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

FORM 10-K

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

For the fiscal year ended December 31, 2010

Commission file number 000-53525

Zero-Emission Vehicle

Leo Motors, Inc.
(Exact name of registrant as specified in its charter)

Delaware	95-3909667
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)

291-1, Hasangok-dong, Hanam City, Gyeonggi-do, Republic of Korea	465-250
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code +82 31 796 8805

Copy to:

Cutler Law Group
3355 W. Alabama Ste. 1150
Houston, TX 77098
Fax: 800-836-0714

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on which Registered
None	None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock ($.001 par value)
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. [ ] Yes [x] No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. [ ] Yes [x] No

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. [x] Yes [ ] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Sec. 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

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 definition of "accelerated filer, large accelerated filer and smaller reporting company" as defined in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer (Do not check if a smaller reporting company)	[ ]	Smaller reporting company	[X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). [ ] Yes [x] No

The aggregate market value of the common equity held by non-affiliates of the registrant as of June 30, 2009 (the last business day of the registrant's most recently completed second fiscal quarter) was $13,571,680

The number of shares of the registrant's common stock outstanding as of March 31, 2010 was 50,708,115 shares.

Leo Motors, Inc.
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PART I

Item 1. Business

A. Business Development

There were no changes to Business Development during the year.

B. Financial Information about Segments

As defined by generally accepted accounting principles ("GAAP"), we do not have any segments separate and apart from our business as a whole. Accordingly, there are no measures of revenue from external customers, profit and loss, or total assets aside from what is reported in the Financial Statements attached to this Form 10-K.

C. Business of the Company

Overview

Leo Motors, Inc., a Delaware Company (the "Company"), through its operating subsidiary Leo Motors, Co. Ltd., a Korean Company ("Leozone"), is in the business of developing and marketing Electric Vehicles ("EVs") and EV components. Our current operations consist of developing the designs and prototypes of our EV models, testing, establishing relationships with potential customers, small scale sales of our EVs, and developing our business plan. Our ultimate goal is to begin full scale manufacture of our designs, enter the Global EV market and establish ourselves as a reputable provider of EVs and EV components.

Our overarching strategy is to gain an initial foothold in the EV market as a niche supplier, build our reputation as a technology leader and a socially responsible company, and develop our catalog of products and technology while the market for EV develops.

Changes to Our Business

The most significant change to our business during 2010 and through the date hereof is that we began generating revenues in March of 2010. Without significant income during the preceding development stage, the Company invested a significant amount of capital in realizing and developing its technology. But the Company has since begun generated revenues, and has received purchase orders from globally recognizable companies.

Our business plan remains to become a technology provider in the global EV market, however, due to the need to generate revenues in short term we decided to focus our efforts in 2010 on the development and marketing of electric scooters. Our efforts made successful results as the Company sold almost 1,000 units of electric scooters, and made a significant amount of revenue for the first time since its inception.

The next step is to accelerate the capitalization of Company's developments, and to further develop its products to gain a share of the EV component market. The Company intends to have production capabilities of EV power trains and e-box which can store mass electric power to be used in wind and solar power plants, and in home and offices for back-up power supply for emergency. In order to commercialize the development of our Zinc-Air fuel cell Generator ("ZAG"), the Company is developing ZAG as an EV range extender which can generate 30kW of electricity per hour.

The steps toward implementing our business plan can be summarized by the following table:

The Company could not finish the development of 240 kW power trains which would be used in heavy duty vehicles such as buses and trucks. 240 kW controllers are currently underway.

Power Trains

Step	**Anticipated Cost**		**Anticipated Start Date**
Initial Design		N/A	Completed
Initial Prototypes	$	N/A	Completed
Testing	$	300,000	July 2011
Production Capability	$	500,000	September 2011
Production of Inventory	$	100,000	December 2011
Marketing & Sales	$	100,000	In process
Total		1,000,000	

e-Box

Step	**Anticipated Cost**		**Anticipated Start Date**
Initial Design	$	N/A	Completed
Initial Prototypes	$	N/A	Completed
Testing	$	N/A	Completed
Component Development	$	N/A	Completed
Production Capability	$	500,000	Completed
Production of Inventory	$	N/A	Completed
Marketing & Sales	$	100,000	In process
Total		600,000	

ZAG

Step	**Anticipated Cost**		**Anticipated Start Date**
Initial Design	$	N/A	Completed
Initial Prototypes	$	N/A	Completed
Testing	$	N/A	Completed
Component Development	$	1,000,000	Completed
Production Capability	$	1,000,000	Completed
Production of Inventory	$	N/A	Completed
Marketing & Sales	$	100,000	In process
Total		2,100,000	

In addition to broadening the scope of our products, we intend to expand our business by entering new potential markets. We had intended to enter the US, Japanese, and EU markets by the end of 2010. However, we could not because we are unable to timely finance our operations and to get the appropriate local partners. We will continue our efforts in 2011 towards entering these markets.

Sales and Distribution Arrangements

We believe Leo can survive in competition with giant car companies because Leo is not just small venture EV developer in direct competition with them. The big automakers are not our competitors, but our prospects, because we have developed the solutions those companies need to produce Plug-in Hybrid EVs ("PHEVs") or EVs. The Company also develops EVs, but our vehicles are customized vehicles or vehicles to test our power trains. These are aspects where a smaller company may have an advantage over bigger automotive companies, because of the larger companies' scale and labor unions. We believe their solution is to make alliances with smaller companies like us when they have such needs.

The Company has developed many key technologies for EVs and is now focused on commercializing these breakthroughs. The company has a long list of potential buyers of customized vehicles, electric bikes, parts, and components, and is currently in negotiations to secure a number of contracts.

We have developed and delivered an e-SUV to a Korean Car Manufacturer using our 100kW E-Power Train which the company developed in 2010. The test vehicle was exhibited at and made a demonstration run to the public in the 2011 Seoul Motors Show. When final testing of the test vehicle is successful, we intend to supply and incorporate our EV power trains into their body and chassis and market the completed vehicle to the public.

The Company delivered a prototype of electric tractor using our 60kW power train. After the proper tests, we intend to supply power trains and engineering services to that project.

The Company has received a Zinc Air Generator (ZAG) Development Order from an oil development equipment company. We received a purchase order to develop ZAG to be used in the unmanned environment in the ocean. With a written commitment from the client, the Company has started the Phase 1 development. The total project consists of 3 Phases to be completed by 2013.

Marketing

Our initial marketing strategy is to focus on individual sales to fleets and EV manufacturers. We have already begun marketing our scooters to governments and companies throughout the world. For the marketing of power trains and ZAG, we have targeted mass manufacturing car brands in the world.

Item 1A. Risk Factors

Not required by smaller reporting companies.

Item 1B. Unresolved Staff Comments

We filed a registration statement on Form 10 on December 10, 2008, and Amendments to the Form 10 on March 3, 2009, April 27, 2009, September 9, 2009, and May 5, 2010. We have received comments from the SEC on the latest Amendment and are in the process of responding to them. Until the Form 10 has cleared comments, we and our shareholders cannot rely on the Form 10 or our subsequent periodic reports to satisfy a requirement of current adequate information for any securities transactions.

In addition to comments on our form 10, we are subject to a continuing requirement to update our

Quarterly and Annual Reports to be consistent with any changes made to our Form 10.

We do not currently have any other unresolved staff comments.

Item 2. Properties

We operate out of an office and workshop located at 291-1, Hasangok-dong, Hanam City, Gyeonggi-do, Republic of Korea 465-250.

At this time we do not intend to establish any manufacturing facilities ourselves. Instead we will either outsource manufacturing of our products, or enter into joint ventures with partners who will provide the manufacturing facilities.

As the market for our product develops, we may decide to establish our own facilities in various locations, outsource manufacturing of our other products, or enter into additional joint ventures for the manufacturing of our EVs.

Item 3. Legal Proceedings

None.

Item 4. (Removed and Reserved)

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is quoted in United States markets on the Pink Sheets, maintained by Pink OTC Markets, Inc., a privately owned company headquartered in New York City, under the symbol "LEOM." There is no assurance that the common stock will continue to be traded on the Pink Sheets or that any liquidity exists for our shareholders.

Market Price

The following table shows the high and low per share price quotations of the Company's common stock as reported by the Pink Sheets for the periods presented. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions, and may not necessarily represent actual transactions. The Pink Sheets market is extremely limited and the prices quoted by brokers are not a reliable indication of the value of the common stock. The periods presented represent fiscal quarters, with the fourth quarter of each year ending on December 31.

	HIGH	LOW
Fiscal 2010		
First Quarter	$2.75	$1.20
Second Quarter	$2.20	$0.70
Third Quarter	$1.65	$0.55
Fourth Quarter	$1.00	$0.25

As of December 31, 2010, the Company had 100,000,000 shares of common stock authorized with 50,833,115 shares issued and outstanding and approximately 9,294,694 freely tradable shares in the public float. As of March 31 2011 the issued and outstanding was 48,833,115 because 2,000,000 shares issued for Sea Motors was cancelled at Jan 19, 2011. These shares were held by approximately 941 shareholders of record and Company estimates by over 1,000 beneficial shareholders.

Penny Stock Regulations

Our common stock is quoted in United States markets on the OTCQB, maintained by OTC Markets Group Inc., a privately owned company headquartered in New York City, under the symbol "LEOM." On Dec 31, 2010 the last reported sale price of our common stock was $0.34 per share. As such, the Company's common stock may be subject to provisions of Section 15(g) and Rule 15g-9 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), commonly referred to as the "penny stock rule."

Section 15(g) and Rule 15g-9 sets forth certain requirements for transactions in penny stocks, in particular that either (1) the transaction meets one of a few specific exemptions, or (2) the broker dealer executing the transaction for a customer (a) obtain informed consent from the customer and (b) make an individualized determination of the customer's suitability for trading in penny stocks based on personal financial information. Rule 15g-9(d) incorporates the definition of "penny stock" that is found in Rule 3a51-1 of the Exchange Act. The SEC generally defines "penny stock" to be any equity security that has a market price less than $5.00 per share, subject to certain exceptions. As long as the Company's common stock is deemed to be a penny stock, trading in the shares will be subject to additional sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and accredited investors.

Dividends

The Company has not issued any dividends on the common stock to date, and does not intend to issue any dividends on the common stock in the near future. We currently intend to use all profits to further the growth and development of the Company.

Recent Sales of Unregistered Securities

During the year ended December 31, 2010, and in the subsequent period through the date hereof the Company made the following issuances of unregistered securities:

On February 3, 2010 we issued 3,000,000 shares to members of our management team as compensation for their services. 2,000,000 shares were issued to our president, Mr. Kang. 500,000 shares each were issued to Jung Yong Lee and Young Il Kim. This issuance was completed in accordance with Section 4(2) of the Securities Act in an offering without any public offering or distribution. These shares are restricted securities and include an appropriate restrictive legend.

On February 3, 2010 we issued 75,000 shares for consulting services. This issuance was completed in accordance with Section 4(2) of the Securities Act in an offering without any public offering or distribution. These shares are restricted securities and include an appropriate restrictive legend.

On February 22, 2010 we issued 7,000,000 shares to purchase 50% of Leo B&T. This issuance was completed in accordance with Section 4(2) of the Securities Act in an offering without any public offering or distribution. These shares are restricted securities and include an appropriate restrictive legend.

On September 22 and November 22, 2010 we issued 50,000 shares for consulting services. This issuance was completed in accordance with Section 4(2) of the Securities Act in an offering without any public offering or distribution. These shares are restricted securities and include an appropriate restrictive legend.

Purchases of Equity Securities

None.

Item 6. Selected Financial Data

Not required by smaller reporting companies.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation

Forward-Looking Statements

Statements about our future expectations are "forward-looking statements" within the meaning of applicable Federal Securities Laws, and are not guarantees of future performance. When used herein, the words "may," "will," "should," "anticipate," "believe," "appear," "intend," "plan," "expect," "estimate," "approximate," and similar expressions are intended to identify such forward-looking statements. These statements involve risks and uncertainties inherent in our business, including those set forth in Item 1A under the caption "Risk Factors," in this Annual Report on Form 10-K for the year ended December 31, 2008, and other filings with the SEC, and are subject to change at any time. Our actual results could differ materially from these forward-looking statements. We undertake no obligation to update publicly any forward-looking statement.

Overview

Leo Motors, Inc. (the "Company") is in the process of development and production of Electric Power Train Systems (EPTS) encompassing electric scooters, electric sedan/SUV/sports cars, and electric buses/trucks as well as several models of Electric Vehicle ("EV"). Our EPTS can replace internal combustion engines (ICE). Our EPTS for passenger cars and agricultural tractors have been sold to car makers and agricultural machinery manufacturers. During the last two years, we have been developing eight EPTS: 3kW, 5kW, 7.5kW, 15kW, 30kW, 60kW, 100kW, 120kW, and 240kW systems. Each EPTS consists of a motor, controller, and battery power pack controlled by a Battery Management System (BMS).

The Company has successfully converted existing models of small cars (internal combustion engines under 2,000cc), and also a 24 seat bus. The Company launched 60kW power train (for compact passenger cars and small trucks) kits and 120kW (for under 5,000cc ICE passenger cars, buses, and trucks) kits. The Company developed 240kW kit (for 10,000cc buses and trucks) as well. The 240kW kit was scheduled to be tested by October of 2010, but the Company postponed the test because it found unexpected problems in procuring the electric lines and inverters for high ampere power.

The Company has also developed Low Speed EV (“LSV”), four-wheeled electric scooter, and electric bikes. This year, the company launched electric bikes, and is now selling them to the distributors. The company also has developed the Zinc Air Fuel Cell Generator to be used as a range extender for EV.

In 2010, we believe the company has successfully made a turning point. The Company had been in the development stage in both technology and as a business. The Company spent a lot of money without any meaningful sales. The first mass sales were made in 2010. The Company sold almost 1,000 units of electric scooters last year to its national dealer in Korea. It was the largest sales performance in the electric two wheeler market in Korea. The Company expects it can sell more than 4000 units, for revenues of approximately US$ 12 million in 2011 if the Korean government starts subsidizing electric scooter purchaes. Such subsidization has been discussed among Korea's legislative bodies and government offices.

The specific goals of the Company over the next twelve months include:

- Develop or acquire mass production facilities for power trains and BMS
- Finalize the development of ZAFCG to be used in EVs by September 2011, and develop or acquire mass production plant to produce ZAFCG by December 2011.
- Finish the development of the 240kW system by May 2011.
- Find large-scale buyers for our EPTS and components.

Summary of Recent Business Developments

The greatest achievements in 2010 were that the Company has made many value references which can be a strong platform for future sales as well as proofs of technical competencies of the Company. Our 100kW EPTS was chosen for the electric car project of one large car manufacturer. We have made one electric test car for the client using body of the client's car model. The newly developed test EV of the client has been publicly demonstrated, and tested in the 2011 Seoul Motor Show. The development was very successful. The Company expects to make another test EV. After developing these test EVs, the Company may make many prototypes for final testing before jumping beginning mass production.

We have developed an electric tractor using our 60kW power train. The new development was made using the body and chassis provided by Tong Yang, the major Agricultural Machinery Brand in Korea. The development was made by an order from Tong Yang. The newly developed electric Tractor is under tests, and will be exhibited in the major International Agricultural Machinery Show in 2011. If tests are successful, we expect to receive orders for our 60kW EPTS and our engineering services.

After the development of our 1kW Zinc Air Fuel Cell Generator ("ZAFCG") and a seminar which announced the unprecedented development, the Company exerted itself in commercialization of the development. In the end of 2010, the Company received an order to develop the ZAFCG which will be used in the ocean from an oil development company. The Company has successfully finished the feasibility study of the development, and received the development fees of the first phase. The Company is going to make a pilot test and engineering design in 2011, and will finalize the development by making the final prototype and tests in 2012.

The Company received a request to develop and supply high capacity battery power pack from a major company in the military industry. The Company is preparing a test power pack for delivery to the client. If the test is successful, the Company will market its power packs to the client.

Liquidity and Capital Resources

Our liquidity requirements arise principally from our plans to develop EV production capability, additional product development, and marketing costs. Although in the future we intend to fund our liquidity requirements through a combination of cash on hand and revenues from operations, during the fiscal year 2010, the Company had incurred $1,521,092 in expenses, not including salary and consulting expense paid by stock, and had realized $2,605,066 in revenues. Accordingly, our ability to fully develop and market our technologies and products is currently dependent on our ability to either generate significant new revenues or raise external capital.

Our monthly operating cost including salaries and general expense is currently approximately $150,000, as we focus on our e-Bikes and power trains. In 2010 we received approximately $2.5 million in advance from our distribution agreement in Korea; accordingly, our ability to fun operations in the short term has been secured. However, in order to continue the projects we have put on hold, we will require additional revenues or financing.

Our long term survival will depend on the growth of our operations towards full scale manufacturing and sales of our EVs, which in turn will depend on our ability to raise sufficient financing. If our fund raising efforts should fail or fall short of our goal, we will have to restructure our business plan in order to sustain our operations. However, in that event we may be unable to implement our business plan or continue operations.

Results of Operations

Revenues

Sales for year ended December 31, 2010 were $2,605,066 compared to $896,953 for year ended Dec 31, 2009. Costs of sales were $2,528,435 and gross profit was $76,631 in 2010 compared to $787,423 and $109,530 as costs of sales and gross profit in the same period in 2009. The sales during this period were mainly generated from the electric scooters business. The order of 1,187 electric scooters was received from M&M Co., Ltd which is our domestic distributor, for total revenues of 4.2 billion Korean Won (approximately $ 3.73 million USD) and 870 units were delivered by the end of the period. The remaining units will be reordered with the new model in 2011 We believe the revenue from EV will recur this year as our goal is to begin mass production and marketing of our products.

Expenses

During the period, we incurred $3,771,092 in expenses, compared to $3,357,967 in 2009. The primary increase was due to payment of Salaries and Benefits to the Board Director paid in Stock and development cost. We also hired R&D and sales staff to activate our business. The company rented another building near the existing office to function for the sales and administration divisions. As the electric scooter has been launched in our domestic market and the company has started mass production for the scooter, the marketing expenses and indirect costs were also increased.

Expenses for the quarter consisted of the following:

EXPENSES:	2010	2009
Salaries and Benefits	$ 410,955	$ 598,418
Salaries and Benefits by Stock priced	2,250,000	-

Service Fees	-	2,413,055
General and Administrative	751,802	346,495
Depreciation & Amortization		358,555
Bad Debt		8,780

Salaries and Benefits - consist of total cash compensation paid to our employees during the year and the cost of all benefits provided to our employees.

Service Fees - consist of consist of accounting, legal, and professional fees.

General and Administrative - consists of travel expenses, entertainment expenses, communication expenses, utilities, taxes & dues, depreciation expenses, rent, repairs, vehicle maintenance, ordinary development expenses, shipping, education & training, printing, storage, advertising, insurance, office supplies and expense, payroll expenses, investor referral fees and other miscellaneous expenses

Off-Balance Sheet Arrangements

None.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

None.

Item 8. Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board Members of Leo Motors Inc.;

We have audited the accompanying consolidated balance sheet of Leo Motors Inc. as of December 31, 2010 and the related consolidated statements of operation, changes in stockholders' equity and cash flows for the fiscal year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Leo Motors Inc as of December 31, 2009, were audited by other auditors whose report dated April 5, 2010, expressed an unqualified opinion on those statements except for going concern paragraph.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for my opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Leo Motors Inc. as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in the notes to the financial statements, the Company is in the development stage, has suffered a loss, has a net capital deficiency and has yet to generate an internal cash flow. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in the notes. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Stan J.H. Lee, CPA
Stan J.H. Lee, CPA

Dated April 13, 2011
Fort Lee, NJ 07024

Registered with the Public Company Accounting Oversight Board
Member of New Jersey Society of CPAs
Registered with Canadian Public Accountability Board

LEO MOTORS, INC.
Consolidated Balance Sheets

ASSETS	As of December 31 2010	As of December 31 2009
CURRENT ASSETS		
Cash	$ 71,192	$ 499,025
Accounts Receivable-net of allowance of $ 8,780 and $ 8,394 ,respectively	-	244,670
Inventory	1,054,833	395,001
Short-term loans	196,066	-
Prepaid purchase	131,850	-
Prepaid costs and other current assets	54,693	151,067
TOTAL CURRENT ASSETS	1,508,634	1,289,763
Fixed assets- net of accumulated depreciation	135,227	157,981
Deposit	141,089	107,640
Other non-current assets	65,719	-
Investment in Subsidiary	-	-
Long -term investment in B&T Corp	5,286,175	-
TOTAL OTHER ASSETS	5,628,210	265,621
TOTAL ASSETS	$ 7,136,844	$ 1,555,384
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accrued payroll	$ 300,000	$ -
Short term borrowings	1,127,209	428,229
Accounts payable and accrued expenses	494,983	433,004
Accrued expenses	136,913	-
Other payables	8,150	5,847
Payments received in advance from customers	544,224	296,167
Accrued warranty expense	52,101	-
Related party payable	1,040,142	-
Corporation and business taxes payable	135,054	-
TOTAL CURRENT LIABILITIES	3,838,776	1,163,247
Accrued severance benefits	52,167	30,030
TOTAL LIABIIITIES	3,890,943	1,163,247
Noncontrolling interest	1,373,341	1,020,428
STOCKHOLDERS' EQUITY		
Common stock, Authorized 100,000,000 Shares, $0.001 par value,50,833,115 and 40,708,115 shares issued and outstanding, as of December 31, 2010 and 2009, respectively	50,833	40,708
Additional paid-in capital	10,543,396	3,964,160
Accumulated comprehensive income (loss)	426,910	406,476
Deficit	(9,148,579)	(5,069,666)
TOTAL STOCKHOLDERS' EQUITY	1,872,560	(658,322)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 7,136,844	$ 1,525,354

See the Accompanying Notes to the Financial Statements

LEO MOTORS, INC.
Consolidated Statement of Operations

	For the years ended	
	December 31 2010	**December 31 2009**
TOTAL SALES	2,605,066	896,953
COST OF SALES	2,528,435	(787,423)
GROSS PROFIT	76,631	109,530
EXPENDITURES :		
Officer compensation paid in stock	2,250,000	-
Salaries and benefits	410,955	598,418
Consulting and service fees	149,500	2,413,055
Selling , general and administrative	645,801	346,495
Research and Development	53,105	-
Bad debt	8,780	-
Depreciation	272,354	-
Amortization	86,201	-
TOTAL EXPENDITURES	3,876,696	3,357,968
NET LOSS FROM OPERATIONS	(3,800,065)	(3,248,438)
OTHER INCOME & (EXPENSES)		
Investment loss - B&T Corp.	(213,825)	-
Interest income	346	1,631
Interest expense	(53,966)	(9,551)
Non-operating income	35,838	92,652
Non-operating expense	(47,241)	(214,738)
Total Other Income & (Expenses)	(278,848)	(130,006)
NET LOSS BEFORE INCOME TAX & BENEFIT & NONCONTROLLING INTEREST	(4,078,913)	(3,378,444)
Income taxes expense	-	-
NET LOSS	(4,078,913)	(3,378,444)
Net loss (income) attributable to noncontrolling interest	1,725,788	160,173
NET INCOME (LOSS) ATTRBUTABLE TO LEO MOTORS, INC.	$ (2,353,125)	$ (3,538,617)
COMPREHENSIVE INCOME (LOSS);		
NET LOSS	(4,078,913)	(3,538,617)
Unrealized foreign currency transaction gain (loss)	20,434	4,698
COMPREHENSIVE INCOME (LOSS)	$ (4,058,479)	$ (3,533,919)
LOSS PER SHARE - BASIC & DILUTED	(0.08)	(0.09)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	49,723,457	37,743,179

See the Accompanying Notes to the Financial Statements

LEO MOTORS, INC.
Consolidated Statement of Stockholders' Equity (Deficit)

	Common Shares	Stock Amount	Additional Paid in Capital	Comprehensive income(Loss)	Retained Earnings (Deficit)	Total Stockholders' Equity
Balance, January 1, 2008	$ 30,312,315	$ 30,312	$ 181,570	$ -	$ (357,796)	$ (145,914)
Net loss for the year				(52,446)	(1,007,144)	(1,059,590)
Balance December 31, 2007	30,312,315	30,312	181,570	(52,446)	(1,364,940)	(1,205,504)
Stock issusd for debt and services	1,300,800	1,301	141,781			143,082
net Loss for the year				289,832	(166,109)	123,723
Balance, December 31, 2008	31,613,115	31,613	323,351	237,386	(1,531,049)	(938,699)
Stocks issued for service and cash during the year	9,095,000	9,095	3,640,809			3,649,904
Net loss for the year ended December 31, 2009					(3,538,617)	(3,538,617)
Foreign currency translation adjustment				169,090		169,090
Balance, December 31, 2009	$ 40,708,115	$ 40,708	$ 3,964,160	$ 406,476	$ (5,069,666)	$ (658,322)
Common stock issued for acquisition of Leo B&T Corp.	7,000,000	7,000	5,493,000			5,500,000
Stock-based compensation	3,000,000	3,000	2,247,000			2,250,000
Common stock issued for consulting and other service	125,000	125	149,375			149,500
GAAP conversion adjustment, net			(1,310,139)			(1,310,139)
Net loss for the year ended December 31, 2010					(4,078,913)	(4,078,913)
Foreign currency translation adjustment				20,434		20,434
Balance, December 31, 2010	$ 50,833,115	$ 50,833	$ 10,543,396	$ 426,910	$ (9,148,579)	$ 1,872,560

See the Accompanying Notes to the Financial Statements

LEO MOTORS, INC.
Consolidated Statement of Cash Flows

	For the fiscal years ended	
	December 31 2010	December 31 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (4,078,913)	$ (3,538,617)
Adjustments to reconcile net loss to net cash provided by operating activities : Stock issued		
Depreciation	272,354	39,195
Foreign currency translation	20,434	169,090
Change in long-term investment	213,825	-
GAAP conversion adjustment	(1,310,768)	-
Changes in working capital:		
(Increase) decrease in inventory	(659,832)	(359,426)
(Increase) decrease in accounts receivable	244,670	(230,816)
(Increase) decrease in short term loans	(196,066)	-
(Increase) decrease in prepaid purchase	(131,850)	-
(Increase) decrease in deposit/prepaid	96,374	(20,499)
Increase (decrease) in accrued salary	300,000	-
Increase (decrease) in accounts payables and accrued expenses	198,892	416,154
Increase (decrease) in other payable	2,303	5,847
Payments in advance from customers	248,057	(100,030)
Increase (decrease) in accrued warranty expense	52,101	-
Increase (decrease) in taxes payable	135,142	(2,080)
Increase (decrease) in accrued severance benefits	22,137	30,030
Net Cash Provided by (Used in) Operating Activities	(4,571,140)	(3,591,152)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Leo B&T Corp.	(5,500,000)	-
Purchase of fixed assets	(249,600)	(191,236)
Outlay for deposit	(33,449)	(44,536)
Increase in other non-current assets	(65,179)	-
Net Cash Provided by (Used in) Investing Activities	(5,848,228)	(235,772)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowing	698,980	428,229
Advances from related parties (Debt reduction related party)	1,040,142	(804,794)
Increase in minority interest	352,913	1,020,428
Issuance of common stock	7,899,500	3,649,904
Net Cash flows from financing activities	9,991,535	4,293,767
Net Increase (Decrease) in Cash	(427,833)	466,843
Cash at the Beginning of the period	499,025	32,181
Cash at the End of the period	$ 71,192	$ 499,025

LEO MOTORS, INC.
Consolidated Statement of Cash Flows (Cont'd)

Supplemental Cash Flow Disclosures:		
Cash paid during year for interest	$ 53,966	$ 9,551
Cash paid during year for taxes	$ -	$ -

See the Accompanying Notes to the Financial Statements

LEO MOTORS, INC.
Notes to the Consolidated Financial Statements
December 31, 2010

NOTE 1 – OVERVIEW AND BACKGROUND

Company Business

Company is currently in development, assembly and sales of the specialized electric vehicle.

Background

Leo Motors, Inc, Inc (the "Company") was originally incorporated as Classic Auto Accessories, a California Corporation on July 2, 1986. The Company then underwent several name changes from FCR Automotive Group, Inc. to Shinil Precision Machinery, Inc. to Simco America Inc. and then to Leo Motors. The Company had been dormant since 1989, and effectuated a reverse merger on November 12, 2007 with Leozone Inc., a South Korean Company, which is the maker of electrical transportation devices. The merger essentially exchanges shares in Leo Motors, Inc. for shares in Leozone. As this is a reverse merger the accounting treatment of such is that of a combination of the two entities with the activity of Leozone, Inc. the surviving entity, going forward. The financial statements reflect the activity for all periods presented as if the merger had occurred January 1, 2007.

On February 11, 2010, the Company acquired 50% of Leo B&T Corp.,("B&T") a Korean Corporation, from two shareholders of B&T in exchange for 7,000,000 shares of the Company's common stock.

Going Concern

The Company has a net loss of $ 4,078,913 in 2010 and $ 3,378,444 in 2009 and has a working capital and stockholder's deficiency of $ 2,330,142 at December 31, 2010. This raises substantial doubt about its ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company's ability to generate profitability and/or obtain continuous funding source. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 2 - SUMMAY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant account policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and the notes are the representation of the Company's management, who are responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles ("USGAAP") and have been consistently applied in the preparation of the financial statements.

Basis of Presentation and Consolidation

These financial statements and related notes are expressed in US dollars. The Company's fiscal year-end is December 31. The consolidated financial statements include the financial statements of the Leo Motors Co. Ltd. Korea where the Company is controlling shareholder with 57.69 % at the end of December 31, 2010 and 2009, respectively. All inter-company transactions and balances have been eliminated upon consolidation.

Use of Estimates

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

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable inventory and prepaid expenses, accounts payable and deferred revenues, the carrying amounts approximate fair value due to their short maturities.

Revenue Recognition

The Company follows the guidance of the Securities and Exchange Commission's Staff Accounting Bulletin No. 104, "Revenue Recognition in Financial Statements". In general, the Company records revenue when persuasive evidence of an arrangement exists, services have been rendered or product delivery has occurred, the sales price to the customer is fixed or determinable, and collectability is reasonably assured. The following policies reflect specific criteria for the various revenues streams of the Company:

The Company generates revenue from the delivery of goods and records revenues when the sales are completed, already collected or collectability is reasonably assured, there is no future obligation and there is remote chance of future claim or refund to the customers.

Revenue is recognized when risk of ownership and title pass to the buyer, generally upon the delivery of professional services. Pricing is fixed and determinable according to the Company's published brochures and price lists.

Accounts Receivables

Accounts receivables of the Company are reviewed to determine if their carrying value has become impaired.

The Company considers the assets to be impaired if the balances are greater than one-year old. Management regularly reviews accounts receivable and will establish an allowance for potentially uncollectible amounts when appropriate. When accounts are written off, they will be charged against the allowance.

Receivables are not collateralized and do not bear interest. The Company has established a reserve on receivables of $ 8,780 in 2010 and $ 8,394 in 2009.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents and trade accounts receivable. The Company places its cash with high credit quality financial institutions in Korea. The Company has not experienced any losses in such bank accounts through December 31, 2010. At December 31, 2010 and 2009, our bank deposits were $ 63,696 and $498,238, respectively.

The Company extends credit based on an evaluation of the customer's financial condition, generally without collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses, as required.

Cash Equivalents

For purposes of reporting cash flows, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalent.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets, which is generally 3 to 10 years. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

The Company will periodically evaluate whether events and circumstances have occurred that may warrant revision of the estimated useful lives of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. We use an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Advertising Costs

Advertising costs are expensed as incurred. The total advertising expense were $ 42,360 in 2010 and $ 2,992 in 2009 and have been included as part of operating expenses.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with ASC 740-10, "Accounting for Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year; and, (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if, based on the weight of available positive and negative evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition of a tax position taken or expected to be taken on a tax return. Under ASC 740-10, a tax benefit from an uncertain tax position taken or expected to be taken may be recognized only if it is "more likely than not" that the position is sustainable upon examination, based on its technical merits. The tax benefit of a qualifying position under ASC 740-10 would equal the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with a taxing authority having full knowledge of all the relevant information. A liability (including interest and penalties, if applicable) is established to the extent a current benefit has been recognized on a tax return for matters that are considered contingent upon the outcome of an uncertain tax position. Related interest and penalties, if any, are included as components of income tax expense and income taxes payable.

Loss per Share

Basic earnings (loss) per share is computed by dividing net income, or loss, by the weighted average number of shares of common stock outstanding for the period. Diluted earnings (loss) per share is computed by dividing net income, or loss, by the weighted average number of shares of both common and preferred stock outstanding for the period

Consulting and Service Fees

It consist of legal, and paid to Investor Relations firm and professional fees and, mostly paid in common stock.

Research and Development

Company sponsored research and development costs, related to both present and future products, are charged to operations when incurred and are included in operating expenses

Stock-Based Compensation

SFAS No. 123, "Accounting for Stock-Based Compensation," establishes and encourages the use of the fair value based method of accounting for stock-based compensation arrangements under which compensation cost is determined using the fair value of stock-based compensation determined as of the date of grant and is recognized over the periods in which the related services are rendered. For stock based compensation the Company recognizes an expense in accordance with SFAS No. 123 and values the equity securities based on the fair value of the security on the date of grant. Stock option awards are valued using the Black-Scholes option-pricing model.

Recent Accounting Pronouncements and Impact of New Accounting Standards

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position, or cash flow.

NOTE 3 - EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net loss by the weighted average number of common shares outstanding during the period.

NOTE 4 - ACCOUNTS RECEIVABLE

The Company recognizes a receivable on sales of parts and electrical motor equipment. The Company has established a reserve for allowance for doubtful accounts in 2010 equal to $ 8,780 and 2009, $8,394.

NOTE 5 - INVENTORY

The Company accounts for its inventory under the FIFO method and lower of cost or market method of costing. The company's inventory consists of parts for the electric transportation industry. As of December 31, 2010 and 2009, the inventory consisted of:

	2009	2010
Raw materials	$ 975,301	$ 161,947
Work-in-process	99,531	-
Finished goods	10,002	10,002
TOTAL		
	$ 1,084,834	$ 395,001
Reserve for slow moving and obsolete goods	(30,000)	-
	$ 1,054,834	$ 395,001

NOTE 6 - FIXED ASSETS

The Company's assets consist of the following:

	2010	2009
Vehicles	$ 4,741	$ 77,753
Tools	37,154	67,679
Equipment, furniture , fixtures and equipment	203,316	55,396
	245, 211	200,828
Less Accumulated Depreciation	(109,984)	(42,847)
Net	$ 135,227	$ 157,981

The Company depreciates it assets over useful lives of between 3 and 7 years. Depreciation expense was $ 272,354 in 2010 $ 39,195 in 2009.

NOTE 7 - DUE TO RELATED PARTY

The company is indebted to its officer for advances. Repayment is on demand without interest. The balance at December 31, 2010 was $ 1,040,142. The Company reduced this obligation by the issuance of 1,000,800 valued at $110,088 during 2008 and cash repayment in 2009.

NOTE 8 - PAYMENTS RECEIVED IN ADVANCE

The Company during the periods received payments from potential customers, or deposits, on future orders. The Company's policy is to record these payments as a liability until the product is completed and shipped to the customer at which the Company recognizes revenue. As of December 31, 2010 and 2009, the balance of payments received in advance was $ 544,244 and $ 296,167.

NOTE 9-BANK LOAN

The Company is indebted to Shin Han Bank at December 31, 2010 and 2009 for $ 438,982 and $ 428,229, payable in May 2011, interest at 6.57 % per annum. The loan is secured by guarantee issued by ‘KIBO”, a Korean government agency created to guarantee loans to small-to-medium technology companies.

NOTE 10 – CAPITAL STOCK – 2010 ISSUANCE

The company issued 7,000,000 shares to acquire 50 % of Leo BnT Corp. in February 2010. At $ .79 per share resulting in purchase price paid in the amount of $ 5,500,000. Also on February 8 2010, 3,000,000 shares as compensation paid to officers which was valued at $ .75 per share. The remainder 125,000 shares were for the consulting fee and IR service paid in stock with price ranging from $ .48 to $ 1,45 per share.

Company has only one class of stock, common stock. For the years ended December 31, 2010 and 2009, the Company issued 10,125.000 and 9,095,000 shares, respectively. The shares for services were recognized as consulting and service fees. The Company us authorized to issue 100,000,000 shares and as of December 31, 2010 , the Company has 50,833,115 shares issued and outstanding and December 31, 2009, 40,708,115 shares issued and outstanding.

NOTE 11 – OPERATING RISK

(a) Concentration of credit risk

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash. The Company places its cash with financial institutions with high credit ratings.

(b) Country risk

Revenues of the Company are mainly derived from the sale in Korea. The Company hopes to expand its operations to other Countries, however, such expansion has not been commenced and there are no assurances that the Company will be able to achieve such an expansion successfully. Therefore, a downturn or stagnation in the economic environment of Korea could have a material adverse effect on the Company's financial condition.

(c) Product risk

The Company might have to compete with larger companies who have greater funds available for expansion, marketing, research and development and the ability to attract more qualified personnel. There can be no assurance that Company will remain competitive should this occur.

(d) Exchange risk

The Company cannot guarantee that the current exchange rate will remain steady, therefore there is a possibility that the Company could post the same amount of profit for two comparable periods and because of a fluctuating exchange rate actually post higher or lower profit depending on exchange rate of Korean Won were converted to U.S. dollars on that date. The exchange rate could fluctuate depending on changes in the political and economic environments without notice.

(e) Key personnel risk

The Company's future success depends on the continued services of few individuals and loss of one or several of their service would be detrimental to the Company and could have an adverse effect on business development. The Company does not currently maintain key man insurance on their life but plan to implement in near future. Future success is also dependent on the ability to identify, hire, train and retain other qualified managerial and other employees.

NOTE 12 – SEGMENT INFORMATION

The following information is presented in accordance with SFAS No. 131, Disclosure about Segments of an Enterprise and Related Information. In period ended December 31, 2010 and 2009, the Company operated in a single reportable business segment, sales of specialized electric vehicle.

The Company's reportable segments are strategic business units that offer different products. The Company's reportable segments, although integral to the success of the others, offer distinctly different products and services and require different types of management focus. As such, these segments are managed separately.

Condensed information with respect to these reportable business segments for the period is as follows:

Sales from specialized electric vehicles $ 2,605,066.

NOTE 13 – COMMITMENT AND CONTINGENCIES

13.1 Lease Commitments

Company leases its office space in Ha-Nam City in Korea which expires on March 31, 2011 and its monthly minimum rental is $ 6,875.

The minimum obligations under such commitments for the years ending December 31 until its expiration are:

Year 2011	$	20,625

Rental expense for the period ended December 31, 2010 and 2009 were $ 44,634 were $ 32,252.

13.2 Litigation

The Company has no threatened, pending or unsettled litigation as of April _ , 2010, the date the financial statement is available for issuance.

NOTE 14 – SUBSEQUENT EVENTS

There is no reportable subsequent event.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

On April 4, 2011, Leo Motors, Inc. (the "Company") accepted the resignation of Gruber & Company LLC as the Company's Independent Registered Public Accounting Firm. Gruber & Company informed the Company on January 25, 2011 that it may not be able to continue as Auditor because Mr. Gruber, its principal, does not speak Korean. From then until April 4, 2011, the Company attempted to determine whether Gruber & Company could continue as the Company's principal auditor under PCAOB rules and regulations. It was determined on April 4, 2011 that the PCAOB rules and regulations required Gruber & Company to resign.

On April 7, 2011, the Company engaged Stan Jeong-Ha Lee as its Independent Registered Public Accounting Firm. Mr. Lee has been engaged to audit our 2010 annual financial statements; and to provide review and auditing services for the Company going forward. Mr. Lee, who speaks Korean, has assisted with the audit since the beginning of the audit process, and has assisted with the auditor review of the 1^{st}, 2^{nd} and 3^{rd} Quarter 2010 quarterly financial statements.

The decision to change accountants was recommended, approved and ratified by the Company's Board of Directors effective April 7, 2011. Gruber & Company's reports on the financial statements of the Company for the years ended December 31, 2009 and 2008 did not contain any adverse opinion or disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles other than the inclusion of an explanatory paragraph discussing the Company's ability to continue as a going concern.

During the years ended December 31, 2010, 2009 and 2008, and any subsequent interim periods through the date of Gruber & Company's resignation, there were no disagreements between Gruber & Company and the Company on a matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of Gruber & Company would have caused Gruber & Company to make reference to the subject matter of the disagreement in connection with its report on the Company's financial statements.

There have been no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K during the years ended December 31, 2010, 2009, and 2008, and any subsequent interim periods through the date the Company was informed of Gruber & Company's status.

The Company has requested that Gruber & Company respond to any inquiries of any new auditors hired by the Company relating to their engagement as the Company's independent accountant. The Company has requested that Gruber & Company review the Item 4.01 disclosure in this report and has provided Gruber & Company with an opportunity to provide a letter addressed to the Commission containing any new information, clarification of the Company's expression of its views, or the respect in which Gruber & Company does not agree with the statements made by the Company herein. Gruber & Company provided the letter filed as Exhibit 16.1 to the Company's Current Report on Form 8-K filed on April 14, 2011.

The Company has not previously consulted with Mr. Lee regarding either (i) the application of accounting principles to a specific completed or contemplated transaction; (ii) the type of audit opinion that might be rendered on the Company's financial statements; or (iii) a reportable event (as provided in Item 304(a)(1)(v) of Regulation S-K) during the years ended December 31, 2010, 2009, and 2008, and any later interim period, including the interim period up to and including the date of Gruber & Company's resignation.

Mr. Lee has reviewed the disclosure required by Item 304 (a) before it was filed with the Commission and has been provided an opportunity to furnish the Company with a letter addressed to the Commission containing any new information, clarification of the Company's expression of its views, or the respects in which it does not agree with the statements made by the Company in response to Item 304 (a). Mr. Lee did not furnish a letter to the Commission.

Item 9A. Controls and Procedures

(a) Evaluation of disclosure controls and procedures

Our management, including our Principal Executive and Principal Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) as of December 31, 2010. Our disclosure controls and procedures are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Act (15 U.S.C. 78a *et seq*.) is recorded, processed, summarized, and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our Chief Executive and Principal Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2010.

(b) Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-a5(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Our internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use of disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision of our Chief Executive Officer, our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria set forth in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management has concluded that our internal control over financial reporting was ineffective as of December 31, 2010 and there are material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses relate to the limited number of persons responsible for the recording and reporting of financial information, the lack of separation of financial reporting duties, and the limited size of our management team in general. We are in the process evaluating methods of improving our internal control over financial reporting, including the possible addition of financial reporting staff and the increased separation of financial reporting responsibility, and intend to implement such steps as are necessary and possible to correct these material weaknesses.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this Annual Report on Form 10-K. Our registered public accounting firm will not be required to opine on internal controls until fiscal 2010.

(c) <u>Change in Internal Controls</u>

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2010, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Director and Executive Officer Summary

The following table sets forth the names, ages, and principal offices and positions of our current directors, executive officers, and persons we consider to be significant employees. The Board of Directors elects our executive officers annually. Our directors serve one-year terms or until their successors are elected, qualified and accept their positions. The executive officers serve terms of one year or until their death, resignation or removal by the Board of Directors. There are no family relationships or understandings between any of the directors and executive officers. In addition, there was no arrangement or understanding between any executive officer and any other person pursuant to which any person was selected as an executive officer.

Name of Director or Officer	Age	Position
Jung Yong ("John") Lee	46	Chief Executive Officer, President and Interim Chief Financial Officer
Young Il Kim	55	Director

Executive Officer and Director Bios

Jung Yong (John) Lee, Chief Executive Officer, President and Interim Chief Financial Officer

Mr. Lee joined the Company's operating subsidiary as its CEO and President in June 2006, and joined the Company upon its acquisition on September 3, 2007. In November 2008 he resigned as CEO and President but remained with the Company as CTO and Director. Prior to joining the Company, Mr. Lee has held several positions in EV design and projects. He lead the Research and Development Department for Geo EV beginning in 2002, and for Pyeonghwa Motors, a Korean car manufacturer and dealer, beginning in February 2004. His experience includes heading projects that have incorporated the Polymer Battery, Dual Motor System, and alternative energy vehicle design. He has also worked on the Ford SUV Concept Project for 1997's Melbourne Motor show, the City Car Project, and the Limousine Project.

Mr. Lee received his Masters of Industrial Design (Vehicle Styling) from RMIT University in Melbourne, Australia, and his PhD in Industrial Design from the University of New South Wales in Sydney, Australia. He has taught Engineering Industrial Design at Dankook University in Seoul, South Korea.

Young Il Kim, Director

Dr. Kim joined the Company on October 11, 2009. Dr. Kim began his career in the auto industry in 1988, at Panther Sports Car as Senior Designer and Manager. He later served as Chief Designer of commercial vehicles and concept vehicles at Sang-Yong Motor Company before joining the Hyundai Motor Group in 1995.

From 1995 through 2007, Dr. Kim held various positions of increasing responsibility under the Hyundai and Kia Motors Group umbrella, including Chief Designer at Hyundai Precision through March 2005, Chief Designer and Senior Vice President at Hyundai and Kia Marketing Division from March 2005 to September 2006, and Executive Vice President in the Marketing Division in charge of Brand and Design Differentiation between Hyundai and Kia Motors from September 2006 to February 2007. From then until March 2009 he was CEO and President of Innocean Worldwide, a Marketing and Advertising Company of the Hyundai and Kia Group.

Dr. Kim, who holds an Industrial Designer of Product Design degree from Wuppertal University, Germany, and a PhD in Design from Kook-Min University, Seoul, Korea, has enjoyed a distinguished academic career as well, having lectured at various colleges and universities on the subjects of design and marketing since 2000. Dr. Kim was a visiting professor at Gothenburg University, Sweden during the 2004/05 academic year, and is currently serving as a visiting professor at Kyung-hee University, where he began in August 2009.

Legal and Disciplinary History

No officer, director or control person of the Company has been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person’s involvement in any type of business, securities, commodities, or banking activities;

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person’s involvement in any type of business or securities activities.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires our directors and officers, and persons who own more than ten percent of the Common Stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC") and the American Stock Exchange. SEC regulations require reporting persons to furnish us with copies of all Section 16(a) forms they file.

Based solely on our review of the copies of the Forms 3, 4 and 5 and amendments thereto furnished to us by the persons required to make such filings during fiscal 2010 and our own records, we believe that Dr. Kang, Mr. Lee and Mr. Kim each failed to file timely a Form 3, 4 or 5 during the year ending December 31, 2010.

Corporate Governance.

We have not adopted a code of ethics do date. We are in the process of evaluating the standards of conduct necessary for the deterrence of malfeasance and the promotion of ethical conduct and accountability, and will determine whether a code of ethics is necessary based on our evaluation.

The Company does not have a standing Nominating Committee. There have been no changes to the procedures whereby security holders may recommend nominees to the registrant's board of directors.

The Company is not a "listed issuer" as defined by Rule 10A-3, and does not have a standing Audit Committee. We do not have a financial expert serving on our board of directors.

Item 11. Executive Compensation

Compensation Discussion and Analysis

Objectives and Philosophy of our Executive Compensation Program

We do not have a standing compensation committee. Our board of directors as a whole makes the decisions as to employee benefit programs and officer and employee compensation. The primary objectives of our executive compensation programs are to:

- attract, retain and motivate skilled and knowledgeable individuals;
- ensure that compensation is aligned with our corporate strategies and business objectives;
- promote the achievement of key strategic and financial performance measures by linking short-term and long-term cash and equity incentives to the achievement of measurable corporate and individual performance goals; and
- align executives' incentives with the creation of stockholder value.

To achieve these objectives, our board of directors evaluates our executive compensation program with the objective of setting compensation at levels they believe will allow us to attract and retain qualified executives. In addition, a portion of each executive's overall compensation is tied to key strategic, financial and operational goals set by our board of directors. We also generally provide a portion of our executive compensation in the form of options that vest over time, which we believe helps us retain our executives and align their interests with those of our stockholders by allowing the executives to participate in our longer term success as reflected in asset growth and stock price appreciation.

Named Executive Officers

The following table identifies our principal executive officer, our principal financial officer and our most highly paid executive officers during the last full fiscal period reported herein, who, for purposes of this Compensation Disclosure and Analysis only, are referred to herein as the "named executive officers."

Name	Corporate Office
Jung Yong ("John") Lee	President, CEO and Interim CFO

Components of our Executive Compensation Program

At this time, the primary elements of our executive compensation program are base salaries and option grant incentive awards, although the board of directors has the authority to award cash bonuses, benefits and other forms of compensation as it sees fit.

We do not have any formal or informal policy or target for allocating compensation between short-term and long-term compensation, between cash and non-cash compensation or among the different forms of non-cash compensation. Instead, we have determined subjectively on a case-by-case basis the appropriate level and mix of the various compensation components. Similarly, we do not rely extensively on benchmarking against our competitors in making compensation related decisions, although we may consider industry compensation trends as one of many factors in our case-by-case determination of proper compensation.

Base salaries

Base salaries are used to recognize the experience, skills, knowledge and responsibilities required of our named executive officers. Base salary, and other components of compensation, may be evaluated by our board of directors for adjustment based on an assessment of the individual's performance and compensation trends in our industry.

Equity Awards

Our stock option award program is the primary vehicle for offering long-term incentives to our executives. Our equity awards to executives have typically been made in the form of warrants. We believe that equity grants in the form of warrants provide our executives with a direct link to our long-term performance, create an ownership culture, and align the interests of our executives and our stockholders.

Cash bonuses

Our board of directors has the discretion to award cash bonuses based on our financial performance and individual objectives. The corporate financial performance measures (revenues and profits) will be given the greatest weight in this bonus analysis. We have not yet granted any cash bonuses to any named executive officer nor have we yet developed any specific individual objectives while we wait to attain revenue and profitability levels sufficient to undertake any such bonuses.

Benefits and other compensation

Our named executive officers are permitted to participate in such health care, disability insurance, bonus and other employee benefits plans as may be in effect with the Company from time to time to the extent the executive is eligible under the terms of those plans. As of the date of this Registration Statement, we have not implemented any such employee benefit plans.

Current Executive Compensation

Summary Annual Salary

As discussed above, we have agreed to pay the Named Executive Officers an annual salary. Base salary may be increased from time to time with the approval of the board of directors. The following table summarizes the agreed annual salary of each of the named executive officers.

Name	Annual Salary
Jung Yong ("John") Lee	$ 200,000

Agreed Compensation

Jung Yong ("John") Lee, *Chief Executive Officer and Interim Chief Financial Officer* – Mr. Lee will earn an annual Salary of $ 200,000 as compensation for his services as president and CEO.

Grants of Plan-Based Awards Table for Fiscal Year 2010

On January 15, 2010, the Company adopted an employee stock option plan, designated as the "2010 Employee Stock Option Plan.   10,000,000 options were issued to our CEO on February 1, 2010 and it was cancelled at Jan 19 2011. During fiscal 2010, we did not grant any other equity awards under any equity award plan.

Option Exercises for Fiscal 1009

During fiscal 2010, none of the named executive officers exercised options.

Nonqualified Deferred Compensation

We currently offer no defined contribution or other plan that provides for the deferral of compensation on a basis that is not tax-qualified to any of our employees, including the named executive officers.

Compensation of Directors

We intend to use a combination of cash and equity-based compensation to attract and retain candidates to serve on our board of directors. We issued 2,000,000 shares of common stock to Shi Chul Kang, 500,000 shares of common stock to Jung Yong Lee and 500,000 shares of common stock to Young Il Kim as the board of directors on Jan 1, 2010.

Compensation Committee Interlocks and Insider Participation

We do not currently have a standing Compensation Committee. Our entire board of directors participated in deliberations concerning executive officer compensation.

Compensation Committee Report

The board of directors has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the board of directors has recommended that this Compensation Discussion and Analysis be included in this Registration Statement on Form 10.

Summary Compensation Table

The following table sets forth the total compensation paid to, or accrued by, the Company's highest paid executive officers during the fiscal years ended December 31, 2010 and December 31, 2009. No restricted stock awards, long-term incentive plan payout or other types of compensation, other than the compensation identified in the chart below and its accompanying notes, were paid to these executive officers during that fiscal year.

Named Executive Officer	Year	Annual Compensation Salary ($)[3]	Annual Compensation Bonus ($)	Other Annual Compensation	Compensation Restricted Stock (#)	Long Term Compensation Options	LTIP Payouts	All Other
Robert Kang[2]	2009	336,527	0	0	0	0	0	0
	2010	35,714	0	0	0	0	0	0
Jung Yong Lee[1]	2008	35,714	0	0	0	0	0	0
	2009	35,714	0	0	0	0	0	0

(1) Jung Yong Lee was the Company's President and CEO from September 19, 2007 to November 18, 2008. And he became President and CEO on March 11, 2011.
(2) Robert Kang was the Company's President and CEO from November 18, 2008 to Mar 14 2011.
(3) Number represents Dec 31 2010 exchange rate between US$ and Korean Won.

Outstanding Equity Awards at Fiscal Year End Table

The following table sets forth information regarding the outstanding warrants held by our named officers as of December 31, 2010.

	Option Awards				
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options**	**Option Exercise Price ($)**	**Option Expiration Date**
Jung Yong Lee	0	0	-	-	-

Item 12. Security Ownership of Certain Beneficial Owners and Management

The following table shows the beneficial ownership of our common stock as of March 31, 2010. The table shows the amount of shares owned by:

(1) each person known to us who owns beneficially more than five percent of the outstanding shares of any class of the Company's stock, based on the number of shares outstanding as of March 31, 2011;
(2) each of the Company's Directors and Executive Officers; and
(3) all of its Directors and Executive Officers as a group.

IDENTITY OF PERSON OR GROUP	AMOUNT OF SHARES BENEFICIALLY OWNED	PERCENT OF SHARES BENEFICIALLY OWNED[1,2]	CLASS
Jung Yong Lee CEO and Interim CFO	6,500,000	13.40%	Common
Young Il Kim Director	1,800,000	3.7%	Common

(1) The percentage of shares owned is based on 48,833,115 shares being outstanding as of March 31, 2011. If the beneficially owned shares of any individual or group in the above table include any options, warrants, or other rights to purchase shares in the Company's stock, such right to purchase shares (if any) is disclosed by footnote below and the percentage of shares owned includes such shares as if the right to purchase had been duly exercised.

(2) **Beneficial Ownership of Securities**: Pursuant to Rule 13d-3 under the Securities Exchange Act of 1934, involving the determination of beneficial owners of securities, a beneficial owner of securities is person who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has, or shares, voting power and/or investment power with respect to the securities, and any person who has the right to acquire beneficial ownership of the security within sixty days through means including the exercise of any option, warrant or conversion of a security.

Item 13. Certain Relationships, Related Transactions and Director Independence

Director Independence

The Company is not listed on any national exchange, or quoted on any inter-dealer quotation service, that imposes independence requirements on any committee of the Company's directors, such as an audit, nominating or compensation committee. As all of the Company's directors are employees of the Company, the Company does not have any independent directors on its Board, as defined by the New York Stock Exchange.

Item 14. Principal Accounting Fees and Services

The following is a summary of the fees paid to Gruber & Company LLC, the Company's former independent public accounting firm, and Stan Jeong-Ha Lee, the Company's independent public accountant, during the fiscal years ended December 31, 2009 and 2010.

	2009	**2010**
Audit fees	$30,000	$ 30,000[1]
Audit-related fees	-	-
Tax fees	-	-
All other fees	-	-
Total	$30,000	$ 30,000

Audit Committee Pre-Approval of Services of Principal Accountants

The Company does not have a standing audit committee. The Board as a whole has the authority and responsibility to select, evaluate, determine the compensation of, and, where appropriate, replace the independent auditor. After determining that providing the non-audit services is compatible with maintaining the auditor's independence, the board pre-approves all audits and permitted non-audit services to be performed by the independent auditor, except for *de minimus* amounts. If it is not practical for the board to meet to approve fees for permitted non-audit services, the board has authorized its chairman to approve them and to review such pre-approvals with the Board at its next meeting.

PART IV

Item 15. Exhibits and Financial Statement Schedules

Financial statements and schedules.

The following consolidated financial statements of Leo Motors, Inc. and Subsidiaries are included herein by reference to the pages listed in "Item 8. Financial Statements and Supplementary Data":

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of December 31, 2010 and 2009

Consolidated Statements of Operations for the years ended December 31, 2010, and 2009

Consolidated Statements of Changes in Shareholders' Interest for the years ended December 31, 2010 and 2009

Consolidated Statements of Cash Flows for the years ended December 31, 2010 and 2009

Notes to Consolidated Financial Statements

Exhibits

The following Exhibits are included herein:

31.1 Certification of the Principal Executive and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).

32.1 Certification by the Principal Executive and Principal Financial Officer of Leo Motors, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

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.

LEO MOTORS, INC.
(the registrant)

By \s\ Jung Yong Lee
Jung Yong Lee
Chief Executive Officer, President and
Interim Chief Financial Officer

Date: April 15, 2011

Exhibit 31.1

CERTIFICATION

I, Jung Yong Lee , certify that:

1. I have reviewed this Annual Report on Form 10-K of Leo Motors, Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 15, 2011

/s/ Jung Yong Lee
Jung Yong Lee
Chief Executive Officer, President
and Interim Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. 1350)

In connection with the Annual Report of Leo Motors, Inc. (the "Company") on Form 10-K for the year ended December 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jung Yong Lee, Chief Executive Officer and Interim Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), that to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jung Yong Lee
Jung Yong Lee
Chief Executive Officer, President
and Interim Chief Financial Officer
April 15, 2011