

Quarterly Report for Period Ending June 30, 2010



Item 1 Exact name of the issuer and the address of its principal executive offices.

Quasar Aerospace Industries, Inc.
 9300 Normandy Blvd., Suite 511
 Jacksonville, FL 32221
 (904) 378-3251 Phone
 (904) 378-3252 Fax
 www.quasaraerospace.net

Item 2 Shares Outstanding

For period ending 6/30/10

	<u># of Shares Authorized</u>	<u># of Shares Outstanding</u>	<u>Public Float</u>	<u>Total # of Shareholders</u>	<u>Total # of Beneficial Shareholders</u>
Common Stock	1,500,000,000	1,485,350,929	0	452	1
Preferred Stock	50,000,000	1,000 Class A 129,508 Class B	0	2 Class A 12 Class B	0

Item 3 Quarterly Financial Statements

- A. Balance Sheet for period ending 6/30/10 – Attached herein
- B. Income Statement for period ending 6/30/10 – Attached herein
- C. Statement of Cash Flows for period ending 6/30/10 – Attached herein
- D. Statement of Changes in Stockholder's Equity – will be added to Quarterly Report by October 31, 2010

Item 4 Management's discussion and analysis or plan of operation.

During the next year, Quasar Aerospace Industries plans to continue with its selective growth strategy. The Company will close the remaining acquisitions that are currently in progress. In the first quarter of 2010, Quasar closed the first two targeted acquisitions. A third acquisition, Corporate Air Repair, Inc., closed in the second quarter of 2010. This acquisition added maintenance capabilities to the growing fleet of aircraft for both Atlantic Aviation and its other corporate aircraft. This was not one of the initial four targeted acquisitions.

Quasar will continue to evaluate and improve the synergies that result from being under the corporate umbrella. These synergies include centralized purchasing, health care, accounting and legal support, etc. In addition, the Company will continue the development of its VLJ and trainer aircraft, moving toward first flight and the subsequent certification by the FAA. The demand for Atlantic Aviation's flight training program has increased and as a result, the company has acquired a second Piper Arrow training aircraft to accommodate this increase. Further expansion will continue as needed. The construction plans for the Office/Flight School building and the hangar at Herlong Airport are complete. The Company is waiting for J.A.A. (Jacksonville Aviation Authority) and to provide the 20-year lease for review and approval.

On April 30, 2010, Quasar announced that the Company, along with two other partners, acquired the rights to purchase over \$150 million of helicopter spare parts for \$15 million. These spare parts will be sold and distributed worldwide over the next 5 to 7 years. Quasar will control 51% of this venture and will recapture its \$15 million investment plus interest prior to any profit distribution.

In June of 2010, Quasar executed and closed loan documents with Newby & Associates, Inc., stating that Newby & Associates shall provide \$110 million in financing secured by the cross collateralization of multiple assets. Quasar secured the initial \$500K bridge loan with stock which will cover expenses for the investment grade collateral securing the first \$10

million loan. Since then, the transaction has been cancelled for failure to perform by Newby & Associates. Quasar's Management Team is currently in discussion with several other sources to provide the funding necessary to implement the Business Plan. Further updates will be included in the Quarterly Report for period ending September 30, 2010.

Quasar plans to secure a controlling 51% interest in the for-profit company, Mineseeker Overseas Operations, Ltd. (www.mineseeker.com). Quasar is not involved with the not-for-profit Mineseeker Foundation (www.mineseeker.org).

The Company is anticipating growth in each of its subsidiaries to exceed 20% per year for the next two calendar years. Dean Bradley, CEO, is highly optimistic that all of these goals will be met, and is looking forward to building share value based on the completion of these efforts.

Item 5 Legal proceedings.

The company is not involved in any legal proceedings.

Item 6 Defaults upon senior securities.

Not Applicable

Item 7 Other Information

There is no other information relevant to this report.

Item 8 Exhibits

None

Item 9 Certifications

August 15, 2010

I, Dean Bradley, certify that:

1. I have reviewed this Quarterly Report of Quasar Aerospace Industries, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operation and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

/s/ Dean Bradley
Dean Bradley
CEO and President

Quasar Aerospace Industries, Inc.
Balance Sheet for Period Ending June 30, 2010

ASSETS

Current Assets

Checking/Savings

Bank of America	1,677.66
Petty Cash	4.98
Wachovia	<u>28,184.58</u>
Total Checking/Savings	29,867.22

Other Current Assets

Loan Receivables

Atlantic Aviation	263,915.50
CET Racing	39,093.40
Chicago	342,100.00
Corporate Air Repair	8,500.00
Jamie Herring	-600.00
Mineseekers	219,607.69
Quasar Aircraft Company	812,143.93
Quasar Marine	13,104.82
Tigerfish USA	9,867.21
Team Saleem	<u>15,267.24</u>
Total Loan Receivables	<u>1,722,999.79</u>

Total Other Current Assets	<u>1,722,999.79</u>
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Total Current Assets	1,752,867.01
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Fixed Assets

Fixed Assets

Accumulated Depreciation	-210,484.54
Computer Equipment	225,597.83
New Building Construction	87,922.26
Office Equipment	14,383.33
Office furniture	6,441.38
Software	<u>700.00</u>
Total Fixed Assets	<u>124,560.26</u>

Total Fixed Assets	124,560.26
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Other Assets

Investment In Subsidiary

Quasar Aircraft Company	-834.00
Atlantic Aviation	1,091.00
Investment In Subsidiary - Other	<u>-69,477.29</u>
Total Investment In Subsidiary	-69,220.29

Investments In Subsidiaries	<u>373,290.60</u>
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Total Other Assets	<u>304,070.31</u>
TOTAL ASSETS	<u>2,181,497.58</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>37,745.75</u>
Total Accounts Payable	37,745.75
Other Current Liabilities	
Accrued Expenses	3,384.45
Notes Payable	
TA1	50,000.00
Dean Bradley	1,732,321.88
Machiavelli	<u>100,000.00</u>
Total Notes Payable	<u>1,882,321.88</u>
Total Other Current Liabilities	<u>1,885,706.33</u>
Total Current Liabilities	1,923,452.08
Long Term Liabilities	
Copytronics lease payment	5,312.48
Corporate Loan	
Elven Bramlet	35,912.94
Corporate Loan - Other	302,668.36
Lacinda Cash and Dav	<u>14,768.13</u>
Total Corporate Loan	<u>353,349.43</u>
Total Long Term Liabilities	<u>358,661.91</u>
Total Liabilities	2,282,113.99
Equity	
Opening Equity Balance	-141,246.00
Quasar Equity	
Common Stock	2,855,658.21
Preferred Stock	398,000.00
Treasury Stock	<u>-390,885.23</u>
Total Quasar Equity	2,721,526.98
Retained Earnings	2,194,599.68
Net Income	<u>-627,543.71</u>
Total Equity	<u>-100,616.41</u>
TOTAL LIABILITIES & EQUITY	<u>2,181,497.58</u>

Quasar Aerospace Industries, Inc.
Income Statement for Period Ending June 30, 2010
(January through June)

Ordinary Income/Expense

Expense

Legal	62,259.40
Accounting	16,461.75
Continuing Education	310.00
Automotive	269.94
Aircraft Fuel	1,543.52
Aircraft GPS & charts	470.26
Aircraft Lease Payment	3,570.00
Bank Service Charges	643.63
Computer and Internet Expenses	6,894.59
Donations	2,000.00
Dues and Subscriptions	6,867.27
Employee Relations	
Loans- Jamie Herring	400.00
Employee Relations - Other	<u>20,402.49</u>
Total Employee Relations	20,802.49
Equipment Leased	846.25
Fees	63.21
Insurance Expense	
General Liability	8,443.90
Health Insurance	<u>12,573.00</u>
Total Insurance Expense	21,016.90
Interest Expense	4,042.06
Janitorial Service	1,050.00
Licenses & Permits	280.00
Meals and Entertainment	3,751.27
Office Expense	
Postage	1,770.31
Office Expense - Other	<u>13,055.60</u>
Total Office Expense	14,825.91
Payroll	
Payroll Expense	239,976.29
Payroll Taxes	19,801.71
Suta	1,315.17
Payroll Fees	<u>5,401.10</u>
Total Payroll	266,494.27
Professional Fees	
Bert Watson	5,000.00
Dan Vaughn	51,500.00
James Ray	5,000.00
Roy Topic	<u>10,000.00</u>
Total Professional Fees	71,500.00
Rent Expense	
855 St Johns Bluff	8,560.00

Rent - 1548 The Greens Way	6,536.02
Rent Expense - Other	<u>18,242.11</u>
Total Rent Expense	33,338.13
Telephone Expense	
Sharholder Conference	2,249.39
Telephone Expense - Other	<u>7,935.15</u>
Total Telephone Expense	10,184.54
Travel Expense	
Automobile	58.88
Flights	20,608.55
Gasoline	833.08
Lodging	9,250.09
Meal & Ent	20,152.21
Travel Expense - Other	<u>27,155.51</u>
Total Travel Expense	<u>78,058.32</u>
Total Expense	<u>627,543.71</u>
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Net Ordinary Income	<u>627,543.71</u>
	-
	<u><u>627,543.71</u></u>

Quasar Aerospace Industries, Inc.
Statement of Cash Flows for Period Ending June 30, 2010
(January through June)

OPERATING ACTIVITIES	
Net Income	627,543.71
Adjustments to reconcile Net Income to net cash provided by operations:	
Loan Receivables:Atlantic Aviation	-12,789.85
Loan Receivables:CET Racing	-25,000.00
Loan Receivables:Corporate Air Repair	-8,500.00
Loan Receivables:Jamie Herring	600.00
Loan Receivables:Mineseekers	219,607.69
Loan Receivables:Quasar Aircraft Company	34,057.82
Loan Receivables:Quasar Marine	-13,104.82
Loan Receivables:Tigerfish USA	-9,867.21
Loan Receivables:Team Saleem	-15,267.24
Accounts Payable	37,745.75
Notes Payable:TA1	50,000.00
Notes Payable:Dean Bradley	705,288.95
Notes Payable:Machiavelli	100,000.00
Net cash provided by Operating Activities	<u>-3,988.00</u>
INVESTING ACTIVITIES	
Fixed Assets:Computer Equipment	-476.13
Fixed Assets:New Building Construction	-75,085.43
Fixed Assets:Office Equipment	-1,714.26
Investment In Subsidiary	-6,000.00
Investment In Subsidiary: Atlantic Aviation	-1,091.00
Investment In Subsidiary:Quasar Aircraft Company	834.00
Net cash provided by Investing Activities	<u>-83,532.82</u>
FINANCING ACTIVITIES	
Corporate Loan:Elven Bramlet	-21,264.24
Corporate Loan:Lacinda Cash and Dav	-33,693.70
Quasar Equity:Preferred Stock	25,000.00
Net cash provided by Financing Activities	<u>-29,957.94</u>
Net cash increase for period	117,478.76
Cash at beginning of period	<u>147,345.98</u>
Cash at end of period	<u><u>29,867.22</u></u>