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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended March 31, 2011

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from to

Commission file number 000-15303

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

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

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer (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 Exchange Act). Yes [ ] No [x]

The number of shares of the registrant's common stock outstanding as of March 31, 2011 was 50,783,115 shares.

LEO MOTORS, INC.

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PART I. FINANCIAL INFORMATION.

ITEM 1. CONDENSED CONSONSOLIDATED INTERIM FINANCIAL STATEMENTS

LEO MOTORS, INC.

CONSOLIDATED BALANCE SHEETS

March 31, 2011

	As of March 31, 2011 (Unaudited)	As of December 31, 2010 (Audited)
ASSETS		
CURRENT ASSETS		
Cash	$ 4,945	$ 71,192
Accounts Receivable-net of allowance of $8,780 and $8,394, ,respectively	9,061	-
Inventory	1,202,154	1,054,833
Short-term loans	-	196,066
Prepaid purchase	181,715	131,850
Prepaid costs and other current assets	10,553	54,693
TOTAL CURRENT ASSETS	1,408,428	1,508,634
Fixed assets- net of accumulated depreciation	136,139	135,227
Deposit	145,610	141,089
Other non-current assets	76,619	65,719
Investment in Subsidiary	-	-
Long -term investment in B&T Corp	5,230,743	5,286,175
TOTAL OTHER ASSETS	5,589,111	5,628,210
TOTAL ASSETS	6,997,539	7,136,844
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accrued payroll	300,000	300,000
Short term borrowings	1,055,647	1,127,209
Accounts payable and accrued expenses	513,112	494,983
Accrued expenses	27,992	136,913
Other payables	40,872	8,150
Payments received in advance from customers	561,321	544,224
Accrued warranty expense	52,101	52,101
Related party payable	1,073,477	1,040,142
Corporation and business taxes payable	139,328	135,054
TOTAL CURRENT LIABILITIES	3,763,850	3,838,776
Accrued severance benefits	48,800	52,167
TOTAL LIABILIITIES	3,812,650	3,890,943
Noncontrolling interest	1,373,341	1,373,341

LEO MOTORS, INC.

CONSOLIDATED BALANCE SHEETS (CONT'D)

March 31, 2011

	As of March 31, 2011	As of December 31, 2010
STOCKHOLDERS' EQUITY		
Common stock, Authorized 100,000,000 Shares, $0.001 par value,50,833,115 shares issued and outstanding, as of March 31, 2011 and December 31, 2010, respectively	50,833	50,833
Additional paid-in capital	10,543,396	10,543,396
Accumulated comprehensive income (loss)	426,910	426,910
Deficit	(9,209,591)	(9,148,579)
TOTAL LEO MOTORS INC. STOCKHOLDERS' EQUITY	1,811,548	1,872,560
TOTAL STOCKHOLDERS' EQUITY	1,811,548	1,872,560
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	6,997,539	7,136,844

Please See Accompanying Notes

LEO MOTORS, INC.

CONSOLIDATED STATEMENT OF OPERATIONS

For the Three Months Ended March 31, 2011 and 2010

(Unaudited)

	For the 3 Months Ended	
	March 31, 2011	March 31, 2010
Sales	$ 248,178	$ 12,463
TOTAL SALES	248,178	12,463
COST OF SALES	178,838	7,340
GROSS PROFIT	69,340	5,123
EXPENDITURES :		
Officer compensation paid in stock	-	2,250,000
Salaries and benefits	81,428	126,891
Consulting and service fees	4,478	142,975
Selling , general and administrative	40,120	108,938
Research and Development	-	-
Bad debt	-	-
Depreciation	-	-
Amortization	-	-
TOTAL EXPENDITURES	126,026	2,628,804
NET LOSS FROM OPERATIONS	(56,686)	(2,623,681)
OTHER INCOME & (EXPENSES)		
Investment loss - B&T Corp.		
Interest income	-	33
Interest expense	-	(7,080)
Non-operating income	4,787	2,261
Non-operating expense	(9,113)	(54)
Total Other Income & (Expenses)	(4,326)	(4,840)
NET LOSS BEFORE INCOME TAX & BENEFIT & NONCONTROLLING INTEREST	(61,012)	(2,628,521)
Income tax, net of tax benefits	-	-
NET LOSS	$ (61,012)	$ (2,628,521)

LEO MOTORS, INC.

CONSOLIDATED STATEMENT OF OPERATIONS (CONT'D)

For the Three Months Ended March 31, 2011 and 2010

(Unaudited)

	For the 3 Months Ended			
	March 31,		March 31,	
	2011		2010	
NET LOSS	$	(61,012)	$	(2,628,521)
Net loss attributable to noncontrollling interest		14,032		607,743
NET INCOME (LOSS) ATTRIBUTABLE TO LEO MOTORS, INC.	$	(46,980)	$	(2,020,778)
COMPREHENSIVE INCOME (LOSS)				
NET LOSS		(61,032)		(2,020,778)
Unrealized foreign currency transaction gain (loss)		-		-
COMPREHENSIVE INCOME (LOSS)	$	(61,032)	$	(2,020,778)
LOSS PER SHARE - BASIC & DILUTED		(0.001)		(0.047)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		50,833,115		42,917,282

Please See Accompanying Notes

LEO MOTORS, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three Months Ended March 31, 2011 and 2010

(Unaudited)

	For the 3 Months Ended March 31, 2011	March 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (61,012)	$ (2,628,521)
Adjustments to reconcile net loss to net cash provided by operating activities :		
Accounting for Non-controlling interest	-	1,202,037
Stock issued for compensation	-	2,250,000
Depreciation	-	19,839
Foreign currency translation	-	170,112
Change in long-term investment	55,432	-
Changes in working capital:		
(Increase) decrease in inventory	(147,321)	(415,197)
(Increase) decrease in accounts receivable	(9,061)	235,813
(Increase) decrease in short term loans	196,066	-
(Increase) decrease in advance payment	-	(191,176)
(Increase) decrease in deposit/prepaid	(5,725)	37,665
Increase (decrease) in accrued salary	-	-
Increase (decrease) in accounts payables and accrued expenses	18,129	(335,067)
Increase (decrease) in other payable	(79,566)	929
Payments in advance from customers	17,097	616,459
Increase (decrease) in accrued warranty expense	-	-
Increase (decrease) in taxes payable	4,274	-
Increase (decrease) in accrued severance benefits	-	332,665
Net Cash Provided by (Used in) Operating Activities	(11,687)	1,295,558
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase (decrease) in short-term loan	(71,562)	(240,735)
Acquisition of intangible assets	-	(1,368,538)
Purchase of fixed assets	(912)	(58,376)
Outlay for deposit	(4,521)	19,233
Increase in othher non-current assets	(10,900)	-
Net Cash Provided by (Used in) Investing Activities	(87,895)	(1,648,416)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowing	-	14,641
Advances from related parties (Debt reduction related party)	33,335	-
Increase in minority interest	-	(80,283)
Issuance of common stocks	-	-
Net Cash flows from financing activities	33,335	(65,642)
Net Increase (Decrease) in Cash	(66,247)	(418,500)
Cash at the Beginning of the period	71,192	499,025
Cash at the End of the period	$ 4,945	$ 80,525

LEO MOTORS, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the Three Months Ended March 31, 2011 and 2010

(Unaudited)

	For the 3 Months Ended March 31, 2011	March 31, 2010
Supplemental Cash Flow Disclosures:		
Acquisition of interest in a company paid in common stocks	$ -	$ (10,850,000)
Compensation paid in stock	-	4,458,750
Issuance of stock for acquisition and compensation	-	15,308,750
Cash paid during the period for interest	-	7,080
Cash paid during year for taxes	-	-

Please See Accompanying Notes

LEO MOTORS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2011

NOTE 1 – UNAUDITED INFORMATION

The consolidated balance sheet of Leo Motors Inc. (the "Company") as of March 31, 2011, and the consolidated statements of operations and cash flows for the three months ended March 31, 2011 and 2010, have not been audited. However, in the opinion of management, such information includes all adjustments (consisting only of normal recurring adjustments) which are necessary to properly reflect the financial position of the Company as of March 31, 2011, and the results of operations for the three-months ended March 31, 2011 and 2010.

Certain information and notes normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted, although management believes that the disclosures are adequate to make the information presented not misleading. Interim period results are not necessarily indicative of the results to be achieved for an entire year. These financial statements should be read in conjunction with the financial statements and notes to financial statements included in the Company's consolidated financial statements as filed on Form 10-K for the year ended December 31, 2010.

NOTE 2 – BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Shini 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.

NOTE 3 – 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 shareholders with 57.69 % at the end of March 31, 2011 and 2010, 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 ritten off, they will be charged against the allowance.

Receivables are not collateralized and do not bear interest.

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.

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

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 4 - 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 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;

	03/31/2011	03/31/2010
Raw materials	$ 1,079,061	$ 374,268
Work-in-process	143,056	-
Finished goods	10,037	435,930
TOTAL	$ 1,232,154	$ 810,198
Reserve for slow moving and obsolete goods	(30,000)	
	$ 1,202,154	

NOTE 6 - DUE TO RELATED PARTY

The company is indebted to its officer for advances. Repayment is on demand without interest. The balance at March 31, 2011 was $ 1,073,477.

NOTE 7 - 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 March 31, 2011 and 2010, the balance of payments received in advance was $ 561,321 and $ 544,224.

NOTE 8 – 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 has50,833,115 shares issued and outstanding and December 31, 2009, 40,708,115 shares issued and outstanding.

NOTE 9 – SUBSEQUENT EVENTS

There is no reportable subsequent event.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD LOOKING STATEMENTS: STATEMENTS ABOUT OUR FUTURE EXPECTATIONS ARE "FORWARD-LOOKING STATEMENTS" 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 UNDER THE CAPTION "RISK FACTORS," IN THIS DISCLOSURE STATEMENT, AND ARE SUBJECT TO CHANGE AT ANY TIME. OUR ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THESE FORWARD-LOOKING STATEMENTS. THIS FORM 10-Q DOES NOT HAVE ANY STATUTORY SAFE HARBOR FOR THIS FORWARD LOOKING STATEMENT. WE UNDERTAKE NO OBLIGATION TO UPDATE PUBLICLY ANY FORWARD-LOOKING STATEMENT.

This Management's Discussion and Analysis should be read in conjunction with the financial statements included in this Quarterly Report on Form 10-Q (the "Financial Statements"). The financial statements have been prepared in accordance with generally accepted accounting policies in the United States ("GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in United States dollars.

Overview

Leo Motors, Inc. (the "Company") is currently in the process of testing and developing production capability of Electric Power Train Systems ("EPTS") encompassing electric scooters, electric sedans/SUVs/sports cars, and electric buses/trucks as well as several models of Electric Vehicle ("EV"). Our EPTS can replace internal combustion engines ("ICEs"). We plan to market our EPTS to auto makers or conversion service providers.

During the last two years, we have been developing eight EPTS of increasing power rating: 3kW, 5kW, 7.5kW, 15kW, 30kW, 60kW, 120kW, and 240kW systems. Each EPTS consists of a motor, a controller, and a battery power pack with a battery management system ("BMS").

The Company has successfully converted existing models of small cars (ICEs under 2,000cc), and also a 24 seat bus. The Company has launched its 60kW power train kits (for compact passenger cars and small trucks) and its 120kW kits (for ICE passenger cars, buses, and trucks under 5,000cc). The Company has developed a 240kW kit (for up to 10,000cc buses and trucks) as well, and intends to market the kit once testing can be completed.

The Company has also developed a Low Speed EV ("LSV"), a four-wheeled electric scooter, and electric bikes. During 2010, we launched electric bikes, and are now selling them to distributors. The company also has developed its Zinc Air Fuel Cell Generator to be used as a range extender for EVs.

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

- Developing mass production facilities for power trains and BMS
- Finalizing the development of ZAFCG to be used in EV by September 2011, and developing mass production plant to produce ZAFCG by December 2011.
- Finishing the development of the 240kW system by May 2011.
- Developing large scale clients for our EPTS and components

Recent Business Developments

In 2010, Leo was able to exit the development stage in both technology and business. While we had previously incurred a high amount of costs without significant revenues, in 2010 we sold almost 1,000 units of electric scooters last year to our national dealer in Korea. It was the largest sales performance in the electric two wheeler market in Korea. If the Korean government begins subsidizing the purchase of electric scooters, as has been proposed among legislative bodies and government offices, we believe we can significantly improve upon the 2010 numbers in 2011. However, we cannot be certain that government subsidies will be implemented, or that we will be able to increase revenues and profitability.

Also in 2010, we were able to complete other valuable accomplishments that we believe will grow Leo's reputation and branding. First, our 100kW EPTS was chosen for the electric car project of one car manufacturer. We have made one electric test car using their car model's body. The newly developed test EV was demonstrated and tested in the 2011 Seoul Motor Show. We expect to make another test EV, and after developing these test EVs, we may make many prototypes to conduct the final tests before jumping into mass production. This project is in the initial testing phase, and we do not have a definitive material agreement to sell our EPTS or conversion services at this time.

We have developed an electric tractor using our 60kW EPTS. The new development was made using the body and chassis provided Tong Yang, an Agricultural Machinery Brand in Korea. The development was made by the request of Tong Yang. The newly developed electric Tractor is under tests, and we intend to exhibit it in international agricultural machinery shows in 2011. After proper tests, Tong Yang may order 60kW EPTS and our engineering services. This project is in the initial testing phase, and we do not have a definitive material agreement to sell our EPTS or conversion services at this time.

After the development of our 1kW Zinc Air Fuel Cell Generator ("ZAFCG") and seminar which announced the development, the Company exerted itself in commercialization of the development. By the end of 2010, the Company received an order to develop a 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 conduct a pilot test and develop the engineering design in 2011, and will finalize the development by making the final prototype and tests in 2012. This project is in the initial testing phase, and we do not have a definitive material agreement to sell our ZAFCG at this time.

The Company received a Letter of Intent to develop and supply high capacity battery power pack from a company in the military industry. The Company is preparing a test power pack to the client. If the test turns out to be successful, we could be able to provide a significant amount of power packs to the client. This project is in the initial testing phase, and we do not have a definitive material agreement to sell our battery power packs at this time.

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 quarter ended March 31, 2011, the Company had incurred $126,026 in expenses, but had realized only $69,340 in gross profit. Accordingly, our ability to initiate our plan of operations and continue as a going concern 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, we have already secured our annual operating budget for 2010. 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 the Three Months ended March 31, 2011 were $248,178 compared to $12,463 for the Three Months ended March 31, 2010. Costs of sales were $178,838 and gross profit was $69,340 in 2011 compared to $7,340 and $5,123 as costs of sales and gross profit in the same period in 2010. Neither period's sales represent sales from recurring business, but rather sales of samples and development services. Our primary recurring business comes from sales of electric scooters to our Korean distributor, which occurred in mass in 2010 and did not recur in the first quarter of 2011. We anticipate sales in the next quarter to increase and to include recurring business sales due to additional purchase of scooters from our distributor.

Expenses

During the quarter, we incurred $126,026 in expenses, compared to $4,728,804 in the quarter ended March 31 2009. The primary decrease was due to payment of Salaries and Benefits to the Board Director paid in Stock in February 2010. Expenses in each category decreased due to the higher development costs in 2010.

Expenses for the period quarter consisted of the following:

Expenses:	**Three Months Ended March 31, 2011**	**Three Months Ended March 31, 2010**
Officer compensation paid in stock	$ -	$ 2,250,000
Salaries and Benefits	81,428	126,891
Consulting and Service Fees	4,478	142,975
Selling, General and Administrative	40,120	108,938
Total	$ 126,026	$ 2,628,804

Officer compensation paid in stock – consists of common stock issued to our executive officers as compensation for their services as officers of the Company.

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.

Consulting and Service Fees – consist of consist of accounting, legal, and professional fees.

Selling, 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

None.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Interim Chief Financial Officer (the "Certifying Officer") maintains a system of disclosure controls and procedures that is designed to provide reasonable assurance that information, which is required to be disclosed, is accumulated and communicated to management timely. Under the supervision and with the participation of management, the Certifying Officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule [13a-14(c)/15d-14(c)] under the Exchange Act) within 45 days prior to the filing date of this report. Based upon that evaluation, the Certifying Officer concluded that our disclosure controls and procedures are not effective in timely alerting them to material information relative to our company required to be disclosed in our periodic filings with the SEC.

Changes in Internal Controls

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2011, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

None.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 – (Removed and Reserved)

ITEM 5 - OTHER INFORMATION

None.

ITEM 6 – EXHIBITS

The following exhibits are filed as part of this quarterly report on Form 10-Q:

31.1 Certification of Chief Executive Officer and Interim Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Officer and Interim Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements 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.

Dated: May 23, 2011

LEO MOTORS, INC.
(the registrant)

By: ______________________________
Jung Yong Lee
Chief Executive Officer
and Interim Chief Financial Officer

Exhibit 31.1

CERTIFICATIONS

I, Jung Yong Lee, certify that:

1. I have reviewed this Report on Form 10-Q of Leo Motors, Inc. (the "Company") for the period ending March 31, 2011;

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 Company as of, and for, the periods presented in this report;

4. I am 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 Company, 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 Company'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 Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company'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 Company'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 Company's internal control over financial reporting.

Date: May 23, 2011

By: ______________________________
Jung Yong Lee
Chief Executive Officer 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 Report of Leo Motors, Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2011, 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.

Date: May 23, 2011

By:______________________________
Jung Yong Lee
Chief Executive Officer
and Interim Chief Financial Officer