

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## PLASTIC2OIL, INC.

20 Iroquois Street  
Niagara Falls, NY 14303

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000-52444

**Quarterly Report**  
**For the Period Ending: March 31, 2020**  
**(the "Reporting Period")**

As of March 31, 2020, the number of shares outstanding of our Common Stock was:

124,756,158

As of December 31, 2019, the number of shares outstanding of our Common Stock was:

124,756,158

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

## 1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

We were incorporated on April 20, 2006 under the laws of the State of Nevada under the name 310 Holdings Inc. ("310"). On April 24, 2009, the Company's founder, former CEO and Chief of Technology, John Bordynuik, purchased 63% of the issued and outstanding shares of 310 and became the Chairman of the Board of Directors and Chief Executive Officer. On June 25, 2009, we purchased certain assets from John Bordynuik, Inc., a corporation founded by Mr. Bordynuik. The assets acquired included tape drives, computer hardware, servers and a mobile data recovery container to read and transfer data from magnetic tapes. From inception until August 2009, we were a shell company within the meaning of the rules of the Securities and Exchange Commission. On August 24, 2009, we acquired all of the outstanding shares of Javaco, Inc., a wholly owned subsidiary of Domark International, Inc. On September 30, 2009, we acquired 100% of the issued and outstanding equity interests of Pak-It, LLC. We formed JBI (Canada) Inc. on February 9, 2010 for purposes of distributing Pak-It products in Canada. We formed Plastic2Oil of NY, #1, LLC on May 4, 2010, for the development and commercialization of our Plastic2Oil business in Niagara Falls, NY.

On October 5, 2009, we changed our corporate name to JBI, Inc.

On August 24, 2009, the Company acquired Javaco, Inc. ("Javaco"), a distributor of electronic components, including home theater and audio video products. On July 9, 2012, we announced the closure of our Javaco operations and sold substantially all of its assets to an unrelated third party. In July 2012, the Company closed Javaco and sold substantially all its inventory and fixed assets.

In September 2009, the Company acquired Pak-It, LLC ("Pak-It"). Pak-It operated a bulk chemical processing, mixing, and packaging facility. It also developed and patented a delivery system that packages condensed cleaners in small water-soluble packages. . On February 10, 2012, we sold substantially all the assets of Pak-It.

In December 2010, the Company entered into a twenty year lease for a recycling facility in Thorold, Ontario. During the period ended December 31, 2013, the Company determined that it would no longer operate the facility and shut down all operations. The property was vacated on November 10, 2015 and the lease was terminated on January 15, 2016 effective October 31, 2015.

On July 31, 2014, we changed our corporate name to Plastic2Oil, Inc. On January 6, 2015, we changed the names of our two Canadian subsidiaries from JBI (Canada) Inc. to Plastic2Oil (Canada), Inc., and from JBI RE ONE, Inc. to Plastic2Oil RE ONE, Inc.

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)  
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Nevada, Active, Described Above.

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

## 2) Security Information

Trading symbol:	<u>PTOI</u>
Exact title and class of securities outstanding:	<u>Common</u>
CUSIP:	
Par or stated value:	<u>\$0.001</u>

Total shares authorized:	<u>250,000,000</u>	as of date: <u>03/31/20</u>
Total shares outstanding:	<u>124,756,158</u>	as of date: <u>03/31/20</u>
Number of shares in the Public Float <sup>2</sup> :	<u>90,809,215</u>	as of date: <u>03/31/20</u>
Total number of shareholders of record:	<u>478</u>	as of date: <u>03/31/20</u>

*All additional class(es) of publicly traded securities (if any):*

Trading symbol:	N/A
Exact title and class of securities outstanding:	_____
CUSIP:	_____
Par or stated value:	_____
Total shares authorized:	_____ as of date: _____
Total shares outstanding:	_____ as of date: _____

#### Transfer Agent

Name: Pacific Stock Transfer  
Phone: 800-785-7782  
Email: info@pacificstocktransfer.com

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

### **3) Issuance History**

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### **A. Changes to the Number of Outstanding Shares**

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☒

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Shares Outstanding as of Second Most Recent Fiscal Year End:  <div style="text-align: right;">Opening Balance</div> Date <u>12/31/19</u> Common: <u>124,756,158</u>  Preferred: <u>N/A</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report:  <div style="text-align: right;">Ending _____ Balance</div> <div>Ending Balance:</div> Date <u>3/31/20</u> Common: <u>Same</u>  Preferred: <u>N/A</u>									

## B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities..

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<u>See Table below</u>							

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Use the space below to provide any additional details, including footnotes to the table above:

Secured promissory notes with related parties consists of the following:

	As of March 31, 2020	As of December 31, 2019
Secured Demand Promissory Note (provided by Richard Heddle) bearing interest of 4% to 12% per annum with the Company's CEO. Principal amount \$2,170,000 in Canadian funds	\$ 1,990,867	\$ 2,117,500
Secured Demand Promissory Note (provided by Richard Heddle) bearing interest of 12% per annum with the Company's CEO. Principal amount \$550,000	683,122	671,712
Secured Demand Promissory Note - \$100,000 Canadian dollars in February 16, 2018 bearing interest of 4% per annum with the Company's BOD, Jason Aspin, payable on demand and secured by the blending site property located at 1776 Allanport, Road, Thorold, Ontario CA.	77,103	82,461
Secured Promissory Notes of-\$1,000,000 in November 19, 2014 bearing interest of 12% per annum compounded annually, together with a five-year warrant to purchase up to one million shares of the Company's common stock at an exercise price of \$0.12 per share, and payable upon maturity in 2019 and secured by a security interest in substantially all of the assets of the Company and its subsidiaries. Provided by the Company's CEO, Richard Heddle	1,840,049	1,794,479
Secured Demand Promissory Note - \$125,000, July 11, 2018 bearing interest of 4% per annum, payable on demand and secured by the blending site property located at 1776 Allanport, Road, Thorold, Ontario CA. Provided by the Company's BOD, Lee Brain.	133,194	131,874
Secured Promissory Notes (\$1,000,000 in August 29, 2013 and \$2,000,000 in September 31, 2014) bearing interest of 12% per annum compounded annually, together with a five-year warrant to purchase up to three million shares of the Company's common stock at an exercise price of \$0.54 per share and payable upon maturity in 2018 and secured by a security interest in substantially all of the assets of the Company and its subsidiaries. This note is currently in default. Provided by the Company's CEO, Richard Heddle	6,296,494	6,118,850
Secured Demand Promissory Note - \$125,000 in July 31, 2018 bearing interest of 4% per annum, payable on demand and secured by the blending site property located at 1776 Allanport, Road, Thorold, Ontario CA. Provided by the Company's BOD, Jason Aspin.	133,233	131,904
Secured Promissory Note -\$100,000 in August 24, 2016 bearing interest of 12% per annum compounded annually, together with a five-year	150,100	145,775

warrant to purchase up to one million shares of the Company's common stock at an exercise price of \$0.12 per share, and payable upon maturity in 2021 and secured by a security interest in substantially all of the assets of the Company and its subsidiaries. Provided by the Company's BOD member, Jason Aspin

Secured Promissory Note -\$400,000 in October 18, 2016 bearing interest of 12% per annum compounded annually, together with a five-year warrant to purchase up to one million shares of the Company's common stock at an exercise price of \$0.12 per share, and payable upon maturity in 2021 and secured by a security interest in substantially all of the assets of the Company and its subsidiaries. Provided by the Company's BOD member, Jason Aspin

586,323

568,549

Total 11,890,485 11,763,104

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

☒ U.S. GAAP

☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: **Gilbert Judd**

Title: **Accountant**

Relationship to Issuer: **Employee**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Changes in Shareholders' Equity
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

**PLASTIC2OIL, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	As of March 31, 2020	As of December 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 19,667	\$ 12,875
Prepaid expenses and other current assets	14,798	9,403
<b>TOTAL CURRENT ASSETS</b>	<b>34,465</b>	<b>22,278</b>
Property, plant and equipment, net	507,268	514,133
Property held for sale (Note 5)	180,235	180,235
Deposits	10,000	10,000
<b>TOTAL ASSETS</b>	<b>\$ 731,968</b>	<b>\$ 726,646</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 1,911,383	\$ 1,899,358
Accrued expenses	1,722,685	1,719,420
Accrued officer salary	1,500,000	1,440,000
Demand promissory note – related parties, current portion	11,603,046	11,424,287
Capital leases	23,318	23,092
<b>TOTAL CURRENT LIABILITIES</b>	<b>16,760,432</b>	<b>16,506,157</b>
<b>LONG-TERM LIABILITIES:</b>		
Asset retirement obligations	70,458	69,933
Secured promissory notes – related parties	736,423	714,325
Secured promissory notes	150,779	146,436
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>957,660</b>	<b>930,694</b>
<b>TOTAL LIABILITIES</b>	<b>17,718,092</b>	<b>17,436,851</b>
<b>STOCKHOLDERS' DEFICIT:</b>		
Common stock, par \$0.001; 250,000,000 authorized, 124,756,158 shares issued and outstanding	124,756	124,756
Additional paid in capital	67,199,658	67,199,658
Accumulated other comprehensive income	263,820	49,579

Accumulated deficit	(84,574,358)	(84,084,198)
<b>TOTAL STOCKHOLDERS' DEFICIT</b>	<b>(16,986,124)</b>	<b>(16,710,205)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 731,968</b>	<b>\$ 726,646</b>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**PLASTIC2OIL, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	For the Three Months Ended March 31,	
	2020	2019
<b>OPERATING EXPENSES</b>		
Selling general and administrative expenses		
Professional Fees	\$ 32,472	\$ 30,471
Compensation	97,306	108,022
Other	37,716	43,102
Depreciation of property, plant and equipment and accretion of liability	7,388	7,374
<b>TOTAL OPERATING EXPENSES</b>	<b>174,882</b>	<b>188,969</b>
<b>LOSS FROM OPERATIONS</b>	<b>(174,882)</b>	<b>(188,969)</b>
<b>OTHER (INCOME) EXPENSES</b>		
Interest expense, net	315,901	283,378
Other income, net	(623)	-
<b>TOTAL OTHER EXPENSES</b>	<b>315,279</b>	<b>283,378</b>
<b>LOSS BEFORE INCOME TAXES</b>	<b>(490,161)</b>	<b>(472,346)</b>
Provision for Income taxes	-	-
<b>NET LOSS</b>	<b>\$ (490,161)</b>	<b>\$ (472,347)</b>
Basic and diluted loss per share	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
Weighted average number of shares outstanding		
Basic and diluted	<b>124,756,158</b>	<b>124,756,158</b>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

We incurred operating expenses of \$174,882 during the quarter ended March 31, 2020, compared to \$188,969 for the quarter ended March 31, 2019. This \$14,087 decrease was driven by a decrease in wages from less full-time equivalent (FTE) employees.

*Interest Expenses*

For the quarter ended March 31, 2020, we incurred net interest expense of \$315,901 as compared to \$283,378 for the quarter ended March 31, 2019.

*Net Loss*



We incurred a net loss of \$490,161 for the quarter ended March 31, 2020 as compared to a net loss of \$472,347 for the quarter ended March 31, 2019. The primary reason for the increase in net loss was from interest expense on notes.

**PLASTIC2OIL, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(Unaudited)

	<b>For the Three Months Ended March 31,</b>	
	<u>2020</u>	<u>2019</u>
<b>NET LOSS</b>	\$ (490,161)	\$ (472,347)
<b>OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX</b>		
Foreign currency items	214,241	46,897
<b>COMPREHENSIVE LOSS</b>	<u>\$ (275,920)</u>	<u>\$ (425,450)</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**Plastic2Oil, Inc. and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT**  
For the Three Months Ended March 31, 2019  
(Unaudited)

	<b>Common Stock \$0.001 Par Value</b>		<b>Additional Paid in Capital</b>	<b>Accumulated Deficit</b>	<b>Other Comprehensive Income (Loss)</b>	<b>Total Stockholder Deficit</b>
	<u>Shares</u>	<u>Amount</u>				
BALANCES - DECEMBER 31, 2018	124,756,158	\$124,756	\$67,199,658	\$ (82,195,628)	\$ 154,599	\$(14,716,615)
Stock compensation expense	-	-	-	-	-	-
Foreign currency adjustment	-	-	-	-	(46,897)	(46,897)
Net loss	-	-	-	(472,347)	-	(472,347)
<b>BALANCES March 31, 2019</b>	<u>124,756,158</u>	<u>\$124,756</u>	<u>\$67,199,658</u>	<u>\$ (82,667,975)</u>	<u>\$ 107,702</u>	<u>\$(15,235,859)</u>

The accompanying notes are an integral part of the consolidated financial statements.

**Plastic2Oil, Inc. and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT**  
For the Three Months Ended March 31, 2020  
(Unaudited)

	<b>Common Stock \$0.001 Par Value</b>		<b>Additional Paid in Capital</b>	<b>Accumulated Deficit</b>	<b>Other Comprehensive Income (Loss)</b>	<b>Total Stockholder Deficit</b>
	<u>Shares</u>	<u>Amount</u>				
BALANCE - DECEMBER 31, 2019	124,756,158	\$124,756	\$67,199,658	\$ (84,084,198)	\$ 49,579	\$(16,710,205)

OTC Markets Group Inc.

OTC Pink Basic Disclosure Guidelines (v2.1 December 2019)

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Foreign currency adjustment	-	-	-	-	214,241	214,241
Net loss	-	-	-	(490,159)	-	(490,159)
BALANCE March 31, 2020	<u>124,756,158</u>	<u>\$124,756</u>	<u>\$67,199,658</u>	<u>\$ (84,574,357)</u>	<u>263,820</u>	<u>\$(16,986,123)</u>

The accompanying notes are an integral part of the consolidated financial statements.

**PLASTIC2OIL, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Three Months Ended March 31,  
(Unaudited)

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>NET LOSS</b>	(490,161)	(472,347)
Reconciliation of loss to net cash used in operations:		
Depreciation of property plant and equipment and accretion	7,391	7,374
Amortization of debt discount	-	-
Accrued interest expense	111,652	275,303
Stock or options issued for services	-	-
Working capital changes:		
Prepaid expenses and other current assets	(5,395)	(21,990)
Accounts payable	12,025	(3,438)
Accrued expenses and officer salary	63,265	69,647
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(301,223)	(145,451)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Decrease in restricted cash	-	-
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash proceeds from Note Payable	93,774	128,357
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	93,774	128,357
Foreign Currency Exchange Effect on Cash Flows	214,241	
<b>NET DECREASE IN CASH</b>	6,792	(17,094)
<b>CASH AT BEGINNING OF PERIOD</b>	12,875	47,808
<b>CASH AT END OF PERIOD</b>	\$ 19,667	\$ 30,714

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:**

Cash paid for income taxes	\$	-	\$	-
Cash paid for interest	\$	-	\$	-

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

***Cash Flow from Operations***

Cash used in operations was \$188,938 and \$326,896 for the quarters ended March 31, 2020 and 2019, respectively. In 2020 and 2019 cash was mainly used to continue funding the minimum operating costs.

***Cash Flow from Investing and Financing Activities***

Cash used in investing was \$0 and \$0 for the quarters ended March 31, 2020 and 2019. Cash used in Financing was \$93,774 and \$128,357, respectively, for quarter end 2020 and 2019.

**PLASTI2OIL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 – ORGANIZATION AND GOING CONCERN**

Plastic2Oil, Inc. (the “Company” or “P2O”) was originally incorporated as 310 Holdings, Inc. (“310”) in the State of Nevada on April 20, 2006. 310 had no significant activity from inception through 2009. In April 2009, John Bordynuik purchased 63% of the issued and outstanding shares of 310. During 2009, the Company changed its name to JBI, Inc. and began operations of its main business operation, transforming waste plastics to oil and other fuel products. During 2014, the Company changed its name to Plastic2Oil, Inc. (“P2O”). P2O is a combination of proprietary technologies and processes developed by P2O which convert waste plastics into fuel. P2O currently, as of the date of this filing, has three processors at its Niagara Falls, NY facility (the “Niagara Falls Facility”). The processors have been idle since December 2013. Our P2O business has begun the transition from research and development to a commercial business that plans to grow through the licensing of technology and or from the sale of processors.

Presently, we do not have sufficient cash to operate our business which has forced us to suspend our operations until such time as we receive a capital infusion or cash advances on the sale of our processors.

**Going Concern**

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), which contemplates continuation of the Company as a going concern which assumes the realization of assets and satisfaction of liabilities and commitments in the normal course of business. The Company has experienced negative cash flows from operations since inception, has net losses from continuing operations of \$490,161, and \$472,347 for the quarters ended March 31, 2020 and 2019. These factors raise substantial doubt about the Company’s ability to continue as a going concern and to operate in the normal course of business. The Company has funded its activities to date almost exclusively from equity financings, loans from related parties and issuance of secured long-term debt.

The Company will continue to require substantial funds to continue the expansion of its P2O business to achieve significant commercial productions, and to significantly increase sales and marketing efforts. Management’s plans in order to meet its operating cash flow requirements include financing activities such as private placements of its common stock, issuances of debt and convertible debt instruments.

While the Company believes that it will be successful in obtaining the necessary financing to fund its operations, meet regulatory requirements and achieve commercial production goals, there are no assurances that such additional funding will be achieved and that it will succeed in its future operations. The consolidated financial statements do not include any

adjustments relating to the recoverability and classification of recorded asset amounts or amounts of liabilities that might be necessary should we be unable to continue in existence.

## **NOTE 2 – SUMMARY OF ACCOUNTING POLICIES**

### Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Plastic2Oil of NY#1 Inc., Plastic2Oil (Canada) Inc., JBI CDE Inc., Plastic2Oil Re One Inc., JBI Re #1 Inc., Plastic2Oil Marine Inc., Javaco, and Pak-it. All intercompany transactions and balances have been eliminated in consolidation. Amounts in the consolidated financial statements are expressed in US dollars. Recycling Center, Pak-It and Javaco have also been consolidated.

### Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates include amounts for impairment of long-lived assets, share based compensation, asset retirement obligations, inventory obsolescence, accrued liabilities, accounts receivable exposures and valuation of options and warrants.

### Cash

The Company considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents. The Company held no cash equivalents as of March 31, 2020 and 2019. As of March 31, 2020 and December 31, 2019, the Company has cash of \$19,667 and \$12,875, respectively.

### Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the various classes of assets, and capital leased assets are given useful lives coinciding with the asset classification they are classified as. These lives are as follows:

Leasehold improvements	lesser of useful life or term of the lease
Machinery and office equipment	3-15 years
Furniture and fixtures	7 years
Office and industrial buildings	25 -30 years

Gains and losses on depreciable assets retired or sold are recognized in the statements of operations in the year of disposal. Repairs and maintenance expenditures are expensed as incurred and expenditures that increase the value or useful life of the asset are capitalized.

### Construction in Process

The Company capitalizes customized equipment built to be used in the future day to day operations at cost. Once complete and available for use, the cost for accounting purposes is transferred to property, plant and equipment, where normal depreciation rates are applied.

### Asset Retirement Obligations

The fair value of the estimated asset retirement obligation is recognized in the consolidated balance sheets when identified and a reasonable estimate of fair value can be made. The asset retirement cost, equal to the estimated fair value of the asset retirement obligation, is capitalized as part of the cost of the related long-lived asset. The balance of the asset retirement obligation is determined through an assessment made by the Company's engineers, of the total costs expected to be incurred by the Company when closing a facility. The total estimated cost is then discounted using the current market rates to determine the present value of the asset as of the date of this valuation. As of the date of the creation of the asset retirement obligation in the amount of \$58,363, the Company determined the present value of the

obligation using a discount rate equal to 2.96%. The present value of the asset retirement obligation is then capitalized on the consolidated balance sheets and is depreciated over the asset's estimated useful life and is included in depreciation and accretion expense in the consolidated statements of operations. Increases in the asset retirement obligation resulting from the passage of time are recorded as accretion of asset retirement obligations in the consolidated statements of operations. Actual expenditures incurred are charged against the accumulated obligation. As of March 31, 2020 and December 31, 2019, the carrying value of the asset retirement obligations was \$70,459 and \$69,934, respectively. These costs include disposal of plastic and other non-hazardous waste, site closing labor and testing and sampling of the site upon closure.

#### Foreign Currency Translation

The consolidated financial statements have been translated into U.S. dollars in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 830. All monetary items have been translated using the exchange rates in effect at the balance sheet date. All non-monetary items have been translated using the historical exchange rates at the time of transactions. Income statement amounts have been translated using the average exchange rate for the year. Foreign exchange of \$214,241 and gain of \$49,759 are included as general and administrative expenses in the consolidated statements of operations for the quarters ended March 31, 2020 and 2019, respectively.

#### Income Taxes

The Company utilizes the asset and liability method to measure and record deferred income tax assets and liabilities. Deferred tax assets and liabilities reflect the future income tax effects of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and are measured using enacted tax rates that apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

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Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

## 5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

We are a technology development and licensing company. We have developed technology that converts waste plastic into ultra-clean, ultra-low sulphur fuel products through our proprietary plastic-to-oil, or P2O, process. We have constructed several fully operational P2O processors to demonstrate our technology and process to potential customers. Previously, our business model was the sale of fuel produced from our own P2O processors and subsequently we sought to manufacture P2O processors for sale to commercial customers. These prior experiences allowed the Company to hone and solidify its technology, however, the attendant capital requirements management were significant. For this and other reasons, management shifted its business strategy to technology development and licensing model. We no longer produce and market fuel for sale and no longer manufacture processors ourselves, instead we rely on third party manufactures. Under our current business model, we seek to license our technology to companies that generate significant waste plastics and desire to have a P2O processor on site to convert the plastics to useable fuel for their operations. We charge the company for the P2O equipment, a royalty fee based on the amount of fuel generated, a license fee for the use of our proprietary catalyst, and a set up and service fee.

We provide environmentally-friendly solutions through our processors and technologies. Our primary offering is our Plastic2Oil®, or P2O®, solution, which is our proprietary process that converts waste plastic into fuel through a series of chemical reactions (our "P2O business").

During the years ended December 31, 2018 and 2017, neither manufacturing nor sales activity took place. We plan to grow mainly from sale of P2O equipment, a royalty fee based on the amount of fuel generated, a license fee for the use of our proprietary catalyst, and a set up and service fee. We continue seeking opportunities to execute on our business strategy with the goal of becoming a leading North American company whose technology transforms waste plastic into ultra-clean, ultra-low sulphur fuel. We have years of operating data and have solved numerous challenges that vexed the plastics-to-oil industry. Since inception we have produced approximately 670,000 gallons of fuel. Our P2O processors have evolved into a modular solution with the completion of our third P2O processor in 2013. We use third party contract manufacturers to supply us with many of the key modular components of our processors, including the kilns, distillation towers and other key components that require specialized machining and fabrication.

Our proprietary P2O process converts waste plastic into fuel through a series of chemical reactions. We developed this process in 2009 and began very limited commercial production in 2010 following our receipt of a consent order from the New York State Department of Environmental Conservation ("NYSDEC") allowing us to commercially operate our first large-scale P2O processor at our Niagara Falls, New York facility. Currently, we have three fully-permitted P2O processors, which are capable of producing Naphtha, Fuel Oil No. 2 and Fuel Oil No. 6, all of which are fuels produced to the

specifications published by ASTM. One fully-permitted P2O processor is dedicated to research and development activities. We have components for two additional processors at an outside vendor, which were impaired in the 4th quarter of 2016. Our P2O process is capable of producing two by-products, an off-gas similar to natural gas and a petcoke carbon residue.

We shut down our fuel production late in the fourth quarter of 2013 due to severe cold weather that caused damage to condensers and other components of our processors and we have not resumed fuel production due to the repair costs as well as our shift in strategy toward manufacturing processors for sale, as opposed to producing and selling fuel products. Management estimates that the repair of the processors will require the expenditure of between \$275,000 and \$300,000. An additional \$500,000 of startup working capital will be required to resume operations mainly for hiring operational personnel and incremental overhead expenses. We lacked the working capital or access to bank credit to make these repairs. We are reviewing our financing options, including the sale of shares of our common stock or other securities, and or the sale of property and or equipment in order to allow us to obtain sufficient funds to possibly recapitalize the company.

Currently, we understand that there are several plastic-to-oil processes operational globally. These other processes employ a wide range of technologies and yield varying purities of fuel output. We believe that our process has many advantages over many other commercially available processes in that our P2O solution requires a comparatively less initial capital investment and yields high-quality, ultra-low sulphur fuel, with no need for further refinement. Additionally, our process uses comparatively little energy and physical space, which, in our view, makes it well suited for high-volume production and expansion to multiple sites.

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

The following outlines our corporate structure, as of May 31, 2019, and identifies the jurisdiction of organization of each of our material subsidiaries. Each material subsidiary is wholly-owned by the company.

<b>Plastic2Oil, Inc.</b>	Parent company with corporate office in Niagara Falls, NY.
<b>Plastic2Oil of NY #1, LLC</b>	- Operates our P2O business in Niagara Falls, NY.
<b>Plastic2Oil (Canada) Inc.</b>	- Conducts our P2O business in Canada, including management of our idle Ontario, Canada fuel blending site.
<b>JB1 RE#1, Inc.</b>	Real Estate holding subsidiary operating out of the Niagara Fall, NY
<b>Plastic2Oil RE ONE, Inc.</b>	Real Estate subsidiary operating out of Ontario, Canada

- C. Describe the issuers' principal products or services, and their markets

See Item 5A.

## **6) Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

We currently own one main facility (located in Niagara Falls, NY) that we use in our P2O business, as well as a second owned facility, our fuel blending site (located in Thorold, Canada), for use in the future. These are briefly described below. Additional information on our properties can be found in Item 2 of this report.

Niagara Falls, NY facility: Our Niagara Falls, NY facility currently is comprised of two buildings that are owned by the Company, a 10,000 square foot building that currently houses one commercial-scale P2O processor and one P2O processor devoted to research and development activities, and a 7,200 square foot building housing the third commercial-scale P2O processor. Our Niagara Falls operations are situated on eight acres that can accommodate expansion of our operations. This facility also serves as the center of our research and development operations and our administrative offices.

Blending Site: We own a 250,000 gallon fuel-blending facility in Thorold, Ontario, Canada, which, when in use, would allow us to blend and self-certify certain fuels that are produced from our process to meet government specifications.

## 7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Richard Heddle</u>	<u>CEO</u>	<u>Niagara Falls, NY</u>	<u>7,000,000</u>	<u>Common</u>	<u>5.1%</u>	<u>_____</u>
<u>Jason Aspin</u>	<u>Director</u>	<u>Niagara Falls, NY</u>	<u>805,000</u>	<u>Common</u>	<u>0.6%</u>	<u>_____</u>
<u>Lee Brain</u>	<u>Director</u>	<u>Niagara Falls, NY</u>	<u>1,152,567</u>	<u>Common</u>	<u>0.8%</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

## 8) Legal/Disciplinary History



A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

N/A

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

N/A

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

N/A

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

N/A

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

## 9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name:	William Eilers
Firm:	Eilers Law Group, PA
Address 1:	149 S. Lexington Ave
Address 2:	Asheville, NC
Phone:	786-273-9152
Email:	_____

### Accountant or Auditor

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### Investor Relations

Name: \_\_\_\_\_  
Firm: Pacific Stock Transfer  
Address 1: 6725 Via Austi Parkway  
Address 2: Las Vegas, NV  
Phone: 800-785-7782  
Email: \_\_\_\_\_

#### Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: James McCubbin  
Firm: Marmac Corporate Advisors, LLC  
Nature of Services: Consulting  
Address 1: 38 Maybaugh Lane  
Address 2: Annapolis, MD 21403  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

### **10) Issuer Certification**

#### *Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Richard Heddle, certify that:

1. I have reviewed this Quarterly Report for the 3 months ended March 31, 2020 of Plastic2oil, 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 operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

10/16/2020

/s/ Richard Heddle

Richard Heddle, CEO

*Principal Financial Officer:*

I, Richard Heddle certify that:

1. I have reviewed this Quarterly Report for the 3 months ended March 31, 2020 of Plastic2oil, 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 operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

10/20/2020

/s/Richard Heddle

Richard Heddle, CFO