WATAIRE INTERNATIONAL, INC.

FORM 10-K

(Annual Report)

Filed 07/24/09 for the Period Ending 03/31/09

Address	3rd Floor, 21900 Burbank Blvd. Woodland Hills, CA 91367
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(X) ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended March 31, 2009

OR

( ) TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from __________ to ________

Commission File Number : 000 - 49955

WATAIRE INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Washington	91-2060082
(State or other jurisdiction of incorporation or organization)	(I.R.S. Empl. Ident. No.)

3rd Floor, 21900 Burbank Blvd, Woodland Hills, California 91367
(Address of principal executive offices) (Zip Code)

877-602-8985
(Issuer's telephone number)

Securities registered under Section 12(b) of the Exchange Act : None
Securities registered under Section 12(g) of the Exchange Act :- Common Stock, $0.0001 par value

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15 (d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES (X) NO ( )

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ( ) No ( )

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-K contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statement incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K (X)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a small reporting company. See definitions of "large accelerated filer," "accelerated filer," and "small reporting company" in Rule 12B-2 of the Exchange Act. (Check one) :

Large accelerated filer ( ) Accelerated filer ( )

Non-accelerated filer ( ) 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 (X) No

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was $1,686,354 based upon the the closing sales price of the Registrant's Common Stock as reported on the Over the Counter Bulletin Board of $0.03..

At July 14, 2009 the Registrant had outstanding 91,110,123 shares of Common Stock, $0.0001 par value per share.

WATAIRE INTERNATIONAL, INC.
FORM 10-K
For the Fiscal Year Ended March 31, 2009
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PART I

This Annual Report on Form 10-K contains forward-looking statements that have been made pursuant to the provisions of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995 and concern matters that involve risks and uncertainties that could cause actual results to differ materially from historical results or from those projected in the forward-looking statements. Discussions containing forward-looking statements may be found in the material set forth under "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in other sections of this Form 10-K. Words such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue" or similar words are intended to identify forward-looking statements, although not all forward-looking statements contain these words. Although we believe that our opinions and expectations reflected in the forward-looking statements are reasonable as of the date of this Report, we cannot guarantee future results, levels of activity, performance or achievements, and our actual results may differ substantially from the views and expectations set forth in this Annual Report on Form 10-K. We expressly disclaim any intent or obligation to update any forward-looking statements after the date hereof to conform such statements to actual results or to changes in our opinions or expectations.

Readers should carefully review and consider the various disclosures made by us in this Report, set forth in detail in Part I, under the heading "Risk Factors," as well as those additional risks described in other documents we file from time to time with the Securities and Exchange Commission, which attempt to advise interested parties of the risks, uncertainties, and other factors that affect our business. We undertake no obligation to publicly release the results of any revisions to any forward-looking statements to reflect anticipated or unanticipated events or circumstances occurring after the date of such statements.

Item 1. Business.

General

Wataire International, Inc. ("Wataire," the "Company," "us," or "we") was incorporated under the laws of the State of Washington on August 17, 2000 and has been a reporting issuer with the United States Securities and Exchange Commission (the "SEC") since November 2000.

On October 3, 2006, the Company changed its name to Wataire International, Inc. Previously, on August 26, 2003, the Company had changed its name from Corporate Development and Innovation, Inc. to Cimbix Corporation. The Company's common stock traded in the Over-the-Counter Bulletin Board Market under the ticker symbol "WTAR".

The Company's business is still in its early developmental and promotional stages and to date, the Company's primary activities have involved significant re-structuring and re-organization. After involvement in Petsmobility and MBG businesses, in 2006 the Company entered into license agreement with Ecosafe Innotech Inc., (formerly Wataire Ecosafe Technologies Inc., formerly Wataire Industries Inc.)("Ecosafe") to market and distribute their commercial water generation machines. On April 25, 2007, we entered into an agreement with Ecosafe, Canadian Dew Technologies Inc. ("CanDew"), Terrence Nylander and Roland Wahlgren to acquire all of the intellectual property ("IP") relating to a water treatment process and devices for water-from-air machines. The agreements previously executed between the Company and Ecosafe have been terminated and cancelled and forms part of the current agreement. Mr. Nylander was, at the time, an officer and director of the Company.

Consideration for the purchase of the IP was $469,485 (CAD $500,000), which was paid at March 31, 2007, the issuance of 4,800,000 shares of common stock of the Company, the agreement by the Company to pay a royalty equal to 5% of the gross profits from the sales of all apparatus or products relating to the IP for a period of 30 years from April 25, 2007 and a royalty equal to 5% of gross licensing revenues on the IP. This consideration is in addition to the 11,000,000 shares of common stock previously issued for the license rights. The IP acquisition was completed in July 2007.

The IP acquired by the Company includes all copyrights, patent rights, trade secret rights, trade names, trademark rights, process information, technical information, contract rights and obligations, designs, drawings, inventions and all other intellectual and industrial property rights of any sort related to or associated with the water treatment process and devices for water-from-air machines invention.

LIQUIDITY AND FINANCIAL RESOURCES

Through March 31, 2009, the Company had not carried on any significant operations and had not generated significant revenues. The Company has incurred losses since inception aggregating $10,451,707. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

We currently have minimal cash reserves. To date, the Company has covered operating deficits primarily through its financing activities. Accordingly, our ability to pursue our plan of operations is contingent on our being able to obtain funding for the development, marketing and commercialization of our products and services. As a result of its lack of operating success, the Company may not be able to raise additional financing to cover operating deficits.

BUSINESS

Our business plan is to fully exploit our products and technology by marketing and distributing our commercial and home/office water generation machines as well as their under-the-counter/over-the-counter units, and the water-producing greenhouse.

The atmospheric water generator produces purified water from the atmosphere by using a condensing surface and a special filtration system that removes dust, airborne particles and bacteria to generate clean drinking water and simultaneously cleaning the air. This method of extracting water vapor has been in use for many years. Some similar applications include air conditioners and dehumidifiers. The actual water production and cost per gallon varies with the humidity and temperature of the atmosphere at the specific site in which the unit is employed.

The Wataire water generation equipment is a water-from-air technology system developed by a team of specialized technicians incorporating patent pending technologies that control bacterial contamination. The Company currently sells two types of atmospheric units: (i) small-scale home/office units, which include a full-sized upright model and a countertop model and which can produce between four to seven gallons of water per day depending on humidity and temperature levels of the location of the unit, and (ii) commercial/industrial units capable of producing more than 5,000 liters (1320 gallons) of safe drinking water each day depending upon ambient conditions.

The home/office units are designed to replace bottled water and purified water dispensers, eliminating the need for replenishment and storage of plastic bottles. These units are intended for usage in residences, schools, offices, hospitals and restaurants. They can also serve as a personal disaster relief unit for consumers in circumstances such as hurricane Katrina where residents in the affected area had no drinking water.

The industrial units are intended for use in military camps, industrial applications such as factories, commercial applications such as hotels, humanitarian and disaster relief applications where fresh drinking water is scarce.

The water generation equipment is a water-from-air technology system developed by a team of specialized technicians incorporating patent pending technologies that control bacterial contamination. The water generating units are equipped with an electronic control system that turns the machine on and off when full and can circulate the water to maintain clean drinking water 24 hours a day, 365 days a year. It has a dynamic display to allow for monitoring the machine's operation, showing when a new filter is required.

The system provides an independent, sustainable, safe water source for a wide variety of possible circumstances such as mining and petroleum exploration camps, bottled water and beverage manufacturers, food manufacturers, military camps, non-government organizations, humanitarian assistance organizations, emergency and disaster relief situations. According to field trials recently held in Belize and Thailand, the system performed well in a tropical environment producing the design projected volume of water and achieving the desired water quality standards. While we believe the unit is also economically viable in temperate climates, the Wataire units work best in the tropics due to the high humidity levels, which will produce the highest rate of water production at the lowest cost per gallon.

The patent pending water treatment system is comprised of a three-stage water treatment design that cleans water to meet World Health Organization guidelines. The unit consists of a filtration system, a food-grade dehumidifier water producing module, and a water treatment module. The water treatment process is proprietary and may be subject of various patent applications already filed.

The process basically involves taking filtered moist air from the atmosphere and dehumidifying it for treatment by the water treatment module. This produced water is then processed through sediment filters, ultra-fine filters, activated charcoal filters and ultraviolet light treatment that eliminate virtually all biological contaminants including bacteria, viruses, and pollutants that are in the air. Atmospheric water vapor is an abundant resource that can be used with virtually no negative environmental impacts. The machine should be situated in a space that can provide fresh flowing air to the machine intake as it dehumidifies the space. The water-from-air technology has received broad acceptance around the world as a new and sustainable source of potable water.

COMPETITION

Water purification and bottled water industries are highly competitive. According to past internal research, there were possibly nine entities experimenting with the technology of water generation, of which two or three were direct active competitors. Some of those companies have limited or no business activities while others have entered into strategic alliances with one another. The relatively high energy cost associated with changing water from its vapor phase in the air to the liquid phase appears to be an obstacle to making sales for a number of these competitors. Control of bacteria and viruses in the field of atmospheric water generation creates a technological challenge that our patent pending water treatment module has resolved. The atmospheric water generator and filtration system industry is new, rapidly evolving and can compete with more traditional water treatment systems that rely on surface and ground water supplies. In the future, our competitors can and may duplicate or surpass in efficacy many of the products or services offered by us.

REGULATORY ENVIRONMENT

The manufacturing, processing, testing, packaging, labeling and advertising of the products that we sell may be subject to regulation by one or more U.S. federal agencies, including the Food and Drug Administration, the Federal Trade Commission, the CSA and UL in North America, the United States Department of Agriculture, the Environmental Protection Agency, the standards provided by the United States Public Health authority and the World Health Organization for Drinking Water. These activities may also be regulated by various agencies of the states, localities and foreign countries in which consumers reside.

CERTIFICATION AND TESTING

All the products that we sell and plan to sell will go through stringent testing that will have the appropriate UL, CE or CSA certifications on the products. The CSA Mark is an internationally recognized mark that appears on over one billion products worldwide. CSA International is a leader in standards development, certification and testing, and quality management registration. The CSA International marks are accepted by many electrical inspectors, gas inspectors, building inspectors and other governmental authorities that approve projects and products that are sold in Canada, the United States and all over the world. The Company uses the services of CSA International because they test, certify and ensure that products comply with applicable safety and/or performance standards applicable to the products for the sale in that country. These standards include UL, CSA, ANSI (American National Standards Institute), ASTM, NSF, OSHA (Occupational Safety and Health Administration under the US Department of Labor), NVLAP (National Voluntary Laboratory Accreditation Program), SCC (Standards Council of Canada), IAS (International Accreditation Service Inc.) and others.

At this time, the products carry the markings of CE and we are currently seeking CSA markings for Canada and UL markings the

United States. These markings on the products indicate to governmental officials and consumers that the products may be legally placed on the market in the country for sale. It also indicates that the products met all safety requirements and tests, and such products are in conformity with the applicable standards.

RESEARCH AND DEVELOPMENTS

The Company does not have its own research and development department and will rely on Canadian Dew Technologies Inc. to furnish the Company with new technology and improvements on its existing applications, efficiency and theories of the underlying atmospheric water generators and filtration systems.

MARKET ANALYSIS AND STRATEGY

We believe a market opportunity exists for our atmospheric water generators and filtration systems. Our technology provides an alternative solution to the world's shortage of fresh water and can provide clean, safe drinking water in various geographical settings. Today, governments and health professionals are increasingly conscious of the negative health effects of pollution, chemicals used to disinfect water supplies, and residual salt in desalinated water, and how they affect human health.

Our target markets for the water-from-air systems are businesses, governments, and people who are situated in the humid tropics. To date, our products have been sold in over 30 different countries and have received positive response from system users. Our systems, units and/or applications target various markets including military applications, oil and mining operations, new and existing tourist resorts, beverage bottling plants, new condominium developments and humanitarian missions.

The development of our marketing plan is still in its early stages; however, we anticipate having an outline of our marketing strategy in the fall of 2008. Management plans, as soon as finances permit, to hire additional management and staff for its US-based operations especially in

the areas of finance, sales, marketing, and investor/public relations. The Company may also choose to outsource some of its marketing requirements by utilizing a series of independent contractors based on the projected size of the market and the compensation necessary to retain qualified employees.

In December 2006, the Company retained Cucoloris Films Inc. (“Cucoloris”), a Los Angeles based multimedia and marketing company to help us with our marketing needs. The term of the engagement is for one year, and the Company has paid the marketing firm $250,000 and issued 1,000,000 shares of common stock that has been registered on Form S-8 for their services. The marketing agreements expired and the Company has not commenced its branding and marketing efforts and therefore the shares were not released by the Company and have been returned to treasury. The Company is currently re-negotiating the terms of its agreements with the marketing firm.

EMPLOYEES

The Company currently has no employees but has contract staff. The Company anticipates entering into an employment contract with Robert Rosner, our Chief Executive Officer, but can provide no assurance that we will come to terms for such employment agreement. The Company looks to its directors and officers for their combined entrepreneurial skills and talents, and to outside subcontracted consultants. Management plans to use consultants, attorneys and accountants as necessary until the Company has sufficient funds to execute strategies for the Company. The Company’s performance and success is dependent on management’s ability to raise the necessary funds required to develop and promote the sale of its products.

PATENTS AND TRADEMAKS

The patent pending and/or trademarks and copyrights from Ecosafe, Terry Nylander, Roland Wahlgren and CanDew have now been transferred to our name. The Company has also filed other patents, trademarks and copyrights in other countries.

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Item 1A. Risk Factors.

We have sought to identify what we believe to be the most significant risks to our business. However, we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise.

We are dependent on external financing.

It is imperative that we raise additional capital to complete our operational plan to promote and commercialize our newly acquired business combinations and activities. We will also require funds to sustain our business operations if we are not successful in earning revenues from our product sales and sub-licensing. We estimate that we would require additional funding of $8,000,000 to pursue our business strategy. If we are unable to obtain equity financing upon terms that our management deems sufficiently favorable, or at all, it would have a material adverse impact upon our ability to expand our current operational plan. Any sale of share capital will result in dilution to existing shareholders.

To date, we have generated some revenues from sales but not enough to sustain our business operations. The success of our business depends on us receiving inventory and advertising materials from our suppliers and manufacturers. The exact amount of our current and future capital requirements will depend on numerous factors, some of which are not within our control, including the progress of our development efforts, the costs of testing, supply of our products, demand of our products and changes in governmental regulation. Our ability to raise additional financing depends on many factors beyond our control, including the state of capital markets, the market price of our common stock and the development or prospects for development of competitive technology by others. The necessary additional financing may not be available to us or may be available only on terms that would result in further dilution to the current owners of our Common Stock. If we are unable to raise additional funds when we need them, we may have to curtail or discontinue our operations, in which case you could lose the entire amount of your investment in the Company.

We are in our early stages of development and face a risk of business failure.

We are in our early stages of development. We have no way to evaluate the likelihood that we will be able to operate our business successfully. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the technology and sales industries. We recognize that if we are unable to generate significant revenues from our sales, we will not be able to earn profits or continue operations. There is only a limited history upon which to base any assumption as to the likelihood that we will prove successful, and we can provide investors with no assurance that we will generate any additional operating revenues or ever achieve profitable operations from our current business initiatives. If we are unsuccessful in addressing these risks, our business will most likely fail.

We are competing against larger and better-financed companies.

We operate in a highly competitive market with financial rewards pending on market performance. Some of our competitors are multi-million dollar enterprises with more resources for marketing, distribution and development. We may be in a disadvantage if any of our competitors focused on similar products we sell. Because we don't have the infrastructure and personnel in place to adequately implement our business plans and operations, our business may fail.

Our business and the success of our products could be harmed if we are unable to maintain our brand image.

Our success is heavily dependent upon the market acceptance of our Wataire branded lines of atmospheric water generators. If we are unable to timely and appropriately respond to changing consumer demand, the brand Wataire distributes may be impaired. Even if we react appropriately to changes in consumer preferences, consumers may consider those brand images to be outdated. Lack of acceptance of our brands will have a material impact on the performance of the Company.

Dependence on our suppliers

Our success is highly dependent upon the continued support and services of suppliers. We are solely dependent on their support to provide enough inventories to meet our purchase orders. If our suppliers are not able to manufacture enough products to meet the demands of our purchase orders, our business will most likely fail.

Demand for our products and services may fail to materialize

Our growth and success will depend on our success in introducing and selling our products. The market for the products and services we plan to offer is relatively new and there is little hard data to validate market demand or predict how this demand will be segmented. There could be much lower demand than believed, or interest in our products and services could decline or die out, which could adversely affect our ability to sustain our operations.

There is substantial doubt as to our ability to continue as a going concern

Our financial results for the fiscal year ending March 31, 2009 show substantial losses. The accompanying financial statements have been prepared in conformity with the generally accepted accounting principles in the United States of American which contemplates the Company as a going concern. The Company has sought out additional investment to raise additional funds. However, there are no assurances that the Company will continue as a going concern without the successful completion of additional funding. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Our independent auditors, Gruber & Company LLC, have expressed substantial doubt about our ability to continue as a going concern given our recurring losses from operations and net stockholder's deficit. This opinion could materially limit our ability to raise additional funds by issuing new debt or equity securities or otherwise.

Dependence on key management and personnel

Our success is highly dependent upon the continued services of Robert Rosner, our Chief Executive Officer. If he were to leave us this could have a materially adverse effect upon our business and operations. We anticipate entering into employment contract with Mr. Rosner but can provide no assurance that we will come to terms for such employment agreement.

Our business also requires additional staff in all areas to successfully bring our products to market. Our success depends on our ability to attract and retain technical and management personnel with expertise and experience in the technology field. If we are unable to attract and retain qualified technical and management personnel, we will suffer diminished chances of future success.

We may be subject to product liability or breach of contract claim if our products do not work as promised from our Inventor(s) and predecessor

The atmospheric water generators are designed to facilitate potable safe drinking water. If the technology fails to work as manufactured by our inventor(s) and predecessor, customers may bring claims against us. Despite limitations on such claims, such claims can be costly and time consuming which could have a material adverse effect on our operations, even if we are found not to have been at fault. We currently do not have liability insurance and anticipate that we will seek some coverage in the future if such coverage is available at a reasonable cost.

Significant repair and/or replacement with respect to product warranty claims or product recalls could have a material adverse impact on the results of operations.

We provide a limited warranty for our products for a period of one year. Significant warranty claims could have a material adverse effect on our results of operations.

Government Regulation

Regulation by government authorities in the United States, Canada and foreign countries may be a factor in the development, manufacture and marketing of our products and in our research and product development activities. The process of obtaining these approvals and the subsequent compliance may require time and financial resources.

Limited experience to market our products

Even if we are able to develop our products and obtain the necessary regulatory approvals, we have limited experience or capabilities in marketing or commercializing our products. We currently have some sales and just engaged a marketing agency. We do not have a distribution infrastructure in place. Accordingly, we are dependent on our ability to find collaborative marketing partners or contract sales companies for commercial sale of any of our products. Even if we find a potential marketing partner, we may not be able to negotiate an advertising and/or licensing contract on favorable terms to justify our investment or achieve adequate revenues.

Our business is subject to risks associated with offshore manufacturing.

We import some of our products into the United States and Canada from foreign countries for resale. All of our import operations are subject to tariffs and quotas set by the U.S. and other countries' governments through mutual agreements or bilateral actions. Adverse changes in these import costs and restrictions, or our suppliers' failure to comply with customs regulations or similar laws, could harm our business.

Our operations are also subject to the effects of international trade agreements and regulations such as the North American Free Trade Agreement, the Caribbean Basin Initiative and the European Economic Area Agreement, and the activities and regulations of the World Trade Organization. Trade agreements can also impose requirements that adversely affect our business, such as setting quotas on products that may be imported from a particular country into our key market, the United States. In fact, some trade agreements can provide our competitors with an advantage over us, or increase our costs, either of which could have an adverse effect on our business and financial condition.

In addition, the recent elimination of quotas on World Trade Organization member countries by 2005 could result in increased competition from developing countries which historically have lower labor costs, including China. This increased competition, including from competitors who can quickly create cost and sourcing advantages from these changes in trade arrangements, could have an adverse effect on our business and financial condition.

Our ability to import products in a timely and cost-effective manner may also be affected by problems at ports or issues that otherwise affect transportation and warehousing providers, such as labor disputes or increased U.S. homeland security requirements. These issues could delay importation of products or require us to locate alternative ports or warehousing providers to avoid disruption to our customers. These alternatives may not be available on short notice or could result in higher transit costs, which could have an adverse impact on our business and financial condition.

Our international operations expose us to political, economic and currency risks.

All of our products came from sources outside of the United States. As a result, we are subject to the risks of doing business abroad, including:

- currency fluctuations;
- changes in tariffs and taxes;
- political and economic instability; and
- disruptions or delays in shipments.

Changes in currency exchange rates may affect the relative prices at which we are able to manufacture products and may affect the cost of certain items required in our operation, thus possibly adversely affecting our profitability.

There are inherent risks of conducting business internationally. Language barriers, foreign laws and customs and duties issues all have a potential negative effect on our ability to transact business in the United States. We may be subject to the jurisdiction of the government and/or private litigants in foreign countries where we transact business, and we may be forced to expend funds to contest legal matters in those countries in disputes with those governments or with customers or suppliers.

We may suffer from infringements or piracy of our trademarks, designs, brands or products.

We may suffer from infringements or piracy of our trademarks, designs, brands or products in the U.S. or globally. Some jurisdictions may not honor our claims to our intellectual properties. In addition, we may not have sufficient legal resources to police or enforce our rights in such circumstances.

Unfair trade practices or government subsidization may impact our ability to compete profitably.

In an effort to penetrate markets in which the Company competes, some competitors may sell products at very low margins, or below cost, for sustained periods of time in order to gain market share and sales. Additionally, some competitors may enjoy certain governmental subsidies that allow them to compete at substantially lower prices. These events could substantially impact our ability to sell our product at profitable prices.

If we market and sell our products in international markets, we will be subject to additional regulations relating to export requirements, environmental and safety matters, and marketing of the products and distributorships, and we will be subject to the effects of currency fluctuations in those markets, all of which could increase the cost of selling products and substantially impair the ability to achieve profitability in foreign markets.

As a part of our marketing strategy, we plan to market and sell our products internationally. In addition to regulation by the U.S. government, those products will be subject to environmental and safety regulations in each country in which we market and sell. Regulations will vary from country to country and will vary from those of the United States. The difference in regulations under U.S. law and the laws of foreign countries may be significant and, in order to comply with the laws of these foreign countries, we may have to implement manufacturing changes or alter product design or marketing efforts. Any changes in our business practices or products will require response to the laws of foreign countries and will result in additional expense to the Company.

Additionally, we may be required to obtain certifications or approvals by foreign governments to market and sell the products in foreign countries. We may also be required to obtain approval from the U.S. government to export the products. If we are delayed in receiving, or are unable to obtain import or export clearances, or if we are unable to comply with foreign regulatory requirements, we will be unable to execute our complete marketing strategy.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

Our principal executive offices are located at 3rd Floor, 21900 Burbank Blvd., Woodland Hills, California 91367. The Company's phone number is 877-602-8985.

Item 3. Legal Proceedings.

We are a defendant in a case brought in October 2006 in the Supreme Court of British Columbia, Canada entitled Atkinson et al. v. Cimbix Corporation et al. The action relates to allegations by plaintiffs that $94,000 was deposited into a law firm’s trust account for investment in On4 Communications Inc., formerly PetsMobility Network (Canada) Inc. (“On4”). The plaintiffs allege that the law firm deducted legal fees from the amount held in trust and transferred the balance of the funds to On4. Both the law firm and On4 are also defendants in the case. The Company believes the claims against it are without merit and unlikely to succeed. The Company has filed a statement of defense denying the allegations against it and has filed a counter claim for defamation. The investors have been repaid all of the funds by On4. The Company has not paid any amount to the plaintiffs. The Company takes the position that it has done nothing wrong and, in any event, the plaintiffs have recovered the entirety of their loss from On4. The court has ordered a severance of the action, and has required the plaintiffs to prove their damages, before proceeding to trial on issues of liability. The claim and counterclaim have been dismissed without costs.

On March 25, 2008, we received a subpoena from the Securities and Exchange Commission (“SEC”) issued in an investigation initiated by the SEC with respect to a number of companies traded on the “pink sheets” market (Our Company is not one of the companies that are the subject of the investigation). The subpoena, inter alia, requested documents relating to: contacts with personnel of and sales of our products to the U.S. Navy, sales of our products generally, the Company’s license agreement with Airborne Water Company, and display of the Company’s products at a music festival in Florida. Our Chief Executive Officer, Robert Rosner, has provided testimony to the SEC in this matter.

The Company received an alleged claim in January 2009 from one of its former distributors for failing to deliver merchandise ordered and paid for by the Plaintiff. The Company has subsequently filed a motion to dismiss the claim and is considering separate legal recourse.

On July 20, 2009, the Company filed a cross-complaint for breach of contract, intentional interference with contractual relationship, intentional interference with prospective economic relationship and accounting.

Item 4. Submission of Matters to a Vote of Security Holders.

Not Applicable.

PART II

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

The Company’s common stock is traded in the Over-the-Counter Bulletin Board Market and on the “Pink Sheets” market under the ticker symbol “WTAR”.

The following table sets forth for each period indicated the high and the low bid prices per share for the Company's Common Stock.

Bid Prices

Quarter Ended	High	Low
March 31, 2009	0.025	0.007
December 31, 2008	0.045	0.005
September 30, 2008	0.095	0.030
June 30, 2008	0.220	0.050
March 31, 2008	0.240	0.060
December 31, 2007	0.220	0.090
September 30, 2007	0.300	0.130
June 30, 2007	0.730	0.220

There were approximately 109 holders of record of the common stock as of July 14, 2009. The Company believes that an undefined number of shares of its common stock are held in either nominee name or street name brokerage accounts. Consequently, the Company is unable to determine the exact number of beneficial owners of its common stock.

The Company has never paid a cash dividend on its Common Stock and does not anticipate paying dividends in the foreseeable future. It is the present policy of the Company's Board of Directors to retain earnings, if any, to finance the expansion of the Company's business. The payment of dividends in the future will depend on the results of operations, financial condition, capital expenditure plans and other cash obligations of the Company and will be at the sole discretion of the Board of Directors

Section 15(g) of the Securities Exchange Act of 1934:

The Company’s shares are covered by Section 15(g) of the Securities Exchange Act of 1934, as amended that imposes additional sales practice requirements on broker/dealers who sell such securities to persons other than established customers and accredited investors (generally institutions with assets in excess of $5,000,000 or individuals with net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouses). For transactions covered by this Section 15(g), the broker/dealer must make a special suitability determination for the purchase and have received the purchaser's written agreement to the transaction prior to the sale. Consequently, Section 15(g) may affect the ability of broker/dealers to sell the Company’s securities and also may affect your ability to sell your shares in the secondary market.

Section 15(g) also imposes additional sales practice requirements on broker/dealers who sell penny securities. These rules require a one page summary of certain essential items. The items include the risk of investing in penny stocks in both public offerings and secondary marketing; terms important to an understanding of the function of the penny stock market, such as "bid" and "offer" quotes, a dealers "spread" and broker/dealer compensation; the broker/dealer compensation, the broker/dealers duties to its customers, including the disclosures required by any other penny stock disclosure rules; the customers rights and remedies in causes of fraud in penny stock transactions; and, the NASD's toll free telephone number and the central number of the North American Administrators Association, for information on the disciplinary history of broker/dealers and their associated persons.

RECENT SALES OF UNREGISTERED SECURITIES

In July 2006, the Company issued to Ecosafe 10,000,000 restricted shares of its common stock, $0.0001 par value per share which were not registered under the Act in consideration for the exclusive world wide license agreement with Ecosafe relating to commercial units valued at approximately $620,000. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In August 2006, the Company issued to an accredited investor 440,000 restricted shares of its common stock, $.0001 par value per share, which was not registered under the Act in consideration for $110,000 pursuant to a private placement. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In September 2006, the Company issued to Ecosafe 1,000,000 restricted shares of its common stock, $0.0001 par value per share, which were not registered under the Act in consideration for the exclusive worldwide license agreement with Ecosafe relating to home/office units valued at approximately $560,000. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In October 2006, the Company's Board of Directors adopted the 2006 Stock Option Plan (the "2006 Plan"), reserving 8,000,000 shares for issuance under the 2006 Plan, and granted a total of 1,475,000 non-qualified stock options to the following individuals: Terrance Nylander (250,000 options), Roland Walgreen (175,000 options), Nand Shankar (250,000 options), Bruce H. Haglund (100,000 options), Maribel Jordan (150,000 options), Philip Fraser (300,000 options), Nicole Fraser (75,000 options), and Russ Lombardo (175,000 options). These non-qualified stock options are exercisable at $.50 per share, expire on September 30, 2013, and are fully vested. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In October 2006, the Company agreed to issue to P204 Enterprises Ltd. 2,083,333 restricted shares of its Common Stock, $0.0001 par value per share, in consideration for $1,000,000. In connection with the sale of the Shares, the Company issued to P204 Enterprises Ltd. a warrant to purchase 2,083,333 shares of common stock of the Company. On the condition that the Warrant is exercised on or before April 30, 2007, the exercise price of the warrants is $0.85 per share; on the condition that the warrant is exercised on or before October 31, 2007, the exercise price of the warrant is $1.00 per share; and on the condition that the warrant is exercised on or before April 30, 2008, the exercise price of the Warrant is $1.15 per share. The Warrant expires on April 30, 2008. This transaction closed in January 2007. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In November 2006, the Company granted a total of 4,925,000 non-qualified stock options under the 2006 Plan to the following individuals: Robert Rosner (2,000,000 options), William Robertson (1,500,000 options), Philip Fraser (1,200,000 options), and Russ Lombardo (225,000 options). These non-qualified stock options are exercisable at $.62 per share, expire on September 30, 2013, and are fully vested. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In December 2006, the Company agreed to pay $1,000,000 and issue 1,000,000 shares of its common stock to Cucoloris Films, Inc. ("Cucoloris") pursuant to a Form S-8 registration statement as partial consideration for the services of Cucoloris to the Company. The agreement provided for the registration of the shares prior to December 31, 2006, but the parties have agreed to the filing of the registration statement as soon as practicable. The Company issued 1,000,000 shares and has paid $250,000. The 1,000,000 shares issued were not released to the marketing company as it has not commenced its branding and marketing efforts and the contract has expired. The Company is currently re-negotiating the terms of the remaining $750,000. The common shares have been returned back to treasury.

In January 2007, the Company agreed to issue to James Marsden 133,333 units, each unit consisting of a share of common stock and a warrant to purchase a share of common stock, for a consideration of $100,000 ($.75 per unit). The warrants stock expire in January 2009 and are exercisable at $.85 per share if the warrant is exercised on or before June 30, 2007, at $1.00 if the warrant is exercised on or before December 31, 2007, and at $1.15 if the warrant is exercised on or before December 31, 2008. The subscription was not completed.

In January 2007, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, up to 200,000 units, each unit consisting of a share of common stock and a warrant to purchase a share of common stock, in consideration for the forgiveness of up to $150,000 of indebtedness of the Company to Mr. Rosner

($.75 per unit). The warrants stock expires in January 2009 and are exercisable at $.85 per share if the warrant is exercised on or before June 30, 2007, at $1.00 if the warrant is exercised on or before December 31, 2007, and at $1.15 if the warrant is exercised on or before December 31, 2008. The Company issued 195,334 units to Robert Rosner. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In January 2007, the Company agreed to issue to Donald Walker, a former officer and director of the Company, up to 80,000 units, each unit consisting of a share of common stock and a warrant to purchase a share of common stock, in consideration for the forgiveness of up to $60,000 of indebtedness of the Company to Mr. Walker ($.75 per unit). The warrants stock expire in January 2009 and are exercisable at $.85 per share if the warrant is exercised on or before June 30, 2007, at $1.00 if the warrant is exercised on or before December 31, 2007, and at $1.15 if the warrant is exercised on or before December 31, 2008. The Company issued 77,202 units to Donald Walker. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In January 2007, the Board of Directors approved an amendment to the 2006 Stock Option Plan to increase the number of shares issuable upon exercise of options to 11,000,000 shares and approved the grant of 875,000 non-qualified stock options under the 2006 Plan to the following individuals: James Marsden (750,000 options), Adriana Mihalos (75,000 options), and Gary Tacon (50,000 options). These non-qualified stock options are exercisable at $1.10 per share, expire on September 30, 2013, and are fully vested. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In January 2007, the Board of Directors approved the grant of 2,000,000 non-qualified stock options outside of the plan to two consultants (1,000,000 options each) with whom the Company is presently negotiating consulting agreements. Neither the consulting agreements nor the stock option agreements have been executed as of the date of this Annual Report. The Company was unable to reach amicable terms with the two consultants for services. These non-qualified stock options were cancelled.

In April 2007, the Board of Directors approved the grant of 1,700,000 non-qualified stock options under the 2006 Amended Stock Option Plan to Robert Rosner (1,500,000 options) and Richard Jordan (200,000 options). These non-qualified stocks options are exercisable at $0.57 per share, expire on September 30, 2013, and are fully vested. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In May 2007, the Board of Directors approved the grant of 1,295,000 non-qualified stock options under the 2006 Amended Stock Option Plan to the following individuals: Connect Corporate Communications (300,000 options), Connect Capital (700,000 options), Gary Tacon (20,000 options), Adriana Mihalos (25,000 options) and James Marsden (250,000 options). These non-qualified stock options are exercisable at $0.65 per share, expire on September 30, 2013, and are fully vested. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In October 2007, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, 696,494 units, each unit consisting of a share of common stock and a warrant to purchase a share of common stock, in consideration for the forgiveness of up to $118,404 of indebtedness of the Company to Mr. Rosner ($.17 per unit). The warrants stock will expire on September 30, 2010 and are exercisable at $0.17 per share. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In October 2007, the Company agreed to issue to an accredited investor, 1,362,329 units, each unit consisting of a share of common stock and a warrant to purchase a share of common stock, in consideration for the forgiveness of up to $231,596 of indebtedness of the Company to the accredited investor ($.17 per unit). The warrants stock will expire on September 30, 2010 and are exercisable at $0.17 per share. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In December 2007, the Company entered into a private placement with an accredited investor of $100,000 for 588,235 common shares of the Company at $0.17 per share. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In March 2008, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, 4,400,000 units, each unit consisting of a share of common stock and one half of a warrant whereby each whole warrant entitles the holder to purchase a share of common stock, in consideration for the forgiveness of $220,000 of indebtedness of the Company to Mr. Rosner ($0.05 per unit). The warrants stock will expire on March 18, 2011 and are exercisable at $0.05 per share. As of the date of this annual report, the shares have not been issued. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In March 2008, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, 25,000 shares of Preferred stock, in consideration for the forgiveness of $5,000 of indebtedness of the Company to Mr. Rosner ($0.20 per share). As of the date of this annual report, the shares have not been issued. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In April 2008, the Company entered into a private placement with an accredited investor of $80,000 for 1,600,000 units, each unit consisting of a share of common stock and one half of a warrant whereby each whole warrant entitles the holder to purchase a share of common stock of the Company. The warrants stock will expire on April 7, 2011 and are exercisable at $0.05 per share. As of the date of this annual report, the shares have not been issued. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In May 2008, the Company entered into private placements with accredited investors of $100,000 for 1,111,112 common shares of the Company at $0.09 per share. As of the date of this annual report, the shares have not been issued. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In June 2008, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, 1,000,000 units, each unit consisting of a share of common stock and a warrant to purchase a share of common stock, in consideration for the forgiveness of $60,000 of indebtedness of the Company to Mr. Rosner ($0.06 per unit). The warrants stock will expire June 16, 2008 and exercisable at $0.06 per share. As of the date of this annual report, the shares have not been issued. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In July 8, 2008, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, 1,000,000 units, each unit consisting of a share of common stock and a warrant to purchase a share of common stock, in consideration for the forgiveness of $50,000 of indebtedness of the Company to Mr. Rosner ($0.05 per unit). The warrants stock will expire July 7, 2011 and exercisable at $0.05 per share. As of the date of this annual report, the shares have not been issued. The Company claims an exemption from registration of these securities pursuant to Section 4(2) of the Act.

In January 9, 2009, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, 8,000,000 units, each unit consisting of a share of common stock in consideration for the forgiveness of $40,000 of indebtedness of the Company to Mr. Rosner ($0.005 per unit).

On February 26, 2009, the Company has signed agreement with existing warrant options holders to cancel all existing warrant options available to the Company.

Item 6. Selected Financial Data.

The following selected financial data has been derived from our audited financial statements and should be read in conjunction with such financial statements included herein.

For the year ended March 31,

	2009	2008
Statement of operations data:		
Operating revenues	174,540	195,792
Gross profit	24,816	55,921
Gain (loss) from continuing operations	(714,182)	(2,091,482)
Gain (loss) from continuing operations per share	(0.01)	(0.03)
Balance sheet data:		
Total assets	3,088,061	3,305,466
Long-term debt	-	-

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion of our financial condition and results of operations should be read in conjunction with the financial statements and notes thereto and the other financial information included elsewhere in this report. Certain statements contained in this report, including, without limitation, statements containing the words “believes,” “anticipates,” “expects” and words of similar import, constitute “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including our ability to create, sustain, manage or forecast our growth; our ability to attract and retain key personnel; changes in our business strategy or development plans; competition; business disruptions; adverse publicity; and international, national and local general economic and market conditions.

Overview

Wataire is a Washington corporation incorporated on August 17, 2000. Wataire is currently in the development stage and has completed its acquisition of all of the intellectual property relating a water treatment process and devices for water-from-air machines. The agreements previously executed between the Company and Ecosafe have been terminated and cancelled and forms part of the current agreement. To this end, the Company’s future results of operation will be highly dependent upon the success of its efforts to sell and market its products and technologies. The Company plans to sell its products to distributors and also through multiple indirect channels, such as resellers. The marketing and sales of these products are highly dependent

Results of Operations for the Years ended March 31, 2009

The audited operating results and cash flows are presented for the year ended March 31, 2009 and March 31, 2008 and for the period of inception to March 31, 2009.

Revenues. For the year ended March 31, 2009, we had total revenue of $174,540 compared to $195,792 for the year ended March 31, 2008.

Operating Expenses. For the year ended March 31, 2009, we had total operating expenses of $714,182 as compared to $2,147,403 for the year ended March 31, 2008. The decrease was predominately due to the stock based compensation of $1,617,300.

Management Fees. For the year ended March 31, 2009, we had management fees of $180,000 as compared to $137,360 for the year ended March 31, 2008, an increased of $42,640 in management fees.

Professional Fees. For the year ended March 31, 2009, we had professional fees of $54,126 as compared to $81,482, a decrease of $27,356.

Net Loss. The net loss for the year ended March 31, 2009 was $714,182 as compared to $2,091,482 for the year ended March 31, 2008, a decrease of $1,377,300. The decrease was generally due to the stock based compensation of $1,617,300.

Plan of Operation

We currently have minimal cash reserves and a significant working capital deficit. Accordingly, our ability to pursue our plan of operations is contingent on our being able to obtain funding for the development, marketing and commercialization of our products and services. Management plans, as soon as finances permit, to hire additional management and staff for its US-based operations especially in the areas of finance, sales, marketing, and investor/public relations. The Company may also choose to outsource some of its marketing requirements by utilizing a series of independent contractors based on the projected size of the market and the compensation necessary to retain qualified employees. The Company engaged a marketing firm to handle the Company's branding, marketing, advertising, media and public relations for the planned upcoming 2008 North American launch of its consumer product line of atmospheric water generators. The term of the engagement is for one year, and the Company has paid the marketing firm $250,000 and issued 1,000,000 shares of common stock that has been registered on Form S-8 for their services. The marketing agreements expired and the Company has not commenced its branding and marketing efforts and therefore the shares were not released by the

Company. The Company is currently re-negotiating the terms of its agreements with the marketing firm.

To achieve our new operational plan, we will need to raise substantial additional capital for our operations through licensing fees and product sales, sale of equity securities and/or debt financing. We have no cash to fund our operations at this time, so we plan to sell licenses and products, offer common stock in private placements as well as seeking debt financing during the next 12 months to raise up to $8,000,000. We believe the proceeds from such efforts will enable us to expand our operations, buy inventory and start our marketing campaign.

Due to the "start up" nature of the Company's business, the Company expects to incur losses as the Company conducts its ongoing research, product and systems development programs. We will require additional funding to continue our operations, for marketing expenses, to pursue regulatory approvals for our products, for any possible acquisitions or new technologies, and we may require additional funding to establish manufacturing capabilities in the future. We may seek to access the public or private equity markets whenever conditions are favorable. We may also seek additional funding through strategic alliances or collaborate with others. We cannot assure you that adequate funding will be available on terms acceptable to us, if at all. Because we are presently in the early stages of development and promotional stages of our business, we can provide no assurance that we will be successful with our efforts to establish any revenue. In order to pursue our existing operational plan, we are dependent upon the continuing sales and financial support of creditors and stockholders until such time when we are successful in raising debt/equity capital to finance the operations and capital requirements of the Company or until such time that we can generate sufficient revenue from our various divisions.

Liquidity and Financial Resources

The Company remains in the development stage since inception. Operations were financed through proceeds from sales and the issuance of equity and loans from directors. The directors have also advanced funds into the Company to cover cash flow deficiencies . The advances have no stated repayment terms. These funds were used to pay inventory, services, legal and accounting expenses along with several other miscellaneous operational infrastructure costs.

The Company's financial statements are presented on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. At March 31, 2009, we have been unsuccessful in our efforts to raise additional capital to meet our plan of operations. Our cash position as of March 31, 2009 was $35. Since inception, we have recognized no significant revenue. We have accumulated operating losses of $10,451,707. At the present time, and over the next twelve months, our primary focus will be to develop our marketing plan, new initiatives and operational plan to establish sales and to explore various methods for raising additional funds.

Critical Accounting Policies

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of the financial statements requires the Company to make estimates and judgments that affect the reported amount of assets, liabilities, and expenses, and related disclosures of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those related to intangible assets, income taxes and contingencies and litigation. The Company bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

NEW ACCOUNTING PRONOUNCEMENTS

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141, Business Combinations, and Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets. They also issued Statement of Financial Accounting Standards No. 143, Accounting for Obligations Associated with the Retirement of Long-Lived Assets, and Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, in August and October 2001, respectively.

SFAS 141 requires all business combinations initiated after June 30, 2001 to be accounted for under the purchase method. SFAS 141 supersedes APB Opinion No. 16, Business Combinations, and Statement of Financial Accounting Standards No. 38, Accounting for Pre-acquisition Contingencies of Purchased Enterprises, and is effective for all business combinations initiated after June 30, 2001.

SFAS No. 142 addresses the financial accounting and reporting for acquired goodwill and other intangible assets. Under the new rules, the Company is no longer required to amortize goodwill and other intangible assets with indefinite lives, but will be subject to periodic testing for impairment. SFAS 142 supersedes APB Opinion No. 17, Intangible Assets. The Company's operational policy for the assessment and measurement of any impairment in the value of goodwill and intangible assets, which primarily relates to contract-based intangibles such as license agreements and extensions, is to evaluate annually, the recoverability and remaining life of its intangible assets to determine the fair value of these assets. The methodologies to be used to estimate fair value include the use of estimates and assumptions, including projected revenues, earnings and cash flows. If the fair value of any of these assets is determined to be less than its carrying value, the Company will reflect the impairment of any such asset over its appraised value.

SFAS No. 143 establishes accounting standards for the recognition and measurement of an asset retirement obligation and its associated asset retirement cost. It also provides accounting guidance for legal obligations associated with the retirement of tangible long-lived assets. SFAS 143 is effective in fiscal years beginning after June 15, 2002, with early adoption permitted. The adoption of SFAS No. 143 is not expected to have a material impact on the Company's financial statements.

SFAS 144 establishes a single accounting model for the impairment or disposal of long-lived assets, including discontinued operations. SFAS 144 superseded Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of (SFAS 121), and APB Opinion No. 30, Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions. The provisions of SFAS 144 are effective in fiscal years beginning after

December 15, 2001, with early adoption permitted, and in general are to be applied prospectively. The Company records impairment losses on long lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the asset's carrying amount. In such cases, the amount of the impairment is determined on the relative values of the impaired assets.

Financial Accounting Standards Board Interpretation No. 46, Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletin No. 51, Financial Statements, addresses consolidation by business enterprises of variable interest entities. It is effective immediately for variable interest entities created after January 31, 2003. It applies in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities acquired before February 1, 2003. The implementation of Interpretation No. 46 did not have a material effect on the Company's financial statements.

SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities, amends and clarifies accounting for derivative instruments under SFAS No. 133. It is effective for contracts entered into after June 30, 2003. The impact of adoption of this statement is not expected to be significant.

SFAS No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity, establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liability and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). This statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The impact of adoption of this statement is not expected to be significant.

In December 2004, the FASB issued SFAS 153, Exchanges of Non-monetary Assets, an amendment of APB No. 29, Accounting for Non-monetary Transactions. SFAS 153 requires exchanges of productive assets to be accounted for at fair value, rather than at carryover basis, unless (1) neither the asset received nor the asset surrendered has a fair value that is determinable within reasonable limits or (2) the transactions lack commercial substance. SFAS 153 is effective for non-monetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company does not expect the adoption of this standard to have a material effect on its financial position, results of operations or cash flows.

In December 2004, the FASB issued Statement 123 (revised 2004) which is a revision of FASB Statement No. 123, Accounting for Stock-Based Compensation. This Statement supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees, and its related implementation guidance. This Statement establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. This Statement focuses primarily on accounting for transactions in which an entity obtains services in share-based payment transactions. This Statement requires a public entity to measure the cost of services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award the requisite service period (usually the vesting period).

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are primarily exposed to foreign currency risk, interest rate risk and credit risk.

Foreign Currency Risk - We import products from foreign countries into the United States and market our products in North America. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or, if we initiate our planned international operations, weak economic conditions in foreign markets. Because our revenues are currently denominated in U.S. dollars, a strengthening of the dollar could make our products less competitive in foreign markets that we plan to enter. We have not hedged foreign currency exposures related to transactions denominated in currencies other than U.S. dollars. We do not engage in financial transactions for trading or speculative purposes.

Interest Rate Risk - Interest rate risk refers to fluctuations in the value of a security resulting from changes in the general level of interest rates. Investments that are classified as cash and cash equivalents have original maturities of three months or less. Our interest income is sensitive to changes in the general level of U.S. interest rates. We do not have significant short-term investments, and due to the short-term nature of our investments, we believe that there is not a material risk exposure.

Credit Risk - Our accounts receivables are subject, in the normal course of business, to collection risks. We regularly assess these risks and have established policies and business practices to protect against the adverse effects of collection risks. As a result we do not anticipate any material losses in this area.

Item 8. Financial Statements and Supplementary Data.

The financial statements and supplementary data are located at the end of this report.

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

Not applicable

Item 9A (T). Controls and Procedures.

As supervised by our board of directors and our principal executive and principal financial officers, management has established a system of disclosure controls and procedures and has evaluated the effectiveness of that system. The system and its evaluation are reported on in the below Management's Annual Report on Internal Control over Financial Reporting. Our principal executive and financial officer has concluded that our disclosure controls and procedures (as defined in the 1934 Securities Exchange Act Rule 13a-15(e)) as of March 31, 2009, are effective, based on the evaluation of these controls and procedures required by paragraph (b) of Rule 13a-15.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934 (the "Exchange Act"). Internal control over financial reporting is a process 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. generally accepted accounting principles.

Management assessed the effectiveness of internal control over financial reporting as of March 31, 2009. We carried out this assessment using the criteria of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework.

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 Securities and Exchange Commission that permit us to provide only management's report in this annual report. Management concluded in this assessment that as of March 31, 2009, our internal control over financial reporting is effective.

There have been no significant changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter of our 2009 fiscal year 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, Executive Officers, Promoters, Control Persons and Corporate Governance.

Directors and Executive Officers

The following sets forth-certain information with respect to the directors and executive officers of Wataire:

Name Age Position

Name	Age	Office Held
Robert Rosner (1)	44	CEO, Secretary, Director, Chairman of the Board
Thomas M. Braid (2)	47	Treasurer, CFO, Director

Notes:

(1)

Mr. Rosner was appointed a Director and Corporate Secretary on August , 2003; he resigned as Corporate Secretary on August 19, 2005 and was appointed Chief Executive Officer, Chairman of the Board and President. Mr. Rosner was appointed Corporate Secretary on March 13, 2007 and resigned as President on April 23, 2007.

(2)

Mr. Jordan was appointed a Director, Corporate Secretary, Treasurer and Chief Financial Officer on August 19, 2005; he resigned as Corporate Secretary on September 27, 2006.

On January 16, 2008, the Company accepted the resignation of Terrence Nylander as officer and director.

On March 13, 2007, the Company accepted the resignations of Max Weissengruber and Nand Shankar.

On September 27, 2006, Nand Shankar was elected as Director and Corporate Secretary.

On July 27, 2006, Max Weissengruber, Mark Miziolek and Ron Moodie were elected as Directors of the Company pursuant to the license agreement with Wataire Industries Inc. On December 20, 2006, the Board of Directors received and accepted the resignation of Mark Miziolek. On January 5, 2007, the Board of Directors received and accepted the resignation of Ron Moodie.

As at September 27, 2006, Nand Shankar was elected as Director pursuant to the license agreement with Wataire Industries Inc. Mr. Shankar was then elected as Corporate Secretary on September 27, 2006 when Richard Jordan resigned as Secretary.

On August 19, 2005, Donald Walker resigned as officer and director of the Company. Mr. Rosner replaced Mr. Walker as

President, Chief Executive Officer and Chairman of the Board, and Mr. Jordan filled the vacant director position and was appointed Corporate Secretary, Treasurer and Chief Financial Officer of the Company.

On June 12, 2009, Mr. Richard Jordan resigned as Director, Chief Financial Officer and Treasurer of the Company. The Board of Directors have appointed Mr. Thomas M Braid as Director, Chief Financial Officer and Treasurer of the Company on June 12, 2009.

Set forth below is a brief description of the background and business experience of each of our executive officers and directors for the past five years.

Mr. Robert Rosner – President, Chief Executive Officer, Director and Chairman of the Board

Mr. Rosner has served as the Company's Chairman and Chief Executive Officer since August 2005. He was the Vice President of Regulatory Affairs and Compliance and Corporate Secretary from August 2003 until August 2005. He was President from August 2005 to April 2007. Mr. Rosner was appointed Corporate Secretary in March 2007. He has been a member of the Company's board of directors since August 2003. Mr. Rosner was the president and director of Fortuna Silver Mines Inc., a company listed on the Canadian Venture Exchange, from June 1996 to January 2005.

Mr. Thomas M. Braid – Treasurer, Chief Financial Officer and Director

Mr. Braid was appointed as Director, Chief Financial Officer and Treasurer on June 12, 2009. Mr. Braid had over 30 years of experience in the newspaper industry. He is a widely respected and multi-award winning photojournalist, photo department manager, college instructor, workshop leader and community volunteer. In October of 2002, Thomas was awarded the Queen's Golden Jubilee Medal by the Governor General of Canada and the Canadian Government. In 2007, Thomas was awarded the Edmonton Sun's highest award by being honored with the Douglas Creighton Award.

TERM OF OFFICE

Our directors are elected for a one-year term to hold office until the next annual general meeting of our shareholders or until removed from office in accordance with our bylaws. Our officers are appointed by our board of directors and hold office until removed by the board.

ADVISORY BOARD MEMBERS

The Company's advisory board members were appointed by the Board of Directors to help oversee and provide support relating to the Company's business affairs. The advisory board members meet in person or via telephone conferencing with the Board of Directors.

In May 2007, the Company initiated its Advisory Board consisting of Professor James Marsden, PhD and Mr. Brian Baker, BA. Mr. Brian Baker passed away recently. Dr. James Marsden, a distinguished scientist and food safety and security expert, is the Company's Chairman of the Scientific Advisory Board. Dr. Marsden currently serves as Regent's Distinguished Professor and Associate Director of the Biosecurity Institute at Kansas State University ("KSU"). KSU has placed a major emphasis on food safety and security. The research and educational activities at KSU address issues that directly impact human health, agricultural security and the economy. The university is the site of the Biosecurity Research Institute and the National Agricultural Biosecurity Center. Dr. Marsden will advise us on issues relating to the production of water for consumer products; products sized for large commercial applications; government and military systems; remote systems designed to produce drinking water and sanitation in developing countries.

Committees

We do not have an audit committee, although we intend to establish such a committee, with an independent "audit committee financial expert" member as defined in the rules of the SEC.

Corporate Code of Conduct

We are reviewing a proposed corporate code of conduct, which would provide for internal procedures concerning the reporting and disclosure of corporate matters that are material to our business and to our stockholders. The corporate code of conduct would include a code of ethics for our officers and employees as to workplace conduct, dealings with customers, compliance with laws, improper payments, conflicts of interest, insider trading, company confidential information, and behavior with honesty and integrity.

Section 16(A) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Act of 1934 requires the Company's officers and directors, and greater than 10% stockholders, to file reports of ownership and changes in ownership of its securities with the SEC. Copies of the reports are required by SEC regulation to be furnished to the Company.

Based solely upon a review of the Forms 3, 4, and 5 furnished to us for the fiscal year ended March 31, 2009, we have determined that our directors, officers, and greater than 10% beneficial owners complied with all applicable Section 16 filing requirements.

Item 11. Executive Compensation.

The following table sets forth information for the years ended March 31, 2009, 2008 and 2007 concerning the compensation paid or awarded to the Chief Executive Officer and President of PPMC.

FILL IN FOR LAST THREE FISCAL YEARS

SUMMARY COMPENSATION TABLE

EXECUTIVE COMPENSATION POLICIES

Name and principal position (a)	Year (b)	Annual compensation			Long-term compensation			
					Awards		Payouts	
		Salary ($) (c)	Bonus ($) (d)	Other annual compensation ($) (e)	Restricted stock award(s) ($) (f)	Securities underlying options/ SARs (#) (g)	LTIP payouts ($) (h)	All other compensation ($) (i)
Robert Rosner CEO, Secretary & Director	2009 2008 2007	180,000 75,000 120,000	Nil	Nil	Nil	Nil 3,500,000	Nil	Nil
Richard Jordan Treasurer, CFO & Director	2009 2008 2007	Nil Nil Nil	Nil	Nil	Nil	 200,000	Nil	Nil
Terrence Nylander Former President & Former Director	2008 2007	Nil 2,360	Nil	Nil	Nil	Nil 250,000	Nil	Nil
Nand Shankar Former Secretary & Former Director	2007	4,275	Nil	Nil	Nil	Nil	Nil	Nil

The Company anticipates entering into an employment contract with Robert Rosner, our Chief Executive Officer, but can provide no assurance that we will come to terms for such employment agreement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth certain information regarding the beneficial ownership of the Company's common stock as of June 30, 2009, by (a) each person known by the Company to own beneficially more than 5% of the Company's common stock, (b) each director of the Company who beneficially owns common stock, and (c) all officers and directors of the Company as a group. Each named beneficial owner has sole voting and investment power with respect to the shares owned.

As of July 14, 2009, there were 91,110,123 shares of common stock outstanding.

Name and Address of Beneficial Owner	Position	Amount and Nature of Beneficial Ownership	Percent of Common Stock (1)
Robert Rosner 21550 Oxnard Street, Suite 300 Woodland Hills, California 91367	CEO, Secretary Director	21,498,328 shares (2)	23.60%
Wataire Ecosafe Technologies Inc. 3033 King George Hwy Suite 24 Surrey, BC Canada	Shareholder	13,400,000 shares (3)	14.71%
All Directors and Officers as a group (1 person)		21,498,328 shares	23.60%

Beneficial ownership of common stock has been determined for purposes of the above table in accordance with Rule 13d-3 under the Exchange Act, under which a person is deemed to be the beneficial owner of securities if such person has or shares voting power or investment power with respect to such securities, has the right to acquire beneficial ownership within 60 days or acquires such securities with the purpose or effect of changing or influencing the control of the Company.. A person is deemed to be the beneficial owner of securities that can be acquired by such person within 60 days from the date of this information statement upon the exercise of warrants or options. Each beneficial owner's percentage ownership is determined by assuming that options and warrants that are held by such person (but not those held by any other person) and that are exercisable within 60 days from the date of this Annual Report have been exercised. For purposes of calculating beneficial ownership, assumes 91,110,123 shares of common stock of the Company as issued and outstanding as of the date of this Annual Report. The amount issued is 91,110,123 common shares.

Voting and dispositive power over the shares held of record by Ecosafe Innotech Inc., (formerly, Wataire Ecosafe Technologies Inc., formerly Wataire Industries Inc.) is exercised by its board of directors.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

In January 2007, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, up to 200,000 units, each unit consisting of a share of common stock and a warrant to purchase a share of common stock, in consideration for the forgiveness of up to $150,000 of indebtedness of the Company to Mr. Rosner ($.75 per unit). The warrants stock expire December 31, 2008 and are exercisable at $.85 per share if the warrant is exercised on or before June 30, 2007, at $1.00 if the warrant is exercised on or before December 31, 2007, and at $1.15 if the warrant is exercised on or before December 31, 2008. 195,334 units were issued to Mr. Rosner.

In October 2007, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, 696,494 units, each unit consisting of a share of common stock and a warrant to purchase a share of common stock, in consideration for the forgiveness of up to $118,404 of indebtedness of the Company to Mr. Rosner ($.17 per unit). The warrants stock will expire on September 30, 2010 and are exercisable at $0.17 per share.

In March 2008, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, 4,400,000 units, each unit consisting of a share of common stock and one half of a warrant whereby each whole warrant entitles the holder to purchase a share of common stock, in consideration for the forgiveness of $220,000 of indebtedness of the Company to Mr. Rosner ($0.05 per unit). The warrants stock will expire on March 18, 2011 and are exercisable at $0.05 per share. As of the date of this annual report, the shares have not been issued.

In March 2008, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, 25,000 shares of Preferred stock, in consideration for the forgiveness of $5,000 of indebtedness of the Company to Mr. Rosner ($0.20 per share). As of the date of this annual report, the shares have not been issued.

In June 2008, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, 1,000,000 units, each unit consisting of a share of common stock and a warrant to purchase a share of common stock, in consideration for the forgiveness of $60,000 of indebtedness of the Company to Mr. Rosner ($0.06 per unit). The warrants stock will expire June 16, 2011 and exercisable at $0.06 per share. As of the date of this annual report, the shares have not been issued.

In July 2008, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, 1,000,000 units, each unit consisting of a share of common stock and a warrant to purchase a share of common stock, in consideration for the forgiveness of $50,000 of indebtedness of the Company to Mr. Rosner ($0.05 per unit). The warrants stock will expire July 7, 2011 and exercisable at $0.05 per share. As of the date of this annual report, the shares have not been issued.

In January 9, 2009, the Company agreed to issue to Robert Rosner, our Chief Executive Officer, 8,000,000 common shares at $0.005 per share, in consideration for the forgiveness of $40,000 of indebtedness of the Company to Mr. Rosner.

In February 26, 2009, the Company have signed agreement with existing warrant options holders to cancel all existing warrant options available to the Company.
Our management is involved in other business activities and may, in the future become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between our business and their other business interests. In the event that a conflict of interest arises at a meeting of our directors, a director who has such a conflict will disclose his interest in a proposed transaction and will abstain from voting for or against the approval of such transaction.

Item 14. Principal Accountant Fees and Services.

Audit Fees . Audit fees expected to be billed to us by for the audit of financial statements included in our Annual Reports on Form 10-K for the years ended March 31, 2009 and 2008 are approximately $20,000 and $20,000, respectively. These fees include auditing fees and review of quarterly financial statements for the fiscal years ended March 31, 2009 and 2008 respectively.

Tax Fees . We have been billed an aggregate of $Nil for the fiscal years ended March 31, 2009 and March 31, 2008, respectively, for tax services.

All Other Fees . We have been billed an aggregate of $Nil for the fiscal years ended March 31, 2009 and 2008 respectively, for permitted non-audit services.

Other Matters . N.A.

To our knowledge, there have been no persons, other than Gruber & Company’s full time, permanent employees who have worked on the audit or review of our financial statements.

Item 15. Exhibits and Financial Statement Schedules.

(3) Exhibits.

Exhibit Number	Description of Exhibit
3.3	Amendment of Articles of Incorporation (1)
10.1	License Agreement between the Company and Wataire Industries Inc. dated July 10, 2006 (2)
10.2	License Agreement between the Company and Wataire industries Inc. dated September 12, 2006 (5)
10.3	Amended License Agreement between the Company and Wataire Industries Inc. dated October 19, 2006 (6)
10.4	Amended License Agreement between the Company and Wataire Industries Inc. dated October 19, 2006 (6)
10.5	2006 Stock Option Plan (9)
10.6	Form of Stock Option Agreement at $0.50 (9)
10.7	Form of Stock Option Agreement at $0.62 (10)
10.8	Amended 2006 Stock Option Plan (8)
10.9	Consulting Agreement between Cucoloris Films Inc. and the Company dated December 11, 2006 (7)
10.10	Consulting Agreement between Cucoloris Films Inc. and the Company dated December 11, 2006 (7)
10.12	Warrant issued to P204 Enterprises Ltd. on October 17, 2006 (11)
10.13	License Agreement between Airborne Water Company and the Company dated January 25, 2007 (12)
10.14	IP Transfer Agreements between the Company, Wataire Industries Inc., Canadian Dew Technologies Inc., Terrence Nylander and Roland Wahlgren (13)
10.15	Form of Stock Option Agreement at $0.57 (14)
10.16	Form of Stock Option Agreement at $0.65 (15)

10.17 Compensation Agreement between Cucoloris Films Inc. and the Company dated May 23, 2007

10.18 Amendment to Agreement between Airborne Water Company and the Company dated June 20, 2007 (17)

10.19 Agreement between Access Energy Technologies and the Company dated June 14, 2007

10.20 Amendment to Agreement between Access Technologies and the Company dated June 20, 2007 (16)

10.21 Amendment to Agreement between Aquaduct and the Company dated June 20, 2007 (17)

10.22 Exclusive Marketing Agency Agreement, dated June 13, 2007, between the Company and Access Energy Technologies Ltd. (16)

31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

31.2 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.1 Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.1 Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

99.1 License Agreement between the Company and On4 Communications Inc., formerly Petsmobility Network (Canada) Inc. (4)

99.2 Asset Purchase Agreement between the Company, Petsmobility Inc. and On4 Communications, Inc. (3)

99.3 Rescission Agreement between the Company and On4 Communications, Inc. (3)

99.4 Articles of Correction (3)

Notes:

(1) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated June 14, 2004 and October 17, 2006.

(2) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated July 14, 2006.

(3) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated February 6, 2006.

(4) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated June 17, 2005.

(5) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated September 15, 2006

(6) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated October 23, 2006.

(7) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated December 15, 2006.

(8) Filed with this report.

(9) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated October 10, 2006.

(10) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated November 13, 2006.

(11) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated October 20, 2006.

(12) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated January 31, 2007

(13) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated April 30, 2007.

(14) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated April 10, 2007.

(15) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated May 9, 2007.

(16)
Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated June 18, 2007.
(17)
Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated June 20, 2007.
(18)
Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated October 10, 2007.

(19)
Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated December 11, 2007.
(20)
Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated January 23, 2008.
(21)
Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated January 23, 2008.
(22)
Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated March 26, 2008.
(23)
Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated April 1, 2008.
(24)
Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated June 20, 2008.
(25)
Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated January 15, 2009.
(26)
Previously filed with the Securities and Exchange Commission as an exhibit to the Form 8-K dated June 18, 2009.

SIGNATURES

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: July 23, 2009

WATAIRE INTERNATIONAL, INC.

By:_ /s/ Robert Rosner
Robert Rosner
Chief Executive Officer,
Director

July 23, 2009

By: /S/ Thomas M. Braid
Thomas M. Braid
Chief Financial Officer,
Director

Item 8 Financial Statements.

WATAIRE INTERNATIONAL, INC.

(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

(Stated in US Dollars)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

THE BOARD OF WATAIRE INTERNATIONAL, INC.

We have audited the accompanying consolidated balance sheets of Wataire International, Inc. (a Developmental Stage Company) as of March 31, 2009 and 2008, and the related statement of operations, stockholders equity and cash flows for the periods 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.

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 our 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. Our audit included 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 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 our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wataire International, Inc. (a Developmental Stage Company) as of March 31, 2009 and 2008, the results of its' operations and its' stockholders equity and cash flows for the periods then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company's viability is dependent upon its ability to obtain future financing and the success of its future operations. These factors raise substantial doubt as to the Company's ability to continue as a going concern. Management's plan in regard to these matters is described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Gruber & Company, LLC Saint Louis, Missouri
July 22, 2009

WATAIRE INTERNATIONAL, INC.

(Formerly Cimbix Corporation)
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS
as at March 31, 2009 and 2008
(Stated in US Dollars)

	March 31, 2009	March 31, 2008
Assets		
Current Assets		
Cash	35	-
Accounts receivable	-	2,800
Prepaid expenses & retainer	9,766	2,280
Advance on marketing agreements	250,000	250,000
Advance on inventory	-	174,635
Inventory	250,456	308,328
Total Current Assets	510,257	738,043
Capital assets, net	308	615
Patents, Trademarks	31,434	20,746
Acquisitions of intangibles	2,546,062	2,546,062
Total Assets	3,088,061	3,305,466
Liabilities		
Current Liabilities		
Accounts payable	353,854	321,308
Bank indebtedness	-	5,885
Shareholder loan and interest	106,589	-
Due to related parties	1,280	2,280
Deferred revenue	189,067	154,540
Total Liabilities	650,790	484,013
Stockholders' Equity		
Capital stock		
Authorized:		
100,000,000 common shares with a par value of $0.0001		
20,000,000 preferred shares with a par value of $0.0001, redeemable at $0.005		
Issued and outstanding:		
87,110,123 common shares (March 31, 2008: 74,399,011)	8,711	7,440
27,501 preferred shares (March 31, 2008: 27,501)	3	3
Additional paid-in capital	12,880,264	12,551,535
Deficit accumulated during the development stage	(10,451,707)	(9,737,525)
Total Equity	2,437,271	2,821,453
Total Liabilities and Stockholders' Equity	3,088,061	3,305,466

The accompanying notes are an integral part of the financial statements

WATAIRE INTERNATIONAL, INC.
(Formerly Cimbix Corporation)
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
for the years ended March 31, 2009 and 2008 and
for the period August 17, 2000 (Inception) to March 31, 2009
(Stated in US Dollars)
(Audited)

	Year ended March 31,		August 17, 2000 (Inception) to March 31,
	2009	2008	2009
Sales	174,540	195,792	488,102
Cost of sales	(149,724)	(139,871)	(376,292)
Gross margin	24,816	55,921	111,810
Other income	-	-	9,500
	24,816	55,921	121,310
Expenses			
Advances written off	149,542	-	234,542
Amortization	307	19,975	70,743
Bad debt written off	2800	-	2,800
Consulting fees	119,005	37,436	430,370
Donated services	-	-	11,250
Foreign exchange (gain)/loss	21,399	(49,118)	(42,356)
General and administrative	54,979	81,438	236,435
Incorporation costs	-	-	2,005
Management fees	180,000	137,360	646,883
Marketing and promotion	30,692	55,211	164,601
Professional fees	54,126	81,482	363,855
Research & Development	105,000	97,143	202,143
Rent	11,341	29,906	49,009
Settlement of accounts payable	-	-	(3,250)
Stock-based compensation	-	1,617,300	8,010,050
Travel	9,807	39,270	70,246
Website development costs	-	-	8,700
Total Expenses	738,998	2,147,403	10,458,026
Loss from continuing operations	(714,182)	(2,091,482)	(10,336,716)
Loss from discontinued operations	-	-	(114,991)
Net loss for the period	(714,182)	(2,091,482)	(10,451,707)
Basic and diluted loss per share	(0.01)	(0.03)	
Weighted average number of shares outstanding	80,863,905	70,725,144	

The accompanying notes are an integral part of the financial statements

WATAIRE INTERNATIONAL, INC.
(Formerly Cimbix Corporation)
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY)
for the period August 17, 2000 (Inception) to March 31, 2009
(Stated in US Dollars)
(Audited)

	Common Shares	Amount	Share Subscriptions Received	Preferred Shares	Amount	Additional Paid-in Capital	Accum. Deficit	Total Stockholders' Equity
Common shares issued	200	-				10		10
Share subscriptions			150,280					150,280
Net loss for the period							(216,896)	(216,896)
Balance Sept 30, 2001	200	-	150,280	-	-	10	(216,896)	(66,606)
Share subscriptions			76,105					76,105
Net loss for the year							(29,313)	(29,313)
Balance Sept 30, 2002	200	-	226,385	-	-	10	(246,209)	(19,814)
Share subscriptions			5,000					5,000
Common shares issued	80,160	8	(231,385)			232,542		1,165
Adjustment to number of shares outstanding as a result of the acquisition of Millennium Business Group USA, Inc.								
Millennium Business Group USA, Inc.	(80,360)	(8)				(232,552)	232,560	-
Cimbix Corporation	170,240	17				232,543	(232,560)	-
Fair value of shares issued in connection with the acquisition of Millennium Business Group USA, Inc.	80,360	8		2,501	1	(9)		-
Net asset deficiency of legal parent at date of reserve take-over transaction							(20,167)	(20,167)
Common shares issued	2,772	-				13,810		13,810
Common shares issued	1,000	-				7,500		7,500
Donated services						2,250		2,250
Net loss for the year							(98,849)	(98,849)
Balance Sept 30, 2003	254,372	25	-	2,501	1	256,094	(365,225)	(109,105)

The accompanying notes are an integral part of the financial statements

WATAIRE INTERNATIONAL, INC.
(Formerly Cimbix Corporation)
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY)
for the period August 17, 2000 (Inception) to March 31, 2009
(Stated in US Dollars)
(Audited)

	Common Shares	Amount	Preferred Shares	Amount	Additional Paid-in Capital	Accum. Deficit	Total Stockholders' Equity
Balance Sept 30, 2003	254,372	25	2,501	1	256,094	(365,225)	(109,105)
Common shares issued	5,000	1			49,999		50,000
Common shares issued	600,000	60			29,940		30,000
Net loss for the year						(227,180)	(227,180)
Balance Sept 30, 2004	859,372	86	2,501	1	336,033	(592,405)	(256,285)
Common shares issued	160,000	16			484		500
Common shares issued	36,000,000	3,600			86,400		90,000
Common shares issued	8,960,000	896			94,304		95,200
Common shares issued	2,440,000	244			121,756		122,000
Common shares issued	250,000	25			11,225		11,250
Disposal of MBG					(140,949)		(140,949)
Net loss for the year						(79,243)	(79,243)
Balance Sept 30, 2005	48,669,372	4,867	2,501	1	509,253	(671,648)	(157,527)
Common shares issued	336,000	34			15,086		15,120
Common shares issued	10,000,000	1,000			619,000		620,000
Common shares issued	440,000	44			109,956		110,000
Common shares issued	1,000,000	100			559,900		560,000
Inventory donated					9,945		9,945
Net loss for the year						(297,661)	(297,661)
Balance Sept 30, 2006	60,445,372	6,045	2,501	1	1,823,140	(969,309)	859,877
Common shares issued	272,536	27			204,375		204,402
Common shares issued	1,834,045	183			880,157		880,340
Common shares issued	1,000,000	100			409,900		410,000
Common shares issued	4,800,000	480			959,520		960,000
Stock-based compensation					8,010,050		8,010,050
Net loss for the year						(8,430,656)	(8,430,656)
Balance Sept 30, 2007	68,351,953	6,835	2,501	1	12,287,142	(9,399,965)	2,894,013
Common shares issued	2,058,823	205			349,795		350,000
Common shares issued	588,235	60			99,940		100,000
Common shares issued	4,400,000	440			219,560		220,000
Cancellation of shares	(1,000,000)	(100)			(409,900)		(410,000)
Preferred shares issued			25,000	2	4,998		5,000
Net loss for the period						(337,560)	(337,560)
Balance March 31, 2008	74,399,011	7,440	27,501	3	12,551,535	(9,737,525)	2,821,453
Common shares issued	1,600,000	160			79,840		80,000
Common shares issued	1,111,112	111			99,889		100,000
Common shares issued	1,000,000	100			59,900		60,000
Common shares issued	1,000,000	100			49,900		50,000
Common shares issued	8,000,000	800			39,200		40,000
Net loss for the year						(714,182)	(714,182)
Balance March 31, 2009	87,110,123	8,711	27,501	3	12,880,264	(10,451,707)	2,437,271

WATAIRE INTERNATIONAL, INC.

(Formerly Cimbix Corporation)
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the year ended March 31, 2009 and 2008 and
for the period August 17, 2000 (Inception) to March 31, 2009
(Stated in US Dollars)
(Audited)

	Year ended March 31, 2009	2008	August 17, 2000 (Inception) to March 31, 2009
Operating Activities			
Loss from continuing operations	(714,182)	(2,091,322)	(10,451,707)
Adjustments to reconcile loss to cash used in operating activities :			
Amortization	307	19,975	70,743
Donated services	-	-	11,250
Website development costs written off	-	-	8,700
Shares issued for services	-	-	122,070
Advances written off	149,542	-	199,542
Change in non-cash working capital items :			
Accounts receivable	2800	4,100	-
Prepaid expenses and retainers	(7,486)	(6,418)	(9,766)
Deferred revenue	34,527	154,540	189,067
Advance on marketing agreements	-	-	(250,000)
Stock-based compensation	-	1,617,300	8,010,050
Advance on inventory	25,093	123,734	(149,541)
Inventory	57,872	(305,403)	(246,361)
Accounts payable	32,546	140,062	353,854
	(418,981)	(343,432)	(2,142,099)
Investing Activities			
License payment advanced	-	-	(50,000)
Capital assets	-	(922)	(922)
Advanced to subsidiaries	-	-	(115,091)
Acquisition of intangibles-net	(10,688)	(1,023,886)	(1,467,624)
Website development costs	-	-	(8,700)
Proceeds from disposition of subsidiaries	-	-	100
	(10,688)	(1,024,808)	(1,642,237)
Financing Activities			
Bank indebtedness	(5,885)	5,885	-
Promissory notes payable	-	(36,000)	-
Shareholder loan & interest	106,589	-	106,589
Due to related parties	(1,000)	(159,495)	1,280
Shares issued for cash	180,000	985,341	1,792,102
Shares issued for Intangibles	-	79,658	960,000
Shares issued for Debt	150,000	409,313	559,313
Shares issued for Promissory Notes	-	69,247	365,087
	429,704	1,353,949	3,784,371
Increase/(Decrease) in Cash	35	(14,291)	35
Cash, beginning	-	14,291	-
Cash, ending	35	-	35

The accompanying notes are an integral part of the financial statements

WATAIRE INTERNATIONAL, INC.
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March 31, 2009
(Stated in US Dollars)
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Note 1. General Organization And Business

The Company was incorporated on August 17, 2000 in the State of Washington, USA and the Company's common shares are publicly traded on the OTC Bulletin Board. On September 26, 2006, the Company approved a name change from Cimbix Corporation to Wataire International, Inc.

The Company markets and distributes atmospheric water generator machines. It also owns all of the intellectual property relating to a water treatment process and devices for water-from-air machines. Management plans to further evaluate, develop and manage the commercialization, sub-license and/or commercial sale of these products.

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At March 31, 2009, the Company had not yet achieved profitable operations, has accumulated losses of $10,451,707 since its inception and expects to incur further losses in the development of its business, all of which cast substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon future profitable operations and/or the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has obtained additional funds by related party advances, however there is no assurance that this additional funding is adequate and further funding may be necessary.

Note 2. Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America and are stated in US dollars. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results may differ from these estimates.

The financial statements have, in management's opinion, been properly prepared within the framework of the significant accounting policies summarized below :

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(a) Development Stage Company

The Company is a development stage company as defined in the Statements of Financial Accounting Standards ("SFAS") No. 7. The Company is devoting substantially all of its present efforts to establish a new business and none of its planned principal operations have commenced. All losses accumulated since inception has been considered as part of the Company's development stage activities.

(b) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Petsmo Inc. and Aqua Technologies, Inc. All inter-company transactions and balances have been eliminated.

(c) Financial Instruments

The carrying values of cash, accounts receivable, accounts payable, promissory notes payable and due to related parties approximate fair value because of the short-term nature of these instruments. Management is of the opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(d) Inventory

Inventory, which consists of finished goods, is valued at the lower of cost net realizable value using the first in first out (FIFO) method.

(e) Website Development Costs

Under the provisions of Statement of Position No. 98-1 "Accounting for the Costs of Computer Software Development or Obtained for Internal Use," the Company previously capitalized costs of design, configuration, coding, installation and testing of the Company's website up to its initial implementation. Costs are amortized to expense over an estimated useful life of three years using the straight-line method. Ongoing website post-implementation cost of operations, including training and application, are expensed as incurred. The Company evaluates the recoverability of website development costs in accordance with Financial Accounting Standards No. 121 " Accounting of the Impairment of Long Lived Assets."

(f) Intangible Assets and Amortization

The Company has adopted SFAS No. 142 "Goodwill and Other Intangible Assets", which requires that goodwill not be amortized, but that goodwill and other intangible assets be tested annually for impairment. Intangible assets with a finite life will be amortized over the estimated useful life of the asset. The Company's operational policy for the assessment and measurement of any impairment in the intangible assets, which primarily relates to contract-based intangibles such as license agreements and extensions, is to evaluate annually, the recoverability and remaining life of its intangible assets to determine the fair value of these assets.

(g) Revenue Recognition

The Company receives revenues from the sale of water generator machines. The Company recognizes revenues when persuasive evidence of an arrangement exists, the product is delivered and collection is reasonably assured. A one-year warranty is provided by the Company on all its products.

(h) Income Taxes

The Company follows SFAS No. 109, "Accounting for Income Taxes" which requires the use of the asset and liability method of accounting for income taxes. Under the asset and liability method of SFAS 109, deferred tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and loss carry forwards and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled.

(i) Basic and Diluted Loss Per Share

The Company computes net loss per share in accordance with SFAS No. 128. "Earnings Per Share". SFAS 128 requires presentation of both basic and diluted earnings per share ("ESP") on the face of the income statement. Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted EPS gives effect to all dilative potential common shares outstanding during the year including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the year is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilative potential common shares if their effect is anti dilative.

(j) Stock-based Compensation

In December 2004, the Financial Accounting Standards Board issued FAS 123R "Share-Based Payment", a revision to FAS 123. FAS 123R replaces existing requirements under FAS 123 and APB 25, and requires public companies to recognize the cost of employee services received in exchange for equity instruments, based on the grant-date fair value of those instruments, with limited exceptions. FAS 123R also affects the pattern in which compensation cost is recognized, the accounting for employee share purchase plans, and the accounting for income tax effects of share-based payment transactions. For small business filers, FAS 123R is effective for interim or annual periods beginning after December 15, 2005. The Company adopted FAS 123R on October 1, 2006.

(k) Foreign Currency Translation

The Company translates foreign currency transactions and balances to its reporting currency, United States dollars, in accordance with SFAS No. 52, "Foreign Currency Translation". Monetary assets and liabilities are translated into the functional currency at the exchange rate in effect at the end of the year. Non-monetary assets and liabilities are translated at the exchange rate prevailing when the assets were acquired or the liabilities assumed. Revenues and expenses are translated at the rate approximating the rate of exchange on the transaction date. All exchange gains and losses are included in the determinination of net income (loss) for the year.

(l) Reclassifications

Certain items in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current period's presentation. These reclassifications have no effect to the previously reported income (loss).

(m) Change in Reporting Year

The Company adopted March 31 as its fiscal year end from September 30 in 2008.

(n) Recently Issued Accounting Pronouncements

In May 2008, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 162, The Hierarchy of Generally Accepted Accounting Principles. SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles that are presented in conformity with generally accepted accounting principles in the United States. SFAS No. 162 is effective 60 days following the Securities and Exchange Commission’s approval of the Public Company Accounting Oversight Board amendments to AU Section 411, The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles. The Company does not believe SFAS No. 162 will have a material impact on its financial statements.

In March 2008, the FASB issued SFAS No. 161, Disclosure about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133. SFAS No. 161 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement No. 133 and its related interpretations and (c) how derivative instruments and related hedged items affect an entity’s financial position, financial performance and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company does not believe SFAS No. 161 will have a material impact on its financial statements.

In December 2007, the FASB issued SFAS No. 141(R), Business Combinations. SFAS No. 141(R) retains the fundamental requirements in SFAS No. 141, Business Combinations, that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. SFAS No. 141(R) requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions specified in SFAS No. 141(R). In addition, SFAS No. 141(R) requires acquisition costs and restructuring costs that the acquirer expected but was not obligated to incur to be recognized separately from the business combination, therefore, expensed instead of part of the purchase price allocation. SFAS No. 141(R) will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Early adoption is prohibited. The Company expects to adopt SFAS No. 141(R) to any business combinations with an acquisition date on or after January 1, 2009. The Company does not believe SFAS No. 141(R) will have a material impact on its financial statements.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements, an amendment to ARB No. 51. SFAS No. 160 changes the accounting and reporting for minority interests, which will be recharacterized as noncontrolling interests and classified as a component of equity. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Early adoption is prohibited. The Company does not believe SFAS No. 160 will have a material impact on its financial statements.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities. SFAS No. 159 permits an entity to irrevocably elect fair value on a contract-by-contract basis as the initial and subsequent measurement attribute for many financial assets and liabilities and certain other items including insurance contracts. Entities electing the fair value option would be required to recognize changes in fair value in earnings and to expense upfront cost and fees associated with the item for which the fair value option is elected. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of SFAS No. 157, Fair Value Measurements. The Company does not expect the adoption of SFAS No. 159 to have a material impact on its financial condition or results of operations.

Note 3. Related Party Transactions

During the year ended March 31, 2009, directors of the company charged the following expenses to the Company:

Management fees	$180,000
Loan interest	$5,000

Note 4. Common Stock

For the Year Ended March 31, 2008

Share Subscriptions

The Company entered into a private placement agreement to issue 588,235 common stock at $0.17 per share for proceeds of $100,000 on December 5, 2007 to an accredited investor.

Share For Debt Settlements

On October 5, 2007, the Company approved the issuance of 2,058,823 units at $0.17 per unit to settle amounts due to a director of the Company and a shareholder of the Company totaling $350,000. Each unit contained one common share and one share purchase warrant exercisable at $0.17 per share on or before September 30, 2010.

On March 19, 2008 the Company approved the issuance of 4,400,000 units at $0.05 per unit to settle amounts due to a director of the Company totaling $220,000. Each unit contained one common share and one half share purchase warrant exercisable at $0.05 per share on or before March 18, 2011.

On March 19, 2008 the Company approved the issuance of 25,000 preferred shares at $0.20 per share to settle amounts due to a director of the Company totaling $5,000.

For the Year Ended March 31, 2009

Share Subscriptions

On April 8, 2008, the Company entered into an agreement to issued 1,600,000 units at $0.05 per unit with Darfield Financial Corp. for an aggregate amount of $80,000. Each unit consists of one common share and one half warrant exercisable at $0.05 per share on or before April 7, 2011.

On May 30, 2008 the Company entered into a private placement agreement to issued 1,111,112 common stock at $0.09 per share for proceeds of $100,000 to two accredited investors and to issued 555,556 common stock to each investor.

Share For Debt Settlements

On June 17, 2008, the Company approved the issuance of 1,000,000 units at $0.06 per share to settle amounts due to a director of the Company totaling $60,000. Each unit contain one common share and one share warrant exercisable at $0.06 per share on or before June 16, 2011.

On July 8, 2008, the Company approved the issuance of 1,000,000 units at $0.05 per share to settle amounts due to a director of the Company totaling $50,000. Each unit contain one common share and one share warrant exercisable at $0.05 per share on or before July 7, 2011.

On January 9, 2009, the Company approved the issuance of 8,000,000 common shares at $0.005 per share to settle amounts due to a director of the Company totaling $40,000.

On February 26, 2009, the Company have signed agreement with existing warrant options holders to cancel all existing warrant options available to the Company.

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Note 5. Warrants

During February 2009, the Company received signed consent agreements with all existing warrant holders that cancel the entire balance of 7,058,823 outstanding warrants.

Note 6. Stock Options and Stock Based Compensation

During 2006, the Company authorized a share option plan under which employees were granted options to purchase shares of authorized but unissued, common shares. During the years ended March 31, 2009 and 2008, all options issued in this plan were either forfeited as options went unexercised due to employee terminations or cancelled via signed consent agreements with all remaining option holders.
SFAS No. 123R also required the Company to change its classification, in the consolidated statement of cash flows, of any tax benefits realized upon the exercise of stock options in excess of that which is associated with the expense recognized for financial reporting purposes. No significant tax benefits were recognized for the periods ended March 31, 2009 or 2008.
The Black-Scholes valuation model was utilized in estimating the calculated value, with the following weighted average assumptions:

	2009	2008
Expected Dividend Yield	0.00%	0.00%
Risk Free Interest Rate	3.00%	4.58%
Expected Volatility	150%	153%
Expected Option Life (in years average)	0.00	5.53

A summary of the status of the Company's share option plan for the periods ended as of March 31, 2009 and 2008, is as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding March 31, 2007	**-**	**$**	**-**
Granted	12,270,000	$	0.71
Forfeited/Cancelled	(7,075,000)	$	0.75
Exercised	-	$	-
Outstanding March 31, 2008	**5,195,000**	**$**	**0.67**
Granted	-	$	-
Forfeited/Cancelled	(5,195,000)	$	0.67
Exercised	-	$	-
Outstanding March 31, 2009	**-**	**$**	**-**

There was no compensation charge associated with stock options included in the statement of operations for the years ended March 31, 2009 and 2008.

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Note 7. Contingencies

Agreement

On December 11, 2006 and December 12, 2006, the Company entered into two marketing agreements in which the Company would pay $1,000,000 and issue 1,000,000 common shares. During the year ended March 31, 2008, the Company paid $250,000 in respect to the cash portion of the agreements and had issued 1,000,000 common shares of the Company. The 1,000,000 shares issued were not released to the marketing company as it has not commenced its branding and marketing efforts and the contract has expired. The 1,000,000 shares have been returned back to treasury. The $250,000 is classified as an Advance on Marketing Agreements on the balance sheet. The Company is currently re-negotiating new terms on this agreement.

Legal

On October 11, 2006, the Company was named as a co-defendant in a lawsuit whereby The plaintiffs were claiming general damages, with respect to funds totaling approximately $94,000 which were allegedly misappropriated, interest, costs and such further and other relief as the court may deem just. Management of the Company believed the claim was without merit and was unlikely to succeed. The Company filed a statement of defense denying the allegations and a counterclaim for defamation. The court ordered a severance of the action, and required the plaintiffs to prove their damages, before proceeding to trial on issues of liability. The lawsuit by the plaintiffs was dismissed on October 6, 2008.

Aquaduct International. LLC v. Wataire International, Inc. et. ai, Los Angeles County Superior Court Case No. LC083752. This litigation was commenced on December 11, 2008 by the Company's former distributor over the alleged purchase of certain atmospheric water machines. On July 20, 2009, the Company answered the lawsuit and filed a cross-complaint against the plaintiff. Both parties are interested in resolving this dispute informally rather than proceeding further into litigation. To that end, mediation has been scheduled for August 20, 2009 in Los Angeles County with a private mediator. We cannot provide a reasonable evaluation of the likelihood of an unfavorable outcome at this time since no discovery has commenced on the Company's cross-complaint and only very basic discovery has been performed in connection with the complaint. No loss provision has been recorded as of March 31, 2009.

Note 8. Inventory

At March 31, 2009 and 2008, inventories are comprised of finished water-from-air machines totaling $250,456, and $308,328, respectively.

(Stated in US Dollars)

Note 9. Intangibles

On April 25, 2007, the Company entered into an agreement to acquire all of the intellectual property ("IP") relating to a water treatment process and related devices for water-from-air machines from Wataire Industries Inc., Canadian Dew Technologies Inc., Terrence Nylander and Roland Wahlgren. Mr. Nylander was at the time of signing the agreement and currently, the President of the Company. Consideration for the purchase of the IP was $476,190 (CAD $500,000), which was paid on March 31, 2007, the issuance of 4,800,000 shares of common stock of the Company, the agreement by the Company to pay a royalty equal to 5% of the gross profits from the sales of all apparatus or products relating to the IP for a period of 30 years from April 25, 2007 and a royalty equal to 5% of gross licensing revenues on the IP. This consideration is in addition to the 11,000,000 shares of common stock previously issued for the license rights as disclosed in the Company's annual September 30, 2006 audited consolidated financial statements. The IP acquisition was completed in July 2007.

The IP acquired by the Company includes all copyrights, patent rights, trade secret rights, trade names, trademark rights, process information, technical information, contract rights and obligations, designs, drawings, inventions and all other intellectual and industrial property rights of any sort related to or associated with the invention.

The intangibles consist of patents and trademark applications of $31,434 and the cost of the acquisition of IP Technology of $2,546,062 as described above.

Patents, Trademark applications	$	31,434
4,800,000 shares issued to Wataire Ecosafe and Canadian Dew Technologies	$	960,000
Cash consideration		476,190
Remaining license rights including 11,000,000 shares issued to Wataire Ecosafe		1,109,872
	$	2,546,062

Note 10. Deferred Revenue

As of March 31, 2009 and 2008, deferred revenue totaled $189,067 and $154,540, respectively, consisting of cash payments made by customers in advance of product shipment. Revenue will be recognized when finished goods are shipped to the customer.

Note 11. Shareholder Loan

During the period ended March 31, 2008, the Company's CEO loaned the Company $100,000. This loan is payable on demand with interest accruing at 5% per annum. Accrued interest at March 31, 2009 and 2008, totaled $6,589 and $1,589, respectively, and is included in the loan balance.

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Note 12. Subsequent Events

Subsequent to March 31, 2009:

The Company approved the issuance of 4,000,000 common shares at $0.005 per share totaling $20,000 to an individual for indebtedness to the Company.

Effective June 12, 2009, the Company's Chief Financial Officer and Treasurer resigned and a new Director holding the same title was appointed.

On July 16, 2009, the Company approved consulting agreements with 3 individuals. The Company intends to pay for these services by issuing common shares to the consultants in lieu of consulting fees and registering these shares by filing an S-8 registration statement under the Securities Act of 1933. The total number of shares to be issued totals 6,900,000 common shares.

Note 13. Income Taxes

The Company has losses for tax purposes totaling $10,451,707 which may be applied against future taxable income. These losses begin to expire in 2027. The potential tax benefit arising from these losses has not been recorded in the consolidated financial statements. The Company evaluates its valuation allowance requirements on an annual basis based on projected future operations. When circumstances change and this causes a change in management’s judgement about the realizability of deferred tax assets, the impact of the change on the valuation allowance is reflected in current operations.

Exhibit 31.01

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
RULE 13A-14(A) OF THE SECURITIES EXCHANGE ACT AND
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Rosner, Director and Chief Executive Officer of Wataire International, Inc. certify that :

1. I have reviewed this Annual Report on Form 10-K of Wataire International, Inc. ;

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 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 purpose in accordance with general 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.

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, summarized 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.

Dated : July 23, 2009 Signature : /s/ Robert Rosner

Robert Rosner
Director and Chief Executive Officer

Exhibit 31.02

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
RULE 13A-14(A) OF THE SECURITIES EXCHANGE ACT AND
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas M. Braid, Director and Chief Financial Officer of Wataire International, Inc. certify that :

1. I have reviewed this Annual Report on Form 10-K of Wataire International, Inc. ;

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 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 purpose in accordance with general 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.

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, summarized 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.

Dated : July 23, 2009 Signature : /s/ Thomas M. Braid

Thomas M. Braid
Director and Chief Financial Officer

EXHIBIT 32 .01

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

In connection with the Annual Report of Wataire International, Inc. (the "Company") on Form 10-K for the year ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"),

I, Robert Rosner, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of 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 result of operations of the Company.

/s/ Robert Rosner

Robert Rosner
Chief Executive Officer

July 23, 2009

EXHIBIT 32 .02

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

In connection with the Annual Report of Wataire International, Inc. (the "Company") on Form 10-K for the year ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"),

I, Thomas M. Braid, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of 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 result of operations of the Company.

/s/ Thomas M. Braid

Thomas M. Braid
Chief Financial Officer

July 23, 2009