

*Amended*



**FINANCIAL STATEMENTS**

**For the three and nine months ended September 30, 2018 and 2017.**

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NOTICE OF NO AUDIT REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, Subsection 4.3(3) (a), if an auditor has not performed a review of the interim condensed financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by the auditor. The accompanying unaudited interim condensed financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants for a review of the interim financial statements by the entity's auditors.

*Amended*

**Petro Viking Energy Inc.**  
**Condensed Statement of Financial Position**  
*(unaudited)*

	September 30, 2018	December 31, 2017
<b>Assets</b>		
Current Assets		
Input credits receivable	\$ 4,612	\$ -
	<b>4,612</b>	-
	<b>4,612</b>	-
<b>Liabilities</b>		
Current liabilities <i>(Note 4)</i>		
Accounts payable and accrued liabilities	96,508	41,158
Interest payable	77,553	-
Current portion of debenture	945,709	-
	<b>1,119,770</b>	<b>41,158</b>
Long-term liabilities		
Debenture <i>(Note 5)</i>	945,709	945,709
Less current portion of debenture	(945,709)	-
	-	<b>945,709</b>
<b>Shareholders' equity</b>		
Share capital <i>Note 6)</i>	4,525,520	4,525,520
Contributed surplus	1,617,760	1,617,760
Retained earnings (deficit)	(7,130,147)	(7,089,942)
Net income (loss) <i>(Note 7)</i>	(128,291)	(40,205)
	<b>(1,115,158)</b>	<b>(986,867)</b>
	<b>\$ 4,612</b>	<b>\$ -</b>

Basis of preparation *(Note 2)*

Approved on behalf of the directors:

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Robert Rosner, President and CEO

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Lars Glimhagen, CFO

*Amended*

**Petro Viking Energy Inc.**  
**Interim Condensed Statement of Operations, Loss and Comprehensive Loss**  
*(unaudited)*

	Three months ended September 30,		Nine months ended September 30,	
	<b>2018</b>	2017	<b>2018</b>	2017
Revenue	-	-	-	-
Interest income	-	-	-	-
General and administrative, net of recoveries	<b>47,869</b>	4,500	<b>50,669</b>	13,500
Debenture interest	<b>25,431</b>	20,003	<b>77,621</b>	57,719
	<b>73,300</b>	24,503	<b>128,291</b>	71,219
Net income (loss before income tax provision)	<b>(73,300)</b>	<b>(24,503)</b>	<b>(128,291)</b>	(71,219)

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

*Amended*

**Petro Viking Energy Inc.**  
**Statements of Changes in Shareholders' Equity (Deficit)**  
*(unaudited)*

	As at September 30, 2018	As at September 30, 2017
<b>Share Capital</b>		
Balance, beginning of year	\$ 4,525,520	\$ 4,525,520
Issued	-	-
Balance, end of period	<u>4,525,520</u>	<u>4,525,520</u>
 <b>Contributed surplus</b>		
Balance, beginning of year	<u>1,617,760</u>	1,617,760
Balance, end of period	<u>1,617,760</u>	<u>1,617,760</u>
 <b>Deficit</b>		
Balance, beginning of year	(7,130,148)	(6,993,033)
Net loss and comprehensive loss	<u>(128,291)</u>	<u>(40,206)</u>
Balance, end of period	<u>(7,258,439)</u>	<u>(7,033,239)</u>
 <b>Shareholders' Equity (Deficit)</b>	 <u>\$ (1,115,158)</u>	 <u>\$ (889,959)</u>

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

*Amended*

**Petro Viking Energy Inc.**  
**Interim Condensed Statement of Cash Flows**  
*(unaudited)*

	September 30, 2018	September 30, 2017
Operating		
Net loss and comprehensive loss for the period	\$ (128,291)	\$ (71,219)
Changes in non-cash working capital	50,669	13,500
	(77,621)	(57,719)
Investing		
Changes in non-cash working capital	-	-
	-	-
Financing		
Changes in non-cash working capital	77,621	57,719
	77,621	57,719
Change in Cash	-	-
Cash, beginning of the period	-	-
<b>Cash, end of the period</b>	-	-

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

**1. Corporate information**

Petro Viking Energy Inc. (“Petro Viking” or the “Company”) is incorporated under the laws of the province of Alberta with shares listed on the TSX Venture Exchange.

The head office and principal address is located at 1015 – 789 W Pender Street, Vancouver, BC, V6C 1H2.

On May 18, 2015, the Executive Director of the British Columbia Securities Commission (“BCSC”) issued an order (the “Cease Trade Order” or “CTO”) under section 164(1) of the *Securities Act*, R.S.B.C. 1996, c. 418 (the “Act”) that all trading in securities of the Company cease until it files the required records referred to in the Order. The Company made an application to the Executive Director under section 171 of the Act for partial revocation of the Cease Trade Order to the Company, the Issuer. On November 6, 2018, the Executive Director ordered under section 171 of the Act that the Order be partially revoked solely to permit the completion of the Private Placement and the Debt Conversion.

The financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to going concern, which assumes continuity of operation and realization of assets and settlement of liabilities in the normal course of business. As at September 30, 2018, the Company reported a cumulative deficit of \$7,130,147 and a negative working capital of \$1,115,158. The Company’s ability to continue as a going concern is dependent upon its ability to obtain additional financing which will allow for completing all necessary requirements to obtain a full revocation of the Cease Trade Order, complete a Private Placement and to have future operations. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing.

These factors indicate the existence of a material uncertainty regarding the Company to continue as a going concern. These financial statements do not include any adjustments to the classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

**2. Basis of presentation**

*Statement of compliance*

These financial statements have been prepared in accordance to IFRS as issued by the International Accounting Standards Board (“IASB”) and in the interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”) in effect at the closing date of September 30, 2018. The financial statements comply with International Accounting Standard 34 (“IAS 34”), *Interim Financial Reporting*.

The financial statements were authorized by the Board of Directors for issue on November 29, 2018. The revised financial statements were authorized by the Board of Directors on January 15, 2019.

*Basis of measurement*

The financial statements have been prepared under the historical cost method, except as otherwise noted below.

*Financial and presentation currency*

These financial statements are presented in Canadian Dollars, which is also the Company’s functional currency.

**3. Summary of significant accounting policies**

These accounting policies have been used throughout all years presented in the financial statements:

**a) Share Capital**

Share capital represents the amount received on the issue of shares, less issuance costs. Proceeds from unit placements are allocated between shares and warrants issued by: estimating the value of the warrants using the Black-Scholes options model; the fair value is allocated to warrants from the net proceeds and the balance is allocated to the shares. Contributed surplus includes charges related to share options and warrants until such equity instruments are exercised. Deficit includes all current and prior period year profits or losses.

**b) Equity-settled share-based payment transactions**

The Company operates equity-settled share-based remuneration plans (share option plans) for its eligible directors, officers and consultants. None of the Company's plans feature any options for a cash settlement. All goods and services received in exchange for the grant of any share-based payments are measured at their fair values. This fair value is appraised at the grant date. All equity-settled share-based payments are ultimately recognized as an expense in net loss depending on the nature of the payment with a corresponding credit to contributed surplus. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates, any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options have already vested. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the shares options recorded in contributed surplus are then transferred to capital.

**c) Loss per share**

Basic loss per share ("LPS") is calculated by dividing the net loss for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period. Diluted LPS is calculated by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for dilutive instruments. The Company's potentially dilutive instruments are comprised of stock options granted and warrants issued.

**d) Financial instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of the ownership.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies these financial instruments in the following categories depending on the purpose for which the instruments were acquired.



**3. Summary of significant accounting policies (continued)**

Financial assets

- i. Fair value through profit or loss**
- ii. Held-to-maturity**
- iii. Loans and receivables**

The Company has no financial assets at September 30, 2018.

Financial liabilities

- i. Fair value through profit or loss**
- ii. Other financial liabilities**

All the Company's liabilities are classified as other financial liabilities. They are measured at amortized cost using the effective interest method. Any gains or losses in the realization of other financial liabilities are in profit or loss.

**e) Borrowing costs and discounts on issuance of new debt**

Borrowing costs that are directly related to the issuance of new debt are recorded net of the associated debt and recognized into income using the effective interest method over the life of the debt. Discounts where proceeds received are less than par value of the debt are recorded at a reduction to long-term debt and are amortized using the effective interest method and included in borrowing cost.

**f) Significant accounting judgments and estimates**

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect reported amounts and presentation of assets, liabilities, revenues, expenses and disclosures of contingencies and commitments. Such estimates primarily relate to unsettled transactions and events at the statement of financial date which are based on information available to management at each statement date. Actual results could differ from those estimated.

Judgments, estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Judgments**

Going concern

The Company's ability to execute its strategy by seeking financing and funding of future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances (Note 1).

*Amended*  
**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*September 30, 2017 and 2018*

**4. Accounts payable and accrued liabilities**

<b>Significant components of Accounts Payable and Accrued Liabilities</b>	<b>September 30, 2018</b>	December 31, 2017
	\$	\$
Accounts payable - trade	96,508	41,238
Interest Payable (note 9)	77,553	-
Current portion of long-term liabilities (note 9)	945,709	
	<b>1,119,770</b>	41,238
<b>Accounts Payable and Accrued Liabilities for:</b>		
Operating	96,508	41,238
Financing	1,023,262	-
	<b>1,119,770</b>	41,158

- (i) The debenture is unsecured and bears an interest of 10%, compounded monthly. For the nine months ended September 30, 2017, interest on the debenture of \$73,401 and on the promissory notes of \$4,152.
- (ii) At September 30, 2018, \$895,000 of the debenture payable is due to the estate of a related party and a \$40,505 promissory note is due to a company controlled by a director. Both the promissory note and debenture have a due date of July 31, 2019 and have been reported as current liabilities.

As at September 30, 2018, the amounts due to related parties are \$1,024,027 (see note 9).

**5. Debenture and promissory notes payable**

	<b>September 30, 2018</b>	<b>December 31, 2017</b>
	\$	\$
Balance, beginning of year		
Debenture	895,000	895,000
Promissory notes	50,629	50,629
<b>Balance, end of period</b>	<b>945,709</b>	945,709
<b>Accrued interest, end of period (note 4)</b>	<b>77,553</b>	-

- (i) The debenture and promissory notes mature on July 31, 2019, and bears interest at a rate of 10% per annum.
- (ii) The debenture and promissory notes are non-secured and bears an interest of 10%, compounded monthly. For the nine months ended September 30, 2018, interest on the notes and debenture of \$77,553 was recorded.

*Amended*  
**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*September 30, 2017 and 2018*

**6. Share capital**

**a. Authorized**

Unlimited number of common shares, without nominal or par value

**b. Issued and outstanding common shares**

(for the year ended December 31)

	2018		2017	
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning of year	30,259,707	4,525,521	30,259,707	4,367,233
Balance, end of year	30,259,707	4,525,521	30,259,707	4,525,521

**c) Outstanding stock options to directors, officers and consultants**

	2018		2017	
	Options	Weighted – average exercise price	Options	Weighted – average exercise price
As at September 31,		\$		\$
Opening	474,501	.20	1,699,501	.13
Expired	474,501	.20	1,225,000	.10
Closing	-	-	474,501	.20

In August, 2018, 158,167 options expired as a result of the passing of the President and CEO of the Company. A further 316,334 options expired during the period due to the resignation of previous directors of the Company.

**7. Net loss per share**

Basic and diluted earnings per common share are calculated as follows:

	2018	2017
As at September 30,		
Net loss and comprehensive loss	\$ (128,291)	\$ (71,219)
Weighted average number of shares (basic)	30,259,707	30,259,707
Weighted average number of shares (diluted)	30,259,707	30,259,707
Loss per share:	\$	\$
Basic	(0.00)	(0.00)
Diluted	(0.00)	(0.00)

*Amended*  
**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*September 30, 2017 and 2018*

**8. Change in non-cash working capital**

For the nine months ending September 30,	2018	2017
Accounts payable, accrued liabilities	96,508	41,158
Interest payable	77,553	-
Current portion of long-term liabilities	945,709	-
Accounts receivable	(4,612)	-
<b>Total</b>	<b>1,115,158</b>	<b>41,158</b>
Operating	91,896	41,158
Financing	1,023,262	-
<b>Total</b>	<b>119,290</b>	<b>41,158</b>

**9. Related party disclosures**

The following information is based on the fair value of the underlying transactions, determined by comparable transactions in the related marketplace.

For the nine months ending September 30,	2018	2017
<b>Key management personnel compensation:</b>		
Management consulting fees <sup>(1)</sup>	-	13,500
Contract accounting services <sup>(2)</sup>	<b>11,800</b>	-
<i>(Key management personnel are comprised of the Company's directors and officers.)</i>		
<b>Other related party transactions:</b>		
Interest expense on the Company's debentures, in favor of Eisler Holdings Ltd., company controlled by a director of the Company. <sup>(1)</sup>	<b>73,401</b>	57,718
Interest expense on a Promissory Note, in favor of LNG Management Services Ltd, a company controlled by a director of the Company. <sup>(2)</sup>	<b>3,321</b>	
<b>Amount owing to / from related parties</b>	<b>September 30, 2018</b>	September 30, 2017
	\$	\$
Accounts payable and accrued liabilities for management and consulting fees, and interest. <sup>(1)</sup>	<b>88,522</b>	211,738
Debenture – Principal outstanding. <sup>(1)</sup>	<b>895,000</b>	520,000
Promissory note – Principal outstanding. <sup>(2)</sup>	<b>40,505</b>	-
	<b>1,024,027</b>	731,738

*Note 1 – Management fees in the of \$13,500 for the period ending September 30, 2017 was paid to Eisler Holdings Ltd., a company controlled by a former director, Mr. Irvin Eisler. Accrued interest in the amount of \$73,401 and outstanding debenture in the amount of \$895,000 are due to Eisler Holdings Ltd.*

*Mr. Eisler passed away on August 23, 2018 and the shares of Eisler Holdings Ltd. have been transferred to Mrs. Olga Eisler who is not related to the Company.*

*Note 2 – Contract accounting services in the amount of \$11,800 was provided by LNG Management Services Ltd, a company controlled by Mr. Lars Glimhagen, a director of the Company and the promissory note is payable to LNG Management Services Ltd. in the amount of \$40,505 with accrued interest outstanding in the amount of \$15,121.*

## **10. Financial instruments and financial risk management**

### **Business Risk Factors**

The Company's risk management policies are established by the Board of Directors to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's policy.

The Company's financial instruments include accounts payable and accrued liabilities, promissory notes and a debenture. The carrying values of accounts payable and accrued liabilities approximate their fair values due to their relatively short periods to maturity. The carrying value of promissory notes and debenture approximate their fair market value as the interest rates are based on market rates.

### **Need for Additional Financing**

The Company currently has no material source of operating cash flow, and there is no assurance that additional funding will be available to the Company as and when needed to further develop proposed business transactions, or to fulfill its obligations to its existing creditors. Volatile markets may make it difficult or impossible for the Company to obtain adequate debt or equity financing in the future, or on terms acceptable to the Company. The failure to obtain additional financing could force the Company to liquidate any available assets, to satisfy creditor claims. At the date of this report, the Company does not have any significant assets available for liquidation.

### **No Revenues**

To date, the Company has not achieved a sustainable stream of revenue. There can be no assurance that significant additional losses will not occur in the near future, or that the Company will be profitable in the future. In particular, the Company's operating expenses and capital expenditures are unlikely to increase significantly.

The Company expects to continue to incur losses until such time a sustainable revenue source can be developed. There can be no assurance that the Company will generate any revenues or achieve profitability.

### **Conflict of Interest**

Certain of the Company's directors and officers may serve as directors or officers of other reporting companies, companies providing services to the Company, or companies in which they may have significant holdings. To the extent that such other companies may participate in ventures in which the company may participate, the directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such term.

In accordance to the laws of the appropriate jurisdictions, the directors of the Company are required to act honestly, in good faith and in the best interest of the Company. In determining whether or not the Company will participate in a particular program or business venture, and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

### **Litigation**

From time to time, the Company may be named as a defendant in legal actions or may commence legal actions against other parties arising in the course of business. To the extent the management's assessment of the Company's exposure in respect of such matters is incorrect or changes, including as a result of any determinations made the courts of other finders of fact, the Company's exposure could exceed management's current expectations, which could have a material adverse effect on its business, financial conditions and results of operations or the ability to carry on business.

**11. Capital Management**

The Company's objective when managing capital is to maintain a flexible capital structure which will allow it to execute its current strategy to get the Company listed again.

The Company considers its capital structure to include share capital, contributed surplus and debentures.

In order to maintain or adjust the capital structure, from time to time the Company may issue common shares, debt or other securities, sell assets or adjust capital spending to manage current and projected debt levels.

At September 30, 2018, the Company's capital structure was not subject to external restrictions.

**12. Other MD&A Requirements**

Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).