PETRO VIKING ENERGY INC.

FINANCIAL STATEMENTS

For the three months ended March 31, 2019 and 2018

CONTENTS:

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.

Petro Viking Energy Inc.
Statements of Financial Position
As at March 31
(in Canadian dollars)

	2019	2018
	$	$
Assets		
Current assets		
Cash	**4,504**	5,291
Sales taxes receivable	**11,118**	8,112
Total assets	**15,622**	**13,403**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities *(Note 4)*	**375,630**	294,151
Subscriptions to convertible debentures *(Note 6)*	**-**	30,000
Current portion of debenture and promissory notes payable *(Note 5)*	**645,710**	945,709
Total current liabilities	**1,021,339**	**1,269,860**
Long-term liabilities		
Convertible debentures *(Note 6)*	**30,000**	-
Total long-term liabilities	**30,000**	-
Total liabilities	**1,051,339**	1,269,860
Shareholders' equity		
Share capital (*Note 7)*	**4,825,520**	4,525,520
Contributed surplus	**1,617,760**	1,617,760
Deficit	**(7,478,998)**	(7,399,737)
Total shareholders' deficiency	**(1,035,718)**	(1,256,457)
Total liabilities and shareholders' deficiency	**15,622**	**13,403**

Going concern *(Note 1)*

Basis of preparation *(Note 2)*

Subsequent events (Note 13)

Approved on behalf of the directors:

Robert Rosner, President and CEO

Lars Glimhagen, CFO

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

Petro Viking Energy Inc.
Statements of Loss and Comprehensive Loss
Year ended March 31
(in Canadian dollars)

	2019	2018
	$	$
Revenue	-	-
	-	-
Expenses and other income		
Management fees	39,205	-
Professional fees	16,713	-
Interest expense	20,870	27,721
Listing fees	2,081	-
General and administration	392	3,352
	79,261	31,073
Net loss and comprehensive loss for the year	(79,261)	(31,073)
Net loss per share, basic and diluted *(Note 8)*	(0.01)	(0.01)
Weighted average number of shares, basic and diluted	3,625,970	3,026,970

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

Petro Viking Energy Inc.

Statements of Cash Flows

Year ended March 31

(in Canadian dollars)

	2019	2018
	$	$
Operating		
Net loss and comprehensive loss for the period	**(79,261)**	(31,074)
Changes in non-cash working capital *(Note 9)*	**(216,235)**	31,074
Cash flow from operating activities	**(295,496)**	-
Financing		
Issue shares for conversion of debt	**300,000**	-
Cash flow from financing activity	**300,000**	-
Change in Cash	**4,504**	-
Cash, beginning of the year	**-**	-
Cash, end of the year	**4,504**	**-**

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

Petro Viking Energy Inc.
Statements of Changes in Shareholders' Deficiency
As at March 31
(in Canadian dollars)

	2019	2018
	$	$
Share Capital		
Balance, beginning of year	**4,525,520**	4,525,520
Issued shares for debt conversion	**300,000**	
Balance, end of year	**4,825,520**	4,525,520
Contributed surplus		
Balance, beginning of year	**1,617,760**	1,617,760
Balance, end of year	**1,617,760**	1,617,760
Deficit		
Balance, beginning of year	**(7,399,737)**	(7,130,147)
Net loss and comprehensive loss for the year	**(79,261)**	(269,590)
Balance, end of year	**(7,478,998)**	(7,399,737)
Shareholders' Deficiency	**(1,035,718)**	(1,256,457)

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 previously listed on the TSX Venture Exchange.

The records office and principal address is located at 5940 Macleod Trail, Suite 500, Calgary, Alberta, T2H 2G4.

The Company currently is not engaged in any activities and is currently reviewing a number of business opportunities and projects that are NI51-101 compliant that will allow the Company to be re-listed. Subsequent to year end, the Company entered into a letter of intent to acquire assets of a privately held company in the energy sector (Note 13).

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 March 31, 2019, the Company reported a loss of $79,261, a cumulative deficit of $7,478,998 and a negative working capital of $1,005,717. The Company's ability to continue as a going concern is dependent upon its ability to close the qualifying transaction and raise additional financing which will allow for acquiring assets that will provide the Company with a revenue stream. 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 in the future.

These factors indicate the existence of a material uncertainty regarding the ability of 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 December 31, 2018.

The financial statements were authorized by the Board of Directors for issue on May 29, 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) Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks or held in trust.

b) Convertible debentures

On initial recognition of the convertible debentures, the liability component is recognized at the fair value of a similar liability that does not have a conversion option and the equity component is recognized as the difference between the fair value of the convertible debenture as a whole and the fair value of the liability component. Transaction costs are allocated to the liability and equity components in proportion to the initial carrying amounts. Subsequent to initial recognition, the liability component of the convertible debenture is measured at amortized cost using the effective interest method. The equity component is not re-measured subsequent to initial recognition.

c) 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 year profits or losses.

d) 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 year. No adjustment is made to any expense recognized in prior years 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 share options recorded in contributed surplus are then transferred to capital.

e) Loss per share

Basic loss per share (“LPS”) is calculated by dividing the net loss for the year attributable to equity owners of the Company by the weighted average number of common shares outstanding during the year. 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.

3. Summary of significant accounting policies (continued)

f) Financial instruments

On January 1, 2018, the Company adopted IFRS 9 - Financial Instruments ("IFRS 9") which replaced IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes significant changes to hedge accounting.

The Company adopted the standard using the retrospective approach outlined in the standard. IFRS 9 did not impact the Company's measurement and carrying amounts of financial assets and liabilities at the transition date.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial Assets/Liabilities	Original classification under IAS 39	New classification under IFRS 9
Cash	None in prior year	Financial assets at amortized cost
Sales taxes receivable	Other financial assets at amortized cost	Financial assets at amortized cost
Accounts payable and accrued liabilities	Other financial liabilities at amortized cost	Financial liabilities at amortized cost
Subscriptions to convertible debentures	Other financial liabilities at amortized cost	Financial liabilities at amortized cost
Debentures and promissory notes payable	Other financial liabilities at amortized cost	Financial liabilities at amortized cost

Measurement – initial recognition

Financial assets and financial liabilities are recognized in the Company’s statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss (“FVTPL”). The directly attributable transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Classification of financial assets

<u>Amortized cost:</u>

Financial assets that meet the following conditions are measured subsequently at amortized cost:

(i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method.

<u>Fair value through other comprehensive income ("FVTOCI"):</u>

Financial assets that meet the following conditions are measured at FVTOCI:

(i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Summary of significant accounting policies (continued)

Financial assets measured subsequently at fair value through profit or loss ("FVTPL"):

By default, all other financial assets are measured subsequently at FVTPL.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

Classification of financial liabilities and equity:

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Classification of financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments

g) 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.

h) 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.

(in Canadian Dollars)

3. Summary of significant accounting policies (continued)

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).

4. Accounts payable and accrued liabilities

Significant components of Accounts Payable and Accrued Liabilities	**2019**	2018
	$	**$**
Accounts payable - trade	**198,067**	97,912
Interest Payable	**120,358**	99,489
Accrued management fees	**57,205**	96,750
	375,630	294,151

5. Debenture and promissory notes payable

	2019	**2018**
	$	$
Debenture due July 31, 2019 bearing interest at 10% per annum compounded monthly. Secured by future assets of the Company	**595,080**	895,080
Unsecured promissory notes due July 31, 2019 bearing interest at 10% per annum compounded monthly	**50,629**	50,629
	645,709	945,709

On January 30, 2019, $300,000 of the Debenture was converted to 6,000,000 common shares of the Company at $0.05 per share.

6. Subscriptions to convertible debentures

On November 20, 2018, the Company received cash proceeds of $30,000 for the issuance of convertible debentures; the debentures were issued on February 1, 2019 and are unsecured and bear simple interest at 15% per annum with principal and interest payable on maturity being two years from the date of issuance. The debentures will be convertible into units at a conversion price of $0.05 per share at any time during the term of the debentures. Each unit will be comprised of one common share and one common share purchase warrants exercisable for common share at a price of $0.05 per warrant for a period of 60 months.

(in Canadian Dollars)

7. Equity

Share capital

a. Authorized

Unlimited number of common shares, without nominal or par value

b. Issued and outstanding common shares

	2019		2018	
	Number	**Amount**	Number	Amount
		$		$
Balance, beginning of year	3,025,970	4,525,520	3,025,970	4,525,520
Conversion of debt	600,000	300,000	-	-
Balance, end of year	3,625,970	4,825,520	3,025,970	4,525,520

Share-based payments

The Company has a stock option plan under which the Board of Directors may grant options to directors, officers, other employees and key consultants. The Company may also grant options to agents. Under the plan, the number of shares reserved for issuance pursuant to the exercise of all options under the plan may not exceed 10% of the issued and outstanding common shares at any time. The options expire not more than five years from the date of grant or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model.

As at March 31,	**2019**		**2018**	
	Options	**Weighted-average exercise price**	Options	Weighted-average exercise price
Opening	-	-	474,501	.20
Expired	-	-	-	-
Closing	-	-	474,501	.20

8. Net loss per share

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

	2019	2018
Net loss and comprehensive loss	$ (79,261)	$ (31,073)
Weighted average number of shares (basic and diluted)	3,625,970	3,025,970
Loss per share:	$	$
Basic	(0.01)	(0.01)
Diluted	(0.01)	(0.01)

(in Canadian Dollars)

9. Change in non-cash working capital

	2019	2018
	$	$
Sales taxes receivable	(3,006)	-
Accounts payable and accrued liabilities	86,771	31,074
Partial conversion of debenture	(300,000)	-
Total	(246,440)	31,074
Operating	41,566	3,352
Financing	(298,590)	27.721
Total	(264,440)	31,074

10. Related party disclosures

	2019	2018
Key management personnel compensation:	$	$
Management and consulting fees	39,505	2,800
(Key management personnel are comprised of the Company's directors and officers.)		
Other related party transactions:		
Interest expense on debenture and promissory notes payable held by an officer of the Company and companies controlled by an officer of the Company [(1)]	1,128	27,721

Amount owing to related parties	2019	2018
	$	$
Accounts payable and accrued liabilities including management fees and interest [(1)]	62,874	72,231
Debenture – Principal outstanding. [(1)]	-	472,854
Promissory notes payable – Principal outstanding.	40,505	40,505
	103,379	585,590

[(1)]Mr. Irvin Eisler, a former director of the company passed away on August 23,2018 and the shares of his company Eisler Holdings Ltd. have been transferred to Mrs. Olga Eisler who is not related to the Company. As a result, all interest paid to Eisler Holdings Ltd. since August 24, 2018 and any amounts owing as at March 31, 2019 are not considered related-party items.

11. Financial instruments and financial risk management

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.

11. Financial instruments and financial risk management (continued)

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

The Company has exposure to liquidity risk and market risk as a result of its financial instruments.

a. Fair values

The Company is required to classify fair value measurements using a hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs for the asset or liability that are not based on observable market data.

The fair value of cash, accounts payable and accrued liabilities, subscriptions to convertible debentures and debenture and promissory notes payable approximate their amortized cost.

There were no transfers between levels during the year.

b. Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. Accounts payable and accrued liabilities and debenture and promissory notes payable have an expected maturity of less than one year resulting in their current classification on the statement of financial position. The Company currently has minimal assets and is unable to discharge its liabilities until financing is obtained (Note 1).

c. Market risk

Market risk is the risk that changes in market factors, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's cash flows, net loss and comprehensive loss, liquidity or the value of financial instruments. The objective of market risk management is to mitigate market risk exposures where considered appropriate and maximize returns.

Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk on its debt as they bear a fixed interest rate.

12. 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 debenture and promissory notes payable.

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 March 31, 2019, the Company's capital structure was not subject to external restrictions.

13. Subsequent events

In April 2019, the Company entered into a letter of intent ("LOI") with a privately held energy producer company based in Alberta with respect to a contemplated asset acquisition whereby the Company would acquire a non-operating interest of 50% into a producing oil and gas property in Alberta. As per the terms of the LOI, the Company will issue a convertible debt instrument for a total amount of $500,000 plus applicable GST convertible into common shares of the Company and the Company endeavored to cover and pay any GST payable pursuant to the issuance of the debt Instrument, for an amount of up to $5,000. Following completion of the contemplated Transaction, the Company will then apply to have its shares listed on the Canadian Securities Exchange.