FORM 5

QUARTERLY LISTING STATEMENT

Name of CNSX Issuer: QSolar Limited (the“Issuer”).

Trading Symbol: QSL

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term “Issuer” includes the CNSX Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1 Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

During this period the company owed to director A. Tapakoudes $169,353, this loan is non interest bearing.

The remuneration of two directors was $162,744 as recorded in the general and administrative expenses.

On March 17 2011 the company issued 2,300,000 share options to the directors at $0.05 excersisable over 10 years.

On May 10 2011 the company issued 1,500,000 share options to directors at $0.40 excersisable over 10 years.

2 Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

The authorized share capital of the company is unlimited, one class of common shares.

(b) number and recorded value for shares issued and outstanding,

41,000,000

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

8,700,000 warrants $143,700

4,100,000 options $640,000

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

17,655,162 common shares in escrow.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: December 1, 2011

____
Signature

____
Official Capacity

Issuer Details Name of Issuer QSolar Limited	For the Quarter Ended September 30, 2011	Date of Report Dec 1, 2011
Issuer Address 850, 401 - 9th Avenue S.W.		
City/Province/Postal Code Calgary, Alberta T2P 3C5	Issuer Fax No. (403) 770-8436	Issuer Telephone No. (403) 775-1266
Contact Name Andreas Tapakoudes	Contact Position President and CEO	Contact Telephone No. (403) 775-1266
Contact Email Address info@qsolar.net	Web Site Address http://www.qsolar.net	

QSOLAR LIMITED

(Formerly Bricol Capital Corp.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2011

UNAUDITED, prepared by management

QSOLAR LIMITED

(Formerly Bricol Capital Corp.)

CONTENTS

SEPTEMBER 30, 2011 AND 2010

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Corporation's unaudited interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

QSOLAR LIMITED

(Formerly Bricol Capital Corp.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(all figures in Canadian dollars)

	Notes	**September 30, 2011 (Unaudited)**	December 31, 2010 (Audited)
ASSETS			
Current Assets			
Cash		**$ 58,077**	$ 65,682
Trade and other receivables	4	**223,744**	24,888
Inventories	5	**789,263**	954,941
		1,071,084	1,045,511
Non-Current Assets			
Property, plant and equipment	6	**268,920**	6,264
Intangible assets	7	**262,206**	279,234
		531,126	285,498
Total Assets		**$ 1,602,210**	$ 1,331,009
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Liabilities			
Current			
Accounts payable and accrued liabilities	9	**$ 1,541,794**	$ 1,503,636
Non-Current			
Deferred income tax liability		**1,376**	1,316
		1,543,170	1,504,952
Shareholders' Equity (Deficit)			
Share capital	8	**1,543,983**	117,483
Warrants	8	**143,700**	-
Reserves		**797,076**	196,917
Deficit		**(2,425,719)**	(488,343)
		59,040	(173,943)
Total Liabilities and Shareholders' Equity		**$ 1,602,210**	$ 1,331,009

Approved on behalf of the Board:

ANDREAS TAPAKOUDES, DIRECTOR

QSOLAR LIMITED

(Formerly Bricol Capital Corp.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(all figures in Canadian dollars)

	Notes	**Three Months ended September 30 2011 (Unaudited)**	Three Months ended September 30 2010 (Unaudited)	**Nine Months ended September 30 2011 (Unaudited)**	Nine Months ended September 30 2010 (Unaudited)
SALES		**$ 945,237**	$ 260,379	**$ 1,563,378**	$ 321,630
COST OF SALES	12	**1,346,009**	163,288	**1,897,934**	202,437
GROSS PROFIT (LOSS)		**(400,772)**	97,091	**(334,556)**	119,194
EXPENSES					
Administrative, selling and general		**226,636**	173,202	**633,133**	303,072
Restructuring costs		**-**	-	**115,054**	-
Share-based directors' compensation		**-**	-	**629,500**	-
		226,636	173,202	**1,377,687**	303,072
OPERATING LOSS		**(627,408)**	(76,110)	**(1,712,243)**	(183,878)
Interest income		**-**	-	**-**	-
LOSS BEFORE INCOME TAXES		**(627,408)**	(76,110)	**(1,712,243)**	(183,878)
INCOME TAXES		**-**	-	**-**	-
LOSS AFTER INCOME TAXES		**(627,408)**	(76,110)	**(1,712,243)**	(183,878)
OTHER COMPREHENSIVE (LOSS) INCOME					
Foreign exchange gains (losses)		**(46,820)**	-	**(56,766)**	-
Share issue costs		**-**	-	**(151,442)**	-
Share premium		**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE (LOSS) INCOME, for the period		**$ (674,228)**	$ (76,110)	**$ (1,920,451)**	$ (183,878)
LOSS PER SHARE					
BASIC AND DILUTED LOSS PER SHARE		**$ (0.0160)**	$ (0.0110)	**$ (0.0680)**	$ (0.0260)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic		**41,000,000**	7,018,696	**28,315,018**	7,018,696

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

(all figures in Canadian dollars)

	SHARE CAPITAL		WARRANTS		RESERVES				DEFICIT	
	Common shares outstanding		Potential common shares outstanding		Vested stock options outstanding	Stock Option Reserve	Share Premium	Foreign Currency Translation	Deficit	Total Shareholders' Equity
Balance at December 31, 2009 (Restated, Note 3)	6,123,696	$ **103,599**	-	$ -	-	$ -	$ **150,172**	$ -	$ **(50,813)**	$ 202,958
Shares issued for cash	895,000	**13,884**	-	-	-	-	**63,670**	-	-	77,554
Foreign translation adjustment	-	-	-	-	-	-	-	**(16,925)**	-	(16,925)
Net loss for the period	-	-	-	-	-	-	-	-	**(437,530)**	(437,530)
Balance at December 31, 2010	7,018,696	**117,483**	-	-	-	-	**213,842**	**(16,925)**	**(488,343)**	**(173,943)**
Elimination of capital on recapitalization	(7,018,696)	-	-	-	-	-	-	-	-	
Outstanding shares of Qsolar Limited*	2,500,000	-	-	-	-	-	-	-	-	-
Shares issued for cash on March 16, 2011	1,000,000	-	-	-	-	-	-	-	-	-
Stock options granted to directors and consultants	-	-	-	-	-	-	-	-	-	-
on March 17, 2010	-	-	-	-	2,600,000	**91,000**	-	-	-	91,000
Shares issued for acquisition of Qsolar Ltd.					-					
on March 18, 2010	21,720,000	-	-	-	-	-	-	-	**(13,288)**	(13,288)
Restructuring costs, shares issued to a					-					
consultant on March 18, 2011	780,000	**39,000**	-	-	-	-	-	-	-	39,000
Foreign currency translation adjustment	-	-	-	-	-	-	-	**575**	-	575
Net loss for the period	-	-	-	-	-	-	-	-	**(244,910)**	(244,910)
Balance at March 31, 2011	26,000,000	**156,483**	-	-	2,600,000	**91,000**	**213,842**	**(16,350)**	**(746,541)**	**(301,566)**
Share units issued for cash on April 18, 2011	15,000,000	**1,387,500**	7,500,000	**112,500**	-	-	-	-	-	1,500,000
Financing costs, 1,200,000 warrants issued										-
to consultants on April 18, 2011	-	-	1,200,000	**31,200**	-	-	-	-	-	31,200
Financing costs, finders fees on April 18, 2011	-	-	-	-	-	-	-	-	**(151,442)**	(151,442)
Stock options granted to directors on May 10, 2011	-	-	-	-	1,500,000	**549,000**	-	-	-	549,000
Foreign currency translation adjustment	-	-	-	-	-	-	-	**6,404**	-	6,404
Net loss for the period	-	-	-	-	-	-	-	-	**(900,328)**	(900,328)
Balance at June 30, 2011	41,000,000	**1,543,983**	8,700,000	**143,700**	4,100,000	**640,000**	**213,842**	**(9,946)**	**(1,798,311)**	**733,268**
Foreign currency translation adjustment								**(46,820)**		(46,820)
Net loss for the period									**(627,408)**	(627,408)
Balance at September 30, 2011	41,000,000	$ **1,543,983**	8,700,000	$ **143,700**	4,100,000	$ **640,000**	$ **213,842**	$ **(56,766)**	$ **(2,425,719)**	$ **59,040**

At September 30, 2011 reserves total $ 797,076

*Effective March 16, 2011, the shareholders of Qsolar Limited approved a consolidation of the Company's common shares on a 2 for 1 basis. The number of shares Qsolar Limited outstanding reflects the share consolidation as though it had occurred at the beginning of the earliest comparative period.

QSOLAR LIMITED

(Formerly Bricol Capital Corp.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(all figures in Canadian dollars)

	Nine Months ended September 30 2011 (Unaudited)	Nine Months ended September 30 2010 (Unaudited)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net loss for the period	**$ (1,712,243)**	$ (183,878)
Items not affecting cash:		
Share-based payments	**679,000**	-
Amortization	**69,087**	16,254
Effects of exchange rate changes	**(56,766)**	-
Changes in non-cash working capital:		
Accounts receivable	**(198,856)**	(17,873)
Inventory	**165,678**	(18,318)
Deferred income taxes	**60**	-
Accounts payable and accrued liabilities	**(48,361)**	35,020
Net cash used in operating activities	**(1,102,401)**	(168,795)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Acquisition of capital assets	**(314,715)**	(1,815)
Cash acquired on reverse takeover	**2,020**	-
Net cash used in investing activities	**(312,695)**	(1,815)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from 15,000,000 share units issued on April 18, 2011	**1,500,000**	-
Disbursements for financing costs on share units issued	**(120,242)**	-
Advances from directors	**27,733**	(6,354)
Proceeds from private company share issue	**-**	49,344
Net cash from financing activities	**1,407,491**	42,990
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(7,605)**	(127,620)
CASH AND CASH EQUIVALENTS, beginning of period	**65,682**	112,457
CASH AND CASH EQUIVALENTS, end of period	**$ 58,077**	$ (15,162)

SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received	**$ -**	$ 82
Interest paid	**$ -**	$ -
Taxes paid	**$ -**	$ -

1. NATURE OF OPERATIONS AND CONTINUING OPERATIONS

Qsolar Limited (formerly Bricol Capital Corp.) (the "Company") was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta) on September 2, 1999. The Articles of the Company were amended by Certificate of Amendment issued on December 9, 1999 to remove the private company provisions and the restrictions on share transfers. The Company became a publicly listed company pursuant to an initial public offering of its shares on March 24, 2000 and was listed on the TSX Venture Exchange. The Company was delisted on November 10, 2003.

Effective March 18, 2011, the Company completed the legal acquisition of an operating company Qsolar Ltd., a private company with its head office located in the United Kingdom, through a Share Purchase Agreement that constitutes a capital restructuring ("RTO"). Qsolar Ltd. is a private technology company in the solar photovoltaic panel manufacturing field with unique proprietary patent pending manufacturing processes, these processes are aimed to significantly lowering the cost of solar panels, and this in turn reduces the overall cost of solar energy. The condensed consolidated interim financial statements of Qsolar Limited reflect the RTO of the Company by Qsolar Ltd. on March 18, 2011. As described in Note 3, the consolidated financial statements reflect the operations and accounts of Qsolar Ltd. prior to the RTO and the consolidated assets, liabilities and operations of the combined companies subsequent to RTO. The Company's common shares were relisted on the Canadian National Stock Exchange ("CNSX" or "the Exchange") on March 25, 2011.

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business.

The Company has incurred losses of $1,920,451 for the nine months ended September 30, 2011 (including $710,200 in share-based compensation). The success of the Company is dependent upon it maintaining it's patented technology rights, generating additional sales, and its ability to obtain financing for research and development as well as operations. Should the Company be unable to generate or raise additional capital the going concern basis of accounting may no longer be appropriate and material adjustments to the carrying values of assets and liabilities could be required.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were authorized for issue on July 26, 2011 by the directors of the Company. The consolidated interim financial statements of the Company have been prepared in accordance with accounting policies as prescribed under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard ("IAS") 34 *"Interim Financial Reporting".*

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period.

As a result of the RTO, which is described more fully in Note 3, these financial statements have been prepared as a continuation of the operations of Qsolar Ltd. which has previously reported under IFRS. These financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2010 that were filed on SEDAR on May 2, 2011.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Judgments include areas such as functional currency, determination of a business, going concern assessments, and realization of potential tax assets.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates. Areas requiring a significant degree of estimation relate to the measurements and recoverability of deferred tax assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments. Actual results may differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (…continued)

Revenue recognition
Revenue represents net invoiced sales of goods, being mainly manufactured solar panels, excluding value added taxes. The Company recognizes sales revenue at the time the product is delivered to customers, a sales price has been established and a reasonable expectation of collection exists.

Inventories
Inventories are valued at the lower of cost and net realizable value, after making due allowance for obsolete and slow moving items.

Property, plant and equipment
Property, plant and equipment are stated at historical cost less accumulated amortization and accumulated impaired losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred.

Depreciation and amortization are calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. All property, plant and equipment are amortized at 25% on costs.

Share-based payment transactions
The Company's incentive stock option plan allows for the grant of options to employees, consultants and directors when the number of shares that may be purchased under that option and all previously granted and outstanding options, does not exceed 10% of the issued and outstanding share capital at the date of grant. The exercise price of options granted will be no less than the minimum prescribed price as determined by the Exchange. The maximum term of options is 10 years.

An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value of options granted is recognized as an expense with a corresponding increase in the equity reserve.

Impairment of assets
The carrying amount of the Company's assets (which include property, plant and equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Earnings (loss) per share
The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. In the Company's case, diluted loss per share is the same as basic loss per share as the effects of including all outstanding options and warrants would be anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (…continued)

Functional and presentation currency

The functional and presentation currency of the Company is the Canadian dollar which is the primary economic environment in which the entity operates. The newly acquired business Qsolar Ltd. has been assessed as having the UK Pound as its functional currency.

Translation of Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each financial position reporting date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is recognized in profit and loss in the period they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Translation of Foreign Operations

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:
- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Company's foreign currency translation reserve in the statement of comprehensive income. These differences are recognized in the profit or loss in the period in which the operation is disposed.

Business combinations

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, consideration is given to potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

If the Company obtains control over one or more entities that are not businesses, then the bringing together of those entities are not business combinations. The cost of acquisition is allocated among the individual identifiable assets and liabilities of such entities, based on their relative fair values at the date of acquisition. Such transactions do not give rise to goodwill and no non-controlling interest is recognized.

Transaction costs incurred in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees are expensed as incurred, unless it is debt related. Directly attributable transaction costs related to debt instruments are capitalized.

Share capital

Common shares issued are classified as equity. Incremental costs directly attributable to the issue of common shares are recorded as a decrease in retained earnings or increase in deficit in the year in which they are incurred.

Other comprehensive income (loss)

Other comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as unrealized gains or losses on available-for sale financial instruments, gains or losses on certain derivative instruments and certain foreign currency gains or losses.

Financial Instruments

The Company classifies its financial assets and liabilities in the following categories:

• Loans and receivables – Cash and Trade receivables
• Other financial liabilities - Trade and other payables

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

2. SIGNIFICANT ACCOUNTING POLICIES (…continued)

Financial Instruments (…continued)

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Fair value measures

The Company's Cash, Trade receivables and Trade and other payables are carried at amortized costs which approximates their fair market value. Management has estimated the fair market value of these instruments, without an observable market for identical assets, which is considered a level three input for fair value measurements.

Administrative expenditures

Administrative expenditures, listing fee's and business investigation costs are expensed in the period incurred.

Income tax

Income tax expense consists of current and deferred tax expenses. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly whereby it also is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for temporary differences related to the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or investments in subsidiaries and equity investments to the extent it is probable that they will not be reversed in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

New Accounting Standards Not Yet Adopted

In November 2009, the IASB published IFRS 9, *Financial Instruments* , which covers the classification and measurement of financial assets as part of its project to replace IAS 39, *Financial Instruments: Recognition and Measurement.* In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to their own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective for the Company on January 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively. There will be no significant impact the Company upon implementation of the issued standard.

IFRS 10, *Consolidated Financial Statements* , requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, *Consolidation - Special Purpose Entities* , and parts of IAS 27, *Consolidated and Separate Financial Statements* .

IFRS 11, *Joint Arrangements* , requires a venturer to classify its interest in a joint arrangement as a joint venture or a joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, *Interests in Joint Ventures* , and SIC-13, *Jointly Controlled Entities - Non-monetary Contributions by Venturers* .

(all figures in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (…continued)

New Accounting Standards Not Yet Adopted (…continued)

IFRS 12, *Disclosure of Interests in Other Entities* , establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13, *Fair Value Measurement* , is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, *Separate Financial Statements* and IAS 28, *Investments in Associates and Joint Ventures* . IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10, 11, 12 and 13.

3. CAPITAL RESTRUCTURING ("RTO")

On March 18, 2011, the Company issued 21,720,000 common shares to the former shareholders of Qsolar Ltd. in exchange for 100% of the issued and outstanding common shares of Qsolar Ltd. As a result of the transaction, the former shareholders of Qsolar Ltd. owned more than 80% of the issued and outstanding share capital of the Company following the transaction (the "Capital restructuring" or "RTO").

The RTO has been accounted for as a capital restructuring. For accounting purposes, Qsolar Ltd. is the deemed acquirer of Qsolar Limited. However, legally Qsolar limited is the acquirer of Qsolar Ltd.
The fair value of the net assets and liabilities of the Company acquired by Qsolar Ltd. were as follows:

Cash	$ 2,020
Accounts receivable	8,665
Accounts payable and accrued liabilities	(23,973)
Net assets (liabilities) acquired	$ (13,288)

As the net assets and liabilities of the Company do not constitute a business within the scope of IFRS 3, the transaction is treated as a capital restructuring. The net liabilities assumed by Qsolar Ltd. pursuant to this transaction have been charged to the deficit of the combined entity. Transaction costs related to the acquisition have been recognized in the operating results of the combined entity.

These consolidated financial statements for the nine months ended September 30, 2011 reflect the results of operations of Qsolar Ltd., the legal subsidiary, prior to the RTO on March 18, 2011 and the consolidated assets, liabilities and results of operations of Qsolar Ltd. and the Company subsequent to the takeover. These consolidated financial statements are a continuation of the financial statements of the legal subsidiary, Qsolar Ltd. The comparative figures as at September 30, 2010 (except for the issued and outstanding share capital) are those of the legal subsidiary.

4. TRADE AND OTHER RECEIVABLES

	September 30, 2011	**December 31, 2010**
Value-added tax receivables	**$ 39,179**	$ -
Trade receivables	**120,510**	1,826
Prepayments	**64,055**	23,062
	$ 223,744	$ 24,888

(all figures in Canadian dollars)

5. INVENTORIES

Inventories are comprised of the following:

	September 30, 2011	December 31, 2010
Finished goods	**$ 104,074**	$ 310,260
Raw Materials	**638,275**	644,681
Work in progress	**46,914**	-
	$ 789,263	$ 954,941

See Note 12 regarding inventory valuation write down as at Sepetember 30, 2011.

6. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Motor vehicle	Office equipment	Total
Cost:				
At December 31, 2010	$ 4,877	$ -	$ 4,648	**$ 9,525**
Additions	278,069	22,168	6,361	**306,598**
At September 30, 2011	282,946	22,168	11,009	**316,123**
Amortization:				
At December 31, 2010	(2,073)	-	(1,188)	**(3,261)**
Charge for the period	(33,296)	(5,769)	(4,877)	**(43,942)**
At September 30, 2011	(35,369)	(5,769)	(6,065)	**(47,203)**
Net book value:				
At December 31, 2010	$ 2,804	$ -	$ 3,460	**$ 6,264**
At September 30, 2011	$ 247,577	$ 16,399	$ 4,944	**$ 268,920**

7. INTANGIBLE ASSETS

In fiscal 2009 development costs of $311,920 (£200,000) were capitalized by Qsolar Ltd. These costs represent two years salary of the CEO and founder of $155,960 (£100,000) per annum. The costs are being amortized from 2010 on a straight line basis over 10 years. During the quarter ended September 30, 2011, trademark costs of $8,117 were incurred. Trademarks are also amortized on a straight line basis over 10 years.

Cost:		
At December 31, 2010		**$ 311,920**
Additions, trademark	-	**8,117**
At September 30, 2011		**320,037**
Amortization:		
At December 31, 2010		**(32,686)**
Charge for the period		**(25,145)**
At September 30, 2011		**(57,831)**
Net book value:		
At December 31, 2010		**279,234**
At September 30, 2011		**$ 262,206**

(all figures in Canadian dollars)

8. SHARE CAPITAL

Authorized:
Unlimited number of common shares without par value.

Issued and outstanding common shares:

On March 16, 2011, the Company's shareholders approved the consolidation of the Company's issued and outstanding common shares on the basis of one new share for every two old shares. All share amounts have been restated to reflect the consolidation of the Company's common shares.

During the period ended September 30, 2011, the Company competed the following transactions:

(i) On March 16, 2011, the Company completed a private placement consisting of 1,000,000 common shares at a price of $0.05 per share for proceeds of $50,000.
(ii) On March 18, 2011, 1,000,000 common shares which were previously cancelled were reinstated for a proportional reduction of the stated share capital. The reinstatement of the shares and capital adjustment were approved by a special resolution of the shareholders on December 21, 2010.
(iii) On March 18, 2011, the Company completed the RTO (Note 3) by way of an issuance of 21,720,000 common shares of the Company in exchange for all of the issued and outstanding shares of Qsolar Ltd.
(iv) On March 18, 2011, the Company issued 780,000 common shares to a consultant who assisted in the RTO. The shares were valued at $0.05 per shares for a total of $39,000, and was recognized as stock-based compensation.
(v) On April 18, 2011, the Company raised $1,500,000 through a non-brokered private placement issue of 15,00,000 units at a price of $0.10 per unit. Each unit consisted of one common share and one-half of a non-transferable share purchase warrant. Two one-half warrants entitle the holder to purchase one additional common share of the Company at a price of $0.15 per share within eighteen months, expiring on October 19, 2012. These one-half warrants were valued at $112,500 ($0.0075 each) using the Black-Scholes option pricing model.
The Company incurred finders fees with this financing amounting to $120,000 cash, plus 1,200,000 share purchase warrants exercisable at $0.10 per share within eighteen months, expiring on October 19, 2012. These warrants were valued at $31,500 ($0.026 each) using the Black-Scholes option pricing model.

As at September 30, 2011 the Company had 41,000,000 issued and fully paid common shares outstanding.

Warrants
The warrants issued by the Company are subscription rights to common shares.

The following table summarizes the components of issued and outstanding warrants as at September 30, 2011:

	Weighted average exercise price	Potential common shares	Weighted average life remaining in years	Expiry date	Fair value
Outstanding warrants at September 30, 2010 and December 31, 2010		-	-	-	$ -
Issued for cash on April 18, 2011	$0.15	7,500,000	1.05	October 19, 2011	**112,500**
Stock-based financing compensation on April 18, 2011	$0.10	1,200,000	1.05	October 19, 2011	**31,200**
Outstanding warrants as at September 30, 2011	$0.14	8,700,000	1.05		**$ 143,700**

The fair value of these warrants was estimated at the date of grant using the Black-Scholes option model with the following assumptions: a 9 month life expectancy, a risk-free rate of 1.65%, volatility at 90% with no dividends anticipated.

Options
During the nine month period ended September 30, 2011, the Company granted the following options:
(a) On March 17, 2011, the Company granted 2,300,000 stock options to directors and 300,000 to a technical consultant, exercisable at a price of $0.05 per share until March 17, 2021. The fair value of these 2,600,000 options was calculated at $91,000 (or $0.035 per option) using the Black-Scholes option pricing model.
(b) On May 10, 2011, the Company granted 1,500,000 stock options to directors , exercisable at a price of $0.40 per share until May 10, 2021. The fair value of these options was calculated at $549,000 (or $0.366 per option) using the Black-Scholes option pricing model.
The fair value of the above stock-based awards was recognized as stock-based compensation, with an offsetting credit made to reserves.

(all figures in Canadian dollars)

8. SHARE CAPITAL (…continued)

Options (…continued)

The following weighted average assumptions were used for the valuation of the above stock options:

	2011
Risk-free interest rate	1.7%
Expected life	5 years
Estimated volatility	90%
Dividend rate	0.00%

The following stock options were outstanding at September 30, 2011:

	Number of exercisable options	Exercise price	Expiry Date	Fair value at grant date
Outstanding options at September 30, 2010 and December 31, 2010	-			$ -
On March 17, 2011 directors and technical consultant	2,600,000	$0.05	March 17, 2021	**91,000**
On May 10, 2011 directors	1,500,000	$0.40	May 10, 2021	**549,000**
Exercisable options as at September 30, 2011	4,100,000			**$ 640,000**

9. RELATED PARTY TRANSACTIONS

As at September 30, 2011, the Company owed a director of the Company $169,353 (£103,814) (December 31, 2010 - $284 (£182)) which was included in accounts payable and accrued liability. The loan is non-interest bearing with specified terms of repayment.

During the nine month period ended September 30, 2011, the following transactions occurred:
(a) Included in administrative and general expenses is an amount of $162,744 representing remuneration for two directors (2010 - $55,200 for one director) .
(b) On March 17, 2011, the Company granted 2,300,000 stock options to directors exercisable at a price of $0.05 per share within 10 years.
(c) On May 10, 2011, the Company granted 1,500,000 stock options to directors , exercisable at a price of $0.40 per share within 10 years.

10. FINANCIAL INSTRUMENTS

The Company’s financial instruments consist of cash, accounts receivable, accounts payable and amounts due to related parties. The carrying value of cash, accounts receivable, accounts payable and amounts due to related parties approximates their fair values due to their immediate or short-term maturity. The Company’s financial instruments are exposed to certain financial risks. The Company has exposure to the following risks from its use of financial instruments:

• Credit risk
• Liquidity risk and funding risk
• Interest rate risk
• Currency risk

The Board of Directors approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company’s credit risk is primarily attributable to its cash. Cash consist of bank balances. The Company manages its credit exposure by selecting major banks, with high-grade credit ratings, and avoiding complex investment vehicles with higher risk. Management has determined that there are no significant risks from these concentrations of credit.

Liquidity risk and Funding risk

The Company’s cash is held on deposit in business bank accounts and is available on demand.

Funding risk is the risk that the Company may not be able to raise equity financing in a timely manner and on terms acceptable to management. There are no assurances that such financing will be available when, and if, the Company requires additional equity financing. Under current market and economic conditions funding risk is considered high.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company’s financial instruments. The Company earns interest on its business account balances between 0.0% and 0.75% based on maintaining deposit thresholds. The Company had $58,077 in cash at September 30, 2011, on which it earns no interest, and is therefore subject to no interest rate risk.

10. FINANCIAL INSTRUMENTS (…continued)

Currency risk

The Company is subject to currency risks. The Company's areas of interest are outside of North America and many of its expenditures and obligations are denominated in U.S. dollars, Euros, or UK Pound. The Company is headquartered in Canada, and maintains cash accounts in Canadian dollars and UK pounds and nominal amounts in other currencies. The Company's monetary assets and liabilities are denominated in Canadian dollars, US dollars, Euros, and other currencies on occasion. As such, the Company's results of operations are subject to foreign currency fluctuation risks and these fluctuations may adversely affect the financial position and operating results of the Company.

As of September 30, 2011, the Company does not use derivative instruments to reduce its exposure to currency risk.

The currency spot rate between the Canadian dollar and other currencies in which the Company conducts business fluctuated materially in 2011, as detailed in the table below:

	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
UK Pound to USD $	1.5623	1.6014	1.6077	1.55237
UK Pound to Cdn $	1.6233	1.5457	1.5596	1.54772

11. LOSS PER SHARE

Stock options and warrants have been excluded in the diluted per share calculation as their inclusion would have been antidilutive for the periods presented.

12. COST OF SALES AND INVENTORY WRITE DOWN

As at September 30, 2011, the Company reduced the value of its inventory held for sale by $349,607 to reflect the net realizable values arising from world wide decreases in solar panel market prices.

Cost of sales also includes research and development expenditures totalling $73,435.

13. CAPITAL MANAGEMENT

The Company's capital is effectively its cash resources. Capital is impacted by operating expenses (fixed and variable) and the ability of the Company to raise funds, primarily through equity markets.

As the Company is in the process of developing its business, its principal source of capital is from the issuance of common shares. The Company's capital management objective is to obtain sufficient capital to achieve its business objectives for the benefit of its stakeholders. To meet the objectives, management monitors the Company's ongoing capital requirements against unrestricted net working capital and assesses additional capital requirements on an ongoing basis. The Company is not subject to any externally imposed capital requirements.

14. SEGMENTED INFORMATION

Revenues are attributed to countries based on location of customer.

	Three Months ended September 30 2011	Three Months ended September 30 2010	**Nine Months ended September 30 2011**	Nine Months ended September 30 2010
UK	**$ 85,909**	$ 25,234	**$ 267,063**	$ 59,127
Europe	**859,328**	-	**1,296,315**	-
Total	**$ 945,237**	$ 25,234	**$ 1,563,378**	$ 59,127

Assets are situated in the following geographic locations:

	Total	**China**	**UK**	**Canada**	**Europe**
Property plant and equipment	**$ 268,920**	$ 268,920	$ -	$ -	$ -
Trade and other receivables	**223,744**	-	31,810	109,917	82,017
Inventories	**789,263**	789,263	-	-	-
Cash	**58,077**	-	58,077	-	-
Intangible assets	**262,206**	-	262,206	-	-
Total Asset at September 30, 2011	**$ 1,602,210**	$ 1,058,183	$ 352,093	$ 109,917	$ 82,017

Operations in China

In May 2011 the Company started its own manufacturing operations in Shanghai China to better protect its intellectual property, control quality, deliveries and costs. The company signed a two year lease for the premises at a cost of $11,000 per month and also purchased production equipment. Manufacturing commenced on July 4, 2011.

QSOLAR Limited (Formerly Bricol Capital Corp).
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and nine months ending September 30 2011

Forward-Looking Statements and Disclosures

This management discussion and analysis ("MD&A") of QSolar Limited ("**QSolar**" or the "**Company**") has been prepared as of December 1, 2011 and is supplemental to the condensed consolidated interim financial statements for the period ended September 30, 2011. This MD&A should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2010 (filed on SEDAR May 2, 2011). The condensed consolidated interim financial statements and related notes have been prepared in accordance with the IFRS. All amounts in the financial statements are stated in Canadian dollars unless otherwise noted.

This MD&A may contain statements which, to the extent that they are not recitations of historical fact, may constitute forward-looking statements based on the beliefs of management as well as assumptions made by, and the information currently available to, the Company. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Persons reading this MD&A are cautioned that such information may not be appropriate for other purposes. Such forward-looking statements may include financial and other projections as well as statements regarding the Company's future plans, objectives or performance for the current fiscal year and subsequent periods and regarding the markets for the Company's products. The words "may", "would", "could", "will", "likely", "expect", "anticipate", "estimate", "intend", "plan", "forecast", "project", "forward", "future", "can" and "believe" or other similar words and phrases are intended to identify forward-looking statements. Persons reading this MD&A are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including managements' perception of historical trends, current conditions and expected future developments as well as other factors management believes are appropriate in the circumstances. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties principally relate to the risks associated with the solar industry. In evaluating these statements, the reader should consider various factors, including the risks outlined under the heading Risks and Uncertainties in this MD&A. QSolar does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events, except as required by law.

Overview

Effective March 18, 2011, the Company completed the legal acquisition of an operating company QSolar Ltd., a private company with its head office located in the United Kingdom, through a Share Purchase Agreement that constitutes a Capital restructuring ("RTO"). QSolar Ltd. is a private technology company in the solar photovoltaic panel manufacturing field with unique proprietary patent pending manufacturing processes, these processes are aimed to significantly lowering the cost of solar panels, and this in turn reduces the overall cost of solar energy. The consolidated interim financial statements of QSolar Limited reflect the RTO of the Company by QSolar Ltd. on March 18, 2011. As described in Note 3 to the interim financial statements, the consolidated financial statements reflect the operations and accounts of QSolar Ltd. prior to the RTO and the consolidated assets, liabilities and operations of the combined companies subsequent to RTO.

During the first two years QSolar devoted all its efforts to designing a solar panel manufacturing process that reduces time and materials required for manufacturing solar panels and simplify the manufacturing process. This resulted in a substantially reduced price of the solar panels. Furthermore we designed other products in order to increase the collection efficiency of solar panels and reduce the overall solar system cost. At present we have developed a scalable modular solar panel manufacturing process which reduces the cost of manufacturing by 15% and the time required for production by 30%. QSolar has started volume production upon signing a manufacturing agreement with a large Chinese manufacturing company. QSolar panels have also been certified to IEC61215, CE and ROHS standards and are currently being certified to TUV standard for the German market and UL standard for the US market.

In May 2011 the Company started its own manufacturing facilities in Shanghai China as the mark up of the contract manufacturing company was eroding its profit margin as it could not control the costs in this rapidly changing market. Furthermore, in future the Company will be able to better control its product quality as well as protect its intellectual property by not having to disclose proprietary processes to third parties.

The products we currently manufacture are:

1. Frameless solar panels 210W to 300W
2. Framed panels up to 400W
3. Rigid semi-transparent panels
4. Colour semi-transparent panels

In July the company hired staff, did training of the staff, installed the solar panel manufacturing production equipment line and started full production in our Shanghai manufacturing facilities.
The company continued and intensified the R&D and introduced major improvements in the Spraytek line.

Industry Outlook

World solar photovoltaic ("**PV**") market installations reached a record high dollar volume of $46bn in 2010.

The global electricity industry is facing many challenges including: increase in consumers; government and industry focus on the environmental impact of energy generation; a finite fossil fuel supply; fluctuating and unpredictable fossil fuels prices; scepticism related to certain electricity generation practices and technologies; and political and economic instability in various oil and natural gas producing regions.

Consumers, industry, and governments are considering alternative energy sources to address these challenges; for example, the government of Ontario adopted the Green Energy Act ("**GEA**") during the third quarter of 2009.

The increased focus on alternative energy has lead to developments in solar, wind, geothermal, and biomass energy among others. The benefits of solar electricity compared with these other sources of renewable energy include: high reliability; ease of location to the end user; a strong match between peak energy generation and peak energy consumption; and applicability to a wide range of power requirements. Management believes these factors provide a positive long term outlook for the solar energy industry. In the third quarter of 2009, demand began to increase and has continued to increase through 2010. In 2011 demand went down for the first two quarters but picked up in the third quarter.

Current market prices of silicon wafers, which declined during 2009 and through the first quarter of 2010, increased in the second and third quarters of 2010 and are coming down again in 2011.

Average PV cell prices decreased on a per watt basis through 2009. Market prices for PV cells increased in the second, third and fourth quarters of 2010 and have decreased during the first three quarters of 2011.

The development and increased use of solar energy is significantly affected by, and dependent on, various government incentives around the world especially in Europe. A growing number of national and local governments have established attractive incentive programs which support the solar energy industry. It is expected that the solar energy industry will continue to grow at significant rates in the coming years.

Qsolar's low cost Spraytek process is approaching the cost levels that solar will no longer need government subsidies to expand.

An important development is the efforts by the US government to increase incentives for solar installations and also the introduction of incentives in China to stimulate the local market. Increase in the demand in the world's two bigger markets will significantly increase the overall demand for solar panels.

Another development which affected the solar market positively is the unfortunate events in Japan that generated uncertainty in the nuclear energy market the only competitive market to solar. The decision of Germany and Italy to halt the generation of electricity from nuclear stations and the uncertainties of other countries regarding nuclear brought even more focus on the solar energy.

The world financial problems have had a negative effect on the solar market as well. This however will help companies with innovative products and good pricing to thrive as it will eliminate companies with no unique selling points.

Research & Development

QSolar's R&D division which was located in London England has now moved to our new facilities in Shanghai. The R&D department is constantly working on developing new processes and new products. After developing the Company's Spraytech79® manufacturing process which has led to the savings in the manufacturing costs of solar panels.

The Company introduced the first range of products in early 2010, the frameless crystalline Spraytech79® panels. This range has been extremely well received by the market and the Company exhibited its new range in the international solar energy exhibition in Valencia Spain in September 2010. The Company received several million dollars worth of orders and letters of intent. These orders and letters of intent will start reflecting in our financials for Q3 and Q4 and the larger letters of intent will be reflected in 2012 when our UL certification for the US market is obtained, a condition for converting the LOIs into orders. The Company currently has received $932,599 in customer deposits which are included in accounts payable and accrued liabilities on our September 30, 2011 interim financial statements.

The Company is exporting all of its products to Europe at this time. Following these encouraging results the Company has designed a new wafer manufacturing process that eliminates the silicon waste which occurs during current manufacturing process and will thus reduce the Company's wafer and solar panel costs even further.

The latest products developed by the Company are now ready for volume production. This is the semitransparent range that we call the Kristal range. These products address the developing Building Integrated Photovoltaics market which is expanding very rapidly in Europe.

New Technology

Conventional manufacturing of multi crystalline silicon wafers for the production of solar wafers consists of melting solar grade silicon in furnaces with slight doping of Boron and forming large ingots of crystalline silicon. The ingots are then cut into squares which are then sliced using wire saws into thin wafers. The slicing process creates up to 50% waste of silicon material in the form of silicon powder which can not be reused as it is no longer pure.

QSolar's crucible cell process eliminates this waste by using a completely different process in the manufacturing of solar silicon wafers. This process has significant cost savings in that only half of the amount of silicon is required and no wire saws are needed. In this process solar grade silicon powder is fed into a container together with a small amount of Boron for doping so as to create p-type wafers. The container is enclosed in a furnace where it is heated to 1490 deg C and the silicon is melted. A conveyor belt carrying a continuous array of graphite crucibles with dimensions 156mmx80mm and inside depth of 0.2mm is moving continuously at exactly constant speed controlled by a central computer. The crucibles pass into a second furnace and are heated at the same temperature as the molten silicon. The molten silicon is then released is predefined quantities into the crucibles so as to cover the entire area of the crucible while in the liquid state, by the time the crucibles exit the furnace at precisely constant speed to avoid any movement of the liquid silicon the molten silicon in the crucible would have stabilized as soon as the crucibles come out to the air the molten silicon solidifies.

The temperature of the solid silicon wafer is still high and the crucibles then pass through a cooling chamber whereby their temperature drops to near room temperature.

At the next stage an automatic arm with vacuum pick lifts the wafers from the crucibles and places them in a storage container for further processing. The wafers are then cleaned and edged in preparation of the cell process which is one by conventional processes to deposit a layer of phosphor for the creation of an n-type layer to complete the p-n junction. The empty crucibles are then inspected automatically using machine vision software for any defects and if no defect or left over's are detected they continue the cycle on the conveyor belt. If any defect is defected the crucible is replaced and cleaned. When the cells are finished they are tested and classified into groups ready for the PV panel manufacturing process using QSolar's Spraytech79® technology.

The cost of the wafers represents about 45% of the total cost of a module, saving 50% of the silicon in this process represents a saving of about 40% of the cost of the wafer or about 20% of the cost of the module. Furthermore the saving in using Spraytech79® process will lead up to 35% lower costs in the final solar module price.

With this process QSolar introduces savings in two of the three processes in an integrated solar module manufacturing line with improvements in throughput and costs.

Intellectual Property

In order to protect its intellectual property the Company filed seven international patent applications in the UK in 2009 and 2010. The reference numbers of these applications are shown below.

GB1014010.1	GB11075595.9
GB0910166.8	GB10114101.1
GB1008961.3	
GB1008963.9	
GB9011900.9	

Manufacturing

In October 2009 Qsolar signed a five year contract manufacturing agreement with Shenzhen Sunco Solar Co. Ltd, a Chinese OEM solar panel manufacturer. This factory has been producing our panels using our proprietary manufacturing process and shipped them directly to our customers until June 2011. The aforementioned five year manufacturing agreement does not stipulate any targets and the Company is not under any obligation to continue using this factory. It does however maintain the option to continue if and when our own manufacturing capacity is exceeded. See below - QSolar China Co Ltd.

QSolar China Co Ltd

The company started its own manufacturing facilities in Shanghai China during 2011, by leasing an industrial unit at a cost of $11,000 per month, purchasing production equipment and hiring staff. The Company is in the process of registering a wholly owned subsidiary (QSolar China Co. Ltd) to do the manufacturing of the Company's products, at present the operations in China are run by Qsolar Ltd, the UK subsidiary of Qsolar Limited. This significant move will enable the Company to better protect its intellectual property, control the quality and deliveries and significantly reduce the costs.

International sales office

In September 2009 Gregory Nepse became the Company's International sales and marketing director and the Company established an International Sales Office in Marseille France. Gregory Nepse a highly experienced sales and marketing executive signed several distributors internationally and is currently signing orders from large customers in Europe and the US.

Feed in tariffs

On September 24, 2009, the Ontario government finalized its Feed-in Tariff ("**FIT**") program under the Green Energy Act ("**GEA**"). The FIT program will guarantee renewable energy rates for a twenty year period and is intended to be a catalyst for new renewable energy generation in Ontario. The GEA includes the following solar PV feed-in tariffs: **Application**	**Sizes**	**Price ¢ / kWh**
Any type	≤ 10 kW	80.2
Rooftop	> 10 ≤ 250 kW	71.3
Rooftop	> 250 ≤ 500 kW	63.5
Rooftop	> 500 kW	53.9
Ground mounted	≤ 10 MW	44.3

Similar and even more attractive feed in tariffs have been introduced by most European countries something that drives the demand of Solar panels to very high levels. Some of the countries where the demand is insatiable are Italy and Germany.

European orders

In August 2010, QSolar started receiving substantial orders from Italy and Spain and started shipments in September 2010. The Company currently has $6.5m worth of orders, and letters of intent for 2011/12 in excess of 100MW which equals to nearly $200m in future sales.

Current Period Net Profit (Loss)

The net loss for Q3 2011 was $627,408. This net loss is predominantly due to a number of non recurring expenses as per list below:,

1) Inventory write-down of $349,607 to reflect the current market prices.

2) Work on the building for installation of electricity, painting, building partitions, air-conditioning, CCTV cameras, floor, ventilation costing $38,757

3) A shipment retained by China customs as a non importable product (Silicon powder) costing $25,000

The above total amount of $413,369 represents non recurring expenses that were incurred in Q3.

Selected quarterly Data	Q3 2011	Q2 2011	Q1 2011	Q3 2010	Q2 2010
Sales	$945,237	$281,863	$336,278	$260,379	$25,234
Net profit (loss)	($674,228)	($1,045,366)	($244,910)	$(76,110)	$6,363
Net loss per share	($0.0160)	($0.0270)	($0.05)	($0.0110)	($0.0010)
Total assets	$1,602,210	$2,192,103	$1,219,885	$1,237,240	$488,511
Long term financial liabilities	$1,376	$1,311	$1,323	$ -	$ -

The Company has not paid cash dividends since inception

Summary of Quarterly Results

The following table sets forth unaudited information for Q3 2011 and Q3 2010. This information has been derived from the unaudited interim financial statements which, in the opinion of management, have been prepared on a basis consistent with the annual audited financial statements.

	Q3FY11	Q3 FY10
Sales	$1,563,378	$321,630
Gross Profit (Loss)	$(334,556)	$119,194
Operating Expenses	$1,377,687 *	$303,072
Net profit (Loss)	($1,920,451)	($183,878)
Profit (Loss)/ share	(0.0680)	(0.0260)

*Includes share-based director's compensation of $549,000 that does not involve cash.

Current Period Operating Results

Sales

Sales for Q3 2011 were $945,237 compared with $260,379 for Q3 2010. The increase in sales during Q3 2011 compared to Q3 2010 reflects the increasing acceptance of our products and the effect the lower cost of our own manufacturing facilities has on the market.

Gross Profit (Loss)

Gross loss for Q3 2011 was ($400,772) compared with Gross Profit of $97,091 in Q3 2010. The gross profit (loss) was realized in the sales of PV panels. This gross profit (loss) for Q3 2011 is attributed mainly to the non recurring costs and to the decrease in market prices. Without the non recurring costs and by increasing the sales to our full capacity of $2m per month the company will be cash flow positive.

In light of current market conditions and the Company's cash liquidity, a concerted effort has been made to control expenses and use funds in the most efficient manner. The reduction in manufacturing costs from manufacturing in our own factory will greatly increase the gross profit of the Company in the near future. The Company's focus continues to be its PV research and development program, realizing reductions in the manufacturing costs by manufacturing in our own facilities in Shanghai, the introduction of unique and innovative products as well as increasing the marketing efforts.

Operating Expenses

Total operating expenses for Q3 2011 were $226,636 compared with $173,202 for Q3 2010.

These expenses are costs of investor relations efforts, media exposure, marketing and travelling, Staff training and installation of equipment.

The company has established an accounting department in China with computerised controls on inventory, purchasing and sourcing, costing and expenses and is constantly making every effort to minimise expenditure and control the costs.

Travelling expenses will be reduced in the future as a large number of these expenses were incurred by the CEO's efforts to meet investors and brokers throughout Canada to promote the forthcoming Private Placement of the company. Furthermore the company is also using a professional accounting firm in China to complement the internal accounts department. The overall supervision of all the accounting will be assigned to the group accountants in Toronto.

Research Development Expenses

R&D in ongoing in our Shanghai plant in order to further develop and improve our manufacturing processes, continue with the development of new products and keep ahead of the competition. The R&D costs in Q3 of $73,435 were incurred in the implementation and testing of the company's brand new colour translucent panel manufacturing using our proprietary Spraytek 79 manufacturing process and further development of our Kruciwatt process currently in the final stages of development.

Depreciation of Intangible Assets

For Q3 2011, depreciation of development costs is $7,898 compared with $5,937 in Q3 2010.

Depreciation of Property, Plant and Equipment

For Q3 2011, depreciation of property, plant and equipment (exclusive of depreciation included in cost of goods sold) totalled $4,784 compared with $831 for Q3 2010.

Liquidity and Capital Resources

As at September 30, 2011, the Company had a working capital deficiency of $(472,086) consisting of current assets of $1,071,084 less current liabilities of $ 1,541,794. This compares with working capital deficiency at December 31, 2010 of ($458,125) consisting of current assets of $1,045,511 less current liabilities of $1,503,636. The increase in deficit working capital is due to the costs incurred in setting up the manufacturing facility, installing all the equipment, personnel training as well as the ongoing and implementation of our R&D program. Cash and cash equivalents were $58,077 at September 30, 2011 and $65,682 on December 31, 2010.

In April, the Company closed a private placement of 15,000,000 share units at a price of $0.10 per unit for gross proceeds of $1,500,000. Each share unit comprises one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant will entitle the holder to acquire one additional common share of the Company at a price of $0.15 for a period of 18 months. In connection with the offering, the Company paid finders' fees of $120,000 in cash and 1,200,000 agent's warrants. Each agent's warrant is exercisable into one common share of the Company at $0.10 per share for a period of 18 months

As at September 30 2011 and December 31, 2010, the Company had no borrowings other than from a director.

Critical Accounting Estimates

The Company's unaudited consolidated interim financial statements are prepared in accordance with the IFRS. The preparation of these unaudited interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management bases its estimates on historical experience and other assumptions that it believes are reasonable in the circumstances. Actual results may differ from the estimates. There have been no changes made to the methodology to determine critical accounting estimates during the past two fiscal years. The following reflect the most significant estimates and assumptions used in the preparation of the Company's unaudited interim consolidated financial statements.

Revenue recognition

The Company generates revenues from one principal activity: the sale of solar PV panels.

Revenue from the sale of solar panels is recognized where there is persuasive evidence of an arrangement and upon delivery, respectively. Revenues recognized in advance of the criteria for invoicing to the customer are recorded as unbilled receivables where the collection of the receivable is probable.

Valuation write-down (reversal) of inventory related assets

The valuation write-down of inventory related assets is comprised of the impairments recorded against inventories and long term deposits and prepaid expenses. The Company records a valuation write-down of inventory related assets by comparing inventory cost to its net realizable value and by comparing the carrying values of long term deposits and prepaid expenses to undiscounted future net cash flows. This process requires the use of estimates and assumptions related to future market demand, costs and prices. Such assumptions are reviewed quarterly and have a significant impact on the valuation write-down of inventory related assets.

Long-lived assets and intangibles

Property, plant and equipment and intangible assets with finite lives are reviewed for impairment at least annually or when events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. The determination of recoverability is based on an estimate of undiscounted future cash flows, and the measurement of impairment loss is based on the fair value of the asset.

To determine recoverability, the estimated undiscounted future cash flows projected to be generated by these assets are compared to their respective carrying value. In performing this analysis, estimates and assumptions are made about factors such as current and future contracts with clients, margins, market conditions and the useful lives of assets. If estimates or assumptions change from those used in the current analysis, the Company may be required to recognize an impairment loss in future periods, which would decrease property, plant and equipment or intangible assets and increase reported expenses.

Income taxes

Income taxes are accounted for using the liability method. Under this method, future income tax assets and liabilities are determined based on deductible or taxable temporary differences between the carrying amounts and tax bases of the assets and liabilities. Future income tax assets are measured using enacted or substantively enacted income tax rates to be in effect for the year in which the differences are expected to reverse.

A valuation allowance against future income tax assets is recorded if, based on available information, it is more likely than not that some or all of the future income tax assets will not be realized. If these estimates and assumptions change in the future, the Company could be required to reduce or increase the value of the future income tax asset or liability resulting in income tax expense or recovery. The valuation allowance is reviewed quarterly and adjusted if necessary.

Product warranties

The Company issues warranties for PV panels sold. A provision for future warranty costs is recorded in cost of goods sold when revenue for the underlying products is recognized. The warranty generally provides for product replacement or credit, and is for periods up to 10 years. The cost is estimated based on a number of factors, including historical warranty claims and cost experience, the type and duration of warranty coverage, the nature of the products sold and the counter-warranty coverage available from the Company’s suppliers. If these estimates and assumptions change in the future, the Company could be required to increase its warranty provision. Warranty provisions are reviewed quarterly and adjusted if needed.

Accounts receivable

Accounts receivable includes amounts due from customers for that have been invoiced for the shipment of products or achievement of invoicing milestones. The Company, in the normal course of business, monitors the financial condition of its customers and reviews the credit worthiness of each new customer. The Company does not have any exposure to any individual customer or counterparty. As at September 30, 2011, trade and other receivables totalling $223,744 included trade receivables of $120,510, sales taxes refundable of $39,179 and prepayments of $64,055. These prepayments consisted mainly of Stockhouse financial news which totalled $60,601.

Transactions with Related Parties

In aggregate, liabilities at September 30 2011 consisted of $169,353 owing to a director, ($284 at December 31, 2010). Directors' remuneration amounted to $162,744 for the third quarter totalling $162,744 for the nine months ending September 30, 2011. In Q1 2011, at Company reconstruction, the directors were awarded 2,300,000 in stock options at a price of $0.05 per share, exercisable within 10 years. During Q2 2011, the Company awarded directors 1,500,000 in stock options at a price of $0.40 per share exercisable within 10 years. This brought the total options awarded to directors to 3,800,000 for the nine months ended September 30, 2011

Disclosure of Outstanding Share Data

As at September 30, 2011:

Issued capital – 41,000,000 common shares were issued and outstanding.

Stock options – 4,100,000

Management's Annual Report on Disclosure Controls and Procedures and Internal Control Over Financial Reporting Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to management, including the President and Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**"), on a timely basis so that appropriate decisions can be made regarding public disclosure.

Internal Control over Financial Reporting

Internal control over financial reporting ("**ICFR**") is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. Management is responsible for establishing and maintaining adequate ICFR.

The Company's ICFR includes policies and procedures that pertain to the maintenance of records that provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorizations of management and directors; pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the Company's transactions and dispositions of assets; and are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual consolidated financial statements.

Because of its inherent limitations, ICFR can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of an evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

There have not been any other changes in the Company's ICFR, during the three months ended September 30, 2011 that have materially affected, or are reasonably likely to materially affect, the ICFR. The Board of Directors has reviewed and approved the MD&A and the unaudited interim consolidated financial statements.

Changes in Accounting Policies Including Initial Adoption

International Financial Reporting Standards ("**IFRS**")

The Accounting Standards Board requires all Canadian public companies to adopt IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies are also required to provide comparative information for the previous fiscal year.

As a result of the RTO, which is described more fully in Note 3, the interim financial statements have been prepared as a continuation of the operations of QSolar Ltd. which has reported under IFRS since its inception. Accordingly, there are no reconciliations to disclose. These financial statements should be read in conjunction with the audited financial statements for the period ended December 31, 2010 that were filed on SEDAR on May 2, 2011.

Summary of important events in Q3

During Q3 the Company started full operations in China and increased the sales of its products.

The main market of the company is Italy and the company has now entered the Portuguese, Spanish and North African markets.

The Company introduced the world's first solar roof tile with embedded solar cells using our Spraytek technology, and the worlds largest panel thus further reducing the installation costs.

During Q3 the company reduced the manufacturing costs to $0.65/W when the factory achieves full capacity which is $2m worth of production per month. well below the industry average.

Additional information

Additional information is available under the Company's symbol ("QSL") on CNSX at www.cnsx.ca and its profile on SEDAR at www.sedar.com