

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **P2 Solar, Inc.**

**13718 91 Avenue, Surrey, BC, Canada V3V 7X1**

778-321-0047

www.p2solar.com

raj@p2solar.com

## **Quarterly Report**

**For the Period Ending: December 31, 2022**  
(the "Reporting Period")

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

67,946,513 as of December 31, 2022

67,946,513 as of March 31, 2022

### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 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: ☒

### **Change in Control**

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

Yes: ☐ No: ☒

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

The Company was incorporated as Spectrum Trading Inc. under the laws of the Province of British Columbia, Canada, on November 21, 1990. On May 14, 1999, the Company was discontinued in British Columbia and was reincorporated as Spectrum International Inc. in the State of Delaware, U.S.A. Effective September 3, 2004, the Company changed its name from Spectrum International Inc. to Natco International Inc. On March 11, 2009, the Company changed its name from Natco International Inc. to P2 Solar, Inc. The Company is currently in good standing with State of Delaware and actively pursuing business in Solar Industry.

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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.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Registered in Delaware since May 14, 1999. The company is currently active.

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

None by SEC, however, there is a Cease Trade Order issued by British Columbia Securities Commission in Canada

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

The company has signed a non-binding letter of intent to take over a solar installation company. The definitive agreement is expected to be signed by the end of February 2023.

The address(es) of the issuer's principal executive office:

13718 91 Avenue, Surrey, BC, Canada V3V 7X1

The address(es) of the issuer's principal place of business:

☒ Check if principal executive office and principal place of business are the same address:

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

No: ☒ Yes: ☐ If Yes, provide additional details below:

## **2) Security Information**

### **Transfer Agent**

Name: VSTOCK TRANSFER, LLC  
Address: 18 Lafayette Place, Woodmere, NY 11598  
Phone: 212-828-8436  
Email: seth@vstocktransfer.com

### **Publicly Quoted or Traded Securities:**

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

Trading symbol:	PTOS
Exact title and class of securities outstanding:	Common
CUSIP:	7440R 103
Par or stated value:	\$0.001

Total shares authorized:	500,000,000	as of date: December 31, 2022
Total shares outstanding:	67,946,513	as of date: December 31, 2022
Total number of shareholders of record:	80	as of date: December 31, 2022

**Other classes of authorized or outstanding equity securities:**

*The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.*

Exact title and class of the security:	Preferred Shares
CUSIP (if applicable):	N/A
Par or stated value:	0.001
Total shares authorized:	5,000,000 as of date: December 31, 2022
Total shares outstanding (if applicable):	Zero as of date: December 31, 2022
Total number of shareholders of record (if applicable):	Zero as of date: December 31, 2022

**Security Description:**

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

**1. For common equity, describe any dividend, voting and preemption rights.**

Holders of Common Shares can cast one vote per every share held by the holder in any meeting of the shareholders. The company has never issued a dividend.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

The company has no outstanding Preferred Shares. Board of Directors set the terms of the preferred shares at the time of issuance.

**3. Describe any other material rights of common or preferred stockholders.**

None

**4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

**3) Issuance History**

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

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☒ Yes: ☐ (If yes, you must complete the table below)

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No: ☐ Yes: ☒ (If yes, you must complete the table below)

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>Sep 30, 2011</u>	<u>47,090</u>	<u>47,097</u>	<u>26,488</u> <sup>1</sup>	On Demand	Non-Convertible	<u>Harjinder Sandhu</u>	<u>Loan</u>
<u>Jul 2, 2014</u>	<u>10,200</u>	<u>10,200</u>	<u>4,335</u> <sup>1</sup>	On Demand	Non-Convertible	<u>Harjinder Sandhu</u>	<u>Loan</u>
<u>Sep 23, 2014</u>	<u>15,000</u>	<u>15,000</u>	<u>6,375</u> <sup>1</sup>	On Demand	Non-Convertible	<u>Harjinder Sandhu</u>	<u>Loan</u>
<u>Sep 22, 2015</u>	<u>200,000</u>	<u>200,000</u>	<u>72,500</u> <sup>1</sup>	On Demand	Non-Convertible	<u>Harjinder Sandhu</u>	<u>Loan</u>
<u>N/A</u>	<u>671,346</u> <sup>2, 3</sup>	<u>Management fee and loans accrued over time</u>	<u>nil</u>	On Demand	Non-Convertible	<u>Raj-Mohinder Gurm</u>	<u>Loan/ Accrued Wages</u>
<u>Dec 29, 2011</u>	<u>1,700</u> <sup>4, 2,</sup>	<u>1,700</u>	<u>nil</u>	On Demand	Non-Convertible	<u>Hans Edblad</u>	<u>Loan</u>
<u>Nov 03, 2017</u>	<u>18,841</u> <sup>2</sup>	<u>18,841</u>	<u>nil</u>	On Demand	Non-Convertible	<u>Azariah Zemariam</u>	<u>Loan</u>
<u>June 23, 2021</u>	<u>5,000</u> <sup>4</sup>	<u>5,000</u>	<u>380</u> <sup>4,1</sup>	On Demand	Non-Convertible	<u>Tracy Petersen</u>	<u>Loan</u>
<u>August 3, 2021</u>	<u>30,000</u> <sup>4</sup>	<u>30,000</u>	<u>2,125</u> <sup>1</sup>	On Demand	Non-Convertible	<u>Tracy Petersen</u>	<u>Loan</u>
<u>August 24, 2021</u>	<u>10,000</u> <sup>4</sup>	<u>10,000</u>	<u>677</u> <sup>4,1</sup>	On Demand	Non-Convertible	<u>Tracy Petersen</u>	<u>Loan</u>
<u>November 29, 2021</u>	<u>4,000</u> <sup>4</sup>	<u>4,000</u>	<u>217</u> <sup>4,1</sup>	On Demand	Non-Convertible	<u>Tracy Petersen</u>	<u>Loan</u>
<u>December 30, 2022</u>	<u>10,000</u> <sup>4</sup>	<u>10,000</u>	<u>0.00</u> <sup>4,1</sup>	On Demand	Convertible	<u>William Robertson</u>	<u>Loan</u>

<sup>1</sup> Interest is calculated as of December 31, 2022.

<sup>2</sup> No interest charged.

<sup>3</sup> Loan includes \$627,155 accrued wages and \$44,191 loan.

<sup>4</sup> Canadian Dollars.

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

The purpose of this section is to provide a clear description of the issuer's current operations.  
(Please ensure that these descriptions are updated on the Company's Profile on [www.otcmarkets.com](http://www.otcmarkets.com)).

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

No Operation

- B. List any subsidiaries, parent company, or affiliated companies.

No Subsidiaries or Affiliated Companies

- C. Describe the issuers' principal products or services.

N/A

#### 5) Issuer's Facilities

Issuers is a shell, therefore, has no facilities.

#### 6) Officers, Directors, and Control Persons

Following table lists all directors, officers and persons holding more than 5% of outstanding shares in the Company of the Company.

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>Raj-Mohinder Gurm</u>	<u>Officer, Director, and owner of more than 5%</u>	<u>13718 91 Avenue Surrey, BC, Canada V3V 7X1</u>	<u>14,949,594</u>	<u>Common</u>	<u>22%</u>	
<u>Hans Edblad</u>	<u>Officer &amp; Director</u>	<u>20 Sarah Lane Coldstream, BC, Canada V1B 2X1</u>	<u>234,907</u>	<u>Common</u>	<u>0.35%</u>	

#### 7) Legal/Disciplinary History

- A. Identify whether any of the persons or entities 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);

None

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;

None

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

None

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.

None

- 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.

None

## **8) Third Party Service Providers**

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Tom J. Beener  
Address 1: 2244 Faraday Avenue, Carlsbad, California, 92008  
Phone: 760-603-1238  
Email: tom.beener.law@gmail.com

Accountant or Auditor

Name: Michael Gillespie  
Firm: Michael Gillespie & Associates, PLLC  
Address 1: 10544 Alton Avenue NE, Seattle, WA 98125  
Phone: 206-353-5736  
Email: mgillespieCPA@outlook.com

Investor Relations

None

*All other means of Investor Communication:*

None

Other Service Providers

None

## 9) Financial Statements

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

☐ IFRS  
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)<sup>2</sup>:

Name: **Raj-Mohinder Gurm**  
Title: **President/CEO**  
Relationship to Issuer: **Director and Executive Officer**

Describe the qualifications of the person or persons who prepared the financial statements:

The company President/CEO has prepared the financial statements. He has been involved with public companies since 1997 and has been directly involved in preparation and audits of financial statements for more than 25 years.

### **P2 SOLAR, INC.**

#### **FINANCIAL STATEMENTS FOR THE QUARTER ENDED September 30, 2022 (Unaudited)**

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<sup>2</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

**P2 SOLAR, INC.**

**BALANCE SHEETS**  
(Expressed in U.S. dollars)  
As at December 31, 2022  
(Unaudited)

	March 31, 2022	December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 8,208	5,129
Receivables	10,931	10,191
Prepaid expenses	8,950	4,752
Advances	-	-
Total current assets	28,090	20,071
<b>Long term assets</b>		
Hydro projects	-	-
<b>Total assets</b>	<b>\$ 28,090</b>	<b>\$ 20,071</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 326,116	331,618
Unearned revenue	-	-
Loans payable	-	-
Due to related parties	679,446	672,601
Warrant derivative liability	-	-
Total current liabilities	1,005,562	1004,220
Loans payable	330,346	334,691
Total liabilities	<u>\$ 1,335,907</u>	<u>\$ 1,338,910</u>
<b>Shareholders' deficiency</b>		
Authorized:		
500,000,000 common shares, with a par value of \$0.001, 5,000,000 preferred shares with a par value of \$0.001		
Issued:		
67,946,513 (2018 – 67,946,513) common shares	67,946	67,946
Additional paid-in capital	6,542,783	6,542,783
Preferred shares issued:	-	-
Additional paid in capital-preferred shares	-	-
Share subscriptions		
Foreign exchange reserve	(208,268)	(136,300)
Deficit	<u>(7,710,278)</u>	<u>(7,793,268)</u>
Total shareholders' deficiency	<u>(1,307,817)</u>	<u>(1,318,839)</u>
	28,090	20,071

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



**P2 SOLAR, INC.**  
**STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(Expressed in U.S. dollars)  
(Unaudited)

	December 30, 2022
<b>SALES</b>	\$ -
<b>OTHER REVENUE</b>	-
<b>COST OF SALES</b>	-
<b>GROSS PROFIT</b>	-
<b>OPERATING EXPENSES</b>	
Advertising and promotion	\$ 2,198
Bank charges	139
Telephone	-
Currency exchange loss (gain)	210
Legal and accounting	16,005
Non-deductible GST expense	-
Office and other	21
Rent	-
Salaries and benefits	41,463
Transfer agent fees	868
Taxes and Fees	7,117
Travel and trade shows	-
	\$ 68,020
Loss from operations	(68,020)
<b>OTHER ITEMS</b>	
Interest expense	\$ 14,971
Unrealized gain on warrant derivative liability	-
Impairment loss	-
Loss on settlement of debt	-
Extinguishment of accounts payable	-
	\$ 14,971
Loss for the quarter	(82,990)
Foreign exchange translation gain (loss)	71,968
Loss/profit and comprehensive loss/profit	\$ (11,022)
<b>Basic and diluted</b>	
Loss per share	\$ (0.00)
Weighted average number of shares outstanding	67,946,513

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

**P2 SOLAR, INC.**  
**STATEMENTS OF SHAREHOLDERS' DEFICIENCY**  
(Expressed in U.S. dollars)  
(Unaudited)

	Common Shares (Number)	Common Shares (Amount)	Additional Paid-In Capital	Preferred Shares (Number)	Preferred Shares (Amount)	Additional Paid-In Capital	Share Subscriptions	Foreign Exchange Reserve	Defici	Total
<b>Stockholder Equity at March 31, 2020</b>	<b>67,946,513</b>	<b>67,946</b>	<b>6,542,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>(118,222)</b>	<b>(7,502,006)</b>	<b>(989,499)</b>
Share Subscription issued										-
Share Subscription issued										-
Share Subscription										-
Issue of Preferred Shares										-
Option and Warrants expense										-
Change in foreign currency translation adjustment								(81,869)		(81,869)
Net Loss								-	(104,757)	(104,757)
<b>Stockholder Equity at March 31, 2021</b>	<b>67,946,513</b>	<b>67,946</b>	<b>6,542,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>(200,091)</b>	<b>(7,606,763)</b>	<b>(1,176,125)</b>
Change in foreign currency translation adjustment								(8,177)		(8,177)
Share Subscription							(20,000)			(20,000)
Net Loss								-	(103,515)	(103,515)
<b>Stockholder Equity at March 31, 2022</b>	<b>67,946,513</b>	<b>67,946</b>	<b>6,542,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(208,268)</b>	<b>(7,710,278)</b>	<b>(1,307,817)</b>
Change in foreign currency translation adjustment								71,968		71,968
Share Subscription										
Net Loss								-	(82,990)	(82,990)
<b>Stockholder Equity at December 31, 2022</b>	<b>67,946,513</b>	<b>67,946</b>	<b>6,542,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(136,300)</b>	<b>(7,793,268)</b>	<b>(1,318,839)</b>

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

**P2 SOLAR, INC.**  
**STATEMENTS OF CASH FLOWS**  
(Expressed in U.S. dollars)  
(Unaudited)

	<b>December 31, 2022</b>
<b>OPERATING ACTIVITIES</b>	
Net loss	(82,990)
Changes in current assets and liabilities:	
Receivable	(740)
Prepaid expenses	(4,198)
Accounts payable and accrued liabilities	5,502
Unrealized Foreign Exchange	535
Net cash used in operating activities	(81,892)
<b>FINANCING ACTIVITIES</b>	
Related party loan repayment	
Related party loan advance	6,845
Loans payable	-
Proceeds from share subscriptions	-
Net cash provided by financing activities	<u>6,845</u>
<b>Foreign exchange</b>	71,968
<b>Change in cash</b>	(3,079)
<b>Cash, beginning of year</b>	<u>8,208</u>
<b>Cash, end of year</b>	<u>5,129</u>

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

**1. BASIS OF PRESENTATION, NATURE OF OPERATIONS AND GOING CONCERN**

The Company was incorporated as Spectrum Trading Inc. under the laws of the Province of British Columbia, Canada, on November 21, 1990. On May 14, 1999, the Company was discontinued in British Columbia and was reincorporated as Spectrum International Inc. in the State of Delaware, U.S.A. Effective September 3, 2004, the Company changed its name from Spectrum International Inc. to Natco International Inc. On March 11, 2009, the Company changed its name from Natco International Inc. to P2 Solar, Inc. The Company's current business operations are focused on the construction of rooftop solar systems residential and commercial buildings in British Columbia, Canada.

***Going concern***

These financial statements have been prepared based on accounting principles applicable to a going concern which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As shown in the financial statements, the Company has not developed a commercially viable product, has not generated any significant revenue to date, and has incurred losses since inception, resulting in a net accumulated deficit on December 31, 2022. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company needs additional working capital to continue any future business activities and continue to pay its liabilities. Therefore, continuation of the Company as a going concern is dependent upon obtaining the additional working capital necessary to accomplish its objective. Management is presently engaged in seeking additional working capital through equity financing or loans.

If the going concern assumptions were not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported revenues and expenses and the balance sheet classifications used.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Cash

Cash includes cash on hand and held in financial institutions.

b) Use of estimates

In conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Significant areas requiring the use of estimates include the recoverability of receivables, assumptions used in determining the fair value of share-based compensation and warrant derivative liability and determination of valuation allowances for recoverability of income tax assets. Actual results could vary materially from those reported.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

c) Foreign currency transactions

The Company's financial information is presented in United States dollars ("US dollars" or "USD"). The functional currency of the Company is the Canadian dollar ("CAD"). Exchange gains and losses resulting from transactions by the Company denominated in a currency other than the USD are included in the statements of operations and comprehensive loss as exchange gain or loss. The financial statements of the Company are translated into US dollars in accordance with ASC830, "Foreign Currency Matters". The financial information is first presented in CAD and then is translated into US dollars at year-end exchange rates as to assets and liabilities and average exchange rates as to revenue and expenses. Capital accounts are translated at their historical exchange rates when the capital transactions occurred.

d) Income taxes

Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided for significant deferred tax assets when it is more likely than not that such asset will not be recovered.

e) Fair value of financial instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, amounts due to related parties and loans payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

Fair value is defined as 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 in the principal or most advantageous market.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

e) Fair value of financial instruments (cont'd...)

The Company uses a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop using its own assumptions.

Cash is measured using level 1 inputs of the fair value hierarchy.

f) Share-based compensation

The Company from time to time has granted stock options to directors, officers and consultants to purchase shares of the Company's common stock to various parties for consulting services. The fair values of the stock options issued have been estimated using the Black-Scholes option-pricing model.

The Company accounts for share-based compensation under "Share-Based Payment," which recognizes awards at fair value on the date of grant and recognition of compensation over the service period for awards expected to vest. The fair value of stock options is determined using the Black-Scholes option-pricing model.

The Company accounts for stock compensation arrangements with non-employees in accordance with FASB Codification 505 – 50 "Equity-Based Payments to Non-Employees", which requires that such equity instruments be recorded at their fair value on the measurement date. The measurement of stock-based compensation is subject to periodic adjustment as the underlying instruments vest. The fair value of stock options is estimated using the Black-Scholes valuation model and the compensation charges are amortized over the vesting period.

g) Revenue Recognition

Revenues are recognized when all of the following criteria have been met: persuasive evidence for an arrangement exists; delivery has occurred; the fee is fixed or determinable; and collection is reasonably assured.

h) Warrant derivative liability

The Company's issued and outstanding common share purchase warrants have exercise prices denominated in a foreign currency (US dollar) which is different from the Company's functional currency (Canadian dollar). These warrants are required to be treated as a derivative liability as the amount of cash the Company will receive on exercise of the warrants will vary depending on the exchange rate. These warrants are classified as a derivative liability and recognized at fair value. See discussion of the warrant derivative liability in note 9.

i) Research and development costs

Research and development costs are expensed as incurred.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

j) Long-lived assets

The Company monitors the recoverability of long-lived assets, based on estimates using factors such as current market value, future asset utilization, business climate and future undiscounted cash flows expected to result from the use of the related assets. ASC 360 "Property, Plant, and Equipment" requires the recognition of impairment losses on long-lived assets when the book value of an asset exceeds the sum of the expected future undiscounted cash flows that result from the use of the asset and its eventual disposition. If impairment arises, then the amount of any impairment is measured based on discounted cash flows or estimated fair value.

k) Loss per share

The Company computes net loss per common share using ASC Topic 260 "Earnings Per Share" guidance. Basic loss per common share is computed based on the weighted average number of shares outstanding for the period. Diluted loss per share is computed by dividing net loss by the weighted average shares outstanding assuming all dilutive potential common shares were issued. The effect of nil (2021 – nil) outstanding warrants and nil (2021 - nil) outstanding stock options were not included in the computation of diluted earnings per share for all periods presented because it was anti-dilutive due to the Company's losses.

l) Recent Accounting Pronouncements

There were various other updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

**P2 SOLAR, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Expressed in U.S. dollars)  
(Unaudited)

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**3. RELATED PARTY TRANSACTIONS**

Other than as disclosed elsewhere in these consolidated financial statements, the following amounts have been recorded as transactions with related parties:

- a) Amounts due to related parties are as follows:

	December 2022	December 2021
Loans payable to directors of the Company. The loans are unsecured, due on demand and non-interest bearing. It is expected that these loans will be repaid within the next twelve months.	\$ 45,446	\$ 22,379
Wages and bonus payable to a director and officer of the Company. This liability is unsecured, due on demand and non-interest bearing.	\$ 627,155	\$ 610,988
	\$ 672,601	\$ 633,367

- b) Salaries and benefits include \$41,463 (2021 - \$44,299) paid or accrued to a director of the Company.
- c) Issued nil (2021 – nil) stock options and recorded \$nil (2021 – nil) share-based compensation to directors of the Company.

**4. CAPITAL STOCK**

- a) Authorized stock

The Company has authorized 500,000,000 common voting shares with a par value of \$0.001 per share. The Company has authorized 5,000,000 shares of preferred stock with a par value of \$0.001 per share. The holders of preferred stock have no rights except as determined by the Board of Directors of the Company and/or provided by Delaware General Corporate Law.

- b) Share issuances

During the quarter ended December 31, 2022:

- i) The Company issued nil shares with a value of \$nil as consideration for consulting services rendered.
- ii) The Company issued nil common shares with a value of \$nil to settle the outstanding subscriptions from previous year.



**P2 SOLAR, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. CAPITAL STOCK (cont'd...)**

c) Share subscriptions

At December 31, 2022, there was a \$nil (2021 - \$nil) outstanding share subscriptions.

d) Stock options and warrants

There were no stock options and warrants outstanding as of December 31, 2022, and 2021:

**5. LOANS PAYABLE**

During the year ended Quarter ended December 30, 2022, the Company entered into promissory note agreements whereby it borrowed an aggregate of \$10,000 Canadian dollars (\$nil US Dollars).

	December 31, 2022	March 31, 2022
Balance, beginning of year	330,346	\$ 291,131
Loan advances	7,383	39,215
Loan settlement		
Foreign exchange	(3,038)	-
	334,691	330,346
Less: current portion	-	-
Balance, end of year	\$ 334,691	\$ 330,346

**6. COMMITMENTS**

As of December 31, 2022, the company has no financial commitments.

**7. OTHER SIGNIFICANT EVENTS**

- a) In June 2021, the company filed last two years of disclosure statements with OTCIQ to become current in its filings.
- b) On June 30, 2021, the company asked the OTC Surveillance to remove the Caveat Emptor.
- c) On August 26, 2021, the Caveat Emptor was removed, and the company became current.
- d) On August 3, 2021, the company secured a \$30,000 Canadian Dollar Loan from an individual investor.
- e) On August 24, 2021, the company secured another \$10,000 Canadian Dollars from an individual investor.
- f) On August 24, 2021, an officer of the company was owed \$618,616. The board of Directors agreed to make \$300,000 of this debt convertible to common shares at \$0.005 per share from time to time. However, on February 4, 2022, this transaction was reversed so the debt is no longer convertible.

- g) On August 25, 2021, the Board of Directors agreed to change the note dated September 22, 2015, for \$200,000 to a convertible note so the lender can convert the debt to common shares at the price of \$0.007 per share from time to time. However, on February 4, 2022, this transaction was reversed so the debt is no longer convertible.
- h) On September 16, 2021, the board of Directors agreed to change the notes dated January 12, 2018 (\$18,841), June 23, 2021(CA\$5000), August 3, 2021(CA\$30,000), August 24, 2021(CA\$10,000) to convertible notes so the lenders can convert the debt to common shares at the price of \$0.01 per share from time to time. However, on February 4, 2022 this transaction was reversed so the debt is no longer convertible.
- i) On November 29, 2021, the company secured another \$4,000 Canadian Dollars from an individual investor. This loan is non-convertible.
- j) On November 24, 2022, British Columbia Securities Commission issued a Partial Revocation of Cease Trade Order (CTO) that was issued on March 6, 2015. The Company can, raise \$110,000 for audit and other expenses. Once the Audit is done and company becomes compliant in its filings in British Columbia, Canada, it can apply to have the CTO removed.
- k) The company is in the process of getting its books audited so that it can complete the filings in British Columbia and have the Cease Trade Order removed in that province.
- l) On December 29, 2010, the Company secured a loan of CA\$10,000 (USD7,383). This loan is convertible at \$0.03 CA\$.

## **8. SUBSEQUENT EVENTS**

- a) On January 9<sup>th</sup>, the Company signed a letter of intent to take over a solar installation company. The definitive agreement is expected to be signed by the end of February 2023

## 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) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Raj-Mohinder Gurm certify that:

1. I have reviewed this Quarterly Disclosure Statement of P2 Solar 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.

February 21, 2022

"/s/ Raj-Mohinder Gurm"

President/CFO

### *Principal Financial Officer:*

I, Raj-Mohinder Gurm certify that:

1. I have reviewed this Quarterly Disclosure Statement of P2 Solar, 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.

February 21, 2022

"/s/ Raj-Mohinder Gurm"

CFO