
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

(Mark One)

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

For the Quarterly Period Ended November 30, 2007

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

For the transition period from _____ to _____
Commission file number 000-28506

Trackpower, Inc.

(Exact Name of Small Business Issuer as Specified in Its Charter)

Wyoming

(State or Other Jurisdiction of Incorporation)

13-3411167

(I.R.S. Employer Identification No.)

3565 King Road, Suite 102

King City, Ontario, Canada L7B 1M3
(Address of Principal Executive Offices)

(905) 833-9845

(Issuer's Telephone Number, Including Area Code)

67 Wall Street, Suite 2211
New York, NY 10005

(Former Name, Former Address and Former Fiscal Year,
if Changed Since Last Report)

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 No

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: The number of shares of common stock outstanding as of December 31, 2007: 847,768,540

Transitional Small Business Disclosure format (Check one): Yes No

TrackPower, Inc.

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PART I. Financial Information

Item 1. Condensed Financial Statements.

TrackPower, Inc.
Condensed Balance Sheet
(UNAUDITED)
November 30, 2007

ASSETS

Current Assets:

Due from related parties	\$ 44,367
Prepaid expenses	6,720
Total current assets	51,087

Office equipment	21,913
Less: Accumulated depreciation	(17,177)
Net office equipment	4,736

Investment	700,000
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TOTAL ASSETS	\$ 755,823
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LIABILITIES AND SHAREHOLDERS' DEFICIENCY

Current Liabilities:

Bank overdraft	\$ 5,985
Accounts payable	220,623
Due to related parties	397,140
Preferred dividends payable	380,000
Accrued professional fees	47,000
Accrued interest	94,274
Accrued directors' fees	37,375
Note payable	21,000
Total current liabilities	1,203,397

Notes payable	700,000
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Total liabilities	1,903,397
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Shareholders' deficiency:

Series A 8% convertible preferred stock, \$3,000 initial value, no par value, unlimited shares authorized, 1,000 shares issued and outstanding	3,000,000
Common stock, \$.0001 par value; unlimited shares authorized, 817,768,540 shares, issued and outstanding	81,777
Additional paid in capital	29,987,049
Common stock subscribed	163,000
Accumulated deficit	(34,379,400)

Total shareholders' deficiency	(1,147,574)
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TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	\$ 755,823
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See accompanying notes to financial statements.

TrackPower, Inc.
Condensed Statements of Operations
(UNAUDITED)

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2007	2006	2007	2006
Revenues:	\$ -	\$ -	\$ -	\$ -
Costs and expenses:				
Wages and consulting fees	-	52,779	-	277,748
Management fees, related party	55,429	239,083	182,929	367,019
Professional fees	(6,696)	48,000	1,479	285,598
General and administrative	30,081	66,110	73,062	202,370
Interest	26,178	79,241	83,893	188,256
Depreciation and amortization	381	511	1,145	1,292
Share of loss of equity accounted investment	-	1,204,978	-	2,488,766
Loss on disposal of equity accounted investment	-	332,751	-	332,751
Gain on disposal of marketable securities	-	(27,426)	(7,550)	(41,302)
Total costs and expenses	105,373	1,996,027	334,958	4,102,498
Net loss	(105,373)	(1,996,027)	(334,958)	(4,102,498)
Preferred dividends	59,836	59,836	180,822	180,822
Net loss applicable to common shareholders	\$ (165,209)	\$ (2,055,863)	\$ (515,780)	\$ (4,283,320)
Loss per share of common stock:				
Weighted average number of common shares outstanding	817,768,540	747,268,540	789,407,428	674,402,819
Loss per share	\$ (0.0002)	\$ (0.003)	\$ (0.0006)	\$ (0.007)
	Comprehensive Income (Loss)			
Net loss	\$ (165,209)	\$ (2,055,863)	\$ (515,780)	\$ (4,283,320)
Unrealized holding gain (loss) on marketable securities	-	(36,146)	-	7,236
Comprehensive income (loss)	\$ (165,209)	\$ (2,092,009)	\$ (515,780)	\$ (4,276,084)

See accompanying notes to financial statements.

TrackPower, Inc.
Condensed Statements of Stockholders' Deficiency
(UNAUDITED)

	Preferred Stock		Common Stock		Common Stock Subscribed	Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balance, February 28, 2006	1,000	\$3,000,000	468,052,951	\$46,805	\$909,200	\$26,866,267	\$(27,003,945)	-	\$3,818,327
Common stock issued in connection with private placements	-	-	202,920,000	20,292	(909,200)	1,906,893	-	-	1,017,985
Common stock issued pursuant to compensation arrangement	-	-	9,008,089	901	-	242,318	-	-	243,218
Common stock issued for consulting services provided	-	-	500,000	50	-	17,950	-	-	18,000
Common stock issued in lawsuit settlement	-	-	4,500,000	450	-	120,150	-	-	120,600
Common stock subscribed	-	-	-	-	370,000	-	-	-	370,000
Loss for the three month period ended May 31, 2006	-	-	-	-	-	-	(907,073)	-	(907,073)
Balance, May 31, 2006	1,000	\$3,000,000	684,981,040	\$68,498	\$370,000	\$29,153,578	\$(27,911,018)	\$-	\$4,681,058
Common stock issued in connection with private placements	-	-	54,725,000	5,473	(547,250)	541,777	-	-	-
Common stock issued for consulting services provided	-	-	4,562,500	456	-	61,169	-	-	61,625
Common stock subscribed	-	-	-	-	277,250	-	-	-	277,250
Loss for the three month period ended August 31, 2006	-	-	-	-	-	-	(1,320,384)	-	(1,320,384)
Unrealized holding gain on marketable securities	-	-	-	-	-	-	-	90,627	90,627
Balance, August 31, 2006	1,000	\$3,000,000	744,268,540	\$74,427	\$100,000	\$29,756,524	\$(29,231,402)	\$90,627	\$3,790,176
Common stock issued in settlement	-	-	18,000,000	1,800	-	160,200	-	-	162,000
Loss for the three month period ended November 30, 2006	-	-	-	-	-	-	(2,055,863)	-	(2,055,863)
Unrealized holding gain on marketable securities	-	-	-	-	-	-	-	(83,391)	(83,391)
Balance, November 30, 2006	1,000	\$3,000,000	762,268,540	\$76,227	\$100,000	\$29,916,724	\$(31,287,265)	\$7,236	\$1,812,922

	Preferred Stock		Common Stock		Common Stock Subscribed	Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balance, February 28, 2007	1,000	\$3,000,000	762,268,540	\$76,227	\$136,000	\$29,911,099	\$(33,863,620)	\$13,246	\$(727,048)
Common stock issued in connection with settlement agreement	-	-	10,000,000	1,000	(36,000)	35,000	-	-	-
Change in unrealized gain on marketable securities	-	-	-	-	-	-	-	(13,246)	(13,246)
Loss for the three month period ended May 31, 2007	-	-	-	-	-	-	(164,177)	-	(164,177)
Balance, May 31, 2007	1,000	\$3,000,000	772,268,540	\$77,227	\$100,000	\$29,946,099	\$(34,027,797)	\$-	\$(904,471)
Common stock subscribed	-	-	-	-	65,500	-	-	-	65,500
Common stock issued in connection with private placements	-	-	45,500,000	4,550	(45,500)	40,950	-	-	-
Loss for three month period ended August 31, 2007	-	-	-	-	-	-	(186,394)	-	(186,394)
Balance, August 31, 2007	1,000	\$3,000,000	817,768,540	\$81,777	\$120,000	\$29,987,049	\$(34,214,191)	\$-	\$(1,025,365)
Common stock subscribed	-	-	-	-	43,000	-	-	-	43,000
Loss for three month period ended November 30, 2007	-	-	-	-	-	-	(165,209)	-	(165,209)
Balance, November 30, 2007	1,000	\$3,000,000	817,768,540	\$81,777	\$163,000	\$29,987,049	\$(34,379,400)	\$-	\$(1,147,574)

See accompanying notes to financial statements.

TrackPower, Inc.
Condensed Statements of Cash Flows
(UNAUDITED)

	Nine Months Ended November 30,	
	2007	2006
Net cash from operations		
Net (loss)	\$ (334,958)	\$ (4,102,498)
Adjustments to reconcile net (loss) to net cash used in operating activities:		
Depreciation and amortization	1,145	1,292
Loss in equity accounted investment	-	2,488,766
Loss on disposal of equity accounted investment	-	332,751
Gain on disposal of investment	(7,550)	(41,302)
Common stock issued for consulting services provided	-	241,625
Amortization of deferred financing costs	-	74,250
Changes in:		
Prepaid expenses	(6,720)	43,330
Due from/to related parties	127,876	(54,327)
Accounts payable and accrued expenses	56,789	(141,841)
Net cash used in operating activities	(163,418)	(1,157,954)
Cash flows from investing activities:		
Purchase of office equipment	-	(4,826)
Proceeds on disposal of equity accounted investment	-	2,300,000
Capital contributions to investments	-	(1,300,000)
Proceeds on disposal of marketable securities	37,100	79,433
Net cash provided by investing activities	37,100	1,074,607
Cash flows from financing activities:		
Repayment of notes payable	-	(2,486,616)
Payment of preferred dividends	-	(100,000)
Issuance of notes payable	-	400,000
Increase in bank indebtedness	5,985	-
Proceeds on issuance of common stock	45,500	1,565,236
Proceeds from common stock subscribed	63,000	100,000
Net cash provided by (used in) financing activities	114,485	(521,380)
(Decrease) in cash	(11,833)	(604,727)
Cash, beginning of period	\$ 11,833	\$ 609,804
Cash, end of period	\$ -	\$ 5,077

Noncash activities:

During the nine month period ended November 30, 2007, the Company issued 10,000,000 shares of its common stock, valued at \$36,000 pursuant to a settlement agreement with the Company's former CEO.

During the nine month period ended November 30, 2006 the Company issued:

1. A total of 5,062,500 shares of its common stock, valued at \$79,625 for consulting services provided,
2. 9,008,089 common shares, valued at \$243,218 to an officer pursuant to a compensation arrangement,
3. 4,500,000 common shares, valued at \$120,600, as part of a lawsuit settlement.
4. 18,000,000 common shares, valued at \$162,000, as a settlement with a former director.

The Company did not make cash interest or tax payments during the three month period ended November 30, 2006 or 2007.

See accompanying notes to financial statements.

TrackPower, Inc.

Notes to Condensed Financial Statements
November 30, 2007

Summary of Significant Accounting Policies

Nature of Business

TrackPower's present business strategy and direction is primarily to acquire interests in horseracing tracks and also to evaluate other horseracing industry opportunities.

Basis of Presentation

The accompanying unaudited financial statements of TrackPower, Inc. have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and item 310 (b) of Regulation S-B. Accordingly they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended November 30, 2007 are not necessarily indicative of the results that may be expected for the fiscal year ending February 28, 2008. For further information, refer to the financial statements and footnotes thereto included in the Company's annual report on Form 10-KSB for the fiscal year ended February 28, 2007.

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has suffered recurring losses from operations during its operating history. The ability of the Company to continue as a going concern is dependent upon obtaining future financing and profitable operations. Management is in the process of evaluating future business opportunities, which would generate revenue to sustain the operations of the Company. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the recoverability of assets and the fair value of common stock and other equity securities issued. Actual results could differ from those estimates.

Reclassification of 2007 Cash Flow Statement

Preferred dividends previously classified as expenditures in net cash used in operations have been reclassified as expenditures in financing activities.

Due to/from Related Parties

Periodically, the Company advances funds and pays expenses on behalf of related parties and funds are advanced and expenses are paid by related parties on behalf of the Company. These transactions result in non-interest bearing payables or receivables to related parties.

Amounts due from related parties were:

	<u>November 30, 2007</u>
Entity with common shareholders	\$ 44,367

Amounts due to related parties were:

	<u>November 30, 2007</u>
Officers and directors	\$ 42,750
Entities with certain common directors and/or officers	145,435
Former officers and directors	208,955
Total	<u>\$ 397,140</u>

Amounts due to or from related parties are non-interest bearing, unsecured and do not have any specific repayment terms.

Investment

American Racing and Entertainment, LLC.

The Company holds an approximately 5.4% membership interest in American Racing and Entertainment, LLC, which is a private New York limited liability company. American Racing operates two horseracing and video lottery terminal facilities in New York State, known as Tioga Downs and Vernon Downs. The Company records the investment at cost. The current carrying value of this investment is \$700,000.

Notes Payable

	November 30, 2007
SIG Communications Partnership 10% unsecured promissory note	\$ 21,000
Southern Tier Acquisition II, LLC and Oneida Entertainment Holdings Inc., 15% 5 year secured promissory note	700,000
Total	\$ 721,000
Less: current portion	21,000
Long term portion	\$ 700,000

SIG Communications Partnership Promissory Note

10% promissory note due to SIG Communications Partnership in the amount of \$20,000 (excluding an interest accrual of \$1,000). The SIG Communications Partnership note and related accrued interest was due May 16, 2000. During fiscal 2002, accrued interest of \$4,500 was added to the note principal. The Company agreed to repay the outstanding balance in monthly payments of \$3,500. At November 30, 2007, \$3,500 has been repaid. The Company is in default of its agreement.

Southern Tier and Oneida Entertainment Promissory Notes

On October 20, 2006, the Company issued a \$400,000 15% secured promissory note to Southern Tier Acquisition II LLC and Oneida Entertainment Holdings Inc. and increased the amounts of the promissory notes to \$700,000 on January 17, 2007. The financing consisted of a \$350,000 loan from each of Southern Tier and Oneida. Interest is paid monthly beginning December 1, 2006 and the promissory note matures on November 1, 2011. The Company entered into a pledge and security agreement to secure the promissory note providing as collateral all of the Company's remaining membership interest in American Racing.

Loss per Share

Loss per common share is based on the weighted average number of shares outstanding during each period presented. Warrants to purchase stock are included as common stock equivalents only when dilutive.

Related Party Transactions

During the nine month period ended November, 2007, the Company paid \$182,929 in compensation to officers and directors as management fees for their services. The Company also issued 10,000,000 common shares to a former officer and director as a termination settlement.

Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS 141(R)"). This statement replaces SFAS No. 141, "Business Combinations" and requires an acquirer to recognize the assets acquired, the liabilities assumed, including those arising from contractual contingencies, any contingent consideration, 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 the Statement. SFAS 141(R) also requires the acquirer in a business combination achieved in stages (sometimes referred to as a step acquisition) to recognize the identifiable assets and liabilities, as well as the noncontrolling interest in the acquiree, at the full amounts of their fair values (or other amounts determined in accordance with SFAS 141(R)). In addition, SFAS 141(R)'s requirement to measure the noncontrolling interest in the acquiree at fair value will result in recognizing the goodwill attributable to the noncontrolling interest in addition to that attributable to the acquirer. SFAS 141(R) amends SFAS No. 109, "Accounting for Income Taxes", to require the acquirer to recognize changes in the amount of its deferred tax benefits that are recognizable because of a business combination either in income from continuing operations in the period of the combination or directly in contributed capital, depending on the circumstances. It also amends SFAS 142, "Goodwill and Other Intangible Assets", to, among other things, provide guidance on the impairment testing of acquired research and development intangible assets and assets that the acquirer intends not to use. SFAS 141(R) applies 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. The Company is currently assessing the potential impact that the adoption of SFAS 141(R) could have on its financial statements.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, "Noncontrolling Interests in Consolidated Financial Statements" ("SFAS 160"). SFAS 160 amends Accounting Research Bulletin 51, "Consolidated Financial Statements", to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It also clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS 160 also changes the way the consolidated income statement is presented by requiring consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. It also requires disclosure, on the face of the consolidated statement of income, of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest. SFAS 160 requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated and requires expanded disclosures in the consolidated financial statements that clearly identify and distinguish between the interests of the parent owners and the interests of the noncontrolling owners of a subsidiary. SFAS 160 is effective for fiscal periods, and interim periods within those fiscal years, beginning on or after December 15, 2008. The Company believes that SFAS 160 will not have a material impact on the its financial statements.

FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No.109." Interpretation 48 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Benefits from tax positions should be recognized in the financial statements only when it is more likely than not that the tax position will be sustained upon examination by the appropriate taxing authority that would have full knowledge of all relevant information. The amount of tax benefits to be recognized for a tax position that meets the more-likely-than-not recognition threshold is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Tax benefits relating to tax positions that previously failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent financial reporting period in which that threshold is met or certain other events have occurred. Previously recognized tax benefits relating to tax positions that no longer meet the more-likely-than-not recognition threshold should be derecognized in the first subsequent financial reporting period in which that threshold is no longer met. Interpretation 48 also provides guidance on the accounting for and disclosure of tax reserves for unrecognized tax benefits, interest and penalties and accounting in interim periods. Interpretation 48 is effective for fiscal years beginning after December 15, 2006. The change in net assets as a result of applying this pronouncement will be a change in accounting principle with the cumulative effect of the change required to be treated as an adjustment to the opening balance of retained earnings on January 1, 2007, except in certain cases involving uncertainties relating to income taxes in purchase business combinations. In such instances, the impact of the adoption of Interpretation 48 will result in an adjustment to goodwill. The Company adopted Interpretation 48 on March 1, 2007, which did not have a material impact on the Company's financial statements.

Item 2. Management's Discussion and Analysis or Plan of Operation.

Forward Looking Statements

Certain matters discussed in this Quarterly Report may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and as such may involve risks and uncertainties. These forward-looking statements relate to, among other things, expectations of the business environment in which the Company operates, projections of future performance, perceived opportunities in the market and statements regarding the Company's goals. The Company's actual results, performance, or achievements expressed or implied in such forward-looking statements may differ. We are under no duty to update, and do not undertake to update, any of the forward-looking statements contained in this quarterly report to conform them to actual results or to changes in our expectations.

Recent Developments

Bettor Solutions Inc. Agreement

On December 4, 2007, the Company announced that it entered into an agreement with Bettor Solutions Inc. (BSI) to jointly develop and market BSI's proprietary Video Distribution Service in Latin America.

This is TrackPower's first major step in a restructuring strategy, as it positions itself to offer a range of products and services to the Latin American marketplace. TrackPower and BSI are combining efforts to deliver a package of products, services and advisory expertise to racing and wagering interests to this region.

TrackPower obtained an exclusive license to operate the Video Distribution Service in Latin American in exchange for 50,000,000 shares of its common stock. Pursuant to the license, TrackPower and BSI agree to share the net profit from the video distribution and wager processing on a 50/50 basis. TrackPower will be responsible for the expenses associated with obtaining distribution agreements and BSI will be responsible for delivering the technology and operational support on a day-to-day basis. The initial term for the license runs until November 21, 2009 and may be extended for additional one-year terms.

Plan of Operations

The Company holds a 5.4% membership interest in American Racing and Entertainment, LLC, a New York Limited Liability company, that is developing a horseracing and gaming facility in Nichols, New York known as Tioga Downs and is renovating another New York facility known as Vernon Downs. The Tioga Downs facility began to operate in June 2006 and the Company is in the process of reopening the Vernon Downs facility. Under the terms of the operating agreement with American Racing, the Company, TrackPower, and its partners are obligated to advance further amounts to the venture.

The Company will need to raise additional cash to continue to pay its operating expenses in the next twelve months until the distribution from the new ventures exceed the day to day operating costs. The Company also plans to seek other racing and gaming opportunities in the United States.

The Company plans to raise additional funds, in the next twelve months, through the issuance of its common stock or through a combination of equity and debt security instruments. It is anticipated that the debt security instruments will have conversion features that would cause further dilution to existing shareholders.

Results of Operations

For the three month period ended November 30, 2007 and 2006

Costs and expenses totaled \$105,373 during the three-month period ended November 30, 2007 approximately \$1,891,000 lower than during the three month period ended November 30, 2006. The Company experienced very little activity during the first three quarter's of the current year as management groups and directors transitioned in and out of their respective positions.

Wages and consulting fees were \$52,779 during the three month period ended November 30, 2006 and zero in the current year. The Company did not incur any wages during the three month period ended August 31, 2007 due to the termination of Company's CEO in the fourth quarter of fiscal 2007. The Company's current CEO is compensated through related party management fees described elsewhere in this report. Wages and consulting costs during the three month period ended November 30, 2006 consisted of employment costs of \$37,000 paid to the Company's CEO, and various consulting fees totaling \$15,779.

Management and consulting fees paid to related parties were \$55,429 during the quarter ended November 30, 2007 and \$239,083 in the comparative period in the prior year. Monthly management fees of \$20,000 were paid for the management services of the Company's new CEO, CFO and corporate secretarial services. The Company also recorded an adjustment of \$15,000 for management fees charged in previous periods that will not be paid. In addition the Company reversed \$10,429 of management fee income from a former co-investor in American Racing which will not be received. During the previous year's, the Company issued 18,000,000 common shares valued at \$162,000 as a settlement upon the resignation of a director and chairman of the board, paid \$49,140 in strategic consulting services of that director and \$27,943 was paid for corporate secretarial services of an officer.

General and administrative expenses were \$30,081 during the three month period ended November 30, 2007 compared to \$66,110 during the three month period ended November 30, 2006. General and administrative expenses are substantially lower than the previous year due to management changes. General and administrative expenses during the three month period ended August 31, 2007 included: 1) liability insurance of \$12,057, 2) auto lease and gas of \$5,677, 3) corporate fees (including transfer agent costs and directors fees) of \$4,486, 4) foreign exchange losses of \$4,114, 5) travel, meals and entertainment costs of \$3,486, and 6) miscellaneous costs of \$261. General and administrative costs during the three month period ended November 30, 2006 were; 1) rent and insurance expenses of \$13,259, 2) auto lease, repair and gasoline expenses of \$12,833, 3) travel, meals and entertainment expenses of 9,623, 4) corporate fees and directors fees of \$9,639, 5) telephone and cellular costs of \$6,019 in the current quarter, and 6) other miscellaneous costs totaled \$14,737.

Professional fees were a credit of \$6,696 during the current quarter down significantly from \$48,000 during the comparative period in the prior year. The current quarter's professional fees included adjustments for over accrued audit fees from the past. Accounting fees were \$9,000, legal fees were \$23,995 during the quarter ended November 30, 2006 The Company also incurred \$15,005 in various professional consulting fees during the previous quarter.

Amortization decreased from \$511 during the three month period ended November 30, 2006 to \$381 during the current quarter.

Interest expense during the three month period ended November 30, 2007 was \$26,178 and \$79,241 in the prior year. The current year's interest expense arises from 15% \$700,000 promissory notes.

The Company accounted for its investment in American Racing and Entertainment, LLC through the equity method during the three month period ended November 30, 2006 and recorded \$1,204,978 as its share of losses. In October 2006, the Company's interest was reduced to 10% (5.4% today) and ceased using the equity method of accounting. In addition on October 23, 2006, the Company disposed of one half of its investment in American Racing for cash proceeds of \$2,300,000. The carrying value of the interest sold was \$2,632,751 and therefore the Company recorded a loss on disposal of \$332,751.

The Company also accrued \$59,836 as dividends on the Series A 8% Convertible Cumulative Preferred Stock during the quarter ended August 31, 2007 and 2006.

The Company recorded a net loss of \$2,055,863 during the three month period ended November 30, 2006 (less than \$0.01 per share) compared to a net loss of \$165,209 (also less than \$0.01 per share) during the comparative period in the current year.

For the nine month period ended November 30, 2007 and 2006

Costs and expenses totaled \$334,958 during the nine-month period ended November 30, 2007 approximately \$3,768,000 lower than during the nine month period ended November 30, 2006. The Company experienced very little activity during the first half of the current year as management groups and directors transitioned in and out of their respective positions.

Wages and consulting fees were \$277,748 during the nine month period ended November 30, 2006 and zero in the current year. The Company did not incur any wages during the nine month period ended August 31, 2007 due to the termination of Company's CEO in the fourth quarter of fiscal 2007. The Company's current CEO is compensated through related party management fees described elsewhere in this report. Wages and consulting costs during the nine month period ended November 30, 2006 consisted of employment costs of \$188,386 (including an accrual of \$43,861 representing future common stock based compensation pursuant to an employment letter memorandum) paid to the Company's CEO, financial accounting consulting costs totaling \$21,689 and various consulting fees totaling \$67,673.

Management and consulting fees paid to related parties were \$182,929 during the nine month period ended November 30, 2007 and \$367,019 in the comparative period in the prior year. The Company incurs monthly management fees of \$20,000 for the services of the Company's new CEO, CFO and corporate secretarial services. During the nine month period ended November 30, 2006, \$139,140 was for the strategic consulting services of a director and \$65,879 was for corporate secretarial services of an officer. The Company also issued 18,000,000 common shares valued at \$162,000 as a settlement upon the resignation of a director and chairman of the board.

General and administrative expenses were \$73,062 during the nine month period ended November 30, 2007 compared to \$202,370 during the nine month period ended November 30, 2006. General and administrative expenses are substantially lower than the previous year due to management changes.

Within general and administrative costs; 1) travel, meals and entertainment totaled \$8,472 during the nine month period ended November 30, 2007 and were \$58,102 in the comparative period in the current year, 2) auto lease, repair and gasoline expenses were \$11,258 during the nine month period ended November 30, 2007 and \$33,543 during the nine month period ended November 30, 2006, 3) corporate fees and directors fees totaled \$14,202 during the nine month period ended November 30, 2007 and \$30,833 during the comparative period in the prior year 4) rent and insurance expenses were \$28,406 in the prior nine month period and \$28,943 in the current period, 5) communications costs including cellular service and land line were \$18,884 in the prior nine month period down significantly to \$271 in the current period, 6) investor relations costs of \$nil during the nine month period ended November 30, 2007 and compared to \$6,850 in the prior year, and 7) other miscellaneous costs totaled \$25,752 during the prior nine month period and \$9,916 during the nine month period ended November 30, 2007.

Professional fees were \$1,479 during the current period down significantly from \$285,598 during the comparative period in the prior year. The current quarter's professional fees included legal costs of \$6,089 and a credit of \$4,609 of accrued audit fees. Accrued audit fees included an adjustment for an over accrual booked previously and the reversal of management fee income from a co-investor in American Racing. During the nine month period ended November 30, 2006, the Company incurred \$50,000 in guarantee fees associated with two directors personally guaranteeing a \$1,000,000 note payable and \$65,519 in various professional consulting fees a portion (\$50,514) of which was settled with 4,562,500 shares of the Company's common stock.

Amortization decreased from \$1,292 during the nine month period ended November 30, 2006 to \$1,145 during the current period.

Interest expense during the nine month period ended November 30, 2007 was \$83,893 and \$188,256 in the prior year. The current year's interest expense arises from 15% \$700,000 promissory notes.

The Company accounted for its investment in American Racing and Entertainment, LLC through the equity method during the nine month period ended November 30, 2006 and recorded \$2,488,766 as its share of losses. In October 2006, the Company's interest was reduced to 10% (5.4% today) and ceased using the equity method of accounting. In addition on October 23, 2006, the Company disposed of one half of its investment in American Racing for cash proceeds of \$2,300,000. The carrying value of the interest sold was \$2,632,751 and therefore the Company recorded a loss on disposal of \$332,751.

The Company disposed of 931,000 common shares of Baymount Incorporated during the nine month period ended November 30, 2006, for a gain of \$41,302. The Company received net proceeds of \$79,433 and the common shares had a cost base of \$38,131.

During the current year the Company disposed of its remaining investment in Baymount securities for net proceeds of \$37,100 and recorded a gain on disposal of \$7,550.

The Company also accrued \$180,822 as dividends on the Series A 8% Convertible Cumulative Preferred Stock during the nine month period ended November 30, 2007 and 2006.

The Company recorded a net loss of \$4,283,320 during the nine month period ended November 30, 2006 (less than \$0.01 per share) compared to a net loss of \$515,780 (also less than \$0.01 per share) during the comparative period in the current year.

Critical Accounting Policies and Estimates

The discussion and analysis of results of operations and financial condition are based upon the financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Management evaluates the estimates on an on-going basis, including those related to bad debts, investments, customer accounts, intangible assets, income taxes, and contingencies and litigation. Management bases its estimates on historical experience and on various other assumptions that they believe to be reasonable under the circumstances, the

results of which form the basis for making judgments about the 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. Note 2 of the "Notes to Financial Statements" of the Company's Annual Audited Financial Statements includes a summary of the significant accounting policies and methods used in the preparation of the financial statements. The following is a brief description of the more significant accounting policies and methods the Company uses.

Fair Value of Financial Instruments:

Cash, accounts payable, accrued expenses, note payable and loans receivable are carried in the financial statements at amounts which approximate fair value.

Investment:

The Company's investment consist of a membership interest in a private New York Limited Liability Company. The membership interest is recorded at cost. Any unrealized losses which are considered "other than temporary" are classified as realized losses through operations.

Financial Condition

During the nine month period ended November 30, 2007, total assets decreased from \$824,877 to \$755,823. The decrease is primarily the result of the disposal of the Company's investment in Baymount securities. The Company carried its investment in Baymount at \$42,796 at the beginning of the year.

The most significant asset the Company is its American Racing investment, which it carries at \$700,000 (unchanged since last fiscal year end).

The Company's liabilities increased from \$1,551,925 at the beginning of the year to \$1,903,397 at November 30, 2007. The increase is primarily a result of additional preferred dividends payable and additional amounts due to related parties.

Accounts payable decreased from \$252,474 at the beginning of the year to \$220,623 at November 30, 2007. Due to related parties increased from \$264,795 at February 28, 2007 to \$397,140 at November 30, 2007. Amounts owed to related parties primarily represents unpaid amounts for services rendered to the Company by related parties. Amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms.

The stockholders' deficiency increased from \$727,048 at February 28, 2007 to \$1,147,574 at August 31, 2007. The increase is substantially attributable to an increase in the accumulated deficit arising from the \$515,780 loss for the nine month period ended November 30, 2007.

Liquidity and Capital Resources

Operations were financed primarily through the disposal of marketable securities and common stock share subscriptions. During the nine month period ended November 30, 2007, the Company used \$163,418 in cash from operating activities primarily as a result of operating losses and adjustments to working capital accounts. Cash provided by investing activities totaled \$37,100 and represented proceeds received from the disposal of its remaining investment in

Baymount securities. Cash provided by financing activities totaled \$114,485 and represented common stock share subscriptions at \$0.001 per share and a \$5,985 increase in bank overdraft.

The revenues of the Company during the nine month period ended November 30, 2007 were zero therefore did not play a significant role in financing operations. The Company in the past has financed operations through the issuance of restricted equity securities and has occasionally relied heavily on that practice. There can be no assurance that the Company's ability to raise capital through private placements will continue.

Management is hopeful that the future business direction of the Company will substantially decrease the history of operating losses and provide the ability to improve the Company's liquidity. The Company will require additional capital over the next year in order to satisfy existing liabilities and to provide further capital contributions to its investments. Failure to obtain such capital could adversely impact the Company's operations and prospects.

Off-balance sheet arrangements.

The Company does not have any off balance sheet arrangements.

Item 3. Controls and Procedures.

As of the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities and Exchange Act of 1934 (the "Exchange Act"). Based on their evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

There have been no changes in the Company's internal controls over financial reporting during the Company's most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. Other Information

Item 2. Unregistered Sales of Equity Securities.

None.

Item 3. Defaults Upon Senior Securities

The Company did not pay dividends on its Series A preferred shares during the three month period ended November 30, 2007 but has accrued \$380,000 up to and including November 30, 2007.

Item 6. Exhibits

Exhibit	Document
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *

(*) Filed with this Report.

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SIGNATURES

In accordance with the registration requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

Date: January 14, 2008

By: /s/ John G Simmonds
Name: John G. Simmonds
Title : President and Chief Executive Officer

Date: January 14, 2008

By: /s/ Gary N Hokkanen
Name: Gary N. Hokkanen
Title: Chief Financial Officer
(principal financial officer)

Exhibit Index

Exhibit	Document
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(*) Filed with this Report.

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Exhibit 31.1

**Certification Pursuant to
Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Amended**

I, John G. Simmonds, certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB of Trackpower, 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 small business issuer as of, and for, the periods presented in this report;
4. The small business issuer'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)) for the small business issuer 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 small business issuer, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report my 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
 - c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: January 14, 2008

By: /s/ John G Simmonds

Name: John G. Simmonds

Title: Principal Executive Officer

President, CEO and Director

Exhibit 31.2

**Certification Pursuant to
Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Amended**

I, Gary Hokkanen, certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB of Trackpower, 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 small business issuer as of, and for, the periods presented in this report;
4. The small business issuer'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)) for the small business issuer 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 small business issuer, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report my 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
 - c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: January 14, 2008

By: /s/ Gary N Hokkanen

Name: Gary N. Hokkanen
Title: Principal Financial Officer
Chief Financial Officer

Exhibit 32.1

**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 Quarterly Report of Trackpower, Inc. (the "Registrant") on Form 10-QSB for the period ending November 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, John G. Simmonds, President and Chief Executive Officer of the Registrant, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: January 14, 2008

By: /s/ John G Simmonds

Name: John G. Simmonds

Title: Principal Executive Officer
President, CEO and Director

Exhibit 32.2

**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 Quarterly Report of Trackpower, Inc. (the "Registrant") on Form 10-QSB for the period ending November 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Gary Hokkanen, Chief Financial Officer of the Registrant, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: January 14, 2008

By: /s/Gary N Hokkanen

Name: Gary N. Hokkanen
Title: Principal Financial Officer
Chief Financial Officer