,851
Intangible asset (Note 8)	2,551,921	
Total Assets	3,148,238	993,728
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Liabilities		
Bank indebtedness	15,323	
Accounts payable	19,044	1,045
Accrued liabilities	17,304	6,030
Total Liabilities	51,671	7,075
Stockholders Equity		
Preferred Stock:		
Authorized: 10,000,000 shares, \$0.001 par value		
Issued and outstanding: None		
Common Stock: (Note 11)		
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	4,655,102	2,071,366
Common stock subscribed (Note 10)	6,750	6,750
Accumulated other comprehensive loss	(12,268)	
Deficit accumulated during the development stage	(1,582,749)	(1,103,854)
Total Stockholders Equity	3,096,567	986,653
Total Liabilities and Stockholders Equity	3,148,238	993,728
Continuing operations (Note 1)		
Commitments and contingencies (Note 10)		
Subsequent Events (Note 11)		

(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 August 31, 2009 \$	For the Three months Ended August 31, 2009 \$	For the Three months Ended August 31, 2008 \$
<b>Expenses</b>			
Consulting fees	249,311	29,555	36,133
Engineering and development	217,700	98,978	
Management fees (Note 9(a), (b) and (c))	371,632	34,439	22,875
Professional fees	249,289	67,247	16,514
General and administrative	355,385	21,899	3,333
Acquired development costs	242,501	242,501	
Operating loss	1,685,818	494,619	78,855
<b>Other Income</b>			
Interest income	(89,010)	(1,665)	(2,876)
Foreign exchange loss	(14,059)	(14,059)	
Net loss	1,582,749	478,895	75,979
<b>Other Comprehensive Loss</b>			
Foreign currency translation adjustments	12,268	12,268	
Comprehensive loss	1,595,017	491,163	75,979
Net loss per common share basic and diluted		(0.03)	(0.01)
Weighted average number of common stock outstanding		17,086,000	12,391,500

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

Edgar Filing: Sky Harvest Windpower Corp. - Form 10-Q

Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Consolidated Statement of Stockholders Equity  
(Expressed in US Dollars)  
(Unaudited)

	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 7, 2005 to April 28, 2005 for cash at \$0.0167 per share	480,000	480	7,520			8,000
Common stock issued from May 1, 2005 to May 25 , 2005 for cash at \$0.0167 per share	690,000	690	10,810			11,500
Common stock issued on May 29, 2005 for cash at \$0.0167 per share	60,000	60	9,940			10,000
Net loss for the period					(12,321)	(12,321)
Balance May, 31 2005	10,530,000	10,530	43,970		(12,321)	42,179
Net loss for the year					(57,544)	(57,544)
Balance May 31, 2006	10,530,000	10,530	43,970		(69,865)	(15,365)
Common stock subscribed				500,500		500,500

Edgar Filing: Sky Harvest Windpower Corp. - Form 10-Q

Stock-based compensation			365,508			365,508
Net loss for the year					(435,426)	(435,426)
Balance	May 31, 2007 carried					
forward		10,530,000	10,530	409,478	500,500	(505,291) 415,217

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

F-3

Edgar Filing: Sky Harvest Windpower Corp. - Form 10-Q

Sky Harvest Windpower Corp.  
 (Formerly Keewatin Windpower Corp.)  
 (A Development Stage Company)  
 Consolidated Statement of Stockholders' Equity  
 (Expressed in US Dollars)  
 (Unaudited)

	Common Shares #	Amount \$	Additional Paid in Capital \$	Common Stock Subscribed \$	Deficit Accumulated During the Development Stage \$	Total \$
Balance May 31, 2007 brought 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 issued for finders fee			321,279			321,279
Finders Fees			(498,080)			(498,080)
Net loss for the year					(256,830)	(256,830)
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	12,391,500	12,391	2,071,366	6,750	(1,103,854)	986,653
Common stock issued pursuant to business acquisition	17,341,016	17,341	2,583,736			2,601,077
Accumulated other comprehensive loss					(12,268)	(12,268)
Net loss for the period					(478,895)	(478,895)
Balance August 31, 2009	29,732,016	29,732	4,655,102	6,750	(1,595,017)	3,096,567

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

Edgar Filing: Sky Harvest Windpower Corp. - Form 10-Q

Sky Harvest Windpower Corp.  
 (Formerly Keewatin Windpower Corp.)  
 (A Development Stage Company)  
 Consolidated Statements of Cash Flows  
 (Expressed in US Dollars)  
 (Unaudited)

	Accumulated from February 25, 2005 (Date of Inception) To August 31, 2009 \$	For the Three months Ended August 31, 2009 \$	For the Three months Ended August 31, 2008 \$
<b>Operating activities</b>			
Net loss for the period	(1,582,749)	(478,895)	(75,979)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	14,564	1,299	1,378
Stock-based compensation	370,468		
Acquired development costs	242,501	242,501	
Changes in operating assets and liabilities:			
Prepaid expenses	(3,760)	4,365	(12,625)
Accrued interest	(7,442)	931	15,004
Accounts payable and accrued liabilities	(7,112)	(14,187)	(9,953)
Note receivable	(280,000)		
Due to related parties	8,633	8,633	
Net cash flows used in operating activities	(1,244,897)	(235,353)	(82,175)
<b>Investing activities</b>			
Purchase of equipment	(22,116)		
Purchase of short -term investments	(2,150,000)		(600,000)
Redemption of short term investments	1,675,400	175,400	1,350,000
Cash acquired from acquisition	21,016	21,016	
Net cash flows (used in) provided by investing activities	(475,700)	196,416	750,000
<b>Financing activities</b>			
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	(8,868)	(8,868)	
Increase (decrease) in cash and cash equivalents	(11,216)	(47,805)	667,825
Cash and cash equivalents beginning of period		36,589	1,311
Cash and cash equivalents end of period	(11,216)	(11,216)	669,136

(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 Cash Flows (continued)  
 (Expressed in US Dollars)  
 (Unaudited)

	Accumulated from February 25, 2005 (Date of Inception) To August 31, 2009 \$	For the Three months Ended August 31, 2009 \$	For the Three months Ended August 31, 2008 \$
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	
	5,183,463	5,183,463	
Cash and Cash Equivalent consists of:			
Cash	4,019	4,019	669,136
Bank overdraft	(15,235)	(15,235)	
	(11,216)	(11,216)	669,136

(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)  
Notes to the Unaudited Interim Consolidated Financial Statements  
August 31, 2009  
(Expressed in US Dollars)

1. Organization and Description 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.

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

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 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 August 31, 2009, the Company has accumulated losses of \$1,582,749 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. There is however no assurance that the Company will be able to raise any additional capital through any type of offering.

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. 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.

F-7

---

Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Notes to the Unaudited Interim Consolidated Financial Statements  
August 31, 2009  
(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 SFAS, No. 115, *Accounting for Certain Investments in Debt and Equity Securities and Financial Accounting Standards Board*, or FASB, Staff Position ( FSP ) SFAS No. 115-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments*. The Company follows the guidance provided by EITF No. 03-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments*, 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

SFAS 157 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*

SFAS 157 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. SFAS 157 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.



Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Notes to the Unaudited Interim Consolidated Financial Statements  
August 31, 2009  
(Expressed in US Dollars)

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, bank indebtedness, short term investment, accounts payable and due from related parties 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.



Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Notes to the Unaudited Interim Consolidated Financial Statements  
August 31, 2009  
(Expressed in US Dollars)

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.

Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Notes to the Unaudited Interim Consolidated Financial Statements  
August 31, 2009  
(Expressed in US Dollars)

2. Significant Accounting Policies (continued)

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

h. Income Taxes

Income taxes are provided in accordance with SFAS 109, *Accounting for 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 subsidiary (Sky Harvest) 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

In February 1997, the FASB issued SFAS No. 128, *Earnings Per Share*, which specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock. SFAS No. 128 supersedes the provisions of APB No. 15, and requires the presentation of basic earnings (loss) per share and diluted earnings (loss) per share. The Company has adopted the provisions of SFAS No. 128 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.



Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Notes to the Unaudited Interim Consolidated Financial Statements  
August 31, 2009  
(Expressed in US Dollars)

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 SFAS No. 123R, *Share Based Payments*, 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 the American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) No. 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use* and Emerging Issues Task Force (EITF) No. 00-2, *Accounting for Website Development Costs*, 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

SFAS No. 130, *Reporting Comprehensive Income*, establishes standards for the reporting and display of comprehensive income and its components in the consolidated financial statements. As at August 31, 2009 and 2008, the Company's only component of comprehensive income (loss) was foreign currency translation adjustments.



Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Notes to the Unaudited Interim Consolidated Financial Statements  
August 31, 2009  
(Expressed in US Dollars)

### 3. Recent Accounting Pronouncements

In June 2009, the FASB issued SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162*. The FASB Accounting Standards Codification ( Codification ) will become the source of authoritative U.S. generally accepted accounting principles ( GAAP ) recognized by FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of this statement, the Codification will supersede all then- existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. This statement is effective for financial statements issued for interim and annual periods ending after September 30, 2009. The adoption of this statement is not expected to have a material effect on the Company s financial statements.

In June 2009, the FASB issued SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)*. The objective of this statement is to improve financial reporting by enterprises involved with variable interest entities. This statement addresses (1) the effects on certain provisions of FASB Interpretation No. 46 (revised December 2003), *Consolidation of Variable Interest Entities*, as a result of the elimination of the qualifying special-purpose entity concept in SFAS No. 166, *Accounting for Transfers of Financial Assets*, and (2) concern about the application of certain key provisions of FASB Interpretation No. 46(R), including those in which the accounting and disclosures under the Interpretation do not always provide timely and useful information about an enterprise s involvement in a variable interest entity. This statement is effective as of the beginning of each reporting entity s first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. Earlier application is prohibited. The adoption of this statement is not expected to have a material effect on the Company s financial statements.

In June 2009, the FASB issued SFAS No. 166, *Accounting for Transfers of Financial Assets – an amendment of FASB No. 140*. The object of this statement is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor s continuing involvement, if any, in transferred financial assets. This statement addresses (1) practices that have developed since the issuance of SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, that are not consistent with the original intent and key requirements of that statement and (2) concerns of financial statement users that many of the financial assets (and related obligations) that have been derecognized should continue to be reported in the financial statements of transferors. SFAS No. 166 must be applied as of the beginning of each reporting entity s first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. This statement must be applied to transfers occurring on or after the effective date. Additionally, on and after the effective date, the concept of a qualifying special- purpose entity is no longer relevant for accounting purposes. The disclosure provisions of this statement should be applied to transfers that occurred both before and after the effective date of this statement. The adoption of this statement is not expected to have a material effect on the Company s financial

statements.

F-13

---

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

Notes to the Unaudited Interim Consolidated Financial Statements

August 31, 2009

(Expressed in US Dollars)

In June 2008, the Financial Accounting Standards Board ( FASB ) issued FASB Staff Position EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* . FSP EITF 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting, and therefore need to be included in the computation of earnings per share under the two-class method as described in FASB Statement of Financial Accounting Standards No. 128, *Earnings per Share* . FSP EITF 03-6-1 is effective for financial statements issued for fiscal years beginning on or after December 15, 2008 and earlier adoption is prohibited. The adoption of this statement did not have a material effect on the Company's consolidated financial statements.

In May 2009, FASB issued SFAS No. 165 (SFAS 165) *Subsequent Events* . SFAS 165 establishes general standards of for the evaluation, recognition and disclosure of events and transactions that occur after the balance sheet date. Although there is new terminology, the standard is based on the same principles as those that currently exist in the auditing standards. The standard, which includes a new required disclosure of the date through which an entity has evaluated subsequent events, is effective for interim or annual periods ending after June 15, 2009. The adoption of SFAS 165 did not have a significant impact on the Company's consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles* . SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. It was effective on November 15, 2008. The adoption of this statement did not have a material effect on the Company's consolidated financial statements.

In March 2008, FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities – an amendment to FASB Statement No. 133* . SFAS No. 161 is intended to improve financial standards for derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. Entities are required to provide enhanced disclosures about: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. It is effective for financial statements issued for fiscal years beginning after November 15, 2008, with early adoption encouraged. The Company is currently evaluating the impact of SFAS No. 161 on its consolidated financial statements, and the adoption of this statement did not have a material effect on the Company's consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141R, *Business Combinations* . This statement replaces SFAS 141 and defines the acquirer in a business combination as the entity that obtains control of one or more businesses in a business combination and establishes the acquisition date as the date that the acquirer achieves control. SFAS 141R requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. SFAS 141R also requires the acquirer to recognize contingent consideration at the acquisition date, measured at its fair value at that date. This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The adoption of this statement did not have a material effect on the Company's consolidated financial statements.



Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Notes to the Unaudited Interim Consolidated Financial Statements  
August 31, 2009  
(Expressed in US Dollars)

3. Recent Accounting Pronouncements (continued)

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements Liabilities - an Amendment of ARB No. 51*. This statement amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The adoption of this statement did not have a material effect on the Company's consolidated financial statements.

In February 2007, the 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 did not have a material effect on the Company's consolidated financial statements.

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 did not have a material effect on the Company's consolidated financial statements.

4. Acquisition of Sky Harvest Windpower Corp.

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 Windpower Corp. ( 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- Canada, equating to 1.5 shares of common stock in the capital of the Company for every issued common share of Sky Harvest - Canada. The determination of the purchase price was supported by a fairness opinion issued by an independent valuator. The acquisition was subject to Sky Harvest - Canada 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 - Canada, they

abstained from voting their shares in respect of the transaction.

F-15

---

Sky Harvest Windpower Corp.  
 (Formerly Keewatin Windpower Corp.)  
 (A Development Stage Company)  
 Notes to the Unaudited Interim Consolidated Financial Statements  
 August 31, 2009  
 (Expressed in US Dollars)

4. Acquisition of Sky Harvest Windpower Corp.(continued)

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 included in intangible assets and allocated to wind farm asset in the amount of \$2,551,440 and allocated to acquired development costs in the amount of \$242,501.

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 three months ended August 31, 2009.

From the  
 Date of Acquisition  
 (July 13, 2009)  
 To August 31,  
 2009  
 \$

Expenses	
Consulting fees	1,897
Engineering and development	88,302
Management fees	11,564

Edgar Filing: Sky Harvest Windpower Corp. - Form 10-Q

Professional fees	4,383
General and administrative	13,175
Operating loss	119,321
Other Income	
Interest income	(245)
Foreign exchange loss	(14,285)
Net loss	104,791

F-16

---

Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Notes to the Unaudited Interim Consolidated Financial Statements  
August 31, 2009  
(Expressed in US Dollars)

4 Acquisition of Sky Harvest Windpower Corp. (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 Three months Ended August 31, 2009 \$	For the Three months Ended August 31, 2008 \$
<b>Expenses</b>		
Consulting fees	30,569	37,106
Engineering and development	96,378	
Management fees	57,099	42,714
Professional fees	69,366	17,684
General and administrative	54,601	40,010
Acquired development costs	242,501	
Operating loss	550,514	137,514
<b>Other Income</b>		
Interest income	(1,693)	(2,902)
Foreign exchange loss	750	(154)
Net loss	549,571	134,458
<b>Net loss per common share basic and diluted</b>		
	(0.02)	(0.00)
<b>Weighted average number of common stock</b>		
outstanding	29,732,016	29,732,016

F-17

Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Notes to the Unaudited Interim Consolidated Financial Statements  
August 31, 2009  
(Expressed in US Dollars)

#### 5. Property and equipment

	Cost \$	Accumulated depreciation \$	August 31, 2009 Net carrying value \$	May 31, 2009 Net carrying value \$
Computer equipment	4,190	(3,958)	232	
Asset under construction	62,313		62,313	
Wind tower equipment	22,116	(14,370)	7,746	8,851
	88,619	(18,328)	70,291	8,851

#### 6. 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 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 due 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 due on April 23, 2010. As of August 31, 2009, these intercompany transactions and balances have been eliminated upon consolidation.

#### 7. Short-term Investments

a)

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 August 31, 2009, the Company accrued \$nil - (May 31, 2009 - \$2,885) of interest income.

F-18

---

Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Notes to the Unaudited Interim Consolidated Financial Statements  
August 31, 2009  
(Expressed in US Dollars)

8. Intangible  
Assets

	Cost	Accumulated Amortization	May 31, 2009 Net carrying value	May 31, 2009 Net carrying value
	\$	\$	\$	\$
Website development	2,166	(1,685)	481	
Wind farm assets	2,551,440		2,551,440	
	2,553,606	(1,685)	2,551,921	

9. Related Party Transactions

- a) During the three month period ended August 31, 2009, the Company incurred \$19,491 (2008 - \$15,000) for management services provided by a director and a principal shareholder of the Company. As at August 31, 2009, the Company has recognized prepaid management fees of \$9,566 (May 31, 2009 - \$nil).
- b) During the three month period ended August 31, 2009, the Company paid \$10,233 (2008 - \$7,875) to a company controlled by a director and principal shareholder of the Company for management services. As at August 31, 2009, the Company has recognized prepaid management fees of \$5,022 paid to that company (May 31, 2009 \$2,625).
- c) As at August 31, 2009, the Company has a balance of \$724 (May 31, 2009 - \$nil) due from a director of the Company. These amounts are unsecured, non-interest bearing and have no term of repayment.

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

Sky Harvest Windpower Corp.  
(Formerly Keewatin Windpower Corp.)  
(A Development Stage Company)  
Notes to the Unaudited Interim Consolidated Financial Statements  
August 31, 2009  
(Expressed in US Dollars)

10. 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, 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.

11. Subsequent Events

In accordance with SFAS 165, the Company has evaluated subsequent events through October 20, 2009, the date of issuance of the financial statements. During this period there were no material recognizable subsequent events other than those disclosed below.

- a) 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.
- b) On September 11, 2009, the Company's board of directors adopted the 2009 Stock Option Plan. The 2009 Stock Option Plan provides for the granting of stock options to acquire up to 2,900,000 common shares of the Company to eligible employees, officers, directors and consultants of the Company. Concurrently, the Company granted 1,500,000 options to directors and consultants at an exercise price of \$0.51 per share, exercisable for a period of five years

**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, (iii) the Internet and Internet commerce and (iv) 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 discussion, unless otherwise specified, all references to common shares refer to the common shares in our capital stock and the terms we, us and our mean Stockgroup Information Systems Inc., a Colorado corporation.*

**Foreign Currency and Exchange Rates**

All amounts in this quarterly report are stated in United States Dollars unless otherwise indicated. For purposes of consistency, Canadian Dollars have been converted into United States currency at the following rates:

	Per 1 US Dollar
Average for the first quarter of 2010	C\$ 1.113
Rate at August 31, 2009	C\$ 1.095

In this quarterly report, the terms we, us, our, the Company and Sky Harvest mean Sky Harvest Windpower Corp. 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 wind turbines on our properties of which there is no guarantee.



## Recent Corporate Developments

Since the commencement of our fiscal quarter ended August 31, 2009 we have experienced the following significant corporate developments:

### *Acquisition of Sky Harvest Windpower Company*

On July 13, 2009, the Company acquired 100% of the issued and outstanding common shares of Sky Harvest Windpower Corp. ("Sky Harvest - Saskatchewan") a private Canadian company incorporated under the laws of British Columbia. Sky Harvest - Saskatchewan holds the rights to construct a wind power facility on approximately 8,500 acres of land located in Southwestern Saskatchewan.

In order to acquire a 100% interest in Sky Harvest - Saskatchewan, the Company issued a total 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 acquisition was subject to Sky Harvest - Saskatchewan completing an audit of its financial statements, and shareholders of both companies approving the acquisition agreement. The directors of the Company are also directors and principal shareholders of Sky Harvest - Saskatchewan.

### *Change of Name from Keewatin Windpower Corp. to Sky Harvest Windpower Corp.*

Effective September 1, 2009, we completed a merger with our subsidiary, Sky Harvest Windpower Corp., a Nevada corporation which was incorporated solely to effect a change in our name. As a result, we have changed our name from "Keewatin Windpower Corp." to "Sky Harvest Windpower Corp."

### *Adoption of the 2009 Stock Option Plan*

Effective September 11, 2009, our board of directors adopted the 2009 Stock Option Plan. The purpose of the 2009 Stock Option Plan is to enhance the long-term stockholder value of our company by offering opportunities to directors, officers, employees and eligible consultants of our company to acquire and maintain stock ownership in our company in order to give these persons the opportunity to participate in our company's growth and success, and to encourage them to remain in the service of our company. A total of 2,900,000 shares of common stock are available for issuance under the 2009 Stock Option Plan.

The 2009 Stock Option Plan provides for the grant of incentive stock options and non-qualified stock options. Incentive stock options granted under the 2009 Stock Option Plan are those intended to qualify as "incentive stock options" as defined under Section 422 of the Internal Revenue Code. However, in order to qualify as "incentive stock options" under Section 422 of the Internal Revenue Code, the 2009 Stock Option Plan must be approved by the stockholders of our company within 12 months of its adoption. The 2009 Stock Option Plan has not been approved by our stockholders. Non-qualified stock options granted under the 2009 Stock Option Plan are option grants that do not qualify as incentive stock options under Section 422 of the Internal Revenue Code.

## Results of Operations

The following summary of our results of operations should be read in conjunction with our unaudited financial statements for the fiscal quarter ended February 28, 2009 which are included herein.

	Three months ended		Increase/(Decrease)	
	August 31,		Amount	Percentage
	2009	2008		
Revenue	\$ -	\$ -	\$ 0	N/A
Expenses	494,619	78,855	415,764	527.3%
Interest and Dividend Income	(1,665)	(2,876)	(1,211)	(42.1%)
Net Loss	\$ 492,954	\$ 75,979	\$ 416,975	548.8%

**Revenues**

We recorded a net operating loss of \$491,163 for the fiscal quarter ended August 31, 2009 and have an accumulated deficit of \$1,595,017 since inception. We have had no operating revenues since our inception on February 25, 2005 through to the fiscal quarter ended August 31, 2009. We anticipate that we will not generate any revenues while we are a development stage company.

**Expenses**

Our expenses for the fiscal quarter ended August 31, 2009 and 2008 are outlined below:

	Three months ended		Increase/Decrease	
	2009	August 31, 2008	Amount	Percentage
Consulting fees	\$ 29,555	\$ 36,133	\$ (6,578)	18.2%
Engineering and development	98,978	-	98,978	N/A
Management fees	34,439	22,875	11,564	(50.6%)
Professional fees	67,247	16,514	50,733	(307.2%)
General and administrative	21,899	3,333	18,566	(557.0%)
Acquired development costs	242,501	-	242,501	N/A
Net Loss	\$ 494,619	\$ 78,855	\$ 415,764	527.3%

4

## Edgar Filing: Sky Harvest Windpower Corp. - Form 10-Q

Consulting expenses decreased to \$29,555 in the three months ended August 31, 2009 (three months ended August 31, 2008 - \$36,133) as a result of reduced expenditure on investor relations activities conducted during the period.

Engineering and development expenses increased to \$98,978 in the three months ended August 31, 2009 (three months ended August 31, 2008 - \$nil) as a result of \$10,676 incurred in maintenance expenses on meteorological equipment on our original wind project. In addition we incurred \$88,302 in project engineering costs related to the project acquired as a result of the acquisition of Sky Harvest Saskatchewan.

Management fees increased to \$34,439 for the three months ended August 31, 2009 from \$22,875 for the three months ended August 31, 2008, resulting from the acquisition of Sky Harvest Saskatchewan. In addition, we engaged the services of a consultant to assist us with the acquisition of Sky Harvest - Canada and other financial projects.

Professional fees increased to \$67,247 in the three months ended August 31, 2009 (three months ended August 31, 2008 - \$16,514). The increase in this category of expenses resulted from additional legal expenses incurred in connection with our acquisition of Sky Harvest – Saskatchewan, the change of our name to Sky Harvest Wind Power Corp., and audit and professional accounting services.

General and administrative expenses increased to \$21,899 for the three months ended August 31, 2009 from \$3,333 for the three months ended August 31, 2008. The increase in this category of expenses resulted from increased expenditure on costs associated with the maintenance of the public company, and travel and office expenses associated with our subsidiary.

Acquired development costs amounting to \$242,501 expensed during the three months ended August 31, 2009, represent development costs incurred by Sky Harvest Saskatchewan prior to acquisition by the Company.

### Liquidity and Capital Resources

Our financial condition for the fiscal quarters ended August 31, 2009 and 2008 and the changes between those periods for the respective items are summarized as follows:

#### Working Capital

	Three months ended		Increase/Decrease	
	2009	2008	Amount	Percentage
Current Assets	\$ 526,026	\$ 984,877	\$ (458,851)	46.6%
Current Liabilities	51,671	7,075	44,596	(630.3%)
Working Capital	\$ 474,355	\$ 977,802	\$ (503,447)	(51.5%)

The 51.5% decrease in our working capital was primarily due to a decrease in cash and cash equivalents as result of expenditures undertaken during the period, 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 August 31,		Increase/Decrease	
	2009	2008	Amount	Percentage
Cash Flows (used in) Operating Activities	\$ (235,353)	\$ (82,175)	\$ (153,178)	(186.4%)
Cash Flows provided by (used in) Investing Activities	196,016	750,000	(553,984)	(73.9%)
Net increase (decrease) in cash during year	\$ (39,337)	\$ 667,825	\$ (707,162)	(105.9%)

During the three months ended August 31, 2009 we used net cash in operating activities in the amount of \$235,353. 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 represents short term investments redeemed during the three months ended August 31, 2009 and cash acquired from the acquisition of Sky Harvest Saskatchewan.

**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 1,500,000 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:

	Number of Options	Weighted Average Exercise Price \$
Balance, as at May 31, 2009	-	-
Granted	1,500,000	0.51
Expired	-	-
Exercised	-	-
Balance, as at October 20, 2009	1,500,000	0.51

**Future Financings**

We recorded a net operating loss of \$491,163 for the three months ended August 31, 2009, and have an accumulated deficit of \$1,595,017 since inception. As of August 31, 2009 we had cash and cash equivalents, and short term investments totaling \$491,715 (May 31, 2009 - \$689,962). As of October 19, 2009, we had cash and cash equivalents, and short term investments totaling \$351,021.

As of the date of this report, management anticipates that we will require at least \$780,000 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 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 property that is acquired 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. 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 \$240,000 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 property on which we have erected a meteorological tower.

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 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 generate 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. Wind data that we collect from a meteorological tower may vary from results actually achieved when a wind turbine is installed. 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 propel the wind turbines may render our wind parks 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.

***If we cannot find a party which will purchase our electricity on acceptable terms, we will not be able to 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 to secure a purchaser for any electricity that we produce on acceptable terms. Without a purchaser for 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 be 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-2-07 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 4. Controls and Procedures.**

**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 August 31, 2009, 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 have 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 August 31, 2009 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. Submission of Matters to a Vote of Security Holders.**

None

**Item 5. Other Information.**

None

**Item 6. Exhibits.**

Description	Exhibit No.	Form	Filing date	Filed with this Form 10-K
<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 Private Placement	4.1	10-QSB	January 14, 2008	
<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	

Edgar Filing: Sky Harvest Windpower Corp. - Form 10-Q

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 KeewatinWindpower Corp. and Sky Harvest Windpower corp. filed September 1, 2009	10.14	8-K	September 1, 2009	
Adoption of 2009 Stock Option Plan dated September 11, 2009	10.15	8-K	September 23, 2009	
<b><i>Code of Ethics</i></b>				
Code of Ethics	14.1	10-K	August 31, 2009	
<u>Certification Statement of the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002</u>	<u>31.1</u>			<u>*</u>
<u>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>	<u>32.1</u>			<u>*</u>

**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: October 20, 2009

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: October 20, 2009

/s/ William Iny

William Iny

Director

Date: October 20, 2009