Wind Works Power Corp.

Consolidated Financial Statements

Period ended December 31, 2014 and 2013

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the shareholders of Wind Works Power Corp.

The consolidated interim financial statements and the notes thereto are the responsibility of the management of Wind Works Power Corp. These consolidated interim financial statements have been prepared in accordance with United States generally accepted accounting principles.

Management has developed and maintained a system of internal controls to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable and timely financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls.

"Ingo Stuckmann"

Ingo Stuckmann
President

Wind Works Power Corp.
(A Development Stage Company)
Consolidated Interim Balance Sheets (Unaudited)
(Expressed in United States dollars, unless otherwise stated)

Assets	**December 31, 2014**	**June 30, 2014**
Current Assets		
Cash and cash equivalents	$3,426,078	$345,392
Prepaid expenses	22,010	22,010
Accounts receivable	1,563,444	159,698
Tax receivable	1,162,458	155,920
Due from shareholder (Note 4)	1,850	1,850
Cost in excess of billings on uncompleted contracts (Note 12)	1,447,252	-
Other assets	850,825	964,499
	$8,473,918	$1,649,371
Capitalized lease costs	-	-
Wind Projects (Note 11)	2,362,684	24,971,412
Wind Project Deposits (Note 13)	1,379,442	1,504,017
Long-term Investments (Note 15)	3,283,176	3,603,098
Fixed assets (Note 6)	2,529	3,250
Investment UW ZE Altenburg GmbH	7,806	8,751
Loans Receivable	155,049	41,988
	7,190,686	30,132,514
	$15,664,604	$31,781,884
Liabilities and Stockholders' Equity		
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	7,517,053	8,177,946
Convertible debentures (Notes 7, 9)	525,000	673,179
Short term loans (Notes 8)	5,000,859	149,817
Billings in excess of Cost on uncomp. Contracts (Note 12)	-	2,875,010
	$13,042,913	$11,875,953
Third Party Loans (Note 9)	3,065,218	21,930,790
	$16,108,131	$33,806,742
Stockholders' Equity		
Common Stock (Note 10)	$68,689	$68,689
Additional Paid-in Capital	8,775,369	8,153,463
Contributed Surplus	244,925	244,925
Share subscription liability	71,318	71,318
Deficit Accumulated during the Development Stage (Note 20)	(9,938,775)	(10,796,090)
Cumulative translation adjustment	334,947	232,837
	(443,526)	(2,024,858)
	$15,664,604	$31,781,884

Going concern (Note 2), Contingencies (Note 17), Commitments (Note 19),
The accompanying notes are an integral part of the consolidated interim financial statements.

Wind Works Power Corp.
(A Development Stage Company)
Consolidated Statement of Operations and Comprehensive Loss (Unaudited)
For the Period Ending December 31, 2014 and 2013
(Expressed in United States dollars, unless otherwise stated)

	Six Month Period Ended Dec 31, 2014	Three Month Period Ended Dec 31, 2014	Six Month Period Ended Dec 31, 2013	Three Month Period Ended Dec 31, 2013	Cumulative from May 2, 2008 (Inception) to Dec 31, 2014
Income					
Project Sales & Management	$30,909,536	$30,740,312	$5,267,180	$1,658,302	$46,863,241
Interest	3,178	3,178	21,034	20,998	22,906
Non-refundable deposit	-	-	-	-	147,290
Total income	30,912,714	30,743,490	5,288,214	1,679,301	47,033,437
Expenses					
Advertising and promotion	23,411	14,760	14,899	10,939	126,295
Accretion interest (Note 7)	1,821	(9)	-	-	1,588,255
Consulting fees	44,200	44,200	1,956,885	1,820,832	3,317,968
Depreciation	1,121	588	435	217	5,530
Office and miscellaneous	2,613	1,727	(9,785)	(10,123)	69,752
Professional fees	279,108	250,690	62,708	40,390	1,405,316
Rent	-	-	2,578	2,578	36,692
Interest and service charges	203,433	153,581	205,618	43,051	2,292,679
Travel and lodging	6,774	5,465	20,177	18,786	135,968
Insurance	37	36.76	853.72	-	5,895
Project development costs (Note 11)	29,507,622	29,272,703	743,530	30,629	47,416,829
Foreign exchange	(12,939)	(15,754)	(201,296)	(206,221)	(133,918)
Loss on extinguishment of debt	-	-	-	-	564,130
Lease expense	-	-	5,077	2,344	57,590
Tax Expense	38	38	82,586	48,760	85,071
Total operating expenses	$30,055,400	$29,728,025	$2,884,267	$1,802,181	$56,972,212
Net Profit/(Loss) for the period	$857,315	$1,015,465	$2,403,947	($122,880)	($9,938,775)
Comprehensive loss					
Foreign currency translation adjustment	(102,111)	(36,712)	125,547	3,881	(334,948)
Comprehensive Gain/(Loss) for the period	$755,204	$978,753	$2,529,493	($118,999)	($7,492,683)
Basic and Diluted Loss per share	0.01	0.01	0.04	0.00	
Weighted Average Number of Shares Outstanding	68,583,595	68,583,595	67,750,262	67,133,595	

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

Wind Works Power Corp.
(Formerly AmMex Gold Mining Corp.- an Exploration Stage Mining Company)
Consolidated Statement of Cash Flows (Unaudited)
For the Period Ending December 31, 2014 and 2013
(Expressed in United States dollars, unless otherwise stated)

	Six month period Ended December 31, 2014	Six month period Ended December 31, 2013	Cumulative May 2, 2008 to December 31, 2014
Cash Flows from Operating Activities			
Net Income (loss) for the period	$857,315	$2,403,947	($13,820,971)
Add (deduct) non-cash items:			
Depreciation	721	(467)	5,128
Lease amort	-	-	35,568
Loss on ext. of debt	-	-	564,130
Accretion	-	-	1,577,578
Interest on Debt Modification	-	-	12,947
Shares issued for serv.	-	1,450	1,874,411
Stock based compensation	-	60,150	465,760
Warrants Issued	-	-	21,971
Retained Earnings Adjustment	-	3,509,204	3,553,204
Forgiven Debt	-	(4,773,535)	(4,773,535)
	858,036	1,200,749	(10,483,809)
Changes in non-cash working capital items:			
A/R	(1,403,746)	(46,361)	(1,561,448)
Tax receivable	(1,006,538)	(158,328)	(1,162,457)
Prepaid Expenses	-	24,807	513,655
Loan receivable	(113,061)	9,845	(152,145)
Cost in excess of billing	(4,322,263)	(767,822)	(1,447,253)
Other assets	113,674	(82,102)	(864,261)
Accounts payable + Accrued Liab.	(660,893)	72,731	6,927,973
Subtotal:	(7,392,826)	(947,230)	2,254,063
Cash flow from investing activities			
Deposits	124,574	-	(10,019,662)
Cash acquired on reverse takeover	-	-	34,192
Purchase of fixed assets	-	-	(3,461)
Wind projects	22,608,727	(15,543,354)	607,933
Investments in joint ventures	945	-	(7,806)
Leases	-	-	(22,132)
Longterm investments	319,922	(460,997)	(3,283,176)
Subtotal:	23,054,168	(16,004,351)	(12,694,112)
Cash flow from Financing activities			
Proceeds from Private Placement	-	-	800,000
Issuance of conv. Debentures	-	-	771,349
Repayment of conv. Debentures	(148,179)	-	(598,179)
Proceeds from loans payable	(18,865,572)	16,200,000	17,518,475
Proceeds from loans payable	4,851,042	27,395	4,798,072
Subscriptions payable	-	-	71,137
Additional Paid in Capital	621,906	-	-
Advances from related parties	-	-	1,850
Subtotal:	(13,540,802)	16,227,396	23,362,705
Effect of Exchange rate changes on cash	102,111	(125,548)	365,323
Increase in cash from continuing operations	3,080,686	351,015	2,804,171
Cash at start	345,392	230,286	0
Cash end	**$3,426,078**	**$581,301**	**$2,804,171**

Supplemental disclosure of non-cash transactions (Note 6). The accompanying notes are an integral part of the financial statements.

Wind Works Power Corp.
Consolidated Statements of Stockholders' Equity (Unaudited)
(Stated in US Dollars)

	Common Shares Number	Common Shares Amount	Additional Paid-in Capital	Contributed Surplus	Share Subscription Liability	Cumulative Translation Adjustment	Deficit Accumulated During the Exploration Stage	Total Stockholders' Equity
Capital issued for financing	4,454,454	4,454	95,546	-	-	-	-	100,000
Net Loss	-	-	-	-	-	-	(1,150)	(1,150)
Balance June 30, 2008	4,454,454	4,454	95,546	-	-	-	(1,150)	98,850
Capital issued for financing	545,546	546	9,454	-	-	-	-	10,000
Net Loss	-	-	-	-	-	-	(53,184)	(53,184)
Balance June 30, 2009	5,000,000	5,000	105,000	-	-	-	(54,334)	55,666
Recapitalization (Note 1)	22,053,117	22,053	1,245,394	-	-	-	-	1,267,451
Capital issued for financing	1,080,000	1,080	538,920	-	-	-	-	540,000
Capital issued for services	1,501,500	1,502	902,849	-	-	-	-	904,350
Capital issued for wind projects	1,750,000	1,750	-	-	-	-	-	1,750
Stock based Compensation	-	-	-	88,085	-	-	-	88,085
Fair value of warrants	-	-	364,071	-	-	-	-	364,071
Beneficial conversion feature	-	-	842,650	-	-	-	-	842,650
Conversion of convertible debenture	62,500	63	24,937	-	-	-	-	25,000
Translation adjustment	-	-	-	-	-	(701)	-	(701)
Net Loss	-	-	-	-	-	-	(2,477,370)	(2,477,370)
Balance June 30, 2010	31,447,117	31,448	4,023,824	88,085	-	(701)	(2,531,704)	1,610,952

Wind Works Power Corp.
Consolidated Statements of Stockholders' Equity (Unaudited)
(Stated in US Dollars)

	Common Shares		Additional Paid-in Capital	Contributed Surplus	Share Subscription Liability	Cumulative Translation Adjustment	Deficit Accumulated During the Exploration Stage	Total Stockholders' Equity
	Number	Amount						
Balance June 30, 2010	31,443,046	31,448	4,023,824	88,085	-	(701)	(2,531,704)	1,610,952
Capital issued for financing	375,000	375	149,625	-	-	-	-	150,000
Capital issued for wind projects	550,000	550	235,950	-	-	-	-	236,500
Capital issued for settlement of acquisition agreement	9,000,000	9,000	(9,000)	-	-	-	-	-
Conversion of convertible debenture	1,889,298	1,890	691,298	-	-	-	-	693,188
Capital issued for services	2,366,250	2,366	948,590	-	-	-	-	950,956
Capital issued for debt settlement	1,400,000	1,400	1,314,600	-	-	-	-	1,316,000
Fair value of warrants	-	-	51,356					51,356
Warrant bifurcation	-	-	(61,440)	61,440	-	-	-	-
Beneficial conversion feature	-	-	63,750	-	-	-	-	63,750
Stock based compensation	-	-	-	67,400	-	-	-	67,400
Options revaluation	-	-	-	28,000	-	-	-	28,000
Modification of convertible debentures	-	-	10,350	-	-	-	-	10,350
Share subscription liability	-	-	-	-	71,318	-	-	71,318
Translation adjustment	-	-	-	-	-	(29,523)	-	(29,523)
Net Loss	-	-	-	-	-	-	(5,078,948)	(5,078,948)
Balance June 30, 2011	47,023,594	47,029	7,419,568	244,925	71,318	(30,194)	(7,610,652)	141,994

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

Wind Works Power Corp.
Consolidated Statements of Stockholders’ Equity (Unaudited)
(Stated in US Dollars)

	Common Shares Number	Common Shares Amount	Additional Paid-in Capital	Contributed Surplus	Share Subscription Liability	Cumulative Translation Adjustment	Deficit Accumulated During the Exploration Stage	Total Stockholders ’ Equity
Balance June 30, 2011	47,023,594	$47,029	$7,419,568	$244,925	$71,318	($30,194)	($7,610,653)	$141,994
Capital issued Germany	-	-	-					-
Fair value of warrants	-	-	21,971					21,971
Capital issued for services	2,360,000	2,360	623,640					626,000
Capital issued for settlement of acquisition agreement	9,000,000	9,000	(9,000)					
Capital issued for Debt			2,030					2,030
Translation adjustment						148,036		148,036
Net Loss							(3,898,101)	(3,898,101)
Balance June 30, 2012	58,383,594	$58,389	$8,058,163	$244,925	$71,318	$117,842	($11,508,756)	($2,958,119)
Capital issued for services	350,000	350	$20,650					$21,000
Capital issued for settlement of acquisition agreement	8,000,001	8,000	(8,000)					
Capital issued for services	400,000	400	13,600					$14,000
Adjustment to Retained Earnings							328,992	$328,992
Translation adjustment						251,742		$251,742
Net Loss							(3,331,998)	($3,331,998)
Balance June 30, 2013	67,133,595	$67,139	$8,084,413	$244,925	$71,318	$369,585	($14,511,762)	($5,674,328)
Capital issued for services	1,450,000	$1,450	$69,150					$70,600
Adjustment to Retained Earnings							3,553,205	$3,553,205
Translation adjustment						(136,748)		($136,748)
Net Profit							162,468	$162,468
Balance June 30, 2014	68,583,595	$68,589	$8,153,563	$244,925	$71,318	$232,837	($10,796,090)	($2,024,858)

	Common Shares		Additional Paid-in Capital	Contributed Surplus	Share Subscription Liability	Cumulative Translation Adjustment	Deficit Accumulated During the Exploration Stage	Total Stockholders ' Equity
	Number	Amount						
Balance June 30, 2014	68,583,595	$68,589	$8,153,563	$244,925	$71,318	$232,837	($10,796,090)	($2,024,858)
Translation adjustment						138,823		$138,823
Net Loss							(158,150)	($158,150)
Balance September 30, 2014	68,583,595	$68,589	$8,153,563	$244,925	$71,318	$232,837	($10,954,240)	($2,044,186)
Paid in Capital Germany			$621,906					$621,906
Translation adjustment						$102,111		$102,111
Net Profit							$1,015,465	$1,015,465
Balance December 31, 2014	68,583,595	$68,589	$8,775,396	$244,925	$71,318	$334,947	($9,938,775)	($443,526)

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

1. Nature of Organization and Business:

i) Organization

Wind Works Power Corp. (herein referred to as "WWPC", "Wind Works", or "the Company") was incorporated under the laws of the State of Nevada, was primarily engaged in the acquisition and exploration of mining properties, but has since modified its business plan to focus on alternate energy.

ii) Business

The Company intends to develop wind parks. It will assemble land packages, secure requisite environmental permitting, provide wind testing by erecting towers to measure wind speed. Subject to favorable wind testing results, it will then apply for a power contract for the number of megawatts (MW) that the project will allow. Once it secures power contracts, management believes that it will be able to lease or sell the wind parks to operating utility companies or companies desiring to purchase wind turbines and erect the necessary power lines.

2. Basis of Presentation and going concern

Effective January 31, 2010, WWPC completed a share exchange whereby it acquired Zero Emissions People LLC ("ZEP"). Prior to its acquisition by WWPC, Zero Emissions People LLC, was a privately-held US company engaged in the development of wind energy projects. The acquisition by Wind Works of ZEP is deemed to be a reverse acquisition. Wind Works (the legal acquirer) is considered the accounting acquiree and ZEP (the legal acquiree) is considered the accounting acquirer. The combined financial statements of the combined entity are in substance be those of ZEP, with the assets and liabilities, and revenues and expenses of Wind Works being included effective from the date of consummation of Share Exchange Transaction. Wind Works is deemed to be a continuation of the business of ZEP. The outstanding common stock of Wind Works prior to the Share Exchange Transaction will be accounted for at their net book value and no goodwill will be recognized.

According to accounting principles generally accepted in the United States, the above noted acquisition is considered to be a capital transaction in substance, rather than a business combination. That is, the acquisition is equivalent to the issuance of stock by ZEP for the net monetary assets of WWPC accompanied by a recapitalization and is accounted for as a change in capital structure. Accordingly, the accounting for the acquisition is identical to that resulting from a reverse acquisition, except that no goodwill or intangible asset is recorded. All material inter-company balances and transaction have been eliminated.

Refer to Note 13 for further details regarding the shares issued pursuant to this acquisition and the projects acquired.

The unaudited condensed consolidated yearend financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of such information. All such adjustments are of a normal recurring nature. Certain information and footnote disclosures, including a description of significant accounting policies normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted pursuant to such rules and regulations. The year-end balance sheet data was derived from unaudited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. These consolidated yearend financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the

(Stated in US Dollars)

Company's Annual Report for the fiscal year ended June 30, 2014, which was filed with the OTC Markets Group on September 28, 2014. The results of operations for the year ended June 30, 2015 are not necessarily indicative of the results for any subsequent periods.

Consolidation

The consolidated financial statements include the accounts of Wind Works Power Corp. and its wholly-owned subsidiaries, Zero Emission People LLC, Thunder Spirit Wind LLC, Zero Emission People Capital GmbH, Zero Emission People Asset Management GmbH, Wind Works Development GmbH, and several German and Canadian project companies (collectively the "Company"). Significant inter-company accounts and transactions have been eliminated.

Going Concern

These accompanying consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the balance sheet classifications used.

The operations of the Company have primarily been funded by the sale of common stock and the issuance of convertible debentures. Continued operations of the Company are dependent on the Company's ability to complete additional equity financings or generate profitable operations in the future. Management's plan in this regard is to secure additional funds through future equity financings. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

	December 31, 2014	June 30, 2014
Deficit accumulated during the development stage	$9,938,775	$10,796,090
Working capital (deficiency)	($4,586,995)	($10,226,582)

Use of Estimates

Conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Significant Accounting Policies

Wind Farm Developmental Properties

The Company expenses all costs related to the maintenance and exploration of developmental wind farms in which it has secured rights prior to establishment of commercial feasibility. Developmental wind farm acquisition costs are initially capitalized when incurred. The Company assesses the carrying cost for impairment under ASC 360-10 "Accounting for Impairment or Disposal of Long Lived Assets". When it has been determined that a wind farm property can be economically developed, the costs then incurred to develop such property are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the project. If developmental wind farm properties are subsequently abandoned or impaired, any capitalized costs will be charged to operations.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, services have been rendered, the sales price is fixed or determinable, and collectability is reasonably assured.

Revenues from fixed-price construction contracts are recognized on the completed-contract method due to undependable estimates that cause forecasts to be doubtful. The completed-contract method recognizes revenue and costs upon contract completion, and all project costs and revenues are reported as deferred items on the balance sheet until that time. A contract is considered complete when all costs except insignificant items have been incurred and the installation is operating according to specifications or has been accepted by the customer.

Contract costs include all direct material and labour costs and those indirect costs related to contract performance, such as indirect labour, supplies, tools, and repairs costs. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Claims are included in revenues when received.

Costs in excess of amounts billed are classified as current assets under costs in excess of billings on uncompleted contracts. Billings in excess of costs are classified under current liabilities as billings in excess of costs on uncompleted contracts. Contract retentions are included in prepaid expenses and other current assets

Equity Method Investments

The Company accounts for its ownership interest in UW ZE Altenburg GmbH under the equity method of accounting in accordance with ASC Topic No. 323 "Investments-Equity Method and Joint Venture" ("ASC 323") as a result of the Company's ability to exercise significant influence over the operating and financial policies of UW ZE Altenburg GmbH. Under ASC 323, investments of this nature are recorded at original cost and adjusted periodically to recognize the Company's proportionate share of the entity's net income or losses after the date of investments. When net losses from an investment accounted for under the equity method exceed its carrying amount, the investment's carrying amount may be reduced to a negative value.

The Company reviews investments in non-consolidated subsidiaries accounted for under the equity method for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The evaluation of recoverability is performed using undiscounted estimated net cash flows generated by the related investment. If the investment is deemed to be impaired, the amount of impairment is determined as the amount by which the net carrying value exceeds discounted estimated cash flows. No impairment charge was recorded related to the Company's equity method investment in UW ZE Altenburg GmbH for the year ended June 30, 2013.

Capitalized Lease Cost

Capitalized lease cost represents the cost of taking over land leases located on the Company's Grey Highlands Wind Park. Capital lease cost is amortized over the term of the operating leases taken over. During the period ended December 31, 2014, the Company recognized amortization of $0 (2013 - $2,733).

Long-Lived Assets

Fixed Assets are capitalized at cost. Depreciation is recorded on a declining balance basis at a rate of 20% per annum.

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

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

Income Taxes

The Company records income taxes in accordance with FASB ASC 740, using the asset and liability method. Pursuant to ASC 740the company is required to compute tax asset benefits for net operating losses carried forward. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to the taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of deferred tax assets and liabilities for a change in tax rate is recognized in the period that includes the enactment date. In addition, a valuation allowance is established to reduce any deferred tax assets for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

Potential benefits of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future period and accordingly is offset by a valuation allowance. FIN NO. 48 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken into in tax returns.

To the extent interest and penalties may be assessed by taxing authorities on any underpayment of income tax, such amounts would have been accrued and are classified as a component of income tax expense in the consolidated statements of operations.

Foreign Currency Translation

The consolidated financial statements of the Company are translated to and presented in United States dollars in accordance with ASC 830.

The functional currency of the Company's North American operations is the U.S. Dollar. For foreign currency transactions, monetary assets and liabilities for the Company are re-measured to U.S. dollars at current rates at the balance sheet dates, income statement items are re-measured at the average monthly exchange rates for the dates those items were recognized, and certain assets (including long-lived assets and wind project acquisition costs) are re-measured at historical exchange rates. Foreign currency transaction gains and losses are included in the statement of operations as incurred along with gains and losses from currency re-measurement.

The functional currency of the Company's German operations is the Euro. The gain or loss on currency translation from the local currency into the reporting currency (U.S. Dollar) is included as a separate component of stockholders' equity. The assets and liabilities have been translated from Euros into U.S. Dollars using exchange rates in effect at the balance sheet dates. Results of operations have been translated using the average exchange rates during the year.

The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Comprehensive Income

ASC 220, "Reporting Comprehensive Income" establishes standards for the reporting and display of comprehensive income and its components in the financial statements. As at June 30, 2013 and 2012 the Company's only component of comprehensive income is foreign currency translation adjustments.

Asset Retirement Obligation

The Company has adopted ASC 410-20, "Accounting for Asset Retirement Obligations", which requires that an asset retirement obligation ("ARO") associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred and becomes determinable, with an offsetting increase in the carrying amount of the associated asset. The cost of the tangible asset, including the initially recognized ARO, is depleted, such that the cost of the ARO is recognized over the useful life of the asset. The ARO is recorded at fair value, and accretion expense is recognizable over time as the discounted liability is accreted to its expected settlement value. The fair value of the ARO is measured using expected future cash flow, discounted at the Company's credit-adjusted-risk-free interest rate. To date, no material asset retirement obligation exists due to the early stage of the Company's wind development projects. Accordingly, no liability has been recorded.

Environmental Protection and Reclamation Costs

The operations of the Company have been, and may in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company may vary from region to region and are not predictable.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against statements of operations as incurred or capitalized and amortized depending upon their future economic benefits. The Company does not anticipate any material capital expenditures for environmental control facilities.

Basic and Diluted Net Loss Per Share

The Company computes net income (loss) per share in accordance with ASC 260, "Earnings per Share". ASC 260 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS give effect to all dilutive potential common shares outstanding during the period using the treasury stock method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

Stock Issued in Exchange for Services

The valuation of the Company's common stock issued in exchange for services is valued at the trading prices of the Company's common stock on the date of the contract. The corresponding expense of the services rendered is recognized over the period that the services are performed.

Stock Based Compensation

The Company has adopted the provisions of ASC 718, "Share-Based Payment" which establishes accounting for equity instruments exchanged for employee services. Under the provisions of SFAS ASC 718, stock-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employees' requisite service period (generally the vesting period of the equity grant).

Convertible Debentures

The Company accounts for convertible debentures in accordance with ASC 470-20. The allocation of proceeds on the issuance of debt with detachable warrants is allocated between the debt and the warrants based on the relative fair value of the two instruments at their time of issuance. Beneficial conversion features embedded in debt instruments are recognized separately according to ASC 470-20-25-5 and are measured at their intrinsic value.

Recent Accounting Pronouncements

(i) ASU 2010-28

In December 2010, the FASB issued an Accounting Standards Update 2010-28 ("ASU 2010-28"), "Intangibles-Goodwill and Other (Topic 350)". ASU 2010-28 amends ASC Topic 350. ASU 2010-28 clarifies the requirement to test for impairment of goodwill. ASC Topic 350 requires that goodwill be tested for impairment if the carrying amount of a reporting unit exceeds its fair value. Under ASU 2010-28, when the carrying amount of a reporting unit is zero or negative an entity must assume that it is more likely than not that a goodwill impairment exists, perform an additional test to determine whether goodwill has been impaired and calculate the amount of that impairment. The modifications to ASC Topic 350 resulting from the issuance of ASU 2010-28 are effective for fiscal years beginning after December 15, 2010 and interim periods within those years. Early adoption is not permitted. The provisions of ASU 2010-28 are not expected to have a material effect on the financial position, results of operations or cash flows of the Company.
(ii) ASU 2010-29

In December 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-29 (ASU 2010-29), Business Combinations (Topic 805) - Disclosure of Supplementary

Pro Forma Information for Business Combinations. This Accounting Standards Update requires a public entity to disclose pro forma information for business combinations that occurred in the current reporting period. The disclosures include pro forma revenue and earnings of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period. If comparative financial statements are presented, the pro forma revenue and earnings of the combined entity for the comparable prior reporting period should be reported as though the acquisition date for all that occurred during the current year had been as of the beginning of the comparable prior annual reporting period. The amendments in this Update affect any public entity as defined by Topic 805 that enters into business combinations that are material on an individual or aggregate basis. The amendments in this Update are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. Early adoption is permitted. The Company does not expect the provisions of ASU 2010-29 to have a material effect on its financial position, results of operations or cash flows.

4. Accounting Standards Adopted

(i) ASC 860

In June 2009, the FASB issued ASC 860, "Accounting for Transfers of Financial Assets—an amendment of FASB Statement" ("ASC 860"). ASC 860 is intended to establish standards of financial reporting for the transfer of assets to improve the relevance, representational faithfulness, and comparability. ASC 860 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2009. The Company adopted ASC 860 on July 1, 2010. The Company has determined that the adoption of ASC 860 has no impact on its consolidated financial statements.

(ii) ASC 810

In June 2009, the FASB issued ASC 810, "Amendments to FASB Interpretation No. 46(R)" ("ASC 810"). ASC 810 eliminates the exception to consolidate a qualifying special-purpose entity, changes the approach to determining the primary beneficiary of a variable interest entity, and requires companies to more frequently re-assess whether they must consolidate variable interest entities. Under the new guidance, the primary beneficiary of a variable interest entity is identified qualitatively as the enterprise that has both (a) the power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance, and (b) the obligation to absorb losses of the entity that could potentially be significant to the variable interest entity or the right to receive benefits from the entity that could potentially be significant to the variable interest entity. The Company adopted ASC 810 on July 1, 2010. The Company has determined that the adoption of ASC 810 has no impact on its consolidated financial statements.

(iii) ASU 2010-20

In July 2010, the FASB issued guidance for the disclosures about the credit quality of financing receivables and the allowance for credit losses. This guidance amends existing disclosure guidance to require an entity to provide a greater level of disaggregated information about the credit quality of its financing receivables and its allowance for credit losses. This guidance is effective for fiscal and interim periods beginning after December 15, 2010. The Company's adoption of these requirements effective January 1, 2011 had no effect on the Company's consolidated financial statements.

(iii) ASC 605

In April 2010, the FASB issued accounting guidance for the milestone method of revenue recognition. This guidance allows entities to make a policy election to use the milestone method of revenue recognition and provides guidance on defining a milestone and the criteria that should be met for applying the milestone method. The scope of this guidance is limited to transactions involving milestones relating to research and development deliverables. The guidance includes enhanced disclosure requirements about each arrangement, individual milestones and related contingent consideration, information about substantive milestones and factors considered in the determination. The Company's adoption of this guidance effective July 1, 2010 had no effect on the Company's financial statements.

(iii) ASU 2010-09

In February 2010, FASB issued ASU 2010-09 Subsequent Events (Topic 855) Amendments to Certain Recognition and Disclosure Requirements. ASU 2010-09 removes the requirement for an SEC filer to disclose a date through which subsequent events have been evaluated in both issued and revised consolidated financial statements. Revised consolidated financial statements include consolidated financial statements revised as a result of either correction of an error or retrospective application of GAAP. All of the amendments in ASU 2010-09 are effective upon issuance of the final ASU, except for the use of the issued date for conduit debt obligors. That amendment is effective for interim or annual periods ending after June 15, 2010. The Company has adopted this standard and as a result did not disclose the date through which subsequent events have been evaluated.

(iv) ASC 605

The FASB issued new guidance relating to revenue recognition for contractual arrangements with multiple revenue-generating activities. The ASC Topic for revenue recognition includes identification of a unit of accounting and how arrangement consideration should be allocated to separate the units of accounting, when applicable. The Company's adoption of this guidance effective July 1, 2010 had no effect on the Company's financial statements.

5. <u>Related Party Transactions</u>

At December 31, 2014, the Company had a balance owing from a shareholder of $1,850 (September 30, 2013 – $1,850) pertaining to funds held in trust. The amount is due on demand, unsecured, and bears no interest.

At December 31, 2014, the Company had a loan receivable from an officer of $1,850 (September 30, 2013 – $1,850). The amount is due on demand, unsecured, and bears no interest.

During the period ended December 31, 2014, officers and directors received $51,525 (2013 – $45,000) for services rendered.

At December 31, 2014, the Company had payables to officers and directors of $285,475 (2013 – $41,306) for services rendered which was included in accounts payable.

At December 31, 2014, the Company had payables to an officers of $164,533 (2013 – $0) for providing personal assets as financing security.

All transactions with related parties are made in the normal course of business and measured at carrying value.

(Stated in US Dollars)

6. Non-Cash Transactions

The company incurred $38 in income taxes during the period in Germany (December 31 2013 – $48,760, Germany).

During the period ending December 31, 2014, the company entered into certain non-cash operating activities as follows:

During the period ending December 31, 2014, the Company recognized $ nil in consulting fees related to the issuance of shares for services (December 31, 2014 – $78,682)

7. Fixed Assets

Cost Opening Balance	Additions During the Period	Accumulated Depreciation	Net Book Value at December 31, 2014	Net Book Value at June 30, 2014
$11,564	$401	$9,435	$2,529	$3,250

During the period ending December 31, 2014, total additions to property, plant and equipment were $ $401 (2013 - $901). During the period ending December 31, 2014 the Company recorded depreciation of $588 (2013 - $217).

8. Convertible Debentures

September 25, 2009 / April 29, 2010 issuance

On November 25, 2009 the Company issued $992,300 of convertible debt in a subscription agreement between the Company and a group of investors. The debt carries an interest rate of 10% annually, due upon the maturity date, November 30, 2010. The debt may be converted into shares of common stock at a conversion price of $0.70 per share. In conjunction with the debt, the Company also issued warrants to purchase 1,000,000 warrants with an exercise price of $1.00 per share that expire on November 30, 2011. The debt carries a beneficial conversion feature, which along with the relative fair value of the warrants, resulted in a debt discount of $967,076 which was recorded against the convertible debt and offset in additional paid in capital.

On April 29, 2010, the Company agreed to modify the terms of the convertible debentures listed above. Under the modified debentures, the conversion price of the debentures was reduced to $0.40 per share. In addition, the warrant exercise price was reduced to $0.50 per share and the expiry date of the warrants was extended to November 30, 2012.

The discount on this debt is fully accreted at September 30, 2011, and the remaining debt of $250,000 is past due. The Company repaid $50,000 and accrued a further $29,924 in interest expense for this debt during the period. Total accrued interest for this debt at December 31, 2014, is $170,690.

March 31, 2010 issuance

On March 31, 2010 the Company issued $275,000 of convertible debt in a subscription agreement between the Company and a group of investors. The debt carries an interest rate of 10% annually, due upon the maturity date, March 31, 2011. The debt may be converted into shares of common stock at a conversion price of $0.40 per share. In conjunction with the debt, the Company also issued warrants to purchase 575,000 common shares with an exercise price of $0.75 per share that expire on June 30, 2012. The debt carries a beneficial conversion feature, which along with the relative fair value of the warrants, resulted in a debt discount of $214,421 which was recorded against the convertible debt and offset in additional paid in capital. The discount on this debt is fully accreted at September 30, 2011.

(Stated in US Dollars)

The Company repaid $60,000 of this debt during the period ending September 30, 2011 and $25,000 remains past due at June 30, 2014. The Company accrued a further $630 in interest expense for this debt during the period. Total accrued interest for this debt at December 31, 2014 is $11,932.

September 30, 2011 issuance

On September 30, 2011, the Company issued $200,000 of convertible debt in a subscription agreement between the Company and a group of investors. The debt carries an interest rate of 10% annually, due upon the maturity date, September 30, 2015. The debt may be converted into shares of common stock at a conversion price of $0.23 per share. In conjunction with the debt, the Company also issued warrants to purchase 860,000 common shares with an exercise price of $0.50 per share, during the period the Company issued 300,000 shares to extend the maturity date to September 30, 2015. The debt carries a beneficial conversion feature, which along with the relative fair value of the warrants, resulted in a debt discount of $21,971 which was recorded against the convertible debt and offset in additional paid in capital. For the period ending September 30, 2014, the discount has been fully accreted. During the period ending December 31, 2014, $5,041 has been accrued in interest. Total accrued interest as of December 31, 2014, is $65,096.

April 6, 2012 issuance

On April 6, 2012, the company issued $50,000 of convertible debt in a private subscription agreement between the Company and an investor. The debt carries an interest rate of 10% annually, due upon the maturity date, April 15, 2013. The debt may be converted into shares of common stock at a conversion price of $0.20 per share. During the period ending December 31, 2014, $1,260 was accrued in interest. Total accrued interest for this debt at December 31, 2014 is $12,425.

December 15, 2012 issuance

On December 15, 2012 the company issued $100,000 of convertible debt in a private subscription agreement between the Company and two investors. The debt carries an interest rate of 10% annually, due upon the maturity date, December 15, 2015. The debt may be converted into shares of common stock at a conversion price of $0.20 per share. During the period ending December 31, 2014, the Company repaid $50,000 and $2,096 was accrued in interest. Total interest as of December 31, 2014 is $19,178.

The above five convertible debenture liabilities are as follows:

	December 31, 201	June 30, 2014
March 31, 2010 convertible debentures payable	$275,000	$275,000
April 29, 2010 convertible debentures payable	992,300	992,300
September 30, 2011 convertible debentures payable	200,000	200,000
April 6, 2012 convertible debenture payable	50,000	50,000
December 15, 2012 convertible debenture payable	100,000	100,000
Conversion of March 31, 2010 convertible debentures	(150,000)	(150,000)
Conversion of April 29, 2010 convertible debentures	(492,300)	(492,300)

Repayment of April 29 2010 convertible debentures	(200,000)	(200,000)
Repayment of March 31, 2010 convertible debentures	(100,000)	(100,000)
Repayment of September 25, 2009 convertible debentures	(50,000)	-
Repayment of December 20, 2012 convertible debentures	(50,000)	-
Total convertible debentures payable	575,000	675,000
Less: Unamortized discount on convertible debentures payable	(0)	(1,821)
Net convertible debentures payable	$575,000	$673,179

9. Short Term Loan

Short term loans of $5,000,859 are unsecured, $4,967,522 is a loan from a German bank to finance project construction at market interest rates, $33,337 bears interest at 5% per annum.

10. Long Term Debt

Ontario

Wind Works Power Corp has received a 6.93% simple interest loan from a third party (the "lender"). The Company has borrowed $15,599,697 as of June 30, 2013, which is subject to interest. The maturity date for the loans is the earliest of (i) an event of default or (ii) callable by the lender, at which time the company is required to repay all principal and accrued interest. The loan is senior to all indebtedness of the company and is secured by any existing registered security on the assets of the company up to an aggregate amount of $1,500,000 for each bridge loan provided that any indebtedness relating to the registered security may not be re-financed, re-borrowed or increased in any way. There were 9 bridge loans outstanding at year-end secured by an aggregate amount of $9,000,000. Until the loan is repaid in full the company may not, without the prior consent of the lender, (1) incur any indebtedness or grant any security that would rank prior to the loan, other than: (i) normal trade payables; and (ii) secured debts and obligations owed to secured lenders providing financing for the construction of the Wind Projects. or (2) incur or commit to any single expense over CAD $20,000 or any series of related expense over a cumulative amount of CAD $30,000. The Company has signed promissory notes guaranteeing the amount of the loan.

Four parties entered into a convertible debenture agreement first and then entered into bridge loan agreements prior to the Closing date. The cumulative amount of financing available under the convertible debenture agreement is $8,500,000 in Canadian funds. Closing shall occur on such date as may be agreed to by the Company and the lender and upon closing the promissory notes shall be returned to the Company and a debenture shall be issued by the Company in an amount equal to the value of the notes then outstanding. The debentures shall carry a yield equal to 6.93% per annum, with interest calculated quarterly. At the lender's sole option, and at a date of its choosing, all principal and accrued interest under the debentures may be converted into an equity interest in any of the projects that were funded using this financing. In such a case the lender would earn up to a 49% interest in those specific wind projects. Following conversion the Company would have the option to repurchase the project equity upon thirty days notice.

Under the terms of the loan agreement the Company commits to purchasing all wind turbines for the wind projects from the lender.

During the period ending September 30, 2013, the Company closed the sale of 50MW of Ontario projects for which all the debt and accrued interest has been forgiven. The only debt left is related to two HONI interconnection deposits for 20MW of Ontario projects.

For the period ending December 31, 2014 $34,897 (2013 - $34,897) of interest was accrued on the outstanding principal and included in accrued liabilities.

(Stated in US Dollars)

North Dakota

During the year ending June 30, 2014, Thunder Spirit Wind LLC (TSW) received a 9.425% simple interest loan from a third party. TSW borrowed USD $19,550,000 to develop the 107.5MW Thunder Spirit Wind project in North Dakota, USA.

During the year, Thunder Spirit Wind LLC (TSW) received an additional 9.425% simple interest loan from a third part to be used as security deposit for the TSW project in North Dakota.

The maturity date for the loans is the earliest of (i) an event of default or (ii) callable by the lender, at which time TSW is required to repay all principal and accrued interest. The loan is senior to all indebtedness of TSW and is secured by any existing registered security on the assets of the company up to an aggregate amount of $19,550,000 for the bridge loan provided that any indebtedness relating to the registered security may not be re-financed, re-borrowed or increased in any way.

Until the loan is repaid in full TSW may not, without the prior consent of the lender, incur any indebtedness or grant any security that would rank prior to the loan, other than: (i) normal trade payables; and (ii) secured debts and obligations owed to secured lenders providing financing for the construction of the Wind Project.

During the period ending December 31, 2014 the Company sold the Thunder Spirit Wind project and fully repaid the simple interest loan including interest and fees to the third party.

11. Share Capital

Total authorized share capital of the Company is 200,000,000 common shares with a par value of $0.001.

During the period ending December 31, 2014, the Company did not entered into any agreements to issue shares in exchange for consulting services to be received during the period and in the future.

During the period ending December 31, 2014, $ nil has been recognized as share based compensation related to consulting work for the period, including work performed in prior periods, representing the portion of the total expected services that were received. The remaining fair value of the issuance will be expensed in the period in which the related services are received.

12. Warrants

During the period ending December 31, 2014, the Company issued nil (2013 - nil) warrants attached to the convertible debentures. The Company allocated the proceeds received from the issuance based on the fair value of the warrants relative to the total fair value of the issuance. The Company determined the fair value of these warrants using the following assumptions:

For purposes of the calculation, the following assumptions were used:

Risk free interest rate	0.25%
Expected life of warrants	1 year
Expected stock price volatility	110%
Expected dividend yield	0%

The following share purchase warrants were outstanding at June 30, 2013:

(Stated in US Dollars)

	Weighted Average Exercise price	Number of warrants	Weighted Average Remaining contractual life (years)
Balance beginning of year	-	-	-
Warrants issued from convertible debentures	0.50	860,000	2.33
Warrants issued from convertible debentures	0.35	125,000	0.79
Outstanding and exercisable at June 30, 2013	0.48	985,000	2.33

The following share purchase warrants were outstanding at December 31, 2014:

	Weighted Average Exercise price	Number of warrants	Weighted Average Remaining contractual life (years)
Balance beginning of year	0.48	985,000	1.33
Warrants Expired	0.35	125,000	0.00
Outstanding and exercisable at December 31, 2014	0.50	860,000	0.75

13. Employee Stock Option Plan

On July 12, 2007, the board and shareholders approved the 2007/2008 Stock Incentive & Compensation Plan thereby reserving 6,000,000 common shares for issuance to employees, directors and consultants. The significant details of the plan are as follows:

- All employees and consultants of the company are eligible to be granted stock options;
- May issue up to 6,000,000 common shares;
- Options shall not be priced at less than 100% of the FMV of common stock at the date of grant;
- Maximum life of option is 10 periods;
- Options are non-transferable, may only be exercised;
- Options expire on termination of employment.

On October 19, 2009, the board granted 1,000,000 stock options expiring December 31, 2012 to officers and directors of the company vesting immediately at an exercise price of $0.85. During the year ended June 30, 2011, the Company approved the reduction of exercise price from $0.85 to $0.50 for the remaining options resulting in a stock based compensation expense of $28,000 as calculated using the Black Scholes model.

On December 6, 2010, the board granted 200,000 stock options expiring December 31, 2012 to officers and directors of the company vesting immediately at an exercise price of $0.50.

(Stated in US Dollars)

Changes in the Company's stock options for the year ended June 30, 2012 are summarized below:

	Number	Weighted Avg. Exercise Price	Weighted Avg. Years to Expiry
Balance, beginning of Year	1,000,000	$ 0.50	0.5
Balance, June 30, 2012	1,000,000	$ 0.50	0.5

Changes in the Company's stock options for the period ending December 31, 2014 are summarized below:

	Number	Weighted Avg. Exercise Price	Weighted Avg. Years to Expiry
Balance, beginning of Year	-	-	-
Expired	-	-	-
Balance December 31, 2014	-	-	-

14. Wind Projects and Option Agreements

As at December 31, 2014, the Company had capitalized wind development project costs as follows:

	December 31, 2014	June 30, 2014
Skyway 126	1,947,468	1,947,468
Developer C	7,694	7,694
Settlers Landing	-	-
Burg I	-	-
Burg II	236,500	236,500
Raberg	50,819	59,293
Roecken	19,179	19,179
5MW Ontario project	1,023	1,023
Thunder Spirit (Note 11i)	-	22,600,254
Big-B (Note 11ii)	100,000	100,000
	$2,362,684	$24,971,411

Significant changes during the period are as follows:

(i) Thunder Spirit

In April 2011, the Company acquired a 75% interest in Thunder Spirit, a 150MW project located in North Dakota. The acquisition agreement stipulates a $1,000 acquisition price, which has been capitalized, and obligates Wind Works to perform the following:

a) Fund all project-related costs;
b) Assume any related expense associated with a letter or credit which may be required to secure project interconnection; and
c) Reimburse the vendor for $260,000 of Midwest ISO deposits, $120,000 of which was due within 45 days of closing, and $140,000 of which was due within 90 days of closing.

(Stated in US Dollars)

In December 2012, the Company acquired the remaining 25% of the Thunder Spirit project, thus now owns 100% of the project. In December 2012, the Company made a $298,000 deposit with Midwest ISO for the interconnection of the project.

In September 2013, the Company made an additional interconnection deposit for $452,000 to Midwest ISO.

During the period ending December 31, 2013, the company closed a Power Purchase Agreement for 107.5MW with Montana-Dakota Utilities. The company subsequently closed financing to begin construction, make a down payment with a turbine manufacturer, and to make interconnection deposits with the utilities.

During the year ending June 30, 2014, the Company made an additional security deposit with MDU to secure the interconnection of the project.

During the period ending December 31, 2014, the Company sold the project to Allete Clean Energy for $27,000,000.

(ii) Big-B

During the year ending June 30, 2013, the Company made a $100,000 interconnection deposit with a local utility company.

15. Cost in excess of billings on uncompleted contracts

The Company entered into agreements for the sale of its interest in the Burg I, II, and III as well as several other German projects. Pursuant to this sale, the Company entered into several turn-key agreements for the construction of wind turbines, in accordance with specifications outlined in the contract. The Company is obligated to erect and transfer ownership of an operational wind turbine, including all project rights by the due date.

The agreed sale price for the turn-key construction contract is fixed, as specified in the construction contract. For the period ending December 31, 2014, the costs incurred and billings received are summarized as follows:

Total billings related to turn-key construction agreement	(8,259,707)
Construction costs	9,706,959
Cost in excess of billings on uncompleted contracts	$1,447,252

16. Wind Project Deposits

As at December 31, 2014, the Company had capitalized wind project deposits as follows:

	December 31, 2014	June 30, 2014
OPA Feed-In Tariff Contract Deposits:		
Hydro One Networks Inc. (“HONI”)		
Connection Cost Deposits:		
Whispering Woods Wind Farm	684,367	746,171
Cloudy Ridge / Skyway 126	695,070	757,846

(Stated in US Dollars)

	1,379,442	1,504,017
Total Wind Project Deposits	$1,379,442	$1,504,017

The OPA Feed-In Tariff Contract deposits represent refundable deposits with the Ontario Power Authority for the projects listed above.

The HONI Connection Cost deposits represent deposits for the work required to connect the Company's projects to HONI's distribution system. If the Company gives HONI notice to proceed with connection, the deposits will be applied against HONI's costs.

17. Contingencies

The Company may be required to make additional lease payments based on (a) the number of meteorological towers and/or (b) megawatt of turbine installed on its land leases. The contingent payments are not determinable at this time.

The Company has royalty payments contingent on gross revenue from the sale of units of electricity sold pertaining to its land leases. Total contingent payments required to be made under this agreement are not determinable at this time.

18. Long-term Investments

For the year ending December 31, 2014 the Company had long-term investments of $3,283,176 in a wind farm developer in Germany as well as for rights in two other wind projects in Germany.

19. Commitments

For the wind projects being developed under the Developer C joint venture and all other Canadian projects jointly held with resident partners, the Company has agreed to share all income in accordance with the respective partnership agreements.

Under the terms of the loan agreement (Note 10) the Company commits to purchasing all wind turbines for the wind projects from a specific third party.

The following are expected lease payments regarding the Company's operating land leases:

Thereafter	$ 118,720
Total	$ 118,720

20. Retained Earnings Adjustments

During the year ending June 30, 2014, the Company sold 50MW of Projects. Part of the agreement to sell 50MW of Ontario projects is the transfer of development expenses specific to those projects to the purchaser of the projects. Since these development expenses are prior period expenses, retained earnings from previous years was adjusted to transfer the expenses.

To develop the Thunder Spirit Wind project in North Dakota, during the year ending June 30, 2014, the Company transferred prior period project related development expenses and interconnection deposits to the project company, these expense transfers result in adjustments to prior period retained earnings.

21. Subsequent Events

None