PETRO VIKING ENERGY Inc.

AMENDED AND RESTATED OFFERING MEMORANDUM

Confidential & Brokered Date: **December 15, 2020**

The information contained in this Amended and Restated Offering Memorandum is intended only for the persons to whom it is transmitted for the purposes of evaluating the securities offered. This Amended and Restated Offering Memorandum constitutes an offering of the securities described herein to be distributed only in those jurisdictions where they may be lawfully offered for sale and may be sold only by persons permitted to sell such securities and only to those persons to whom they may be lawfully offered for sale.

No securities commission or similar regulatory authority has passed on the merits of the securities nor has it reviewed this Amended and Restated Offering Memorandum and any representation to the contrary is an offence.

Investors must complete and execute a subscription agreement, including all applicable schedules and exhibits thereto (the "**Subscription Agreement**") and deliver a copy of the Subscription Agreement in original or by fax or e-mail to the Issuer:

Issuer: **Petro Viking Energy Inc.** (the "**Company**")

Address: 5940, Macleod Trail S.W., Suite 500
Calgary (Alberta) Canada T2H 2G4

Attention: Mr. Lars Glimhagen - CFO

Email: info@petroviking.ca

Tel: 1-250-308-9042

The securities are being offered in all of the provinces or territories of Canada, by way of applicable private placement exemptions pursuant to National Instrument 45-106 Prospectus Exemptions; (ii) in the United States on a private placement basis pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended; and (iii) offshore jurisdictions pursuant to relevant prospectus or registration exemptions in accordance with applicable laws.

Amended and Restated Offering Memorandum for Non-Qualifying Issuers

The Issuer

Name: **PETRO VIKING ENERGY Inc.** **December 15, 2020**

Head office: 5940, Macleod Trail S.W., Suite 500, Calgary (Alberta) Canada T2H 2G4

Phone #: 1-250-308-9042

Email address: info@petroviking.ca

These securities do not trade on any exchange or market

Reporting Issuer: Yes **SEDAR Filer: Yes**

The Offering

Min. / Max. Offering: The Company seeks to raise a minimum of $1,000,000 and a maximum of $2,250,000 under this Offering of units ("**Units**"), Subscription Receipts ("**Subscription Receipts A**") convertible into Units and Subscription Receipts convertible into Flow-Through Shares ("**FT Shares**") ("**Subscription Receipts B**") (collectively, the Subscription Receipts A and the Subscription Receipts B being the "**Subscription Receipts**"), in one or more closings (the "**Offering**").

The minimum Offering consists of an aggregated minimum offering from either the Units or the Subscription Receipts or a combination thereof of at least $1,000,000. The maximum Offering excludes any over-allotment option which may be granted to the Agent.

Funds available under the offering may not be sufficient to accomplish the proposed objectives of the Company.

Securities offered: The Company is offering the following securities:

Units – The Company is offering up to 1,666,667 Units where each Unit consists of one of (1) Common Share in the capital of the Company (the "**Common Share**") and one-half (½) of one common share purchase warrant (each whole warrant, a "**Warrant**"), each full warrant entitling the holder thereof to purchase one (1) additional Common Share for a period of twenty-four (24) months from the date of issuance.

Subscription Receipts A – The Company is offering up to 3,333,333 Subscription Receipts A convertible into Units where each Unit consists of one of (1) Common Share in the capital of the Company (the "**Common Share**") and one-half (½) of one common share purchase warrant (each whole warrant, a "**Warrant**"), each full warrant entitling the holder thereof to purchase one (1) additional Common Share for a period of twenty-four (24) months from the date of issuance.

Subscription Receipts B – The Company is offering up to 7,500,000 Subscription Receipts B convertible into FT Shares, each converted Subscription Receipt B entitling the holder thereof to be issued one (1) FT Share in the capital of the Company.

Each Subscription Receipt A and Subscription Receipt B will be automatically exchanged for no additional consideration upon the satisfaction or waiver of the Escrow Release Conditions (as described herein) following which the Company will issue the underlying Units and the FT Shares to holders of Subscription Receipts A and holders of Subscription Receipts B respectively.

Price per security:	**Units** – Each Unit is offered at a price of $0.15 per Unit for total gross proceeds of up to $250,000, each Unit consisting of one (1) Common Share valued at $ 0.15 per share and one-half (½) Warrant at a nominal value where each full warrant shall entitle the holder thereof to purchase one (1) additional Common Share at a price of $ 0.20 per Common Share for a period of twenty-four (24) months from the date of issuance. **Subscription Receipts A** – Each underlying Unit is offered at a price of $0.15 per Unit for total gross proceeds of up to $500,000, each Unit consisting of one (1) Common Share valued at $ 0.15 per share and one-half (½) Warrant at a nominal value where each full warrant shall entitle the holder thereof to purchase one (1) additional Common Share at a price of $ 0.20 per Common Share for a period of twenty-four (24) months from the date of issuance. **Subscription Receipts B** – Each underlying FT Share is offered at a price of $0.20 per FT Share for total gross proceeds of up to $1,500,000.
Minimum subscription amount:	Each investor who purchases Units must invest a minimum amount of $600 for each subscription representing a minimum purchase of 4,000 Units. Each investor who purchases Subscription Receipts A must invest a minimum amount of $600 for each subscription representing a minimum purchase of 4,000 underlying Units. Each investor who purchases Subscription Receipts B must invest a minimum amount of $5,000 for each subscription representing a minimum purchase of 25,000 underlying FT Shares.
Payment terms:	Bank Draft, EFT, or Wire Transfer in full payment of the aggregate subscription amount is due upon execution and delivery of the Subscription Agreement. See payment details in the attached Subscription Agreement.
Proposed closing dates:	The Company reserves the right to proceed to multiple closings and may close tranches from time to time during the course of the Offering or on any other date the Company determines (each, a "**Closing Offering Date**").
Fund raising:	The Company is currently raising capital in all jurisdictions of Canada, without limitation to other jurisdictions in future.
Currency:	All dollars amounts are in Canadian dollars unless otherwise indicated.
Selling Agent:	Yes – Leede Jones Gable Inc. (the "**Agent**"). Subscription Receipts may only be purchased through the Agent.
Selling Commission:	A cash commission of 8% of the gross proceeds raised under this Offering for all retail orders shall be payable to the Agent, in addition to a one-time corporate finance fee payment of $35,000.
Broker Warrants:	In addition to the foregoing, the Company will issue to the Agent the following broker warrants at each of the Offering Closing Dates: - **Broker Warrants A** for the purchase of that number of Units equal to 8% of the number of Units subscribed for under this Offering (the "**Broker Warrant A**"). Each Broker Warrant A consists of one common share exercisable at a price of $0.15 per share and one-half of one common share purchase warrant exercisable at a price of $0.20 for a period of thirty-six (36) months from the Offering Closing Date;

- **Broker Warrants B** for the purchase of that number of common shares equal to 8% of the number of FT Shares subscribed for under the Offering (the "**Broker Warrant B**"). Each Broker Warrant B consists of one common share exercisable at a price of $0.15 for a period of thirty-six (36) months from the Offering Closing Date;

Over-Allotment Option:	The Agent will be granted an option (the "**Over-Allotment Option**") which it may exercise in whole or in part, by giving a notice in writing to the Company at any time up to fifteen (15) days following the last Closing Date to sell up to an additional 15% worth of Subscription Receipts or Units sold pursuant to the Offering.
Cost & Expenses:	All costs and expenses of the Offering are to be born by the Company, including the reasonable out of pocket costs of the Agent plus all applicable taxes.
Resale restrictions:	You will be restricted from selling your securities. Unless permitted under securities legislation, you cannot trade the underlying securities offered hereunder before the date that is 4-month and a day after the date of issuance of the securities. Please refer to Item 10.
Purchaser's rights:	You have two (2) business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Amended and Restated Offering Memorandum, you have the right either to sue for damages or to cancel the agreement. Please refer to Item 11.
Tax consequences:	There are important tax consequences to the purchase, ownership and disposition of securities. You should consult your own professional advisors to obtain advice on the Canadian or other jurisdiction tax consequences that may apply to you.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Amended and Restated Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. Please refer to Item 8.

GENERAL MATTERS

This Amended and Restated Offering Memorandum constitutes an offering of securities only in those jurisdictions where they may be lawfully offered for sale and may be sold only by persons permitted to sell such securities and only to those persons to whom they may be lawfully offered for sale. No securities commission or similar regulatory authority has passed on the merits of the securities nor has it reviewed this Amended and Restated Offering Memorandum and any representation to the contrary is an offence. No prospectus has been filed with any such authority in connection with the securities offered hereunder.

This Amended and Restated Offering Memorandum is confidential. The information contained in this Amended and Restated Offering Memorandum is intended only for the persons to whom it is transmitted for the purposes of evaluating the securities offered hereby. By accepting a copy of this Amended and Restated Offering Memorandum, the recipient agrees that neither it, nor any of its representatives or agents, shall use the Amended and Restated Offering Memorandum nor the information contained herein for any other purpose, or divulge it to any other party and shall return all copies of the Amended and Restated Offering Memorandum to the Company promptly upon request.

Prospective investors should rely only on the information in this Amended and Restated Offering Memorandum, including the information incorporated herein by reference, if any. No persons are authorized to give any information or make any representation in respect of the Company or the securities offered herein, and any such information or representation must not be relied upon. Any marketing materials related to a distribution under this Amended and Restated Offering

Memorandum and delivered or made reasonably available to a prospective subscriber before the termination of the distribution (collectively, the "**OM Marketing Materials**"), are hereby specifically incorporated by reference in this Amended and Restated Offering Memorandum, and further any OM Marketing Materials shall be deemed to be incorporated by reference in this Amended and Restated Offering Memorandum.

This Offering is a private placement and is not, and under no circumstances is to be construed as, a public offering of the securities described herein. The securities are being offered in reliance upon exemptions from the registration and prospectus requirements set forth in Applicable Securities Laws.

The securities offered hereunder will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, if ever, a Shareholder will not be able to trade the securities unless it complies with very limited exemptions from the prospectus and registration requirements under Applicable Securities Laws. The Company is a Canadian private reporting issuer but its shares are currently not listed on any recognized stock exchange. Consequently, Shareholders may not be able to liquidate their holdings in a timely manner, if at all, or pledge their securities as collateral for loans. See "Item 10 – Resale Restrictions".

The securities have not been, and will not be, registered under the United States *Securities Act of 1933,* as amended (the "**U.S. Securities Act**"), or any applicable state securities laws. Accordingly, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and state securities laws, the securities may not be offered or sold within the U.S. or to, or for the account or benefit of, "U.S. persons" (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Amended and Restated Offering Memorandum as they relate to the Company and its respective views or predictions about possible future events or conditions and their business operations and strategy constitute "forward-looking statements" within the meaning of that phrase under Applicable Securities Laws. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "does not anticipate", "continue", "estimate", "expect", "is not expected", "may", "could", "might", "will", "project", "should", "believe", "does not believe", "budget", "plan", "forecast", "potential", "intend" and similar expressions are intended to identify forward-looking statements. Such statements in this Amended and Restated Offering Memorandum include, among others, statements regarding the intended use of proceeds of the Offering and the anticipated activities of the Company; the business, operation and other costs to be incurred in the operation and management of the business and the material agreements to be entered into and their terms.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information, if any. Those assumptions and factors are based on information currently available to the Company including information obtained from third party sources. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable and represent the Company's expectations and belief at this time, such statements involve known and unknown risks and uncertainties which may cause the Company's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, ability to raise financing and fund capital expenditures, accuracy of oil and gas reserves assessments and changes in government regulations, in addition to those factors specifically discussed or referenced in "PART 8 - Risk Factors". These factors should not be considered exhaustive. Many of these risk factors are beyond the Company's control and each contributes to the possibility that the forward-looking statements will not occur, or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent and management's future course of action depends upon the Company's assessment of all information available at that time.

The forward-looking statements made herein relate only to events or information as of the date of this Amended and Restated Offering Memorandum and are expressly qualified by this cautionary statement. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference as part of this Amended and Restated Offering Memorandum:

a) The OM Marketing Materials related to this Offering current as at the date of this Amended and Restated Offering Memorandum, delivered or made reasonably available to a prospective purchaser;

b) the OM Marketing Materials related to this Offering which may be prepared after the date of this Amended and Restated Offering Memorandum and delivered or made reasonably available to a prospective purchaser prior to the termination of this Offering; and

c) National Instrument 51-101 compliant Report on Reserve Estimation and Economic Evaluation of certain oil and gas assets of Petro Viking Energy Inc., effective December 31, 2019 prepared by Pristine Energy Ltd.

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Glossary

The following are definitions of certain terms used in this Amended and Restated Offering Memorandum, which terms have the following meaning ascribed thereto:

"**Agent**" means Leede Jones Gable Inc., the firm retained by the Company to promote the sale of securities by way of private placement or otherwise;

"**Applicable Securities Laws**" means all applicable securities laws, policies, rules, and instruments of the provinces and territories of Canada and adopted by the securities regulators or regulatory authority of such jurisdictions, as such may be amended from time to time;

"**CCEE**" means Cumulative Canadian Exploration Expense as such term is defined in the Tax Act;

"**CDE**" means Canadian Development Expense as such term is defined in the Tax Act;

"**CEE**" means Canadian Exploration Expense as such term is defined in the Tax Act

"**CRCE**" means Canadian Renewable and Conservation Expenses as such term is defined in the Income Tax act;

"**Common Shares**" or "**Shares**" means the voting common shares in the authorized capital of the Company;

"**Company**" or "**Corporation**" means Petro Viking Energy Inc., a company incorporated under the Business Corporations Act (Alberta) on January 13, 2010;

"**Consolidation**" means the consolidation of the Common Shares on the basis of one (1) post-consolidation Common Share of Company for each two (2) pre-consolidation Common Shares of the Company (1:2) which has been approved by the Shareholders at the annual and special meeting of the Shareholders on August 4th, 2020;

"**CSE**" means the Canadian Securities Exchange;

"**Escrow Agent**" means Dunton Rainville LLP, the escrow agent appointed pursuant to the Subscription Receipt Agreement dated November 2, 2020 providing for the issuance of subscription receipts;

"**Escrow Release Conditions**" means the terms and conditions upon which the Subscription Receipts will be exchanged into the underlying securities as further described under section 5.1 hereof;

"**Flow-Through Shares**" means a "flow-through share" as defined in subsection 66(15) of the Tax Act;

"**Joint Venture Partner**" means Avila Exploration and Development (Canada) Ltd.;

"**NI 45-106**" means National Instrument 45-106 respecting Prospectus Exemptions;

"**NI 51-101**" means National Instrument 51-101 respecting Standards of Disclosure for Oil and Gas Activities;

"**Offering**" means the offering of Units, subscription receipts in the form of Subscription Receipts A and Subscription Receipts B as further defined herein;

"**Amended and Restated Offering Memorandum**" or "**OM**" mean this confidential amended and restated offering memorandum, including any amendment hereto;

“**Oil and Gas Properties**” mean any oil and gas lease or claim located in North America, including a working interest, a mineral interest, a royalty interest or an overriding royalty interest in any such oil and gas lease or claim;

“**OM Marketing Materials**” means any marketing material used by the Company in relation to a distribution under the offering memorandum exemption, which is incorporated by reference into the referring Amended and Restated Offering Memorandum;

“**Over-Allotment Option**” means the option granted to the Agent exercisable, in whole or in part, at the sole discretion of the Agent, at any time up to fifteen (15) days following the last Closing Date to sell up to 15% worth of Subscription Receipts or Units sold pursuant to the Offering;

“**QTA**” means the Quebec Taxation Act, as amended from time to time, and includes the regulations thereunder;

“**Release Deadline**” means 5:00 P.M. (EDT) on March 15th, 2021 or such other date as mutually agreed in writing between the Company and the Agent;

“**RRSP**” means a registered retirement savings plan, as defined in the Income Tax Act (Canada);

“**Selling Jurisdictions**” means the Offering will be offered for purchase and sales (i) to qualified investors in Canada pursuant to available private placement exemptions; and (ii) to investors resident in jurisdictions outside of Canada and the U.S., in each case in accordance with all applicable laws; provided that no prospectus, registration statement or similar document is required to be filed in such foreign jurisdiction;

“**Shareholders**” means a register holder of Common Shares of the Company;

“**Subscriber**” means those persons subscribing for Units or Subscription Receipts pursuant to this Offering;

“**Subscription Agreement**” means a subscription agreement, between the Company and each Investor respecting the purchasing of Units or Subscription Receipts;

“**Subscription Receipts A**” means the offering of subscription receipts convertible into up to 3,333,333 Units at a price of $0.15 per Subscription Receipt A, where each underlying Unit consists of one of (1) Common Share in the capital of the Company and one-half (½) of one common share purchase warrant, each full warrant entitling the holder thereof to purchase one (1) additional Common Share at a price of $0.20 per Common Share for a period of twenty-four (24) months from the date of issuance;

“**Subscription Receipts B**” means the offering of subscription receipts convertible into up to 7,500,000 Flow-Through Shares in the capital of the Company at a price of $0.20 per Subscription Receipt B;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time, and includes the regulations thereunder;

“**TSX-V**” means the TSX Venture Exchange.

“**Units**” means the offering of up to 1,666,667 Units at a price of $0.15 per Unit, where each Unit consists of one of (1) Common Share in the capital of the Company and one-half (½) of one Common Share purchase warrant, each full warrant entitling the holder thereof to purchase one (1) additional Common Share at a price of $0.20 per Common Share for a period of twenty-four (24) months from the date of issuance;

"**Warrant**" means the Common Share purchase warrants that are acquired in connection with an investment in Subscription Receipts A pursuant to a unit offering comprised of Common Shares and Common Share purchase warrant;

Item 1 Use of Available Funds

1.1 Funds

The following table discloses the available funds to be raised under this Amended and Restated Offering Memorandum, excluding proceeds which may be received from the exercise of the Over-Allotment Option:

		Assuming min. Offering	**Assuming max. Offering**
A.	Amount to be raised by this Offering	**$1,223,000[(1)]**	**$2,250,000**
B.	Selling commissions of 8% and fees of $35,000	$132,840	$215,000
C.	Estimated offering costs (e.g. legal, accounting, audit.)	$75,000	$75,000
D.	Available funds: D = A - (B + C)	$1,015,160	$1,960,000
E.	Additional sources of funding[(2)]	$400,000	$400,000
F.	Working capital deficiency[(3)]	Nil	Nil
G.	Total: G = (D+E) – F	**$1,415,160**[(4)]	**$2,360,000**[(5)]

(1) On November 5, 2020, the Company closed a first tranche of the Offering after having achieved the minimum offering and received gross proceeds of $1,223,000 and issued 1,916,666 Units for gross proceeds of $287,500; 3,833,333 Subscription Receipts A for gross proceeds of $575,000; and 1,802,500 Subscription Receipts B for gross proceeds of $360,500.

(2) The Company has completed a private placement offering and issued unsecured convertible debentures on July 7, 2020 and raised total gross proceeds of $400,000. A cash commission of 8% has been paid on $150,000 of the proceeds raised under this offering, representing a payment of $12,000 to a third party in addition to $20,000 in legal fees.

(3) No working capital deficiency as of November 30 2020.

(4) This amount includes proceeds of $935,500 from the sale of Subscription Receipts A and B currently held in escrow by the Escrow Agent pending satisfaction or waiver of the Escrow Release Conditions (as defined hereinafter – see *section 5.1 – Terms of Securities* below).

(5) This amount includes proceeds of $1,775,000 from the sale of Subscription Receipts A and B to be held in escrow by the Escrow Agent pending satisfaction or waiver of the Escrow Release Conditions (as defined hereinafter – see *section 5.1 – Terms of Securities* below).

1.2 Use of Funds

The Company intends to use the funds to be raised under this Offering as described below:

Intended Use of Available Funds	Assuming min. Offering	Assuming max. Offering
Enhancement and Development of Oil and Gas Properties[(1)]	$ 200,000	$ 200,000
Drilling of one New Well as a 50% Participant per the 51-101[(2)]	$ 225,000	$ 225,000
Capital Participant [(3)]	$ 100,000	$ 750,000
General working capital [(4)]	$ 890,160	$ 1,185,000
TOTAL:	**$1,415,160**	**$2,360,000**

(1) Continuing Operations, 2 work-overs budgeted at $60,000 each all inclusive, Expansion of Facilities for $50,000 and associated Engineering & Design for $30,000, for a grand total of $200,000.

(2) Drilling, in accordance with the Company's NI 51-101 Report scheduled on page 10 of the Report (NI 51-101-F1), the Company as a 50% participant will be drilling a proven developed, liquids rich natural gas well.

(3) Capital Participant, as a 50% joint venture partner, the Company has elected to Participate in the purchase and development of additional lands adjacent to its current area of operation.

(4) In the event of exercise of the Over-Allotment Option, the Company will use the proceeds for general working capital purposes.

The Company intends to use the minimum funds raised to participate in the drilling and completion of a liquids rich proven undeveloped well located on lands and as evaluated, summarized and disclosed in its Independent NI 51-101 prepared and filed for the year ended December 31, 2019. Assuming that the maximum funds are raised the Company will be participating in adjacent Land and Production in the region identified by its Joint Venture Partner, Avila Exploration & Development Canada Ltd. ("**Avila**").

1.3 Reallocation

The Company intends to spend the available funds as stated. The Company will reallocate funds only for sound business reasons. In the event of exercise of the Over-Allotment Option, the Company intends to use the potential additional gross proceeds for general working capital purposes.

Item 2 Business of Petro Viking Energy Inc.

2.1 Structure

Petro Viking Energy Inc. (the "**Company**") was incorporated on January 13, 2010 pursuant to the provisions of the *Business Corporations Act (Alberta)* under the name New West Energy Inc. The articles were amended on January 25, 2010 to change the name of the Company to Petro Viking Energy Inc. and further amended on April 7, 2010 to remove the restrictions against share transfers and other restrictions applicable to private issuers.

The registered and records office of the Company is located at 5940, MacLeod Trail S.W., Suite 500, Calgary Alberta, Canada, T2H 2G4. The head office of the Company is also located at 5940, MacLeod Trail S.W., Suite 500, Calgary Alberta, Canada, T2H 2G4.

The Company is a Canadian private reporting issuer; however, its shares are currently not listed on any recognized Stock Exchange. The Company was originally listed on the TSX-V on June 11, 2010. On August 14 2015, the shares of the Company have been transferred from the TSX-V to the NEX, a separate board of the TSX-V providing a trading forum for listed companies that have fallen below the TSX-V's ongoing listing standards. The shares of the Company were eventually delisted from the NEX Board on March 28 2016 for failure to pay and maintain NEX Listing Maintenance Fees.

As of the date of this Amended and Restated Offering Memorandum and subject to the Avila Transaction as further described hereunder, there is no subsidiary of the Company, and the Company does not otherwise control or own, directly or indirectly, or have any equity participation directly or indirectly, in any corporation, limited liability company, partnership, joint venture or other entity**.**

2.2 Our Business

The Company is an energy company based and operating in the province of Alberta, Canada with a goal to becoming an integrated energy company utilizing the experience of its officers and directors who have acquired experience as developers, explorers, operators and financiers of energy projects in Canada and internationally.

The Company intends to use the available funds raised pursuant to this Offering to participate in the development of its 50% interest in the Oil and Gas Properties located in West Central Alberta, known as the Ferrybank Property. The Company is also raising funds pursuant to this Offering for completing its listing on the CSE following the acquisition of Petroleum and Natural Gas Rights pursuant to the completion of the Avila Transaction completed in 2019 (as defined below).

The Company acquired its 50% interest in the lands and net proven developed production of approximately 50 boe/d in the Ferrybank Property. Based on the current and historic performance of this production and similar operations in the region, the Company engaged an Independent Engineer to complete an Evaluation of the current assets and the associated prospective mineral rights, which was formalized in a NI 51-101 Report prepared for the Company and summarized and disclosed in the NI 51-101 F1 and NI 51-101 F2 filed on www.sedar.com.

2.3 Development of Business

Since 2016, the Company has been identifying and evaluating oil and gas related assets or businesses with a view to completing a transaction.

On March 18, 2019, the Company entered into a binding Letter of Intent for the acquisition of a non-operating interest of fifty percent (50%) into the Ferrybank Property, a producing oil & gas property in the province of Alberta from Avila consisting of production, pipelines, facilities and approximately 1,280 acres (net) of Petroleum and Natural Gas mineral and exploitation rights in western Alberta and more particularly in the Ferrybank area (the "**Avila Transaction**"). The Avila Transaction became effective by the execution of an arm's length Asset Purchase Agreement dated September 30, 2019 in consideration of a payment of $500,000 payable by the issuance of a convertible debenture. The Avila Transaction closed and became effective on December 9, 2019.

The convertible debenture is secured and bears a compounded interest of 5% per annum. The convertible debenture matures on July 31, 2022 at which time the principal amount and any accrued interest is payable. The convertible debenture can be converted at the option of the holder into Common Shares at the lower of $0.25 or 80% of the major event price. A major event price is defined as: (i) the price per Common Share that is being issued by the Company on or before July 31, 2022 pursuant to an initial public offering of the Common Shares for listing on a recognized stock exchange; or (ii) the price per Common Share that is being issued by the Company pursuant to a financing of no less than $ 500,000 net of fees and commissions; or (iii) the purchase price that results from the purchase by a third party of substantially all the assets of the Company by dividing said purchase price by the number of issued Common Shares on a fully diluted basis.

Concurrently with the closing of the Transaction, the Company and Avila entered into a Joint Operating Agreement for the maintenance and operation of the Oil and Gas Properties co-owned by the Company and Avila, whereby Avila was appointed as the operator. The Joint Operating Agreement was signed on December 9, 2019 with an effective date as of January 1, 2020. Pursuant to the terms of the Joint Operating Agreement, Avila undertakes to operate, explore, develop and maintain the joint Oil and Gas Properties in accordance with the 1990 CAPL Operating Procedure.

On July 7, 2020, the Company completed a non-brokered private placement of 400 units for gross proceeds of $400,000. Each unit consisted of a $1,000 unsecured convertible debenture and one common share purchase warrant, entitling the holder thereof to purchase an additional 10,000 Common Shares at a price of $0.125 per share for a period of 36 months.

In conjunction with this previous financing, the acquisition completed in 2019 and the current financing being proposed, the Company believes that it will be able to become a sustainable business in the region that is the foundation for further business development and growth.

2.4 Description of Oil & Gas Property

2.4.1 Report of Management and Directors on Oil and Gas Disclosure

Management of the Company is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue as at the Company's most recently completed financial year ended December 31, 2019, estimated using forecast prices and costs.

An independent qualified reserves evaluator evaluated and reviewed the Company's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report. The board of directors of the Company has (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator; (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information; (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and (c) the content and filing of this report.

Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

2.4.2 Report on Reserves Data by Independent Qualified Reserves Evaluator

Brent J. McGillivray, P. Eng., president of Pristine Energy Ltd., an independent qualified reserves evaluator as such term is defined under National Instrument 51-101 (the "**Evaluator**") prepared an independent evaluation of certain oil and gas assets of the Company.

The report on reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2019 estimated using forecast prices and cost.

The oil and gas reserves calculations and income projections, upon which the report is based, were estimated in accordance with the Canadian Oil and Gas Evaluation Handbook ("**COGEH**") and

National Instrument 51-101 (NI 51 -101). The Evaluation procedure section included in the report details the reserves definitions, price and market demand forecasts and general procedure used by the Evaluator in its determination of this evaluation. The extent and character of ownership and all factual data supplied by the Company were accepted as presented.

The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved + probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2019, and identifies the respective portions thereof that we have evaluated and reported on to the Company's Management:

			Net Present Value of Future Net Revenue M$/C (before income taxes, 10% discount rate)			
Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Reserves	Audited	Evaluated	Reviewed	Total
Pristine Energy Ltd.	December 31, 2019	Canada	[-]	1293.5	[-]	1293.5

In the Evaluator's opinion, the reserves data respectively evaluated by the Evaluator have, in all material respects, been determined and are in accordance with the COGEH, consistently applied. The Evaluator expresses no opinion on the reserves data that was reviewed but not audited or evaluated.

Furthermore, the report contains forward looking statements including expectations of future production and capital expenditures. Information concerning reserves may also be deemed to be forward looking as estimates imply that the reserves described can be profitably produced in the future. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause the actual results to differ from those anticipated. These risks include, but are not limited to: the underlying risks of the oil and gas industry (i.e. operational risks in development, exploration and production; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses, political and environmental factors), and commodity price and exchange rate fluctuation. Present values for various discount rates documented in this report may not necessarily represent fair market value of the reserves.

2.4.3 Statement of Reserves Data and Other Oil and Gas Information

The following Statement of Reserves Data and Other Oil and Gas Information was prepared in accordance with section 2.1 of NI 51-101 as at December 31, 2019.

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DEFINITIONS, NOTES AND OTHER CAUTIONARY STATEMENTS

ABBREVIATIONS & DEFINITIONS

Abbreviations

AECO	EnCana Corp.'s natural gas facility located at Suffield, Alberta
API	American Petroleum Institute
°API	An indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specific gravity of 28°API or higher is generally referred to as light crude oil.
ARTC	Alberta Royalty Tax Credit
boe	barrels of oil equivalent of natural gas and crude oil on the basis of 1 bbl of crude oil for 6 Mcf of natural gas
boe/pd	barrel of oil equivalent per day
Corporation	PetroViking Energy Inc.
ITA	Income Tax Act (Canada)
$000s	thousands of dollars
$M	thousands of dollars
$MM	millions of dollars
McfGE	thousand cubic feet of gas equivalent
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade.

Crude Oil		Natural Gas	
Bbl	barrel	Mcf	thousand cubic feet
bbls	barrels	MMcf	million cubic feet
m3	cubic meters	Bcf	billion cubic feet
Mbbls	thousand barrels	Mcf/d	thousand cubic feet per day
MMbbls	million barrels	bbls/d	barrels per day
BOPD	barrels of oil per day	MMcf/d	million cubic feet per day
NGLs	natural gas liquids	MMBTU	million British Thermal Units
STB	stock tank barrels	GJ	gigajoule
		Gigajoule	billion joules

Definitions

The meaning of many of the key definitions used in this Statement are mandated by NI 51-101. Some of the definitions mandated by NI 51-101 through its incorporation of definitions from: (a) the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society) and (b) the Canadian Institute of Chartered Accountants Handbook (the "**CICA Handbook**"), are as follows:

"**Accumulation**" means an individual body of Petroleum in a Reservoir.

"**Analogous Information**" means information about an area outside the area PetroViking Energy Inc. has an interest or intends to acquire an interest, which is referenced by PetroViking Energy Inc. for the purpose of drawing a comparison or conclusion to an area in which PetroViking Energy Inc. has an interest or intends to acquire an interest, which comparison or conclusion is reasonable, and includes without limitation:
(a) historical information concerning reserves;
(b) estimates of the volume or value of reserves;
(c) historical information concerning resources;
(d) estimates of the volume or value of resources;
(e) historical production amounts;
(f) production estimates; or
(g) information concerning a field, well, basin or reservoir.

"**Anticipated Results**" means information which may, in the opinion of a reasonable person, indicate the potential value or quantities of Resources in respect of PetroViking Energy's Resources or a portion of PetroViking Energy's Resources and includes without limitation:
(a) estimates of volume;
(b) estimates of value;
(c) areal extent;
(d) pay thickness;
(e) flow rates; or
(f) hydrocarbon content.

"**Associated Gas**" means the Gas cap overlying a Crude Oil Accumulation in a reservoir.

"**Audit**" means, in relation to Reserves Data, the process whereby an Independent qualified Reserves auditor carries out procedures designed to allow the Independent qualified Reserves auditor to provide reasonable assurance, in the form of an opinion that the PetroViking Energy's Reserves Data (or specific parts thereof) have, in all Material respects, been determined and presented in accordance with the COGE Handbook and are, therefore, free of Material misstatement. Because of
(a) the nature of the subject matter (estimates of future results with many uncertainties);
(b) the fact that the Independent qualified Reserves auditor assesses the qualifications and experience of the PetroViking Energy's staff, assesses the PetroViking Energy's systems, procedures and controls and relies on the competence of the PetroViking Energy's staff and the appropriateness of the PetroViking Energy's systems, procedures and controls; and
(c) the fact that tests and samples (involving examination of underlying documentation supporting the determination of the Reserves and Future Net Revenue) as opposed to complete Evaluations, are involved;
the level of assurance is designed to be high, though not absolute. The level of assurance cannot be described with numeric precision. It will usually be less than, but reasonably close to, that of an independent evaluation and considerably higher than that of a review.

"**Bitumen**" means a naturally occurring viscous mixture consisting mainly of pentanes and heavier Hydrocarbons. Its viscosity is greater than 10,000 mPa-s (cp) measured at original temperature in the Reservoir and atmospheric pressure, on a gas-free basis. Crude bitumen may contain sulphur and other non-hydrocarbon compounds.

"**IFRS**" means generally accepted accounting principles determined with reference to the CICA Handbook. "**CICA**" means the Canadian Institute of Chartered Accountants.
"**CICA Accounting Guideline 16**" means Accounting Guideline AcG-16 "Oil and gas accounting - full cost" included in the CICA Handbook, as amended from time to time.

"**Commercial**" when a project is commercial this implies that the essential social, environmental, and economic conditions are met, including political, legal, regulatory, and contractual conditions. Considerations with regard to determining commerciality include
(a) economic viability of the related development project;
(b) a reasonable expectation that there will be a market for the expected sales quantities of production required to justify development;
(c) evidence that the necessary production and transportation facilities are available or can be made available;
(d) evidence that legal, contractual, environmental, governmental, and other social and economic concerns will allow for the actual implementation of the recovery project being evaluated;
(e) a reasonable expectation that all required internal and external approvals will be forthcoming. Evidence of this may include items such as signed contracts, budget approvals, and approvals for expenditures, etc.
(f) evidence to support a reasonable timetable for development. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. Although five years is recommended as a maximum time frame for classification of a project as commercial, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives.

"**Constant Prices and Costs**" means prices and costs used in an estimate that are: (a) PetroViking Energy's prices and costs as at the Effective Date of the estimation, held constant throughout the estimated lives of the Properties to which the estimate applies, (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which PetroViking Energy is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a). For the purpose of paragraph (a), PetroViking Energy's prices will be the posted price for oil and the spot price for gas, after historical adjustments for transportation, gravity and other factors.

"**Contingent Resources**" means those quantities of Petroleum estimated, as of a given date, to be potentially recoverable from Known Accumulations using established technology or technology under development, but which are not currently considered to be Commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage.

"**Company**" **or** "**Corporation**" means PetroViking Energy Inc.

"**Crude Oil**" or "**Oil**" means a mixture consisting mainly of pentanes and heavier Hydrocarbons that exists in the liquid phase in Reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of Natural Gas.

"**Developed Non-Producing Reserves**" are those Reserves that either have not been on Production, or have previously been on Production, but are shut-in, and the date of resumption of Production is unknown.

"**Developed Producing Reserves**" are those Reserves that are expected to be recovered from completion intervals open at the time of the estimate. These Reserves may be currently producing or, if shut-in, they must have previously been on Production, and the date of resumption of Production must be known with reasonable certainty. The developed category may be subdivided into producing and non-producing.

“**Developed Reserves**” are those Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the Reserves on Production.

“**Development Costs**” means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable Operating Costs of Support Equipment and Facilities and other costs of development activities, are costs incurred to: (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves; (b) drill and equip Development Wells, development type Stratigraphic Test Wells and Service Wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly; (c) acquire, construct and install Production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and Production storage tanks, Natural Gas cycling and processing plants, and central utility and waste disposal systems; and (d) provide improved recovery systems.

“**Development Well**” means a well drilled inside the established limits of an Oil or Gas Reservoir, or in close proximity to the edge of the Reservoir, to the depth of a stratigraphic horizon known to be productive.

"**Discovered Petroleum Initially-In-Place**" or "**Discovered Resources**" means that quantity of petroleum that is estimated, as of a given date, to be contained in known Accumulations prior to Production. The recoverable portion of Discovered Petroleum Initially-In-Place includes Production, Reserves and Contingent Resources; the remainder is unrecoverable.

"**Discovered Unrecoverable Petroleum Initially-In-Place**" or "**Discovered Unrecoverable Resources**" means that portion of Discovered Petroleum Initially-In-Place which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

"**Evaluation**" means, in relation to Reserves Data, the process whereby an economic analysis is made of a Property to arrive at an estimate of a range of Net present values of the estimated Future Net Revenue resulting from the Production of the Reserves associated with the Property.

"**Exploration Costs**" means Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have Prospects that may contain Oil and Gas Reserves, including costs of drilling Exploratory Wells and exploratory type Stratigraphic Test Wells. Exploration Costs may be incurred both before acquiring the related Property (sometimes referred to in part as "prospecting costs") and after acquiring the Property. Exploration Costs, which include applicable Operating Costs of Support Equipment and Facilities and other costs of exploration activities, are:

(a) costs of topographical, geochemical, geological and geophysical studies, rights of access to Properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs");
(b) costs of carrying and retaining unproved Properties, such as delay rentals, taxes (other than income and capital taxes) on Properties, legal costs for title defense, and the maintenance of land and Lease records;
(c) dry hole contributions and bottom hole contributions;
(d) costs of drilling and equipping Exploratory Wells; and
(e) costs of drilling exploratory type Stratigraphic Test Wells.

“**Exploratory Well**” means a well that is not a Development Well, a Service Well or a Stratigraphic Test Well.

"**Field**" means a defined geographical area consisting of one or more pools.

“**Forecast Prices and Costs**” means future prices and costs that are: (a) generally accepted as being a reasonable outlook of the future; (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which PetroViking Energy is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

“**Future Income Tax**” means future income tax expenses estimated (generally, year-by-year): (a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between Oil and Gas activities and other business activities; (b) without deducting estimated future costs (for example, Crown royalties) that are not deductible in computing taxable income; (c) taking into account estimated tax credits and allowances (for example, royalty tax credits); and (d) applying to the future pre-tax net cash flows relating to PetroViking Energy’s oil and gas activities the appropriate year-end statutory tax rates, taking into account future tax rates already legislated.

“**Future Net Revenue**” means the estimated Net amount to be received with respect to the development and Production of Reserves (including Synthetic Oil, coal bed methane and other non-conventional Reserves) estimated using: (a) forecast prices and costs, and (b) at the option of PetroViking Energy, constant prices and costs. This net amount is computed by deducting, from estimated future revenues: (i) estimated amounts of future royalty obligations; (ii) costs related to the development and Production ofReserves; (iii) abandonment and reclamation costs; and (iv) future income tax expenses, unless otherwise specified in NI-51-101, Form 51-101F1 or Forms 51-101F2. Corporate general and administrative expenses and financing costs are not deducted. Net present values of Future Net Revenue may be calculated using a discount rate or without discount.

“**Gas**” or “**Natural Gas**” means a mixture of lighter hydrocarbons that exist either: in gaseous phase, or in solution in Crude Oil in Reservoirs but are gaseous at atmospheric conditions. Natural gas may include sulphur and other non-hydrocarbon compounds.

“**Gross**” means: (a) in relation to PetroViking Energy’s interest in Production or Reserves, PetroViking Energy’s "company Gross Reserves", which are PetroViking Energy's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of PetroViking Energy, (b) in relation to wells, the total number of wells in which PetroViking Energy has an interest, and (c) in relation to Properties, the total area of properties in which PetroViking Energy has an interest.

“**Heavy Oil**” in respect of Reserves or Production means: (a) in a Jurisdiction that has a royalty regime specific to heavy oil, "heavy oil" is oil that qualifies for royalties specific to heavy oil; or (b) in a Jurisdiction that has no royalty regime specific to heavy oil, "heavy oil" is oil with a density between 10 to 22.3 degrees API (as that term is defined by the American Petroleum Institute).

"**Hydrocarbons**" means solid, liquid, or Gas made up of compounds of carbon and hydrogen in varying proportions

"**Jurisdiction**" for the purposes of NI 51-101, means a province or territory of Canada.

"**Known Accumulation**" means an Accumulation that has been penetrated by a well, in general, the well must have demonstrated the existence of Hydrocarbons by flow testing in order for the Accumulation to be classified as “known”. However, where log and/or core data exist and there is a good analogy to a nearby and geologically comparable known accumulation, this may suffice.

"**Lease**" means an agreement granting to the lessee rights to explore, develop and exploit a Property.

"**Marketable**" means in respect of reserves or sales of Oil, Gas or associated by-products, the volume of Oil, Gas or associated by-products measured at the point of sale to a third party, or of transfer to another division of the issuer for treatment prior to sale to a third party. For Gas, this may occur either before or after removal of Natural Gas liquids. For Heavy Oil or Bitumen, this is before the addition of diluents.

"**Material**" or "**Materiality**" for the purposes of NI 51-101, information is Material, in respect of PetroViking Energy Inc., if it would be likely to influence a decision by a reasonable investor to buy, hold or sell a security of PetroViking Energy Inc. This meaning differs from the definitions of "material change" and "material fact" in Securities Legislation, but is consistent with the meaning of the term as used, for accounting purposes, in the CICA Handbook.

“**Natural Gas Liquids**” means those hydrocarbon components that can be recovered from Natural Gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons.

“**Net**” means: (a) in relation to PetroViking Energy’s interest in Production or Reserves, PetroViking Energy's working interest (operating or non-operating) share after deduction of royalty obligations, plus PetroViking Energy's royalty interests in Production or Reserves, (b) in relation to PetroViking Energy's interest in wells, the number of wells obtained by aggregating PetroViking Energy's working interest in each of PetroViking Energy's gross wells, and (c) in relation to PetroViking Energy's interest in a Property, the total area in which PetroViking Energy has an interest multiplied by the working interest owned by PetroViking Energy.

“**Non-Associated Gas**” means an Accumulation of Natural Gas in a reservoir where there is no Crude Oil.

“**Oil**” means crude oil or synthetic oil.

“**Oil and Gas Activities**” (a) include: (i) the search for Crude Oil or Natural Gas in their natural states and original locations; (ii) the acquisition of Property Rights or Properties for the purpose of further exploring for or removing Oil or Gas from Reservoirs on those properties; (iii) the construction, drilling and Production activities necessary to recover Oil and Gas from Reservoirs, and the acquisition, construction, installation and maintenance of Field gathering and storage systems, including lifting Oil and Gas to the surface and gathering, treating, Field processing and Field storage; and (iv) the extraction of Hydrocarbons from Oil sands, shale, coal or other non- conventional sources and activities similar to those referred to in clauses (i), (ii) and (iii) undertaken with a view to such extraction; but (b) do not include: (i) transporting, refining or marketing Oil or Gas; (ii) activities relating to the extraction of natural Resources other than Oil and Gas and their by-products; or (iii) the extraction of geothermal steam or of Hydrocarbons as a by-product of the extraction of geothermal steam or associated geothermal resources.

"**Petroleum**" means a naturally occurring mixture consisting predominantly of Hydrocarbons in the gaseous, liquid, or solid phase.

"**Possible Reserves**" are those additional Reserves that are less certain to be recovered than Probable Reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved plus Probable plus Possible Reserves.

"**Probable Reserves**" are those additional Reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable Reserves.

"**Product Types**" means one of the following:

(a) in respect of conventional Oil and Gas activities:
   - (i) Light and medium Crude Oil (combined);
   - (ii) Heavy Oil;
   - (iii) Natural Gas excluding Natural Gas Liquids; or
   - (iv) Natural Gas Liquids; and

(b) in respect of non-conventional Oil and Gas activities:
   - (i) Synthetic Oil;
   - (ii) Bitumen;
   - (iii) coal bed methane;
   - (iv) hydrates;
   - (v) shale oil; or
   - (vi) shale gas.

"**Production**" means recovering, gathering, treating, Field or plant processing (for example, processing gas to extract Natural Gas Liquids) and Field storage of oil and gas. The Oil production function is usually regarded as terminating at the outlet valve on the Lease or Field production storage tank. The Gas production function is usually regarded as terminating at the plant gate. In some circumstances, it may be more appropriate to regard the production function as terminating at the first point at which Oil, Gas or their by-products are delivered to a main pipeline, a common carrier, a refinery or a marine terminal.

"**Production Costs**" or "**Operating Costs**" means costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of Support Equipment and Facilities and other costs of operating and maintaining those wells and related equipment and facilities. Lifting costs become part of the cost of Oil and Gas produced. Examples of production costs are: (a) costs of labor to operate the wells and related equipment and facilities; (b) costs of repairs and maintenance; (c) costs of materials, supplies and fuel consumed, and supplies utilized, in operating the wells and related equipment and facilities; (d) costs of workovers; (e) Property taxes and insurance costs applicable to properties and wells and related equipment and facilities; and (f) taxes, other than income and capital taxes.

"**Production Group**" means one of the following together, in each case, with associated byproducts: (a) light and medium Crude Oil (combined); (b) Heavy Oil; (c) Associated Gas and Non-Associated Gas (combined); and (d) Bitumen, Synthetic Oil or other products from non-conventional Oil and Gas activities.

"**Property**" includes: (a) fee ownership or a lease, concession, agreement, permit, license or other interest representing the right to extract Oil or Gas subject to such terms as may be imposed by the conveyance of that interest; (b) royalty interests, Production payments payable in Oil or Gas, and other non-operating interests in Properties operated by others; and (c) an agreement with a foreign government or authority under which PetroViking Energy participates in the operation of Properties or otherwise serves as "producer" of the underlying Reserves (in contrast to being an Independent purchaser, broker, dealer or importer). A property does not include supply agreements, or contracts that represent a right to purchase, rather than extract, oil or gas.

"**Property Acquisition Costs**" means costs incurred to acquire a Property (directly by purchase or Lease, or indirectly by acquiring another corporate entity with an interest in the Property), including: (a) costs of Lease bonuses and options to purchase or Lease a Property; (b) the portion of the costs applicable to Hydrocarbons when land including rights to hydrocarbons is purchased in fee; (c) brokers' fees, recording and registration fees, legal costs and other costs incurred in acquiring properties.

"**Prospect**" means a geographic or stratigraphic area, in which PetroViking Energy owns or intends to own one or more Oil and Gas interests, which is geographically defined on the basis of geological data and which is reasonably anticipated to contain at least one Reservoir or part of a Reservoir of Oil and Gas.

"**Prospective Resources**" means those quantities of Petroleum estimated, as of a given date, to be potentially recoverable from undiscovered Accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.

"**Proved Property**" means a Property or part of a Property to which Reserves have been specifically attributed.

"**Proved Reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"**Reserves**" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on (i) analysis of drilling, geological, geophysical and engineering data; (ii) the use of established technology; and (iii) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed.

"**Reserves Data**" means estimates of proved reserves and probable reserves and related future net revenue estimated using forecast prices and costs.

"**Reservoir**" means a porous and permeable subsurface rock formation that contains a separate accumulation of petroleum that is confined by impermeable rock or water barriers and is characterized by a single pressure system.

"**Resources**" is a general term that may refer to all or a portion of Total Resources.

“**Service Well**” means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for combustion.

“**Solution Gas**” means Gas dissolved in Crude Oil.

“**Stratigraphic Test Well**” means a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for hydrocarbon Production. They include wells for the purpose of core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic test wells are classified as (a) "exploratory type" if not drilled into a proved Property; or (b) "development type", if drilled into a proved Property. Development type stratigraphic wells are also referred to as "evaluation wells".

"**Support Equipment and Facilities**" means equipment and facilities used in Oil and Gas Activities, including seismic equipment, drilling equipment, construction and grading equipment, vehicles, repair shops, warehouses, supply points, camps, and division, district or field offices.

“**Synthetic Oil**” means a mixture of hydrocarbons derived by upgrading crude bitumen from oil sands or kerogen from oil shales or other substances such as coal.

"**Total Petroleum Initially-In-Place**" or "**Total Resources**" means that quantity of Petroleum that is estimated to exist originally in naturally occurring Accumulations. It includes that quantity of Petroleum that is estimated, as of a given date, to be contained in Known Accumulations, prior to Production, plus those estimated quantities in Accumulations yet to be discovered.

“**Undeveloped Reserves**” are those reserves expected to be recovered from Known Accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the Reserves classification (Proved, Probable, Possible) to which they are assigned. In multi-well pools it may be appropriate to allocate total pool Reserves between the Developed and Undeveloped categories or to subdivide the Developed Reserves for the pool between Developed Producing and Developed Non-Producing. This allocation is based on the estimator’s assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

"**Undiscovered Petroleum Initially-In-Place**" or "**Undiscovered Resources**" means that quantity of Petroleum that is estimated, on a given date, to be contained in Accumulations yet to be discovered. The recoverable portion of Undiscovered Petroleum Initially-In-Place is referred to as Prospective Resources; the remainder is unrecoverable.

"**Undiscovered Unrecoverable Petroleum Initially-In-Place**” or “**Undiscovered Unrecoverable Resources**” means that portion of Undiscovered Petroleum Initially-In-Place which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and Reservoir rocks.

“**Unproved Property**” means a Property or part of a Property to which no Reserves have been specifically attributed.

“**Well Abandonment Costs**” means costs of abandoning a well (net of salvage value) and of disconnecting the well from the surface gathering system. They do not include costs of abandoning the gathering system or reclaiming the wellsite.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the reserve definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest-level sum of individual entity estimates for which reserves estimates are presented). Reported reserves estimates are required to target the following levels of certainty under a specific set of economic conditions:

(a) at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated Proved Reserves;

(b) at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved Reserves plus Probable Reserves; and

(c) at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved Reserves plus Probable Reserves plus Possible Reserves.

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 1 BOE for each 6 Mcf is based on an energy equivalent conversion method primarily applicable at the burner tip and does not necessarily represent a value equivalency at the wellhead.

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific reserve classification criteria have been satisfied. Knowledge of concepts including uncertainty of risk, probability and statistics, and deterministic and probabilistic estimation methods are required to properly use and apply reserve definitions.

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PETROVIKING ENERGY INC. (“the Corporation” or “Company”)

STATEMENT OF RESERVE DATA AND OTHER OIL AND GAS INFORMATION

June 15, 2020

PART 1

RELEVANT DATES

The effective date of the information being provided in this statement is December 31, 2019. The preparation date of the information being provided in this statement is June 15, 2020. For a glossary of terminology and definitions relating to the information included in this report, readers are referred to National policy Instrument 51-101 “Standards for Disclosure for Oil and Gas Activities” (“NI 510101”).

RESERVES AND FUTURE NET REVENUE

The following is a summary of the oil and natural gas reserves and the net present values of future net revenue of PetroViking Energy Inc. as evaluated by Pristine Energy Ltd. of Calgary Alberta Report dated June 11, 2020. Pristine Energy Ltd are independent qualified reserves evaluators appointed by the Corporation pursuant to NI 51-101. Pristine independently evaluated all of the Corporation’s Oil and Gas properties.

The estimated future net revenue figures contained in the following tables do not necessarily represent the fair market value of the Corporation’s reserves. There is no assurance that the forecast price and costs assumptions contained in the Pristine report will be attained and variances could be material. Other assumptions relating to costs and other matters are included in the Pristine report. The recovery and reserves estimate attributed to the Corporation’s properties described herein are estimates only. The actual reserves attributable to the Corporation’s properties may be greater or less than those calculated.

PART 2

DISCLOSURE OF RESERVE DATA

The following tables provide information regarding the estimated Canadian reserves and net present value of future net revenue based on forecast prices and cost information with respect to the interests held by PetroViking Energy Inc. for each of the product types that PetroViking Energy Inc. has interests in for proved developed producing, proved developed non-producing, proved undeveloped, all proved in total, probable and all proved plus probable. Due to rounding certain columns may not add exactly.

Reserves Data (Forecast Prices and Costs)

The following tables provide information regarding the estimated Canadian reserves and net present value of future net revenue based on forecast prices and cost information with respect to the interests held by the Corporation for each of the product types that PetroViking Energy Inc. has interests in for proved developed producing, proved developed non-producing, proved undeveloped, all proved in total, probable and all proved plus probable. As required by NI 51-101 the estimates of reserves and future net revenue are estimated assuming that the development of each property in respect of which the estimate is made will occur, without regard to the likely availability to PetroViking Energy Inc. of funding required for that development.

PetroViking Energy Inc

Prices in GLJ Q1 2020 as of January 01, 2020
Ferrybank
(Accepted Copy, Reserves)

	Remaining Reserves WI	RI	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
				Net Revenue NPV (M$C)					
Proved Developed Producing									
Gas (MMcf)	1,243.0	-	1,119.1	4,528.9	2,305.5	1,718.8	1,459.8	1,050.9	816.8
Total				4,528.9	2,305.5	1,718.8	1,459.8	1,050.9	816.8
				Before Tax Cash Flow NPV (1) (M$C)					
				2,141.4	1,272.5	994.7	862.6	640.2	504.8
Proved Developed Non-Producing									
				-	-	-	-	-	-
				Net Revenue NPV (M$C)					
Proved Undeveloped									
Gas (MMcf)	832.8	-	761.8	2,600.7	1,316.3	1,037.8	918.2	725.9	608.3
Total				2,600.7	1,316.3	1,037.8	918.2	725.9	608.3
				Before Tax Cash Flow NPV (1) (M$C)					
				1,004.6	580.4	448.9	386.8	281.7	215.9
				Net Revenue NPV (M$C)					
Total Proved									
Gas (MMcf)	2,075.8	-	1,880.9	7,129.6	3,621.7	2,756.7	2,378.0	1,776.8	1,425.1
Total				7,129.6	3,621.7	2,756.7	2,378.0	1,776.8	1,425.1
				Before Tax Cash Flow NPV (1) (M$C)					
				3,146.0	1,852.9	1,443.6	1,249.4	921.9	720.8
				Net Revenue NPV (M$C)					
Total Probable									
Gas (MMcf)	75.0	-	67.7	298.1	103.8	71.9	59.6	41.6	31.8
Total				298.1	103.8	71.9	59.6	41.6	31.8
				Before Tax Cash Flow NPV (1) (M$C)					
				164.2	73.6	52.8	44.0	30.8	23.3
				Net Revenue NPV (M$C)					
Total Proved + Probable									
Gas (MMcf)	2,150.9	-	1,948.5	7,427.7	3,725.6	2,828.5	2,437.6	1,818.4	1,456.9
Total				7,427.7	3,725.6	2,828.5	2,437.6	1,818.4	1,456.9
				Before Tax Cash Flow NPV (1) (M$C)					
				3,310.2	1,926.5	1,496.3	1,293.5	952.6	744.1

	Remaining Equivalent Reserves (2) (MBOE) WI	RI	Net	Before Tax Cash Flow NPV/WI BOE ($C/BOE) 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Proved Developed Producing	207.2	-	186.5	10.3	6.1	4.8	4.2	3.1	2.4
Proved Developed Non-Producing	-	-	-						
Proved Undeveloped	138.8	-	127.0	7.2	4.2	3.2	2.8	2.0	1.6
Total Proved	346.0	-	313.5	9.1	5.4	4.2	3.6	2.7	2.1
Total Probable	12.5	-	11.3	13.1	5.9	4.2	3.5	2.5	1.9
Total Proved + Probable	358.5	-	324.8	9.2	5.4	4.2	3.6	2.7	2.1

The following tables provide a breakdown of various elements of future net revenue (undiscounted) attributable to proved reserves and proved plus probable (in total) of the Corporation estimated using forecast prices and costs and calculated without discount:

PetroViking Energy Inc
Prices in GLJ Q1 2020 as of January 01 2020
Ferrybank
(Accepted Copy Reserves)

Undiscounted Company Share Cash Flow

Reserves Category	Revenue M$C	Royalties & Burdens M$C	Operating Costs M$C	Abandonment & Salvage M$C	Other Revenue M$C	Credit / Surcharge M$C	Net Op. Income M$C	Capital Costs M$C	Before Tax Cash Flow M$C	Income Tax Paid M$C	After Tax Cash Flow M$C
Proved											
Proved Developed Producing	4,993.6	464.7	2,307.9	79.6	-	-	2,141.4	-	2,141.4	494.6	1,646.9
Proved Developed Non-Producing	-	-	-	-	-	-	-	-	-	-	-
Proved Undeveloped	2,791.2	190.5	1,289.5	81.6	-	-	1,229.6	225.0	1,004.6	232.9	771.7
Total Proved	7,784.8	655.2	3,597.4	161.2	-	-	3,371.0	225.0	3,146.0	727.5	2,418.6
Total Probable	323.7	25.6	129.9	3.9	-	-	164.2	-	164.2	37.8	126.4
Total Proved + Probable	8,108.5	680.8	3,727.3	165.1	-	-	3,535.2	225.0	3,310.2	765.3	2,544.9

* Revenue includes product revenue and other income from facilities, wells and corporate if specified.

The following table details by production group the net present value of future net revenue (discounted 10% before deducting future income tax expenses) estimated using forecast prices and costs.

Prices in GLJ Q1 2020 as of January 01 2020
PetroViking Energy Inc
(Accepted Copy Reserves)

Reserves Category	Production Group	Product Net Revenue M$C	Unit Value $C/unit
Total Proved	Light and Medium Oil (bbl)	-	-
	Heavy Oil (bbl)	-	-
	Sales Gas (Mcf)	7,129.6	3.8
	Liquids (bbl)	-	-
	Total	**7,129.6**	
Total Proved + Probable	Light and Medium Oil (bbl)	-	-
	Heavy Oil (bbl)	-	-
	Sales Gas (Mcf)	7,427.7	3.8
	Liquids (bbl)	-	-
	Total	**7,427.7**	

* Light and Medium Oil contains Shale Oil, Heavy includes Bitumen and Ultra Heavy, Assoc and Non-Assoc Gas includes Shale Gas and Gas Hydrate.

PetroViking Energy Inc
Prices in GLJ Q1 2020 as of January 01 2020
Ferrybank
(Working Copy Reserves)

	Net Present Value of Future Cash Flow											
	Before Tax						**After Tax**					
	0%	**5%**	**8%**	**10%**	**15%**	**20%**	**0%**	**5%**	**8%**	**10%**	**15%**	**20%**
Reserves Category	**M$C**	**M$C**	**M$C**	**M$C**	**M$C**	**M$C**	**M$C**	**M$C**	**M$C**	**M$C**	**M$C**	**M$C**
Proved												
Proved Developed Producing	2141.4	1272.5	994.7	862.6	640.2	504.8	1646.9	977.8	763.9	662.2	490.9	386.6
Proved Developed Non-Producing	-	-	-	-	-	-	-	-	-	-	-	-
Proved Undeveloped	1,004.6	580.4	448.9	386.8	281.7	215.9	771.7	440.2	336.7	287.8	204.4	152.1
Total Proved	**3,146.0**	**1,852.9**	**1,443.6**	**1,249.4**	**921.9**	**720.8**	**2,418.6**	**1,418.0**	**1,100.6**	**949.9**	**695.3**	**538.8**
Total Probable	**164.2**	**73.6**	**52.8**	**44.0**	**30.8**	**23.3**	**126.4**	**56.6**	**40.6**	**33.9**	**23.6**	**17.9**
Total Proved + Probable	**3,310.2**	**1,926.5**	**1,496.3**	**1,293.5**	**952.6**	**744.1**	**2,544.9**	**1,474.6**	**1,141.2**	**983.8**	**719.0**	**556.7**

PART 3

PRICING ASSUMPTIONS

The following tables detail the benchmark reference prices for the regions in which the Corporation operated as at December 31, 2019 reflected in the reserves data disclosed above under "Disclosure of Reserves Data". These pricing assumptions were provided by Pristine.

Table 1
GLJ Petroleum Consultants
Domestic Crude Oil and Natural Gas Liquids
Price Forecast
Effective January 1, 2020

			WTI Crude Oil (39.6 API, 0.24%S) Cushing, OK		Brent Spot Crude Oil (38.3 API, 0.37%S) UK	MSW, Light Crude Oil (40 API, 0.3%S) at Edmonton	Bow River Crude Oil (21.4 API, 2.8%S) at Hardisty	WCS Crude Oil (20.9 API, 3.5%S) at Hardisty	Heavy Crude Oil Proxy (12 API) at Hardisty	Light Sour Crude Oil (35 API, 1.2%S) at Cromer	Medium Crude Oil (29 API, 2.0%S) at Cromer	Alberta Natural Gas Liquids (Then Current Dollars) at Edmonton			
Year	Inflation %	CADUSD Exchange Rate USD/CAD	Constant 2020 $ USD/bbl	Then Current USD/bbl	Then Current USD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Ethane CAD/bbl	Propane CAD/bbl	Butane CAD/bbl	Condensate CAD/bbl
2010	1.8	0.9711	94.46	79.52	80.25	77.87	68.45	67.27	60.76	76.58	73.76	N/A	46.84	65.91	84.27
2011	2.9	1.0115	111.04	95.12	110.86	95.53	78.59	77.14	67.64	92.35	88.33	N/A	53.66	74.42	104.17
2012	1.5	1.0009	106.84	94.21	111.71	86.60	74.42	73.13	63.64	84.51	81.37	N/A	29.04	66.70	100.84
2013	0.9	0.9711	109.45	97.96	108.77	93.47	76.33	75.01	65.11	92.30	88.13	N/A	38.88	68.81	104.70
2014	1.9	0.9055	102.92	93.00	99.71	94.58	81.08	81.03	73.73	92.68	89.67	N/A	45.53	69.20	102.44
2015	1.1	0.7831	52.97	48.78	53.60	57.20	45.50	44.82	39.25	55.49	51.87	N/A	6.49	36.75	60.42
2016	1.4	0.7551	46.58	43.38	45.05	53.08	39.83	38.96	32.78	51.46	48.84	N/A	13.40	34.49	56.25
2017	1.6	0.7712	53.93	50.94	54.80	62.84	50.91	50.53	44.63	62.09	59.96	N/A	28.57	44.46	66.86
2018	2.3	0.7719	67.46	64.73	71.55	69.22	49.03	49.52	39.80	72.94	69.60	N/A	26.79	32.96	78.60
2019 (est)	1.9	0.7538	58.09	57.01	63.95	69.15	59.26	58.75	54.09	69.64	67.96	N/A	17.10	24.07	69.98
2020 Q1	0.0	0.760	61.00	61.00	67.00	71.71	55.66	55.26	46.17	70.99	69.56	7.02	28.68	48.76	82.24
2020 Q2	0.0	0.760	61.00	61.00	67.00	71.71	58.29	57.89	51.37	70.99	69.56	5.82	28.68	48.76	76.32
2020 Q3	0.0	0.760	61.00	61.00	67.00	71.71	59.61	59.21	53.08	70.99	69.56	5.82	28.68	48.76	76.32
2020 Q4	0.0	0.760	61.00	61.00	67.00	71.71	59.61	59.21	53.08	70.99	69.56	7.02	28.68	48.76	76.32
2020 full	0.0	0.760	61.00	61.00	67.00	71.71	58.29	57.89	50.92	70.99	69.56	6.42	28.68	48.76	77.80
2021	2.0	0.770	61.76	63.00	68.00	74.03	61.44	61.04	54.58	73.29	71.81	7.36	31.09	51.82	79.22
2022	2.0	0.780	63.44	66.00	71.00	76.92	64.50	64.10	57.33	76.15	74.62	8.05	34.62	54.62	83.33
2023	2.0	0.780	64.08	68.00	73.00	80.13	67.07	66.67	59.71	79.33	77.72	8.39	36.06	56.89	86.54
2024	2.0	0.780	64.67	70.00	75.00	82.69	69.63	69.23	62.27	81.87	80.21	8.73	37.21	58.71	89.10
2025	2.0	0.780	65.21	72.00	76.00	85.26	72.19	71.79	64.83	84.40	82.70	9.08	38.37	60.53	91.67
2026	2.0	0.780	65.71	74.00	78.00	87.82	74.76	74.36	67.40	86.94	85.19	9.29	39.52	62.35	94.23
2027	2.0	0.780	66.00	75.81	79.81	90.14	77.08	76.68	69.72	89.24	87.44	9.48	40.56	64.00	96.55
2028	2.0	0.780	66.00	77.33	81.33	92.09	79.03	78.63	71.67	91.17	89.33	9.69	41.44	65.38	98.50
2029	2.0	0.780	66.00	78.88	82.88	94.08	81.02	80.62	73.65	93.14	91.25	9.91	42.33	66.79	100.49
2030+	2.0	0.780	66.00	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

Historical futures contract price is an average of the daily settlement price of the near month contract over the calendar month.

Notes:- - All prices are in Canadian dollars except WTI and Brent Spot which are in U.S. dollars.
- Edmonton city gate prices based on light sweet crude posted at major Canadian refineries. (40 Deg. API < 0.5% Sulphur)

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Table 2

GLJ Petroleum Consultants

Domestic Natural Gas

Price Forecast

Effective January 1, 2020

	Henry Hub		Alberta				Saskatchewan		British Columbia			
	Constant	Then	AECO/NIT	Plant Gate			Plant Gate		Westcoast	Spot	Huntingdon/	Dawn
	2020 $	Current	Spot	Spot	ARP	Empress	SaskEnergy	Spot	Station 2	Plant Gate	Sumas Spot	@ Ontario
Year	USD/MMBtu	USD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	USD/MMBtu	USD/MMBtu
2010	5.22	4.40	4.01	3.78	3.77	3.91	3.96	3.85	3.78	3.63	4.12	4.76
2011	4.70	4.03	3.62	3.42	3.46	3.41	3.57	3.58	3.33	3.18	3.90	4.39
2012	3.20	2.83	2.40	2.21	2.25	2.30	2.31	2.26	2.30	2.12	2.70	3.04
2013	4.16	3.73	3.18	2.96	2.98	3.14	3.09	3.10	3.14	2.94	3.71	4.07
2014	4.73	4.28	4.50	4.26	4.22	4.72	4.39	4.42	4.29	4.07	4.37	5.98
2015	2.86	2.63	2.70	2.47	2.56	2.89	2.71	2.61	1.80	1.59	2.31	2.99
2016	2.74	2.55	2.18	1.94	1.93	2.36	2.18	2.09	1.77	1.60	2.18	2.56
2017	3.20	3.02	2.19	1.93	2.22	2.60	2.41	2.29	1.56	1.34	2.62	3.05
2018	3.20	3.07	1.54	1.33	1.36	3.06	1.68	2.71	1.24	1.03	3.60	3.09
2019 (est)	2.58	2.53	1.81	1.57	1.36	2.06	1.70	2.15	1.01	0.76	4.71	2.49
2020 Q1	2.30	2.30	2.25	2.02	2.02	2.55	2.12	2.25	2.05	1.76	1.85	2.27
2020 Q2	2.40	2.40	1.90	1.67	1.67	2.20	1.77	1.90	1.70	1.41	1.95	2.37
2020 Q3	2.50	2.50	1.90	1.67	1.67	2.20	1.77	1.90	1.70	1.41	2.05	2.47
2020 Q4	2.50	2.50	2.25	2.02	2.02	2.55	2.12	2.25	2.05	1.76	2.05	2.47
2020 full	2.42	2.42	2.08	1.85	1.85	2.38	1.95	2.08	1.88	1.59	1.97	2.40
2021	2.70	2.75	2.35	2.12	2.12	2.65	2.22	2.25	2.20	1.91	2.30	2.72
2022	2.79	2.90	2.55	2.31	2.31	2.85	2.41	2.45	2.40	2.11	2.45	2.87
2023	2.83	3.00	2.65	2.41	2.41	2.95	2.51	2.55	2.55	2.26	2.55	2.97
2024	2.86	3.10	2.75	2.51	2.51	3.05	2.61	2.65	2.65	2.36	2.65	3.07
2025	2.90	3.20	2.85	2.61	2.61	3.15	2.71	2.75	2.85	2.56	2.75	3.17
2026	2.90	3.27	2.91	2.67	2.67	3.21	2.77	2.81	2.91	2.62	2.82	3.24
2027	2.90	3.33	2.97	2.72	2.72	3.27	2.82	2.87	2.97	2.67	2.88	3.30
2028	2.90	3.40	3.03	2.79	2.79	3.33	2.89	2.93	3.03	2.73	2.95	3.37
2029	2.90	3.47	3.09	2.85	2.85	3.39	2.95	2.99	3.09	2.80	3.02	3.44
2030+	2.90	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

Unless otherwise stated, the gas price reference point is the receipt point on the applicable provincial gas transmission system known as the plant gate.
The plant gate price represents the price before raw gathering and processing charges are deducted.

Notes:
- All prices are in Canadian dollars except Henry Hub gas which is in U.S. dollars.
- 1 Mcf is equivalent to 1 mmbtu.

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PART 4

RECONCILIATIONS OF CHANGES IN RESERVES

The following table discloses the changes in PetroViking Energy's Canadian reserves.

Prices in GLJ Q1 2020 as of January 01 2020
PetroViking Energy Inc
(Accepted Copy Reserves)
Changes to January 01 2020

	WI Light and Medium Oil			WI Heavy Oil			WI Sales Gas			WI Liquids		
	TP	TPP	TPA	TP	TPP	TPA	TP	TPP	TPA	TP	TPP	TPA
Factors	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf	Mbbl	Mbbl	Mbbl
Opening Balance	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition Revisions	-	-	-	-	-	-	2,075.8	2,150.9	75.0	-	-	-
Balance After Changes	-	-	-	-	-	-	2,075.8	2,150.9	75.0	-	-	-
Amount to 1/1/2020	-	-	-	-	-	-	-	-	-	-	-	-
Remaining amount as of 1/1/2020	-	-	-	-	-	-	2,075.8	2,150.9	75.0	-	-	-
Total Amount	-	-	-	-	-	-	2,075.8	2,150.9	75.0	-	-	-

PART 5

ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped Reserves

History of Attribution of Undeveloped Reserves

HISTORY OF ATTRIBUTION OF UNDEVELOPED OIL AND GAS RESERVES
2018 - 2019

	LIGHT AND MEDIUM OIL		HEAVY OIL		NATURAL GAS		NATURAL GAS LIQUIDS	
YEAR	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
PROVED UNDEVELOPED RESERVES								
Attributed at								
Prior December 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
PROBABLE UNDEVELOPED RESERVES								
Attributed at								
Prior December 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- No reportable activity in 2018 and 2019.

SIGNIFICANT FACTORS OR UNCERTAINTIES

The production rates, Oil and Gas reserves and cash flow information contained in the Pristine Report are only estimates and the actual production and ultimate reserves may be greater or less than the estimates prepared by Reliance. Factors, consideration and assumptions that the independent evaluator used to develop these estimates include, but are not limited to:

: Historical production;
: Government regulation;
: Assumptions regarding commodity prices, production, development costs, taxes and capital expenditures;
: Timing of capital expenditures;
: Effectiveness of enhanced recovery schemes;
: Marketability of production;
: Operating costs and royalties;
: Initial production rates;
: Production decline rates;
: Ultimate recovery of reserves: and
: Future oil and gas prices.

FUTURE DEVELOPMENT COSTS

The Corporation's source of funding for future development costs of the Corporation's reserves will be derived from a combination of cash flow, debt and new equity. Management of the Corporation does not anticipate that the costs of funding referred to above will materially affect the Corporation's disclosed reserves and future net revenues or will make the development of any of the Corporation's properties uneconomic.

The Corporation’s petroleum and natural gas investing activities have been funded to date primarily through the issuance of common shares and expects that it will continue to be able to utilize this source of financing until it develops additional cash flow from operations. For additional information regarding the future development of the Corporation’s properties, see Part 6 – Oil and Gas Properties and Wells.

The following table details the development costs deducted in the estimation of future net revenue attributable to proved reserves of the Corporation (estimated and forecast prices and costs) and proved plus probable reserves of the Corporation (estimated using forecast prices and costs and constant prices and costs):

FUTURE DEVELOPMENT COSTS
FORECAST PRICES AND COSTS
DECEMBER 31, 2019

Year	Total Proven Capital (M$C)	Proven Plus Probable Capital(M$C)
2020	-	-
2021	225	225
2022	-	-
2023	-	-
Remainder	-	-
Total (M$C)	225	225

ABANDONMENT AND RECLAMATION COSTS

Additional Information Concerning Abandonment and Reclamation Costs on producing wells.

The Corporation bases its estimates for the costs of abandonment and reclamation of surface leases, wells, facilities and pipelines on previous experience of management with similar well sites and facility locations, the table below summarizes the abandonments associated with wells producing or capable to produce at yearend 2019.

FUTURE ABANDONMENT COSTS FORECAST PRICES AND COSTS DECEMBER 31, 2019		
Year	Total Proven Abandonment Net	Proven Plus Probable Abandonment Net
2053	0.5	0.5
2060	0.5	0.5
2061	0.31	0.31
2064	0.5	0.5
Remainder	0.5	0.5
Total Wells	2.31	2.31
Total (M$C)	161.2	161.2

PART 6

OTHER OIL AND GAS INFORMATION

Producing and Non-Producing Wells

The following table summarizes PetroViking Energy's interests as at December 31, 2019 in producing wells and in non- producing wells which PetroViking Energy believes are capable of producing oil or gas or both. The stated interests are working interests on a "before payout" basis and, in certain cases, are subject to lessor's and other royalties, in addition to usual Crown royalties or mineral taxes. All wells are "onshore" unless specifically identified as "offshore".

OIL AND GAS WELLS				
	Non-Producing			
	Shut-In Oil Wells		**Shut-In Gas Wells**	
PROVINCE	**Gross**	**Net**	**Gross**	**Net**
Alberta	Nil	Nil	4	1.81
Total	Nil	Nil	4	1.81

Notes:
1) Shut-in wells have Proven Developed Producing Reserves assigned.

Production Forecasts

The following table represents sales gas production forecast for the Corporation's interest before royalties as at December 31, 2019 for total proved producing reserves.

PRODUCTION FORECAST COMPANY SHARE

BEFORE ROYALTIES

PROVED PRODUCING RESERVES
DECEMBER 31, 2019

	SALES GAS	
	DAILY	**ANNUAL**
Year	**Mcf/d**	**MMcf**
2020	199.1	36.6
2021	190.7	69.6
2022	180.3	65.8
2023	171.0	62.4
2024	162.3	59.4
2025	154.3	56.3
2026	146.8	53.6

Oil and Gas Properties

PetroViking Energy Inc is focused on the conventional exploration and development of oil and natural gas reserves in Western Canada.

Non-Producing Properties

Ferrybank, Alberta

The Ferrybank area is located 30 kilometers north west of Ponoka, Alberta. At Ferrybank, PetroViking Inc. owns working interests ranging from 32 to 50 percent in 4 producing natural gas wells. There is one Glauconitic location owned 50% by PetroViking which is expected to be drilled in 2021.

Land Holdings

The following table sets out PetroViking Energy's land holdings in respect of which no reserves have been attributed:

DECEMBER 31, 2019				
	Undeveloped Properties (Acres)		Expiring in 2020 (Acres)	
PROVINCE	Gross	Net	Gross	Net
Alberta	0	0	Nil	Nil
Total			Nil	Nil

Expiring Rights

PetroViking Inc. does not have any rights expiring in 2020.

Exploration and Development Activities

For the year ended December 31, 2019 the Corporation completed the following exploratory and development wells:

EXPLORATION AND DEVELOPMENT ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Gross	Net	Gross	Net
Oil	Nil	Nil	Nil	Nil
Gas	Nil	Nil	Nil	Nil
Service	Nil	Nil	Nil	Nil
Dry	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

The Corporation's most important current and likely exploration and development activities are described under "Oil and Gas Properties".

Petroleum and Natural Gas Interest – Summary of Costs Incurred

The following table sets out PetroViking Energy's property acquisition costs, exploration costs and development costs for the year ended December 31, 2019. This table includes all costs irrespective of whether such costs were capitalized or charged to expense.

	'ears ended December 31, 2019		January 1 to December 31,
	2019	**2018**	**2019 Totals**
Land, leases, property, & acquisitions	$ 808,621	$ -	$ 808,621
Deferred costs:			
Geological expenditures	-	-	-
Intangible drilling expenditures	-	-	-
Intangible completion costs	-	-	-
Well equipping	-	-	-
Plant and gathering equipment	-	-	-
Asset retirement obligations	113,279	-	113,279
Well abandonment	-	-	-
Pipeline & gathering	-	-	-
Royalties received	-	-	-
Total	**$ 921,900**	**$ -**	**$ 921,900**

Forward Contracts

PetroViking Energy Inc may use certain derivative financial instruments to manage its commodity prices. These financial instruments are entered into solely for hedging purposes and are not used for trading or other speculative purposes. At December 31, 2019 there were no contracts or options outstanding.

Tax Horizon

As at December 31, 2019 the Corporation has the following exploration and development expenditures, undepreciated capital costs and non-capital loss carry forwards which may be carried forward indefinitely to reduce future Canadian taxable income.

	Available Amount	**Deduction Rate**
Canadian exploration expense	$ Nil	100.0%
Canadian development expense	Nil	30.0%
Canadian oil and gas property expense	Nil	10.0%
UCC/CCA Class 41	Nil	25.0%
Class 8	Nil	20.0%
Total M$C	**Nil**	

Production History

PetroViking Energy Inc did not have any reportable production for the year ended December 31, 2019.

2.5 Long Term Objectives

The long-term objective of the Company is to build a portfolio of producing Oil and Gas Properties and midstream assets in order to generate consistent revenues and expand into under-developed regional markets.

The Company intends to develop the assets currently owned jointly with its partner and identify additional opportunities to acquire and become an operator in Alberta as a profitable vertically integrated carbon neutral energy producer in its areas of operation by 2022.

Long term objective	What we must do and how we will do it	Target Completion Date
Integrated Production of more than 6,000 Boe/d	The Company by 2022 may achieve its objective through a combination of capital investments and accretive acquisitions, funded with its cashflow and securities issuances	Year end 2022

The target completion date is by year-end 2022 although there is no specific date during which this is expected to occur, given that the selection of Oil and Gas Properties for acquisition will depend on multiple factors, including the proceeds raised from this Offering, prevailing market prices for Oil and Gas Properties, and the availability of suitable Oil and Gas Properties. The Company cannot guarantee that the objective will be met. Results will vary and are subject to numerous risks, including the complete loss of their investment. See “Risk Factors” in Item 8.

2.6 Short Term Objectives and How We Intend to Achieve Them

Over the next twelve (12) months, the Company has set out the following objectives and has budgeted the corresponding costs to complete such objectives:

What we must do	How we will do it	Target Completion Date	Minimum Cost to Complete
Financing(1)	Offering Memorandum of $2,250,000, as amended	December 31, 2020	$ 100,000
Continuing Operations	Enhancement and Development of Oil and Gas Properties	January 3, 2021	$ 200,000
Listing	Re-listing of the Company	March 31, 2021	$ 25,000
Drilling	Participate in the drilling and completion of a liquids rich proven undeveloped well	June 1, 2021	$ 225,000
Capital Participants(2)	Acquisition through the issuance of securities	April 15, 2021	$ 100,000
Financing(3)	Non-brokered private placement and the issuance	December 31, 2020	$ 50,000

	Common Shares and CRCE flow-through shares		

(1) On November 5, 2020, the Company closed a first tranche of the Offering after having achieved the minimum offering and received gross proceeds of $1,223,000.

(2) The Company has allocated cash but may be required to issue securities in addition.

(3) Concurrently with the OM offering, the Company initiated a non-brokered private placement for gross proceeds of $1,223,375 comprised of 2,822,500 Common Shares at a price of $0.15 per share and 4,000,000 Flow-Through Shares at a price of $0.20 per share on November 11, 2020.

2.7 Insufficient Funds

Following completion of the Offering, the Company may not have sufficient funds to accomplish all of the Company's proposed objectives and there is no assurance that alternative financing will be available or on terms that are acceptable to the Company.

The achievement of subsequent milestones will be subject to the ability of the Company to raise sufficient capital to cover the estimated costs to complete each of the stated objectives. To that effect, the Company may endeavor to complete further financing by either debt, equity or any other similar type of financing based on prevailing market conditions at the time of consideration.

The Company seeks to raise a minimum of $1,000,000 and a maximum of $2,250,000 pursuant to this Offering of Units, Subscription Receipts A and Subscription Receipts B. The minimum Offering consists of an aggregated minimum offering from either the Units, the Units as underlying securities of the Subscription Receipts A or the FT Shares as underlying securities of the Subscription Receipts B, or a combination thereof of at least $1,000,000. The Company has completed a first closing of the OM offering after having raised gross proceeds of $1,223,000 from the sale of 1,916,666 Units, 3,833,333 Subscription Receipts A and 1,802,500 Subscription Receipts B.

In the event that the funds raised are not sufficient for the Company to achieve its objectives the Company may be required to return the market to raise additional funds either by way of the issuance of additional common shares, preferred shares or entering into a debt obligation.

2.8 Material Agreements

As of the date of this Amended and Restated Offering Memorandum, the only material agreement that the Company is a party to is the Joint Operating Agreements in West Central region of Alberta with Avila as a 50% participant in Oil and Gas Properties in Alberta. The Company as a non-operating partner is a participant in as 50% partner in the benefits and costs in the region. As a non-operating partner, the Company will not be responsible for the supervision or administration of these operations, which allows for the minimization of its general administrative expenses and only very seasonal requirement if any need to retain the associated required professionals.

Item 3 <u>Interests of Directors, Management and Promoters</u>

3.1 Compensation and Securities Held

The names, municipalities of residence, offices held, during the past five years, and shareholdings of the directors, officers, promoters, and persons holding directly or indirectly, beneficially owns or controls 10% or more of any class of the voting securities of the Company are described hereunder. The number of issued and outstanding shares are presented in the table on a post-consolidation basis following a consolidation of the Common Shares on a one (1) post-consolidation Common Share for every two (2) pre-consolidation Common Shares. See section 4.1 below for further details.

Name and municipality of principal residence	Position held	Compensation paid by issuer and anticipated to be paid in the current Financial year	Number, type and % of securities of the issuer beneficially held after completion of min. Offering[(1)]	Number, type and % of securities of the issuer beneficially held after completion of max. Offering[(2)]
Gregory J. Doucette (Calgary, AB, Canada)	President & CEO (since 2020/07/06)	Nil	Nil	Nil
Lars Glimhagen (Vernon, BC, Canada)	CFO (since 2018/03/16)	2019 - $68,000 2020 - $35,000	469,475 (3.23%)	469,475 (2.19%)
Michel Lebeuf (Laval, QC, Canada)	Director & Corporate Secretary (since 2018/03/16)	Nil	250,000 (1.72%)	250,000 (1.17%)
Daniel Lucero (Montelibano, Cordoba, Colombia)	Director (since 2019/12/20)	Nil	Nil	Nil
Thomas Valentine (Calgary, AB, Canada)	Director (since 2019/04/08)	Nil	Nil	Nil
Kyle Appleby (Toronto, ON, Canada)	Director (since 2020/11/09)	Nil	Nil	Nil

(1) Based on an estimated total of 14,516,444 issued and outstanding post-consolidated shares if the minimum Offering of $1,000,000 is achieved assuming a subscription ratio of 1:2 (based on a combination of Units and Subscription Receipts A to Subscription Receipts B respectively), and the issuance of 5,555,555 Common Shares excluding the exercise of Warrants.

(2) Based on an estimated total of 21,460,889 issued and outstanding post-consolidated shares if the maximum Offering of $2,250,000 is achieved a subscription ratio of 1:2 (based on a combination of Units and Subscription Receipts A to Subscription Receipts B respectively), and the issuance of 12,500,000 Common Shares excluding the exercise of Warrants.

3.2 Management Experience

At the date of this Amended and Restated Offering Memorandum, the Company has four (4) directors and three (3) officers. The following is a summary of the qualifications of those executives, their experience and activity in recent years:

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Name	Principal occupation and related experience
Gregory Doucette	**President & CEO -** Mr. Doucette has over 15 years of experience in the Oil & Natural Gas industry with an emphasis on production accounting, reporting, processing the related regulatory procedures and has held senior positions with several public companies, and industry stakeholders, including most recently Long Run Exploration Ltd., the Alberta Energy Regulator and Vesta Energy Ltd., to name a few. Through his professional experiences, Mr. Doucette has acquired experience in accounting and the development of new areas of business as well as abackground in the completion of acquisitions and their successful integration and optimization. Holding a CAPPA Certificate, as well as a Degree In Education and Political Science, Greg brings a broad range of experiences that can applied to the creation a vertically integrated carbon neutral energy producer.
Lars Glimhagen	**CFO -** Mr. Glimhagen has a background in accounting and has held senior officer positions with several public companies, including Engold Mines Ltd. (formerly GWR Resources Inc.), Petro Viking Energy Inc., Sunrise Resources Ltd. and BC Rapid Transit. Through his professional experiences, Mr. Glimhagen has developed acquired experience in accounting in various industries, including mineral exploration, oil and gas, and adult education.
Michel Lebeuf	**Director & Corporate Secretary –** Michel Lebeuf is a member in good standing of the Quebec Bar Association and a partner at Dunton Rainville LLP. Mr. Lebeuf has developed an expertise in securities law, particularly in the areas of natural resources, institutional and corporate financing, and public and private mergers and acquisitions. He specializes in transactions such as “reverse takeovers” or RTO’s on various stock exchanges among which in particular, the CSE and the TSX-V. He has experience in corporate reorganizations, public and private transfers, and institutional funding.
Daniel Lucero	**Director** – M. Lucero has acquired more than 15 years of experience in resource exploration in Latin America and the Western Canadian Sedimentary Basin. M. Lucero previously held positions at numerous oil, gas and mineral companies and have previously worked as an Exploration Manager at Quattro Exploration and Production Ltd. for 6 years, Chief Geoscientist at Kinetex Geosciences, and as Exploration Geologist at CoalCorpMining and Andicoal. M. Lucero graduated from the National University of Colombia (Bogota-Colombia) with a BSc in Geology.
Thomas Valentine	**Director** – Mr. Valentine has more than 30 years of experience in the oil and gas industry, both as a barrister and a solicitor. While in Qatar, Mr. Valentine was responsible for a number of international gas and LNG projects, including projects in the United Kingdom (Qatargas II), India (RasGas) and Spain (Endesa Generacion). He currently provides legal advice to various gas and LNG projects (both upstream and downstream) in Asia, Nigeria, South America, North America and the Middle East.
Kyle Appleby	**Director** – Mr. Kyle Appleby possesses over 20 years of accounting and financial consulting experience, acting as CFO to public and private companies in a broad range of industries (including several mining companies with operations in North America and Africa). He is a member in good standing of the Chartered Professional Accountants of Canada and the Chartered Professional Accountants of Ontario. Mr. Appleby graduated from York University with a Bachelor of Arts in Economics and obtained his accounting designation in 2001.

3.3 Penalties, Sanctions and Bankruptcy

With the exception of the individual(s) indicated hereunder, there are no penalties or sanctions against any of the directors, executive officers or control persons of the Company or any other issuer for which said director, executive officer or control person has been a director, officer or control person of such issuer, that have been in effect during the last 10 years, or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years.

- Lars Glimhagen was a director of the Company when a failure-to-file cease-trade-order was issued by the securities regulatory authorities on May 8, 2015. A partial revocation order was granted on November 6, 2018 to allow the completion of a private placement and a debt conversion. The Company filed all continuous disclosure documents as required thereafter and obtain a full revocation of the cease-trade-order on January 30, 2019.

With the exception of the individual(s) indicated hereunder, no other director or officer of the Company or any other issuer for which said director, executive officer or control person has been a director, officer or control person of such issuer, has been petitioned into bankruptcy, made a voluntary assignment in bankruptcy, made a proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, that has been in effect during the last 10 years.

- Michel Lebeuf: On February 3rd, 2017, Michel Lebeuf filed a proposal with his creditors; such proposal was accepted by the Superior Court of Quebec on March 16, 2017. This proceeding was due to many contractual engagements taken by Mr. Lebeuf (namely for acting as personal guarantee) to various loans regarding his previous law firm Brière & Lebeuf Inc.

On June 24, 2015, Petro Viking Management Corp., a wholly owned subsidiary of the Company, was granted creditor protection from the Court of Queen's Bench in Calgary, Alberta, with the intent to file a proposal to its creditors under the Bankruptcy and Insolvency Act. On December 5, 2015, Petro Viking Management Corp. was deemed bankrupt as a result of failing to file a proposal pursuant to the Notice of Intention to file a proposal to its creditors under the Bankruptcy and Insolvency Act. Petro Viking Management Corp. was struck off from the Alberta Corporate Registration System on August 2, 2017.

3.4 Loans

There have never been any debentures or long-term loans due to or from the directors, management, promoters and principal shareholders of the Company. However and from time to time, directors, management, promoters or principal shareholders of the Company may provide short-term loans to the Company. As of the date of this Amended and Restated Offering Memorandum, there are no loans payable by the Company to any such persons.

Item 4 <u>Capital Structure</u>

4.1 Share Capital

Pursuant to the terms of the Articles of Incorporation of the Company, the authorized capital of the Company consists of an unlimited number of shares designated as Common Shares and an unlimited number of shares designated as Preferred Shares with the following rights, privileges, restrictions and conditions:

- **Common Shares**

The Common Shares shall have attached to them the rights, privileges, restrictions and conditions as hereinafter set forth.

i) Except for meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series, each holder of a Common Share is entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Company.

ii) Subject to the rights of the holders of the Preferred Shares, the holders of the Common Shares are entitled to receive dividends if, as and when declared by the directors of the Company.

iii) Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Company, the holders of the Common Shares are entitled to share equally in the remaining property of the Company upon liquidation, dissolution or winding-up of the Company.

- **Preferred Shares**

The Preferred Shares shall have attached to them, as a class, the rights, privileges, restrictions and conditions as hereinafter set forth.

i) The Preferred Shares may from time to time be issued in one or more series and, subject to the following provisions, and subject to the sending of articles of amendment in prescribed form and the issuance of a certificate of amendment in respect thereof, the directors may fix from time to time and before issue of a series of Preferred Shares, the number of shares which are to comprise that series and the designation, rights, privileges, restrictions and conditions to be attached to that series of Preferred Shares including, without limiting the generality of the foregoing, the rate or amount of dividends or the method of calculating dividends, the dates of payment of dividends, the redemption, purchase and/or conversion prices and terms and conditions of redemption, purchase and/or conversion, and any sinking fund or other provisions.

ii) The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, rank on a parity with the Preferred Shares of every other series and be entitled to preference over the Common Shares and over any other shares of the Corporation ranking junior to the Preferred Shares. The Preferred Shares of any series may also be given other preferences, not inconsistent with these articles, over the Common Shares and any other shares of the Company ranking junior to the Preferred Shares of a series as may be fixed in accordance with clause 2(b)(i).

iii) If any cumulative dividends or amounts payable on the return of capital in respect of a series of Preferred Shares are not paid in full, all series of Preferred Shares shall participate rateably in respect of accumulated dividends and return of capital.

Unless the directors otherwise determine in the articles of amendment designating a series of Preferred Shares, the holder of each share of a series of Preferred Shares shall not, as such, be entitled to receive notice of or vote at any meeting of shareholders, except as otherwise specifically provided in the Business Corporations Act (Alberta).

Description of security	Number authorized to be issued	Price per security	Number outstanding as at 2020/11/30(2)(3)
Common Shares	Unlimited	N/A(1)	10,877,624
Preferred Shares	Unlimited	N/A(1)	0

(1) The shares are without par value and their price is determined by the directors of the Company.

(2) The Company consolidated its outstanding Common Shares on the basis of one (1) post-consolidation Common Share for every two (2) pre-consolidation Common Shares on August 25, 2020.

(3) Number of issued and outstanding Common Shares following a first closing of the Offering on November 5, 2020 and the issuance of 1,916,666 Units (including 1,666,667 Units in addition to 249,999 Units following the exercise of the Over-Allotment Option by the Agent), but excluding any Subscription Receipts issued pursuant to the Offering. Each Unit is comprised of one (1) Common Share and one-half (1/2) of a common share purchase warrant;

- **Consolidation of Common Shares**

Following approval of the Consolidation by the Shareholders at the annual and special meeting held on August 4th, 2020, the Company completed the Consolidation of its issued and outstanding Common Shares on a one (1) post-consolidation Common Share for every two (2) pre-consolidation Common Shares on August 25, 2020. Following the Consolidation and adjustments due to fractional rounding, there was a total of 8,960,958 issued and outstanding Common Shares as at August 25, 2020.

The Consolidation was deemed necessary to allow for improved opportunities to raise equity in the future to fund the business activities of the Company including new business acquisitions and funding for the exploration and development of oil and gas properties.

All securities offered under this Amended and Restated Offering Memorandum and consequently the number of Common Shares and Warrants that shall be issued upon the purchase of Units or the conversion of Subscription Receipts as contemplated herein are to be sold and issued on a post-consolidated basis.

The table below summarizes all outstanding securities of the Company as of the date of this OM:

Description of security	Number outstanding as at 2020/10/30 (1)	Number outstanding after closing of first tranche	Number outstanding after max. offering(4)
Common Shares	8,960,958	10,877,624(2)	10,877,624
Preferred Shares	Nil	Nil	Nil
Subscription Receipts	Nil	5,635,833(3)	10,833,333(4)
Warrants	4,383,333(5)	5,341,666(5)(6)	5,341,666(5)(6)
Broker Warrants	Nil	604,200(7)	1,000,000(8)
Convertible Debentures	930,000	930,000	930,000(9)

(1) Number of issued and outstanding Common Shares following the consolidation effected on August 25, 2020.

(2) Following closing of the first tranche of the Offering on November 5 and the issuance and the issuance of 1,916,666 Units (including 1,666,667 Units in addition to 249,999 Units following the exercise of the Over-Allotment Option by the Agent), but excluding any Subscription Receipts issued pursuant to the Offering. Each Unit is comprised of one (1) Common Share and one-half (1/2) of a common share purchase warrant;

(3) Following closing of the first tranche the Offering on November 5 and the issuance of 3,833,333 Subscription Receipts A (including 3,333,333 Subscription Receipts A in addition to 500,000 Subscription Receipts A following the exercise of the Over-Allotment Option by the Agent); and 1,802,500 Subscription Receipts B.

(4) If the maximum offering of $2,250,000 is achieved, 10,833,333 Subscription Receipts will be issued including 3,333,333 Subscription Receipts A and 7,500,000 Subscription Receipts B, but excluding the exercise of the Over-Allotment Option. See "*Item 5 – Securities Offered*" below.

(5) Includes 300,000 common share purchase warrant issued on February 1, 2019; in addition to 83,333, common share purchase warrants issued on January 23, 2020, in addition to 400 common share purchase warrants issued on July 7, 2020, where each such warrant entitles the holder thereof to purchase 10,000 Common Shares (for a total of 4,000,000 Common Shares if all warrants are exercised).

(6) Includes 958,333 common share purchase warrants issued in connection with the sale of 1,916,666 Units following closing of the first tranche the Offering on November 5.

(7) Following closing of the first tranche on November and the issuance of 604,200 Broker Warrants consisting of 460,000 Broker Warrants A and 144, 200 Broker Warrants B.

(8) If the maximum offering of $2,250,000 is achieved, 1,000,000 Broker Warrants will be issued including 400,000 Broker Warrants A and 600,000 Broker Warrants B, excluding the exercise of the Over-Allotment Option.

(9) Includes the convertible debentures issued on July 7, 2020 in the aggregate amount of $400,000, in addition to the convertible debenture of $30,000 issued on February 1, 2019 and the convertible debenture in the aggregate amount of $500,000 issued to Avila in connection with the Avila Transaction.

4.2 Long Term Debt Securities

As of the date of this Amended and Restated Offering Memorandum, there is no long-term debt securities payable by the Company.

4.3 Prior Sales

The following table lists the outstanding securities of the class being offered (Common Shares) issued within the past 12 months:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
June 2019(1)	Common shares	9,573,661	$0.05	Nil(2)
August 2019(1)	Common shares	250,000	$0.05	Nil(3)
September 2019(1)	Common shares	1,500,000	$0.10	Nil(4)
September 2019(1)	Common shares	1,980,472	$0.10	Nil(5)
September 2019(1)	Common shares	525,000	$0.15	Nil(6)

September 2019	Convertible Securities	1	N/A	Asset(7)
November 2019(1)	Common shares	150,000	$0.15	Nil(8)
November 2019(1)	Common shares	150,000	$0.10	Nil(9)
January 2020(1)	Units	166,667	$0.15	$ 25,000(10)
July 2020(1)	Convertible Securities	400 units	$1,000 CAD	$400,000(11)
November 2020	Units	1,916,666 units(12)	$0.15	$287,500
November 2020	Subscription Receipts	5,635,833(13)	$0.15 - $0.20	$935,000(14)

(1) Number of securities issued on a pre-consolidation basis before the Consolidated effected on August 25, 2020;

(2) The Company issued 9,573,661 shares for partial settlement of debenture bearing interest at 10% per annum and compounded monthly and full conversion of promissory notes.

(3) The Company issued 250,000 shares at a deemed price of $0.05 per share for partial settlement of debenture bearing interest at 10% per annum and compounded monthly.

(4) The Company issued 1,500,000 shares at a deemed price of $0.10 per share for partial settlement of debenture bearing interest at 10% per annum and compounded monthly.

(5) The Company issued 1,980,472 shares at a deemed price of $0.10 per share for full settlement of debenture held by debt holders acting in their capacity of shareholders.

(6) The Company issued 525,000 shares for the settlement of accrued consulting services.

(7) The Company issued a convertible debenture in the amount of $500,000 in connection with the Avila Transaction. The debenture is secured and bears a compounded interest of 5% per annum.

(8) The Company issued 150,000 shares for the settlement of accrued management fees.

(9) The Company issued 150,000 shares for consulting services.

(10) The Company issued 166,667 Units for $25,000 on January 23, 2020 at a price of $0.15 per Unit. Each Unit is comprised of one (1) Common Share and one-half common share purchase where each full warrant entitles the holder thereof to purchase one additional Common Share at a price of $0.20 for a period of 18 months.

(11) The Company issued Units where each unit consist of a $1,000 convertible debenture bearing interest rate of 10% per annum due in April 2023 and one common share purchase warrant entitling its holder to purchase 10,000 common shares at a price of $0.125 per share for a period of 36 months.

(12) Including the issuance of 1,666,667 Units in addition to 249,999 Units following the exercise of the Over-Allotment Option by the Agent, but excluding any Subscription Receipts issued pursuant to the Offering. Each Unit is comprised of one (1) Common Share and one-half (1/2) of a common share purchase warrant, each full warrant entitling its holder to purchase one (1) additional Common Share at a price of $0.20 per share for a period of 24 months.

(13) Including the issuance of 3,833,333 Subscription Receipts B (including 3,333,333 Subscription Receipts B in addition to 500,000 Subscription Receipts B following the exercise of the Over-Allotment Option by the Agent) and 1,802,500 Subscription Receipts B.

(14) The gross proceeds from the sale of Subscription Receipts is held in escrow with the Escrow Agent pending satisfaction or waiver of the Escrow Release Conditions on or prior to the Release Deadline in accordance with the Subscription Receipt Agreement between the Agent and the Escrow Agent.

Item 5 <u>Securities Offered</u>

5.1 Terms of Securities

- **Units and Subscription Receipts**

The Company seeks to raise a minimum of $1,000,000 and a maximum of $2,250,000 under this Offering in one or more closings. The Company is offering the following securities in the form of Units, each unit consisting of a common share and a warrant in addition to two (2) categories of Subscription Receipts ("**Subscription Receipts A**" and "**Subscription Receipts B**"; collectively, the "**Subscription Receipts**"). Subscription Receipts A are convertible into Units whereas Subscription Receipts B are convertible into Flow-Through Shares ("**FT Shares**").

Each Subscription Receipt shall evidence the right of the holder to receive, without payment of any additional consideration or further action on the part of the holder thereof, upon the satisfaction or waiver of the Escrow Release Conditions (as described hereunder), Units and FT Shares to holders of Subscription Receipts A and holders of Subscription Receipts B respectively. No fractional Subscription Receipts will be issued or otherwise provided for hereunder.

The minimum Offering consists of an aggregated minimum offering from either the Units or the Subscription Receipts or a combination thereof of at least $1,000,000. The maximum Offering excludes any over-allotment option which may be exercised by the Agent, allowing for the sale of up to an additional 15% worth of Units or Subscription Receipts sold pursuant to the Offering.

Units – The Company is offering up to 1,666,667 Units where each Unit consists of one of (1) Common Share in the capital of the Company (the "**Common Share**") and one-half (½) of one common share purchase warrant (each whole warrant, a "**Warrant**"), each full warrant entitling the holder thereof to purchase one (1) additional Common Share for a period of twenty-four (24) months from the date of issuance.

On November 5, 2020, a total of 1,916,666 Units were issued including 1,666,667 Units offered hereunder and an additional 249,999 Units as a result of the Agent exercising in full the Over-Allotment Option. Following the closing of the first tranche, there is nil Units offered for sale as of the date of this Amended and Restated Offering Memorandum.

Subscription Receipts A – The Company is offering up to 3,333,333 Units at a price of $0.15 per Unit where each Unit consists of one of (1) Common Share in the capital of the Company valued at $0.15 per Common Share and one-half (½) Warrant at nominal value, each full Warrant entitling the holder thereof to purchase one (1) additional Common Share at a price of $0.20 per Common Share for a period of twenty-four (24) months from the date of issuance.

Each Subscriber who purchases Subscription Receipts A must invest a minimum amount of $600 for each subscription representing a minimum purchase of 4,000 underlying Units.

On November 5, 2020, a total of 3,833,333 Subscription Receipt A were issued including 3,333,333 Subscription Receipts A offered hereunder and an additional 500,000 Subscription Receipts A as a result of the Agent exercising in full the Over-Allotment Option. Following the closing of the first tranche, there is nil Subscription Receipts A offered for sale as of the date of this Amended and Restated Offering Memorandum.

Subscription Receipts B – The Company is offering up to 7,500,000 FT Shares in the capital of the Company at a price of $0.20 per FT Share.

Each Subscriber who purchases Subscription Receipts B must invest a minimum amount of $5,000 for each subscription representing a minimum purchase of 25,000 underlying FT Shares.

The principal difference between FT Shares and Common Shares is the tax benefits granted to Subscribers of FT Shares. The FT Shares are Common Shares which carry with them the right to have certain CEE and CDE (see below: Income Tax Considerations) renowned to the Subscribers.

On November 5, 2020, a total of 1,802,500 Subscription Receipt B were issued and there is 5,697,500 Subscription Receipts B offered for sale as of the date of this Amended and Restated Offering Memorandum.

- **Underlying Common Shares**

The Company is authorized to issue an unlimited number of Common Shares without par value. Each such Common Share entitles its holder to:

a) Vote at all meetings of shareholders except meetings at which only holders of a specified class of shares are entitled to vote; and

b) Subject to the rights and privileges attached to holders of Preferred Shares, receive the dividends as and when declared by the board of directors of the Company;

c) Subject to the rights and privileges attached to holders of Preferred Shares, the holders of the Common Shares are entitled to share equally in the remaining property of the Company upon liquidation, dissolution or winding-up of the Company.

- **Escrow Release Conditions**

Save and except for the funds to be raised under the Units which are not part of the Subscription Receipts, all funds will be held in escrow by the Agent (the "**Escrowed Funds**") pending the satisfaction or the waiver of the Escrow Release Conditions at or before 5:00 P.M. (EDT) on March 15th, 2021 or such other date as mutually agreed in writing between the Company and the Agent ("**Release Deadline**") upon which the Subscription Receipts will be automatically exchanged following which the Company will issue the underlying securities.

The terms and conditions upon which the Subscription Receipts will be exchanged into the underlying securities which must be satisfied or waived at or before the Release Deadline are as follows:

i) Listing of the Company Common Shares on the CSE;

ii) Consolidation of the Company Common Shares;

iii) the receipt of all regulatory, shareholder and third-party approvals, if any, required in connection with the listing of the Common Shares; and

iv) Company shall not be in breach or default of any of its covenants or obligations under the agency agreement entered into between the Company and the Agent with respect to this Offering and all commitments set out therein have been fulfilled;

Upon the satisfaction of the Escrow Release Conditions at or before the Release Deadline, the Escrowed Funds will be released from escrow to the Company and the respective Common Shares, Warrants and FT Shares underlying the Subscription Receipts as described above will be issued to the holders thereof.

A termination event will occur if: (i) the Company has not completed its CSE listing by the Release Deadline, or (ii) if prior to the Release Deadline, the Company advises the Agent that the listing will not be completed (in each case, a "**Termination Event**" and the date upon which such event occurs, the "**Termination Date**").

If a Termination Event occurs, the Escrowed Funds shall be returned to the holders of the Subscription Receipts on a pro rata basis without interest or deduction within a reasonable period of time but no later than two (2) weeks after the Termination Event, and the Subscription Receipts will be cancelled without any further action on the part of the Subscribers.

5.2 Subscription Procedure

Subscribers who wish to purchase the securities offered will be required to enter into a Subscription Agreement with the Company by completing and delivering the Subscription Agreement and related documentation to the Company.

The Subscription Agreements contains, among other things, representations and warranties required to be made by the Subscriber that it is duly authorized to purchase the securities, that it is purchasing the securities for investment and not with a view for resale , as to its corporate status or other qualifications to purchase securities on a "private placement" basis, and that the Subscriber is eligible to purchase the securities pursuant to an exemption from the prospectus requirements applicable under Canadian Securities Law. Reference is made to the Subscription Agreements and related documentation, a copy of which is attached hereto, for the specific terms of these representations, warranties and conditions.

Securities may be purchased in the following manner:

(i) by the execution of the Subscription Agreements, as well as any documentation or schedules required by the securities regulatory authorities of the jurisdiction in which they are resident (copies of which are attached to the Subscription Agreements);

(ii) deliver to the Agent the Aggregate Subscription Amount in respect of the purchased securities subscribed for by way of a certified cheque or bank draft payable to the Company for the Units and to the Agent for the Subscription Receipts or in such other manner as is acceptable to the Company or the Agent; and

(iii) deliver all of the foregoing to the Agent in accordance with the instructions set out in the Subscription Agreement.

The first closing of this Offering occurred on November 5, 2020 after achieving the Minimum Offering. Other closings will occur subsequent to that date for the sale and purchase of the remaining Subscription Receipts B. The Company reserves the right to accept or reject subscriptions in whole or in part at its discretion and to close on subscriptions at any time without notice.

All subscription proceeds from the sale of Units will be held in trust by the Agent until midnight on the second business day after the day the Subscriber signs the Subscription Agreement for Units. In the event that such Subscriber provides the Company or the Agent with a cancellation notice prior to midnight of the second business day after the signing date, or the Company does not accept such Subscriber's subscription, all subscription proceeds will be promptly returned to such Subscriber without interest or deduction.

All subscription proceeds from the sale of Subscription Receipts A and B and the corresponding underlying Units and FT Shares respectively will be held in trust by Dunton Rainville LLP, the escrow agent appointed for the purposes thereof (the “Escrow Agent”), pending satisfaction or waiver of the Escrow Release Conditions set forth hereinabove.

You should carefully review the terms of the Subscription Agreement attached hereto for more detailed information concerning the rights and obligations applicable to you and the Company. Execution and delivery of the Subscription Agreement will bind you to the terms thereof, whether executed by you or by an agent on your behalf. You should consult with your own professional advisors.

Exemptions from Prospectus Requirements Canada

The securities are being offered in the Selling Jurisdictions pursuant to exemptions under Applicable Securities Laws. Such exemptions relieve the Company from provisions under Applicable Securities Laws requiring the Company to file a prospectus and, therefore, Subscribers do not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by a securities regulatory authority or similar authority.

The sale of securities pursuant to this Amended and Restated Offering Memorandum is being made in the Selling Jurisdictions under certain statutory exemptions from the prospectus requirements set out in National Instrument 45-106 – Prospectus and Registration Exemptions ("NI 45-106"). **Please carefully review the accompanying Subscription Agreement to determine the prospectus exemption requirements that apply to you.**

Other jurisdiction

The sale of securities pursuant to this Amended and Restated Offering Memorandum may also be made in other jurisdictions provided that the Subscriber provides to the Company the full particulars of the exemption from the registration and prospectus requirements under Applicable Securities Laws being relied on and evidence of the Subscriber's qualifications thereunder, including any other local securities laws, whether local or otherwise applicable to the Subscriber.

Each Subscriber is urged to consult with his own legal adviser as to the details of the statutory exemption being relied upon and the consequences of purchasing securities pursuant to such exemption.

Item 6 Income Tax Consequences and RRSP Eligibility

- **Income Tax Consequences**

Tax considerations ordinarily make the Units offered hereunder most suitable for those investors subject to the highest marginal income tax rate. Regardless of any tax benefits that may be obtained, a decision to purchase Flow-Through Shares should be based primarily on an appraisal of the merits of the investment as such and on an investor’s ability to bear possible loss. Investors acquiring Flow-Through Shares with a view to obtaining tax advantages should obtain independent tax advice from a tax adviser who is knowledgeable in the area of income tax law.

In the opinion of Dunton Rainville LLP, the following is a summary as of the date of this offering memorandum of the principal Canadian federal income tax considerations for a purchaser who acquires Units pursuant to this offering memorandum. This summary is applicable only to purchasers who are or are deemed to be, at all relevant times, resident in Canada, and who will hold their Flow-Through Shares as capital property. This summary also assumes that each Subscriber will, at all relevant times, deal at arm’s length, for purposes of the Tax Act, with the Company. This summary is not applicable to an investor that is a partnership or trust. This summary is also not applicable to taxpayers that are “financial institutions”, as defined in subsection 142.2(1) of the Tax Act, that are “principal-business corporations” as defined in subsection 66(15) of the Tax Act, whose business includes trading or dealing in rights, licences, or privileges to explore or drill for, or take, minerals, petroleum, natural gas, or other related hydrocarbons, that enter or have entered into a “derivative forward agreement”, as defined in the Tax Act, that are corporations which hold a “significant interest” in the Company within the meaning of subsection 34.2(1) of the Tax Act, or to a taxpayer, an interest in which is a “tax shelter investment” as defined in the Tax Act or to taxpayers that make a functional currency reporting election pursuant to the Tax Act.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser of Flow-Through Shares. It is impractical to comment on all aspects of federal income tax laws which may be relevant to any potential purchaser of Flow-Through Shares. Accordingly, each prospective purchaser of Flow-Through Shares should obtain independent advice from a tax advisor who is knowledgeable in the area of income tax law regarding the income tax considerations applicable to investing in the Company based on the purchaser's own particular circumstances. Each prospective purchaser of Flow-Through Shares should review "**Risk Factors – Tax Related Risks**"**.**

The income tax considerations applicable to a purchaser of Flow-Through Share will vary depending on a number of factors, including whether his or her Flow-Through Shares are characterized as capital property, the province or territory in which he or she resides, carries on business, or has a permanent establishment, the amount that would be his or her taxable income but for the interest in the Company, and the legal characterization of the purchaser as an individual, corporation, trust, or partnership.

This summary is based on the current provisions of the Tax Act, the Regulations, and counsel's understanding of the current published administrative practices and assessing policies of the CRA. This summary does not otherwise take into account or anticipate any changes in laws, whether by judicial, governmental, or legislative decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations. There is no certainty that such Tax Proposals will be enacted in the form proposed, if at all.

Taxation of Subscribers

Highlights

These comments must be read in conjunction with the summary of the income tax considerations which follows. In brief, a taxpayer who is a holder of Flow-Through Shares at end of his or her fiscal year may, in computing his or her income for the taxation year, deduct an amount equal to 100% of Canadian Exploration Expense ("**CEE**") and Canadian Renewable and Conservation Expense ("**CRCE**") and 30% of Canadian Development Expense ("**CDE**") (determined on a declining balance basis) renounced to him or her.

In addition, a holder of the Flow-Through Shares who is an individual (other than a trust) may be entitled to claim an ITC to reduce his or her tax otherwise payable in respect of certain CEE renounced to him or her. However, the amount of such ITC deducted in a taxation year will reduce his or her's Cumulative Canadian Exploration Expense ("**CCEE**") account in the following year, thereby potentially giving rise to an income inclusion of that amount.

Canadian Exploration Expense, Canadian Renewable and Conservation Expense and Canadian Development Expense

Provided that certain conditions in the Tax Act are fulfilled, the Subscriber will be deemed to incur CEE, CRCE and CDE renounced to him or her by the Company on the effective date of the renunciation. Provided that certain further conditions in the Tax Act are fulfilled, certain CEE, CRCE and CDE incurred by the Company before January 1, 2022 can be renounced to the Subscriber with an effective date of December 31, 2020 and the Company will be deemed to have incurred such CEE, CRCE and CDE on December 31, 2020, provided that the it makes the renunciation to by March 31, 2021, that the CEE, CRCE and CDE qualifies for renunciation with an effective date in 2020 and the Company agrees to renounce that CEE, CRCE and CDE by March 31, 2021 with an effective date of December 31, 2020.

The Company has undertaken to ensure that CEE, CRCE and CDE incurred in an amount equal to the subscription price payable for the Flow-Through Shares can be renounced with an effective date of not later than December 31, 2020. The Company has agreed that the full amount committed to CEE, CRCE and CDE will be spent and renounced, prior to April 2021, with an effective date of not later than December 31, 2020.

If CEE, CRCE and CDE renounced before April 2021, effective December 31, 2020, is not, in fact, incurred in 2021, then the Company will have its CEE, CRCE and CCDE reduced accordingly. The reduction will be effective as of December 31, 2020. However, none of the Subscribers will be charged interest on any unpaid tax arising as a result of such reduction before May 2022.

The undeducted balance of a Subscriber's CCEE account may generally be carried forward indefinitely. A Subscriber's CCEE or CCDE account is reduced by his or her share of any amount that he, she, or the Company received or is entitled to receive as assistance in respect of CEE incurred, or that can reasonably be related to Canadian exploration activities and by deductions claimed in prior years of the ITC as described below under "Investment Tax Credits". If, at the end of a taxation year, the reductions in calculating the Subscriber's CCEE account exceed the balance of that account at the beginning of the year and additions to it during the year, the excess must be included in computing the Limited Partner's income for that year and the amount of the Subscriber's CCEE account at the end of the year will be nil. Generally, CRCE is treated as CEE.

CEE, as it related to oil and gas exploration activities, includes the following expenses:

1. Any expense including a geological, geophysical or geochemical expense incurred (other than an expense incurred in drilling or completing an oil or gas well, environmental studies in connection therewith, or in building a temporary access road to, or preparing a site in respect of, an such well) for the purpose of determining the existence, location, extent or quality or an accumulation of petroleum or natural gas, (other than a mineral resources) in Canada; and

2. Any expense incurred in a taxation year in drilling or completing an oil or gas well in Canada or in building a temporary access road to, or preparing a site in respect of any such well, if:

   a. The well resulted in the discovery of a natural accumulation of petroleum or natural gas and the discovery occurred at any time before six months after the end of the year;

   b. The well is abandoned in the year or within six months after the end of the year without ever having produced petroleum or gas other than for specified purposes; or

   c. The well has not produced petroleum or natural gas during the 24 month period ending in the year following the completion of the drilling of the well.

CDE, as it related to oil and gas activities, includes expenses incurred in:

1. Drilling or converting a well in Canada for the disposal of waste liquids form an oil or gas well;
2. Drilling or completing an oil or gas well in Canada, building a temporary access road to the well or preparing a site in respect of the well, to the extent that the expense is not CEE;
3. Drilling or converting a well in Canada for the injection of water, gas or another substance to assist in the recovery of petroleum or natural gas from another well;
4. Drilling for water or gas in Canada for injection into a petroleum or natural gas formation;

5. Drilling or converting a well in Canada for the purpose of monitoring fluid levels, pressure changes or other phenomena in an accumulation or petroleum or natural gas; or
6. Drilling or recompleting an oil or gas well in Canada after the commencement of production from the well.

CRCE includes expenses in respect of a project where it is reasonable to expect that at least 50% of the capital cost of depreciable property to be used in the project would fall into a class 43.1 or 43.2 in Schedule II of the Regulations to the Tax Act and includes without limitation, making service connections for the transmission of electricity, construction of temporary road access to the project site, engineering costs and drilling of wells to determine the extent and quality of a geothermal resource.

Income Tax Withholdings and Instalments

Subscribers who are employed and are required to have income tax withheld at source from their employment income by their employer may prepare a submission to their Tax Services Office of CRA requesting a reduction in such withholding at source by their employer, which request may be granted at the discretion of the CRA. In this way, Subscribers may be able to obtain the tax benefits of their investment during the remainder of 2020 after the applicable Closing.

Subscribers who are required to pay income tax on an instalment basis may in certain circumstances take into account their investment in the Flow-Through Shares in determining their instalment remittances.

Disposition of Flow-Through Shares

Generally a Subscriber's adjusted cost base of a Flow-Through Share for income tax purposes will be nil.

A disposition by a Subscriber of his or her Flow-Through Shares will result in a capital gain (or a capital loss) to the extent that his or her proceeds of disposition, net of reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Flow-Through Shares immediately prior to the disposition. One-half of the amount of a capital gain is a taxable capital gain and is required to be included in computing a Subscriber's income in the year and one-half of a capital loss is an allowable capital loss and is deductible only against taxable capital gains for the year. The unused portion of an allowable capital loss may be carried back three years or forward indefinitely in accordance with detailed rules in the Tax Act. Generally, the sale of a Flow-Through Share will not result in a loss as the adjusted cost base is nil.

A Subscriber who is a Canadian-controlled private corporation (as defined in the Tax Act) may be subject to an additional refundable tax of 10 $^{2}/_{3}$% in respect of certain investment income including an amount in respect of taxable capital gains.

Alternative Minimum Tax

The Tax Act requires that individuals (including certain trusts) compute an alternative minimum tax determined by reference to the amount by which the taxpayer's "adjusted taxable income" for the year exceeds his or her basic exemption which, in the case of an individual (other than certain trusts), is $40,000. In computing his or her adjusted taxable income, a taxpayer must include, among other things, all taxable dividends (without application of the gross-up), and 80% of net capital gains. Various deductions and credits will be denied including amounts in respect of CEE and CDE. A federal tax rate is applied at a rate of 15% to the amount subject to the minimum tax, from which the individual's "basic minimum tax credit for the year" is deducted. Included in the basic minimum tax credit are certain specified personal and other credits available to an individual under the Tax Act as deductions from tax payable for the year. Generally, if the minimum tax so calculated exceeds the tax otherwise payable under the Tax Act, the minimum tax will be payable.

Whether and to what extent the tax liability of a particular Subscriber will be increased as a result of the application of the alternative minimum tax rules will depend on the amount of his or her income, the sources from which it is derived, and the nature and amounts of any deductions he or she claims.

Any additional tax payable by an individual for the year resulting from the application of the alternative minimum tax will be deductible in any of the seven immediately following taxation years in computing the amount that would, but for the alternative minimum tax, be his or her tax otherwise payable for any such year.

Prospective investors are urged to consult their tax advisors to determine the impact of the alternative minimum tax.

Interest Expense on Money Borrowed to Acquire Units and in respect of Partnership Borrowing

Generally, interest and other financing expense incurred by Subscribers on funds borrowed or to arrange credit for the purpose of acquiring Flow-Through Shares will be deductible in the year that they are paid or payable, depending upon the method used by the Subscribers to report their income. The Tax Act provides that, in certain circumstances, interest expense incurred in respect of the acquisition of capital property, such as the Flow-Through Shares, will remain deductible even if the property is disposed of.

Certain Québec Tax Considerations

In the opinion of Dunton Rainville LLP, the following is a summary of certain income tax considerations specific to the Province of Québec based on the current provisions of the QTA, QTA Regulations and counsel's understanding of the current published administrative practices of the Agence du revenu du Québec. This summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations. There can be no assurance that the Proposed Legislation will be enacted in the form proposed, if at all. Generally, however, the applicable provisions of the QTA are the same as or similar to those in the Tax Act.

The QTA provides that where an individual taxpayer (including a personal trust) incurs in a given taxation year "investment expenses" in excess of "investment income" earned for that year, such excess shall be included in such taxpayer's income, resulting in an offset of the deduction for the amount of such excess investment expenses. For these purposes, investment income includes taxable capital gains not eligible for the lifetime capital gain exemption. Also for these purposes, investment expenses include certain deductible interest and losses of a partnership attributed to an investor (including a personal trust) that is subject to income tax in Québec and 50% of CEE and CDA renounced to the Partnership and allocated to and deducted for Québec income tax purposes by such investor, other than CEE and CDE incurred in Québec. Accordingly, up to 50% of CEE and CDE renounced to the Subscriber and allocated to and deducted for Québec income tax purposes will be so deducted as the Company will conduct no work on property in Québec, and may be included in the Subscriber's income for Québec income tax purposes if the Subscriber has insufficient investment income to offset such deduction. The portion of the investment expenses (if any) which have been included in the taxpayer's income in a given taxation year may be deducted against investment income earned in any of the three previous taxation years and any subsequent taxation year to the extent investment income exceeds investment expenses for such other year.

An alternative minimum tax also exists under the QTA under which a basic exemption of $40,000 is available and the net capital gain inclusion rate is 80%. The current Québec alternative minimum tax rate is 15%. Subscribers are urged to consult their tax advisors to determine the impact of the alternative minimum tax.

A Subscriber who is subject to income tax in Québec should consult a tax professional specifically with respect to the Québec provincial tax implications of a purchase of Flow-Through Shares.

- **RRSP Eligibility**

In the opinion of Dunton Rainville LLP, the securities offered herein will, at the time of issue, qualify as investments under the Tax Act for trusts governed by a registered retirement savings plan, a registered retirement income fund or a deferred profit sharing plan under the Tax Act and the QTA.

Item 7 Compensation Paid to Sellers and Finders

The Company may pay the designated Agent a commission of a maximum of 8% of the gross proceeds to be received under the Offering and issue to the Agent Broker Warrants at the Offering Closing Date, in compliance with Applicable Securities Laws.

Item 8 Risk Factors

8.1 Investment Risk

8.1.1 Risky and Speculative Investment

An investment in the securities offered hereunder involves a number of significant risks and should be considered to be speculative due to the nature of our business and its present state of development. There is no assurance of a return on or repayment of the Subscriber's capital contribution to the Company.

An investment in the securities is highly speculative. Investors should buy them only if they are able to bear the risk of the entire loss of their investment and have no need for immediate liquidity in their investment. An investment in the Securities should not constitute a major portion of an investor’s portfolio.

8.1.2 No Liquidity and Resale Restrictions

There is no market through which securities may be sold and the Company does not expect that any market will develop pursuant to this Offering or in the future. Accordingly, Subscribers may not be able to liquidate their securities in a timely manner, if at all, or pledge the securities as collateral for loans. Furthermore, the Subscription Receipts will only be exchanged and converted into the underlying Units and FT Shares to holders of Subscription Receipts A and Subscription Receipts B respectively upon satisfaction or waiver of the Escrow Release Conditions as further described herein under sub-section 5.1.

The securities are subject to resale restrictions under Applicable Securities Laws. Such resale restrictions may never expire and Subscribers should consult with their professional advisors in respect of such resale restrictions. See Item 10 regarding resale restrictions applicable to the securities.

8.1.3 Minimum Offering

In addition to a minimum investment amount of $600.00 per investment, this Offering is also subject to a minimum offering amount of $1,000,000. Accordingly, you may be the only purchaser of the securities and if the minimum offering of $1,000,000 is not met on or before the Release Deadline**,** subscription proceeds will be returned to Subscribers without interest or deduction within a reasonable period of time but no later than two (2) weeks after the Closing Offering Date. Funds available under the Offering may not be sufficient to accomplish our proposed goals.

On the other hand, the Company is targeting a maximum offering of $2,250,000 but there can be no assurance that these funds will be raised. If the size of the Offering is less than the anticipated range, fewer investments may be made by the Company and the average size of investments may be reduced or subsequent financing might be required. This could reduce the opportunity to diversify investments and, accordingly, risk and so could further increase the risk that the Company may not attain its investment objectives.

8.1.4 No Representation and No Regulatory Review

The Company has not retained any independent professionals to review or comment on this Offering or otherwise protect the interests of the Subscribers. Although the Company has retained its own counsel, neither such firm nor any other firm has made, on behalf of the purchaser, any independent examination of any factual matters represented by management herein, and purchasers of the securities offered hereby should not rely on the firm so retained with respect to any matters herein described. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Amended and Restated Offering Memorandum. Any representation to the contrary is an offence.

8.1.5 Value of Securities and Volatility

The Company determines the price of the securities offered to be issued pursuant to this Amended and Restated Offering Memorandum arbitrarily. The price bears no relationship to earnings, book value or other valuation criteria. The market price of the Company's securities may be highly volatile, as has been the case with the securities of other companies in the oil & gas industry. Factors such as the Company's success or lack thereof, operating results, announcements by the Company's competitors, technological innovations or discovery of new reserves or the lack thereof may have a significant effect on the market price of the Company's securities.

8.2 Issuer Risk

8.2.1 Limited Operations

The Company's operations are subject to all of the risks inherent in the exploration, acquisition and development of gas and oil properties, including a limited prior operating history. The Company is in an early commercial and continuing development phase of its operations. An investor must assess the impact of the limited business history of the Company. The Company is not producing net income and the Company may not be able to be able to fully execute its business plan for any number of reason as described herein. The extent of future losses and the time required to achieve profitability is uncertain. There can be no assurance that the Company will achieve profitability or that profitability, if achieved, will be sustained.

8.2.2 Management and Key Personnel

Investors must rely heavily on the ability, expertise, judgement, discretion, integrity and good faith of the Company's key management. The Company's prospects will also depend on its ability to retain management personnel, and no assurance can be given that it will be able to do so as it will face intense competition for qualified personnel. No assurance can be given that present or future management individuals will remain with the Company, or that any future change of control will not precipitate a change of management. The loss of key management personnel could have a serious adverse impact on the Company's prospects. It is not currently proposed that there will be any long-term employment agreements for the Company's key personnel.

8.2.3 Operational Risk

The business of exploring for oil and gas involves a high degree of risk. Substantial expenditures are required in order to establish such reserves through drilling, and to develop production, gathering or processing facilities and infrastructure at any site chosen for oil or gas production. Although substantial benefits may be derived from the discovery of major oil or gas reserves, no assurance can be given that oil or gas will be discovered in sufficient quantities to justify commercial operations or that such operators will be able to obtain the funds required to develop the property on a timely basis or at all. Also, oil and gas wells on producing properties are at risk of disruption or exhaustion. When investing in any Oil and Gas Property, the Company may not know if the property contains commercial quantities of oil or gas or if its production will be sustainable.

The economics of developing and operating Oil and Gas Properties is affected by many factors, including the cost of operations, variations in the grade of oil or gas obtained, fluctuations in the prices and demand for oil and gas, costs of processing equipment and such other factors as aboriginal land claims and government regulations, including regulations relating to royalties, allowable production, importing and exporting and environmental protection. There is no certainty that any development expenditures made by an operator of any Oil and Gas Property will result in discoveries of commercial quantities of oil and gas.

8.2.4 Additional Capital and Refinancing Risk

The Company may require additional capital for growth and commercial development, which may include public or private equity, debt financing or funds from other sources. Continued uncertainty in domestic and international credit markets could materially affect our ability to access sufficient capital for our capital expenditures and acquisitions and, as a result, may have a material adverse effect on our ability to execute our business strategy and on our financial condition. There can be no assurance that financing will be available or sufficient to meet these requirements or for other corporate purposes or, if financing is available, that it will be on terms appropriate and acceptable to the Company. Any issuance of additional securities may also result in dilution to existing shareholders of the Company.

8.3 Industry Risk

8.3.1 General Economic Conditions

General economic conditions, both domestic and foreign, and sources and availability of financing have an impact on the Company's business, results of operations, financial condition and prospects. The markets in which the Company operates experience weak economic conditions that may negatively affect the Company's performance.

The marketability of any oil and gas that may be produced on an Oil and Gas Property may be affected by numerous factors such as market fluctuations in the price of oil and gas, the proximity and capacity of oil and gas markets and processing equipment, the availability of labour and related infrastructures, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, the importing and exporting of materials and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in the Company not receiving an adequate return on their investment, if any or have a material adverse effect on the Company's financial condition or results of operations.

8.3.2 Government and Environmental Regulations

The Company is subject to complex and evolving laws and regulations regarding governmental regulations and environmental protection, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

Operators of Oil and Gas Property are subject to government legislation, policies and controls relating to prospecting, land use, trade, environmental protection, taxation, rates of exchange, returns of capital and labour relations. An operator's Oil and Gas Property interests may be affected to varying degrees by the extent of political and economic stability in the jurisdiction of such properties and by changes in regulations or shifts in political or economic conditions beyond the control of the operator. Such factors may adversely affect the operator's business and/or its Oil and Gas Property holdings.

The operations of an Oil and Gas Property operator may be subject to environmental regulations enacted by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain oil and gas operations that could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties on the operator. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which has led to stricter standards, enforcement and greater fines and penalties for noncompliance.

The costs of compliance with government regulations may reduce the profitability of an operator's operations and, consequently, reduce the profitability of the interests of Company. In addition, under various environmental legislation, the Company could become liable for the costs of removal or remediation of certain hazardous or toxic substances that may be released on or in one or more of the Oil and Gas Properties.

8.3.3 Operating Hazards and Risks

The operations of an Oil and Gas Property, including exploration and development activities, involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which we have a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development and production of oil and gas properties, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage.

An operator of an Oil and Gas Property may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or we might not elect to insure ourselves against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon our financial condition.

8.3.4 Competition

The business of development and production of oil and gas is highly competitive. Other oil and gas companies, including large foreign-owned companies, will compete with the Company and should be viewed as an ongoing threat to the success of our business. As prices of oil and gas on the commodities markets rise, it is expected that this competition will become increasingly intense. Additionally, other companies engaged the exploration and production of oil and gas may have significantly greater resources and better competitive positions in certain markets and may compete with the Company from time to time in obtaining capital from investors and lenders.

Oil and Gas Properties have limited lives and, as a result, the Company may seek to alter and expand its operations through the acquisition of new interests. However, the available supply of desirable Oil and Gas Properties is limited in North America. The major oil and gas companies are often better positioned to obtain the rights for any Oil and Gas Properties for which the Company may compete.

Oil and natural gas development activities are dependent on the availability of drilling and related equipment, transportation, power and technical support in particular areas and operators of any Oil and Gas Properties in which we invest may have limited access to these facilities. Shortages and/or the unavailability of necessary equipment or other facilities will impair the activities of such operators, increase their costs and reduce the value of any investment by the Company.

8.3.5 No Assurance of Title or Boundaries

To the best knowledge of the Company, all titles and leases pertaining to its Oil and Gas Properties are in good standing. While an operator of an Oil and Gas Property may have registered its oil and gas interests with the appropriate authorities and filed all pertinent information according to industry standards, this cannot be construed as a guarantee of title. In addition, an operator’s Oil and Gas Properties may consist of recorded oil and gas leases or licenses which have not been legally surveyed, and therefore, the precise boundaries and locations of such claims or leases may be doubtful or challengeable. Oil and Gas Properties may also be subject to prior unregistered agreements or transfers or native land claims, and an operator’s title may be affected by these and other undetected defects. Consequently, any interest of the Limited Partnership in such Oil and Gas Properties may be similarly affected.

8.3.6 Tax Related Risks

The Flow-Through Shares are designed for investors in high income brackets. There is no guarantee that tax laws in Canada will not be modified, that amendments thereto negatively impacting on investment in the Flow-Through Shares will not be made or adopted or that current administrative practices of tax authorities will be made. There is no assurance that the tax authorities will accept the CEE or CDE renounced by the Company which would materially affect the investment.

8.3.7 Force Majeure and COVID-19

The Company may be adversely affected by risks outside of its control, including the price of commodities on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions. The Company also faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions following the coronavirus disease (COVID-19) outbreak in December 2019 in China, which was declared a pandemic by the World Health Organization on March 11, 2020 after the spreading of the disease to other countries, including Canada and the United States.

The extent to which the coronavirus impacts the Company's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. There are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company's operations to operate as intended due to a shortage of skilled employees, shortages or disruptions in supply chains, inability of employees to access sufficient healthcare, significant social upheavals and government or regulatory actions.

The actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of the

Company's profitability and financial condition. The extent to which COVID-19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning COVID-19 and the actions required to contain or treat its impact, among others.

Item 9 Reporting Obligations

As at the date of this Amended and Restated Offering Memorandum, the Company is a private reporting entity and is required to comply with the provisions of securities legislation and National Instrument 51-102 on *Continuous Disclosure Obligations*, which includes the periodic filing of its financial statements and reporting all material information. Holders of Common Shares are entitled to receive an information circular and to be given notice of any meeting of Shareholders.

Provided holders of Common Shares are identified under National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer as having chosen to receive all security holder materials sent to beneficial owners of securities, as a holder of Common Shares, you will also be entitled to receive an annual request form permitting you to request any of the following: (i) a paper copy of the Company's annual financial statements and MD&A for the annual financial statements; and (ii) a copy of the Company's interim financial reports and MD&A for the interim financial reports.

General corporate and securities related information about the Company is available from different government departments and securities public registry:

Corporations Canada: https://www.ic.gc.ca/app/scr/cc/CorporationsCanada/fdrlCrpSrch.html

System for Electronic Document Analysis and Retrieval (SEDAR): https://www.sedar.com

Item 10 Resale Restrictions

10.1 General Statement

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under the applicable securities legislation.

10.2 Restricted Period

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date of issuance of the securities, including the Common Shares and Warrants.

Item 11 Purchaser's Rights

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

11.1 Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the second (2^{nd}) business day after you sign the agreement to buy the securities.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

Applicable securities laws in the offering jurisdictions provide you with a remedy to cancel your agreement to buy these securities or to sue for damages if this Amended and Restated Offering Memorandum, or any amendment thereto, contains a misrepresentation. Unless otherwise noted, in this section, a "misrepresentation" means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Amended and Restated Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable contractual and statutory rights are summarized below. Subscribers should refer to the applicable securities laws of their respective offering jurisdiction for the particulars of these rights or consult with professional advisors.

Statutory Rights of Action in the Event of a Misrepresentation for Subscribers in the Provinces of British Columbia, Alberta, Ontario, Nova Scotia, New Brunswick and Prince Edward Island

A subscriber for securities pursuant to this Amended and Restated Offering Memorandum who is a resident in Alberta or British Columbia has, in addition to any other rights the subscriber may have at law, a right of action for damages or rescission against the Company if this Amended and Restated Offering Memorandum, together with any amendments hereto, contains a misrepresentation. In British Columbia, Alberta and Ontario, a subscriber has additional statutory rights of action for damages against every director of the Company at the date of this Amended and Restated Offering Memorandum and every person or company who signed this Amended and Restated Offering Memorandum.

If this Amended and Restated Offering Memorandum contains a misrepresentation, which was a misrepresentation at the time the securities were purchased, the subscriber will be deemed to have relied upon the misrepresentation and will, as provided below, have a right of action against the Company for damages or alternatively, if still the owner of any of the securities purchased by that subscriber, for rescission, in which case, if the subscriber elects to exercise the right of rescission, the subscriber will have no right of action for damages against the Company, provided that:

a) no person or company will be liable if it proves that the subscriber purchased the securities with knowledge of the misrepresentation;

b) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation;

c) in no case will the amount recoverable in any action exceed the price at which the securities were purchased by the subscriber under this Amended and Restated Offering Memorandum; and

d) in the case of a subscriber resident in Alberta, no person or company, other than the Company, will be liable if such person or company is entitled to rely upon certain statutory provisions set out in subsections 204(3)(a)-(e) of the *Securities Act* (Alberta).

In British Columbia, Alberta and Ontario, no action may be commenced more than:

a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or

b) in the case of any other action, other than an action for rescission, more than the earlier of (i) 180 days after the subscriber first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the date of the transaction that gave rise to the cause of action.

Statutory Rights of Action in the Event of a Misrepresentation for Subscribers in the Province of Saskatchewan

In the event that this Amended and Restated Offering Memorandum and any amendment thereto or advertising or sales literature used in connection therewith delivered to a purchaser of the securities resident in Saskatchewan contains an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities (herein called a "**material fact**") or omits a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (herein called a "**misrepresentation**"), a purchaser will be deemed to have relied upon that misrepresentation and will have a right of action for damages against the Company, the promoters and "directors" (as defined in the *Securities Act*, 1988 (Saskatchewan)) of the Company, every person or company whose consent has been filed with this Amended and Restated Offering Memorandum or amendment thereto but only with respect to reports, opinions or statements that have been made by them, every person who signed this Amended and Restated Offering Memorandum or any amendment thereto, and every person who or company that sells the securities on behalf of the Company under this Amended and Restated Offering Memorandum or amendment thereto.

Alternatively, where the purchaser purchased the securities from the Company, the purchaser may elect to exercise a right of rescission against the Company.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities and the verbal statement is made either before or contemporaneously with the purchase of the securities, the purchaser has a right of action for damages against the individual who made the verbal statement.

No persons or company is liable, nor does a right of rescission exist, where the persons or company proves that the purchaser purchased the securities with knowledge of the misrepresentation. In an action for damages, no persons or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied on.

No action shall be commenced to enforce these rights more than:

a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

b) in the case of any action, other than an action for rescission, the earlier of one year after the purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the transaction that gave rise to the cause of action.

These rights are (i) in addition to and do not derogate from any other right the purchaser may have at law; and(ii) subject to certain defences as more particularly described in the *Securities Act*, 1988 (Saskatchewan).

11.3 Contractual Rights of Action in the Event of a Misrepresentation

Contractual Rights of Action in the Event of a Misrepresentation for Subscribers in the Provinces of Manitoba, Québec, Newfoundland and Labrador, Nunavut, Yukon and the Northwest Territories

In Manitoba, Québec, Newfoundland and Labrador, Nunavut, Yukon and the Northwest Territories if there is a misrepresentation in this Amended and Restated Offering Memorandum, you have a contractual right to sue the Company: (a) to cancel the agreement to buy the securities; or (b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for the securities and will not include any part of the damages that the Company proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The Company has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence the action to cancel the agreement within 180 days after signing the agreement to purchase the securities. You must commence the action for damages within the earlier of 180 days after learning of the misrepresentation and three years after signing the agreement to purchase the securities.

Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them.

The rights discussed above are in addition to and without derogation from any other rights or remedies, which subscribers may have at law.

Item 12 <u>Financial Statements</u>

The audited annual financial statements of the Company as of December 31, 2018 and 2019 (and unaudited interim financial statements where applicable) are attached hereto.

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PETRO VIKING ENERGY INC.

FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2020 and 2019

(Unaudited **-** Expressed In Canadian Dollars)

Contents:	Page

NOTICE OF NO AUDIT REVIEW OF INTERIM 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.
Condensed Interim Statements of Financial Position
Unaudited
As at September 30, 2020 compared to December 31, 2019
(in Canadian dollars)

	Notes	2020	2019
		$	**$**
Assets			
Current assets			
Cash		**96,006**	**1,315**
Sales taxes receivable		**6,838**	**2,047**
Prepaid expenses		**257,448**	**7,500**
Total current assets		**360,292**	**10,862**
Long term assets			
Property, plant and equipment	4,6	**1,054,611**	**1,054,611**
Total assets		**1,414,903**	**1,065,473**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7,8,11,13	**237,820**	**310,014**
Total current liabilities		**237,820**	**310,014**
Non-current liabilities			
Promissory notes payable	9,15	**217,195**	**-**
Convertible Debentures	10	**784,264**	**384,264**
Asset retirement obligation	4	**164,324**	**164,325**
Derivative liability	10	**429,191**	**429,191**
Total non-current liabilities		**1,594,974**	**977,780**
Total liabilities		**1,832,794**	**1,287,794**
Shareholders' equity			
Share capital	12	**5,758,177**	**5,733,177**
Contributed surplus		**1,617,760**	**1,617,760**
Convertible debenture - equity portion	10	**2,292**	**2,292**
Subscriptions received	11	**110,000**	**-**
Deficit		**(7,906,120)**	**(7,575,550)**
Total shareholders' deficiency		**(417,891)**	**(222,321)**
Total liabilities and shareholders' deficiency		**1,414,903**	**1,065,473**

Going concern *(Note 1)*

Basis of preparation *(Note 2)*

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

Subsequent events *(Note 18)*

Covid-19 outbreak *(Note 19)*

Approved on behalf of the directors:

//signed: Greg Doucette	*//signed: Lars Glimhagen*
Greg Doucette	Lars Glimhagen
Chief Executive Officer	Chief Financial Officer

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

Condensed Interim Statements of Loss and Comprehensive Loss

Unaudited

For the three and nine months ended September 30,

(in Canadian dollars)

	Notes	Three months ended September 30, 2020	2019	Nine months ended September 30, 2020	2019
Expenses					
Management fees	14	**2,900**	9,000	**43,660**	57,205
Consulting		**40,310**	-	**88,790**	-
Professional fees		**44,186**	3,612	**145,386**	53,304
Interest expense		**6,807**	75,884	**14,542**	104,415
Commission and finder's fees		**14,500**	-	**14,500**	-
Outside services		**13,994**	-	**13,994**	-
Listing fees		**5,000**	-	**5,000**	-
Shareholder and trust services		**4,891**	-	**11,316**	2,081
Office and administration		**1,683**	16,559	**5,169**	27,023
Net loss before the following items		**134,270**	105,055	**342,356**	244,028
Other income:					
Reversal of payables	8	**-**	-	**11,786**	-
Loss before income taxes		**134,270**	105,055	**330,570**	244,028
Net loss and comprehensive loss for the period		**134,270**	105,055	**330,570**	244,028
Net loss per share, basic and diluted	13	**(0.01)**	(0.01)	**(0.02)**	(0.01)

(in Canadian dollars)

	Notes	# Shares	Amount	Cost of Issued Shares	Contributed Surplus	Equity portion of debentures	Units not yet issued	Deficit	Total
Balance, December 31, 2018		3,025,978	5,455,427	(929,906)	1,617,760		-	(7,399,737)	(1,256,457)
Issued shares for debt	10	13,904,133	1,019,407						1,019,407
Issued shares for services	10	675,000	101,250						101,250
Cancelled shares	10	150,000	15,000						15,000
Equity portion of debentures			-			2,292			2,292
Net loss and comprehensive loss for the year								(175,813)	(175,813)
Balance, Decemeber 31, 2019 (pre consolidation)		17,755,111	6,663,083	(929,906)	1,617,760	2,292	-	(7,575,550)	(222,321)
Balance, December 31, 2019 (post-consolidation)		8,877,623							
Subscriptions received	11						110,000		110,000
Issued shares for cash	10	83,334	25,000						25,000
Net loss and comprehensive loss for the period								(330,570)	(330,570)
Balance, September 30, 2020		**8,960,957**	**6,688,083**	**(929,906)**	**1,617,760**	**2,292**	**110,000**	**(7,906,120)**	**(417,891)**

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

Petro Viking Energy Inc.
Condensed Interim Statements of Cash Flows
Unaudited
For the nine months ended September 30,
(in Canadian dollars)

	2020	2019
	$	$
Operating activities		
Net loss	**(330,570)**	(244,028)
Change in prepaid expenses	**(249,948)**	-
Change in sales tax receivable	**(4,791)**	-
Change in accounts payable and accrued liabilities	**(72,195)**	-
Cash flow from operating activities	**(657,504)**	(244,028)
Financing activities		
Issued promissory notes for debt	**217,195**	-
Issued shares for cash	**25,000**	-
Issued convertible debentures for cash	**400,000**	-
Issued shares on debt conversions and assignments	**-**	523,684
Repayment of debentures and promissory notes	**-**	(284,499)
Subscriptions to convertible debentures	**110,000**	-
Cash flow from financing activities	**752,195**	239,185
Change in Cash	**94,691**	(4,843)
Cash, beginning of the year	**1,315**	5,290
Cash, end of the period	**96,006**	447

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.

On December 9, 2019, the Company acquired a non-operating interest 50% into a producing oil & gas property in the province of Alberta from Avila Exploration and Development (Canada) Ltd consisting of production, pipelines, facilities and approximately 1,280 acres (net) of Petroleum and Natural Gas mineral and exploitation rights in Western Alberta and more particularly, in the Ferrybank area (see Note 4).

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, 2020, the Company reported a loss of $330,570, a cumulative deficit of $7,911,120 and a working capital of $122,471. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing which will allow that will provide the Company with a revenue stream. Even if the Company has been successful in the past, 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 September 30, 2020.

The financial statements were authorized by the Board of Directors for issue on November 25, 2020.

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

The Company has issued convertible debentures which, on conversion, must be satisfied entirely in common shares of the Company for an amount equal to the greater of the conversion value and the redemption value of the instrument.

3. Summary of significant accounting policies (continued)

b. Convertible debentures (continued)

The Company reviews the terms of its convertible debentures to determine whether there are embedded derivatives, including the embedded conversion option, that are required to be separated and accounted for as individual derivative financial instruments or equity components.

In circumstances where an equity component is identified, 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.

In circumstances where the convertible debentures contain embedded derivatives that are to be separated from the debenture host contracts, the total proceeds received are first allocated to the fair value of the derivative financial instruments determined using the Monte Carlo method. The remaining proceeds, if any, are then allocated to the debenture host contracts, usually resulting in those instruments being recorded at a discount from their principal amount. This discount is accreted over the expected life of the instruments to profit (loss) using the effective interest method. The Monte Carlo method uses inputs such as discount rates, volatility, and risk-free rate.

The debenture host contracts are subsequently recorded at amortized cost at each reporting date, using the effective interest method. The embedded derivatives are subsequently recorded at fair value at each reporting date, with changes in fair value recognized in profit (loss).

The Company presents its embedded derivative liability and related debenture host contracts as separate instruments on the statement of financial position.

c. Shareholders' equity

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.

3. Summary of significant accounting policies (continued)

e. Income taxes

Income tax expense represents the sum of current tax expense and deferred tax expense. Current tax expense is based on the taxable profits for the year. Income tax is recognized in the statement of operations, loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the associated tax balance. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses to the extent that it is probable that there will be taxable profits against which deductible temporary differences can be utilized.

f. 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.

g. Financial instruments

The classification for each class of the Company's financial assets and financial liabilities are summarize in the following table:

Financial Assets/Liabilities	Classification
Cash	Financial assets at amortized cost
Accounts payable and accrued liabilities	Financial liabilities at amortized cost
Subscriptions to convertible debentures	Financial liabilities at amortized cost
Convertible debenture and promissory notes payable	Financial liabilities at amortized cost
Derivative liability	Fair value through profit or loss

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

Amortized cost:

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

3. Summary of significant accounting policies (continued)

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.

Fair value through other comprehensive income ("FVTOCI"):

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.

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

h. 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.

3. Summary of significant accounting policies (continued)

i. 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.

Estimates

Convertible debt

Convertible debentures are separated into their liability and equity components on the statement of financial position. The liability component is initially recognized at fair value, calculated as the net present value of the liability, using estimated interest rates based upon non-convertible debt issued by comparable issuers, and accounted for at amortized cost using the effective interest rate method.

Derivative liability

In determining the fair value for the convertible debenture conversion feature considered to be a derivative liability, the Company uses the Monte Carlo method and makes estimates of the expected volatility of the shares, risk-free interest rate, effective discount rate, share price, and major event expected date and probability (see note xx on definition). The expected volatility is based on volatilities of comparable companies. The risk-free rate assumed in valuing the conversion feature is based on the Canadian treasury yield curve in effect at the time of grant for the expected term of the convertible debentures issued. The discount rate is based on the estimated rate for a debenture without a conversion feature. The Major Event expected date and probability are based on management's best estimate at the time of valuation based current internal company information and market conditions. Changes to these estimates could result in the fair value of the derivative liability being less than or greater than the amount recorded.

Impairment of petroleum and natural gas properties and equipment

The determination of the recoverable amount for value in use requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential, recent transactions involving similar projects, and future operating performance. An oil and gas property's fair value less cost to sell requires the use of estimates as to the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

Depletion and depreciation and valuation of property and equipment

The amounts recorded for depletion and depreciation of property and equipment and the valuation of property and equipment are based on estimates. These estimates include proved and probable reserves, production rates, future oil and natural gas prices, future development costs, remaining lives and periods of future benefits of the related assets and other relevant assumptions.

The Corporation's reserve estimates are evaluated annually pursuant to the parameters and guidelines stipulated under *National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities*.

3. Summary of significant accounting policies (continued)

For impairment testing, property and equipment and exploration and evaluation assets are aggregated into cash generating units ("CGUs"), based on management's judgment in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash flows from other assets or groups of assets. CGUs are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risks and materiality.

Decommissioning provisions
The value of decommissioning provisions depends on estimates of current risk-free interest rates, future restoration and reclamation expenditures and the timing of those expenditures.

Fair value of common share

As the Company's shares are not traded on a listed exchange, the Company was required to estimate the fair value of the common shares issued on debt conversion, issued in exchange for services, and used in the valuation of the conversion feature of the derivative liability. The company estimated the fair value of common shares based on expected capital raises, history of debt conversions with third parties, and internal company information.

Judgments

Derivative liability

The fair value of financial liabilities not traded in an active market is determined by using valuation techniques. The Company uses its judgement to select techniques and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The assumptions used for estimating the fair value of derivatives and financial instruments has been disclosed in Note 9.

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).

Deferred taxes

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amount and the tax basis of assets and liabilities. An estimate is required for both the timing and corresponding tax rate for this reversal. Should these estimates change, it may impact the measurement of asset or liability as well as deferred tax recovery or expense recognized to earnings. The Company only recognizes deferred tax assets arising from unused tax losses to the extent that the Company has sufficient taxable temporary differences, or it is probable that sufficient taxable profit will be available against which the unused tax losses can be utilized (Note 11). The Company has not recognized any deferred asset for the years ended December 31, 2019 and 2018.

3. Summary of significant accounting policies (continued)

Impairment of oil and natural gas properties

Management uses judgment to assess the existence of impairment indicators such as events or changes in circumstances that may indicate the carrying amount of oil and natural gas properties may not be recoverable.

Decommissioning provisions

Management uses judgment to assess the Corporation's legal obligations to decommission its oil and natural gas properties and restore property sites after closure. The Corporation's production activity is required to be in compliance with various environmental laws and regulations in Canada. The assessment of decommissioning provisions is based on management's understanding of the current legal and environmental requirements and third party engineering valuations.

Business combinations

Business combinations are accounted for using the acquisition method where the acquisition of companies and assets meet the definition of a business under IFRS. The acquired identifiable net assets are measured at their fair value at the date of acquisition. Any excess of the purchase price over the fair value of the net assets acquired is recognized as goodwill. Following initial recognition, goodwill is recognized at cost less any accumulated impairment losses. Any deficiency of the purchase price below the fair value of the net assets acquired is recorded as a gain in income. Associated transaction costs are expensed when incurred.

Jointly controlled assets

Many of the Corporation's oil and natural gas activities involve jointly controlled assets and are conducted under joint operating agreements. The financial statements include the Corporation's share of these jointly controlled assets, the relevant revenue and related costs.

j. Property and equipment

(i) Property and equipment

All costs directly associated with the development of oil and natural gas interests are capitalized on an area-by-area basis as oil and natural gas interests and are measured at cost less accumulated depletion and depreciation and net impairment losses. These costs include expenditures for areas where technical feasibility and commercial viability has been determined. These costs include property acquisitions with proved and/or probable reserves, development drilling, completion, gathering and infrastructure, decommissioning provisions and transfers from exploration and evaluation assets.

Costs of replacing parts of property and equipment are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in income (loss) as incurred. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in income (loss) as incurred.

Exchanges or swaps of property and equipment are measured at fair value unless the transaction lacks commercial substance or neither the fair value of the asset received nor the asset given up can be reliably estimated. When fair value is not used, the cost of the acquired asset is measured at the carrying amount of the asset given up. Any gains or losses from the divestiture of property and equipment are recognized in the statement of loss and comprehensive loss.

3. Summary of significant accounting policies (continued)

(ii) Depletion and depreciation

Oil and natural gas interests are depleted using the unit-of-production method by reference to the ratio of production in the period to the related proved and probable reserves, taking into account estimated future development costs. Production and reserves of natural gas are converted to equivalent barrels of crude oil on the basis of six thousand cubic feet of gas to one barrel of oil. Changes in estimates used in prior periods, such as proved and probable reserves, that affect the unit-of-production calculations do not give rise to prior period adjustments and are dealt with on a prospective basis.
Processing facilities and well equipment are depleted using the unit-of-production method along with the related reserves when the assets are designed to have a life similar to the reserves of the related wells with little to no residual value. Where facilities and equipment, including major components, have differing useful lives, they are depreciated separately on a straight-line basis over the estimated useful life of the facilities and equipment and other related components.

k. Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than exploration and evaluation assets and deferred tax assets, are reviewed for indicators of impairment at each reporting date. If indicators of impairment exist, the recoverable amount of the asset is estimated. Exploration and evaluation assets are assessed for impairment when they are reclassified to property and equipment or if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purposes of assessing impairment, exploration and evaluation assets and property and equipment are grouped into separate CGUs. Goodwill, if any is allocated to the CGUs that are expected to benefit from the synergies of the business combination creating the goodwill.

The recoverable amount of a CGU is the greater of its fair value less costs to sell and its value in use. Fair value is determined to be the amount for which the asset could be sold in an arm's length transaction between knowledgeable and willing parties. Fair value less costs to sell may be determined using discounted future net cash flows of proved and probable reserves using forecast prices and costs and including future development costs. These cash flows are discounted at an appropriate discount rate which would be applied by a market participant. Value in use is determined by estimating the present value of the future net cash flows to be derived from the continued use of the CGU in its present form. These cash flows are discounted at a rate based on the time value of money and risks specific to the CGU.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. An impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. Impairment losses are recognized in the statement of loss and comprehensive loss.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the CGU's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized. A goodwill impairment loss is not reversed.

Unaudited - in Canadian Dollars

3. Summary of significant accounting policies (continued)

l. Decommissioning provisions

Decommissioning provisions are recognized for decommissioning and restoration obligations associated with the Corporation's exploration and evaluation assets and property and equipment. The best estimate of the expenditure required to settle the present obligation at the statement of financial position date is recorded on a discounted basis using the pre-tax risk-free interest rate. The future cash flow estimates are adjusted to reflect the risks specific to the liability. The value of the obligation is added to the carrying amount of the associated exploration and evaluation asset or property and equipment and is depleted or amortized over the useful life of the asset. The provision is accreted over time through charges to financing expenses. Changes in the future cash flow estimates resulting from revisions to the estimated timing or amount of undiscounted cash flows or the discount rate are recognized as changes in the decommissioning provision and the related asset.

Actual decommissioning expenditures up to the recorded liability at the time are charged against the provision as the costs are incurred. Any difference between the recorded provision and the actual costs incurred is recorded as a gain or loss in the statement of loss and comprehensive loss.

m. Newly adopted accounting standards

IFRS 16 Leases

In January 2016, the IASB published IFRS 16 –Leases, which will replace IAS 17 –Leases. This IFRS eliminates the classification of an operating lease and requires lessees to recognise a right-of-use asset and a lease liability for all leases with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease, sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods, changes the accounting for sale and leaseback arrangements, and largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 with early application permitted in certain circumstances.

As of the initial adoption date of January 1, 2019, the Company does not have any leases that are required to be recognized as assets and liabilities.

3. Business combinations

On December 9, 2019 the Company purchased a 50% non-operating interest in west Central Alberta from a private company, consisting of production, pipelines, facilities and approximately 1,280 acres (net) of developed surface and mineral leases. The purchase price for the acquisition was $500,000 on December 9, 2019 for the 50% for the above non-operating interest. The additional terms and accounting of this debenture is described in note 9.

For accounting purposes, the Company has been identified as the acquirer and the 50% non -operating interest in Avila is deemed to be the acquiree. As the non-operating interest described above meets the definition of a business and this transaction was accounted for as business combination under IFRS - 3 "Business Combinations". The date on which the Company obtained control was determined to be December 9, 2019 - the date at which the company issued the debenture.

Net assets acquired	$
Property and equipment	921,900
Decommissioning liabilities	(31,443)
Deferred tax liability	(25,298)
Gain on acquisition	84,692
Fair value of net assets acquired	780,467
Consideration	
Debenture issued (note 9) and fair value of consideration	780,467

Unaudited - in Canadian Dollars

4. Business combinations (continued)

The acquisition if effective on January 1st of 2019 would have contributed revenues of $153,178 and royalty and operating expenses totaling $86,118 until closing on December 9th, 2019, resulting in net income of $67,060.

The Company incurred no acquisition-related costs.

There was no income or loss subsequent to December 9, 2019 up to December 31, 2019.

The Company's estimated net present value of decommissioning liabilities is $168,496 as at December 31, 2019 (2018 - $0), based on an undiscounted total future liability of $184,520 (2018 – $0). These payments are expected to be incurred over a period of 7 to 10 years with the majority of costs to be incurred between 2027 and 2030. At December 31, 2019, risk-free rates between 1.55% - 1.90% (2018 – 1.77% - 2.23%) and an inflation rate of 2% (2018 – 2%) were used to calculate the net present value of the decommissioning liabilities.

		2020	2019
		$	$
Balance - beginning of period		**164,325**	-
Liabilities acquired through business combinations - Note 5	$	-	31,443
Change in estimates		-	132,711
Accretion		-	171
Balance – end of period	$	**164,325**	164.325

5. Liabilities acquired through business combinations

The Company's estimated net present value of decommissioning liabilities is $168,496 as at December 31, 2019 (2018 - $0), based on an undiscounted total future liability of $184,520 (2018 – $0). These payments are expected to be incurred over a period of 7 to 10 years with the majority of costs to be incurred between 2027 and 2030. At December 31, 2019, risk-free rates between 1.55% - 1.90% (2018 – 1.77% - 2.23%) and an inflation rate of 2% (2018 – 2%) were used to calculate the net present value of the decommissioning liabilities. Accounts payable and accrued liabilities

6. Property and equipment

	Oil and natural gas interests
Cost	
Balance at December 31, 2018	$ -
Acquisition (note 4)	921,900
Decommissioning provisions (note 5)	132,711
Balance at September 30, 2020	$ 1,054,611

There was no depletion and depreciation taken during the year as the property and equipment were temporarily not producing.

As at September 30, 2020, the Company did not identify any indicators of impairment.

Unaudited - in Canadian Dollars

7. Accounts payable and accrued liabilities

Significant components of Accounts Payable and Accrued Liabilities	2020	2019
	$	$
Accounts payable - trade	211,830	167,523
Interest Payable (Note 8 and 9)	18,490	
Accrued consulting and commission	7,500	42,000
	237,820	209,523

8. Reversal of payables

On March 30, 2015 a supplier filed a claim against the Company for services rendered in August 24, 2014. The Company filed a dispute indicating that the claim related to the Company's wholly-owned subsidiary and was not directly responsible for the underlying outstanding debt.. The Plaintiff subsequently issued a garnishee against the subsidiary which, at the time, had filed for Creditor Protection under the Bankruptcy and Insolvency Act. The amount garnisheed was recovered by the Trustee and returned the funds to the subsidiary. The Company does not anticipate further action by the Plaintiff and has reversed the amount of $11,786.

9. Promissory notes payable

	2020	2019
	$	$
Unsecured promissory notes due September 15, 2022 bearing interest at 5% per annum compounded semi-monthly.	217,195	-

10. Convertible debentures

On November 20, 2018, the Company received cash proceeds of $30,000 for the issuance of convertible debentures. As at December 31, 2018, the cash proceeds were considered to be subscription payables. The debentures certificates were issued on February 1, 2019. The debentures 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 are 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.

For accounting purposes, the convertible debentures have been separated into liability and equity components using the effective interest rate method. The fair value of the liability component of the convertible debentures at the time of issue was calculated as being equivalent to the discounted cash flows for the debentures assuming an effective interest rate of 20%. The effective interest rate was based on the estimated rate for a debenture without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the convertible debenture and the fair value of the liability component. The value of the equity component was determined to be $2,292. The value of the liability component was determined to be $27,708.

On December 9, 2019 the Company issued a debenture for $500,000 as payment in the business combination in which the Company acquired 50% interest in non-operating assets (see Note 4). The debenture is unsecured and bears a compounded interest of 5% per annum. The debenture matures on July 31, 2022 at which time the debenture and any accrued interest is payable. The convertible debenture can be converted at the lower of $0.25 or 80% of the major event price. The major event price means the price per common share that (i) a common share is being issued by the Company before the maturity date pursuant to an initial public offering of the common shares for listing on a recognized stock exchange; or (ii) a common share is being issued by the Company pursuant to a financing of no less than $500,000 net of

10. Convertible debentures (continued)

fees and commissions; or (iii) results from a purchase by a third party of substantially all the assets of the Company by dividing the said purchase price by the number of issued common shares on a fully diluted basis.

As a result of the conversion price of the debentures not being fixed at the time of issuance, the conversion feature is considered a derivative liability and is revalued at each period end. The value of the derivative liability at the date of issuance and the year-end date was determined using the Monte Carlo method with the following input:

Discount rate: 20%
Volatility: 140%
Risk-free rate: 1.66% - 1.69%

On June 28, 2020 the Company offered a Non-Brokered Private Placement of $400,000 Debenture Units, each Unit being comprised of an aggregate $1,000 principal amount of a 10% Convertible unsecured subordinated debenture due on April 30, 2023 and one detachable common share purchase warrant entitling the holder to purchase 10,000 common shares at a price of $0.125 for a period of 36 months following the closing. The Debenture bears an interest rate of 10% per annum payable semi-annually, payable either in cash or Common Shares in the capital of the Issuer at the option of the Subscriber.

Each Unit is convertible at the option of the holder into 10,000 Common Shares of the Issuer at a price of $0.10.

The offering closed on July 7, 2020 for gross proceeds of $400,000.

11. Subscriptions received

On August 13, 2020 the Company issued an Offering Memorandum (OM) to raise a minimum of $1,000,000 and a maximum of $2,250,000 consisting of Units consisting of one (1) Common Share in the capital of the Company and one-half (1/2) of one common share purchase warrant where a full warrant entitles the holder to purchase one additional Common Share, 3,333,333 Subscription Receipts A convertible into Units where each Unit consists of one (1) Common Share in the capital of the Company and one-half (1/2) of one common share purchase warrant where a full warrant entitles the holder to purchase one (1) additional Common Share in the capital of the Company, and 7,500,000 Subscription Receipts B convertible into Flow-Through Shares in the capital of the Company.

At September 30, 2020 the Company had received subscriptions for 733,333 units at a price of $0.15 per unit for gross proceeds of $110,000.

12. Equity

Share capital

a. Authorized

Unlimited number of common shares, without nominal or par value

Unaudited - in Canadian Dollars

12. Equity, continued

b. Issued and outstanding common shares

On January 3, 2020 the Company issued 166,667 pre-consolidated common shares of the Company at $0.15 for net proceeds of $25,000.

	2020		2019	
	Number	**Amount**	Number	Amount
		$		$
Balance, beginning of year	8,877,623	6,663,084	1,513,056	5,674,274
Issued for cash	83,334	25,000	-	-
Issued shares for debt	-	-	6,952,067	982,284
Issued shares for payables	-	-	337,500	101,250
Issued shares for services	-	-	75,000	15,000
Balance, end of year	8,960,957	6,688,084	8,877,623	6,663,084

On August 25, 2020, the Company had a share consolidation on a 2:1 basis. All disclosure of shares in the financial statements is post-consolidation.

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.

Warrants

A summary of the Company's warrant transactions follows:

	Number of warrants #	**Exercise Price $**
Balance, December 31, 2019	-	-
Issued	400	0.125
Balance, September 30, 2020	**400**	**0.125**

At September 30, 2020, the following warrants were outstanding:

Expiry Date	**Number of warrants**	**Exercise price ($/share)**
July 7, 2023	400	0.125

Unaudited - in Canadian Dollars

13. Net loss per share

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

	2020	2019
	$	$
Net loss and comprehensive loss	(307,020)	(253,647)
Weighted average number of shares (basic and diluted)	19,494,222	21,680,077
Loss per share:	$	$
Basic	(0.01)	(0.01)
Diluted	(0.01)	(0.01)

14. Change in non-cash working capital

	2020	2019
	$	$
Sales tax receivable	**(4,791)**	(2,862)
Prepaid expenses	**(249,948)**	-
Accounts payable and accrued liabilities	**(72,195)**	(84,628)
Total	**(326,934)**	(84,790)
Operating	**(326,934)**	(84,790)

15. Related party disclosures

Key management personnel compensation:

	2020	2019
	$	$
Management and consulting fees	**152,700**	57,205

(Key management personnel are comprised of the Company's directors and officers.)

Amount owing to related parties:

	2020	2019
	$	$
Accounts payable and accrued liabilities including management and consulting fees	**-**	75,355
Unsecured promissory notes due September 15, 2022 bearing interest at 5% per annum compounded semi-monthly.	**102,415**	-

16. Financial instruments and financial risk management

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 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 cash, accounts payable and accrued liabilities, subscriptions to convertible debentures, debenture and promissory notes payable, derivative liability and convertible debentures. 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 convertible debenture approximates its fair market value as the interest rates are based on market rates.

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:

Derivative liability is considered to be a Level 3 classification as inputs are not based on observable market data. Please see note 9 for details on inputs.

There were no transfers between levels during the year.

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

a. 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 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).

b. 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.

c. 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 not exposed to interest rate risk on its debt as they bear a fixed interest rate.

16. Financial instruments and financial risk management, continued

d. Commodity price risk:

The nature of the Corporation's operations results in exposure to fluctuations in commodity prices. Commodity prices for oil and natural gas are impacted by global economic events that dictate the levels of supply and demand. The Company's management continuously monitors commodity prices and may consider instruments to manage exposure to these risks when it deems appropriate.

17. 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 and convertible debenture.
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, 2020, the Company's capital structure was not subject to external restrictions.

18. Subsequent events

On November 5, 2020 the Company completed the first closing of its brokered private placement of Units and Subscriptions A and B pursuant to an Offering Memorandum.
The Company issued 1,916,666 Units, 3,833,333 Subscription Receipts A and 1,802,500 Subscription Receipts B for gross proceeds of $1,223,000. Each Unit consists of one (1) Common Share in the capital of the Company and one-half (1/2) of one common share purchase warrant (each warrant, a "**Warrant**") at a price of $0.15 per Unit. Each full warrant entitles the holder to purchase one (1) additional Common Share for a period of twenty-four (24) months from the date of issuance at an exercise price of $0.20 per Common Share, each Subscription Receipt A convertible into one (1) Unit at a price of $0.15 per Unit and each Subscription Receipt B is convertible into one (1) Flow Through At a price of $0.20.

Upon closing, the Company received gross proceeds of $1,123,500 from which $935,500 is being held in escrow subject to the listing of the Company on the Canadian Securities Exchange ("**CSE**"). A total of $99,250.00 was paid in costs and the issuance of 604,200 Broker Warrants.

19. Covid-19 outbreak

Since period ended September 30, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread international health crisis that has materially affected economies and financial markets, resulting in the rapid onset of an economic downturn. This unprecedented pandemic may result in, among other things, supply chain issues, transportation delays, changes in customer demand for the Company's products, increased government regulations or interventions, and ongoing economic uncertainty, all of which may negatively impact the business, financial condition or results of operations of the Company. The Company continues to monitor COVID-19 developments but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.

PetroViking
ENERGY INC

Financial Statements

December 31, 2019 and 2018

Independent Auditor's Report

To the Shareholders of Petro Viking Energy Inc.:

Opinion

We have audited the financial statements of Petro Viking Energy Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2019 and December 31, 2018, and the statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and December 31, 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $175,813 during the year ended December 31, 2019 and, as of that date, the Company had an accumulated deficit of $7,575,550 and its current liabilities exceeded its current assets by $299,152. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

MNP SENCRL srl / LLP

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Anand Beejan.

Montréal, Québec

MNP SENCRL, srl[1]

June 19, 2020

[1] CPA auditor, CA, public accountancy permit no. A126822

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

	Notes	2019	2018
		$	$
Assets			
Current assets			
Cash		**1,315**	5,291
Sales taxes receivable		**2,047**	8,112
Prepaid expenses		**7,500**	-
Total current assets		**10,862**	13,403
Long term assets			
Property and equipment	4,6	**1,054,611**	-
Total assets		**1,065,473**	13,403
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7,10,12	**310,014**	294,151
Subcription to convertible debentures	9	**-**	30,000
Current portion of debenture and promissory notes payable	8	**-**	945,709
Total current liabilities		**310,014**	1,269,860
Non-current liabilities			
Convertible debenture	9	**384,264**	-
Asset retirement obligation	5	**164,325**	-
Derivative liability	9	**429,191**	-
Total liabilities		**1,287,794**	1,269,860
Shareholders' equity			
Share capital	10	**5,733,177**	4,525,520
Contributed surplus	10	**1,617,760**	1,617,760
Convertible debenture - equity component	9	**2,292**	-
Deficit		**(7,575,550)**	(7,399,737)
Total shareholders' deficiency		**(222,321)**	(1,256,457)
Total liabilities and shareholders' deficiency		**1,065,473**	13,403

Going concern (Note 1)

Basis of presentation (Note 2)

Subsequent events (Note 15)

Approved on behalf of the directors:

Lars Glimhagen
Chief Executive Officer

Robert Rosner
Director, Chief Financial Officer

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

Petro Viking Energy Inc.

Statements of Loss and Comprehensive Loss

Years ended December 31

(in Canadian dollars)

	2019	2018
Expenses		
Consulting (note 12)	**76,705**	-
Professional fees	**66,782**	136,555
Management fees (Note 12)	**56,000**	28,000
Interest expense	**55,713**	99,573
Shareholder and trust services	**21,032**	-
Office and administration	**4,499**	293
Listing and filing fees	**2,454**	5,193
Travel	**2,441**	
	285,626	269,590
Other income:		
Gain on business combination (note 4)	**84,692**	-
Loss before income taxes	**200,934**	269,590
Deferred tax recovery (note 13)	**25,121**	-
Net loss and comprehensive loss for the year	**175,813**	269,590
Net loss per share, basic and diluted (Note 11)	**(0.01)**	(0.09)

Petro Viking Energy Inc.
Statements of Cash Flows
Year ended December 31
(in Canadian dollars)

	Note	2019	2018
		$	$
Operating activities			
Net loss		**(175,813)**	(269,590)
Accrued interest expense	8	**55,713**	-
Consulting fees paid in shares	9	**15,000**	-
Gain on business combination	4	**(84,692)**	-
Deferred tax recovery		**(25,121)**	
Change in prepaid expense		**(7,500)**	-
Change in sales tax receivable		**6,065**	(8,112)
Change in accounts payable and accrued payable		**212,372**	252,993
Cash flow used in operating activities		**(3,976)**	(24,709)
Financing activity			
Subscricption to convertible debentures	8	**-**	30,000
Cash flow from financing activity		**-**	30,000
Change in Cash		**(3,976)**	5,291
Cash, beginning of the year		**5,291**	-
Cash, end of the year		**1,315**	5,291

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

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

	# Shares	Amount	Cost of Issued Shares	Contributed Surplus	Equity portion of debentures	Deficit	Total
Balance, December 31, 2017	3,025,978	5,455,426	(929,906)	1,617,760	-	(7,130,147)	(986,867)
Net loss and comprehensive loss for the year	-	-	-	-	-	(269,590)	(269,590)
Balance, December 31, 2018	3,025,978	5,455,426	(929,906)	1,617,760	-	(7,399,737)	(1,256,457)
Issued shares for debt (Note 10)	13,904,133	1,019,407	-	-	-	-	1,019,407
Issued shares for payables (Note 10)	675,000	101,250	-	-	-	-	101,250
Issued shares for services (Note 10)	150,000	15,000	-	-	-	-	15,000
Equity portion of debentures	-	-	-	-	2,292	-	2,292
Net loss and comprehensive loss for the year	-	-	-	-	-	(175,813)	(175,813)
Balance, Decemeber 31, 2019	**17,755,111**	**6,663,083**	**(929,906)**	**1,617,760**	**2,292**	**(7,575,550)**	**222,321**

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

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1. Corporate information and going concern

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.

During the year, the Company entered into a business combination transaction to acquire 50% of non-operating assets of a privately held company in the energy sector (see Note 4).

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 December 31, 2019, the Company reported a loss of $175,813, a cumulative deficit of $7,575,550 and a negative working capital of $299,152. 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 that may cast significant doubt 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, 2019.

The financial statements were authorized by the Board of Directors for issue on June 19, 2020.

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

The Company has issued convertible debentures which, on conversion, must be satisfied entirely in common shares of the Company for an amount equal to the greater of the conversion value and the redemption value of the instrument.

3. Summary of significant accounting policies (continued)

b. Convertible debentures (continued)

The Company reviews the terms of its convertible debentures to determine whether there are embedded derivatives, including the embedded conversion option, that are required to be separated and accounted for as individual derivative financial instruments or equity components.

In circumstances where an equity component is identified, 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.

In circumstances where the convertible debentures contain embedded derivatives that are to be separated from the debenture host contracts, the total proceeds received are first allocated to the fair value of the derivative financial instruments determined using the Monte Carlo method. The remaining proceeds, if any, are then allocated to the debenture host contracts, usually resulting in those instruments being recorded at a discount from their principal amount. This discount is accreted over the expected life of the instruments to profit (loss) using the effective interest method. The Monte Carlo method uses inputs such as discount rates, volatility, share price and risk-free rate.

The debenture host contracts are subsequently recorded at amortized cost at each reporting date, using the effective interest method. The embedded derivatives are subsequently recorded at fair value at each reporting date, with changes in fair value recognized in profit (loss).

The Company presents its embedded derivative liability and related debenture host contracts as separate instruments on the statement of financial position.

c. Shareholders' equity

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.

3. Summary of significant accounting policies (continued)

e. Income taxes

Income tax expense represents the sum of current tax expense and deferred tax expense. Current tax expense is based on the taxable profits for the year. Income tax is recognized in the statement of operations, loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the associated tax balance. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses to the extent that it is probable that there will be taxable profits against which deductible temporary differences can be utilized.

f. 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.

g. Financial instruments

The classification for each class of the Company's financial assets and financial liabilities are summarize in the following table:

Financial Assets/Liabilities	Classification
Cash	Financial assets at amortized cost
Accounts payable and accrued liabilities	Financial liabilities at amortized cost
Subscriptions to convertible debentures	Financial liabilities at amortized cost
Convertible debenture and promissory notes payable	Financial liabilities at amortized cost
Derivative liability	Fair value through profit or loss

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

3. Summary of significant accounting policies (continued)

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.

Fair value through other comprehensive income ("FVTOCI"):

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.

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

h. 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.

3. Summary of significant accounting policies (continued)

i. 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.

Estimates

Convertible debt

Convertible debentures are separated into their liability and equity components on the statement of financial position. The liability component is initially recognized at fair value, calculated as the net present value of the liability, using estimated interest rates based upon non-convertible debt issued by comparable issuers, and accounted for at amortized cost using the effective interest rate method.

Derivative liability

In determining the fair value for the convertible debenture conversion feature considered to be a derivative liability, the Company uses the Monte Carlo method and makes estimates of the expected volatility of the shares, risk-free interest rate, effective discount rate, share price, and major event expected date and probability (as the conversion feature is dependent on these estimates – see Note 9). The expected volatility is based on volatilities of comparable companies. The risk-free rate assumed in valuing the conversion feature is based on the Canadian treasury yield curve in effect at the time of grant for the expected term of the convertible debentures issued. The discount rate is based on the estimated rate for a debenture without a conversion feature. The major event expected date and probability are based on management's best estimate at the time of valuation based current internal company information and market conditions. Changes to these estimates could result in the fair value of the derivative liability being less than or greater than the amount recorded.

Impairment of property and equipment

The determination of the recoverable amount for value in use requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential, recent transactions involving similar projects, and future operating performance. An oil and gas property's fair value less cost to sell requires the use of estimates as to the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

Depletion and depreciation and valuation of property and equipment

The amounts recorded for depletion and depreciation of property and equipment and the valuation of property and equipment are based on estimates. These estimates include proved and probable reserves, production rates, future oil and natural gas prices, future development costs, remaining lives and periods of future benefits of the related assets and other relevant assumptions.

The Corporation's reserve estimates are evaluated annually pursuant to the parameters and guidelines stipulated under *National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities*.

3. Summary of significant accounting policies (continued)

For impairment testing, property and equipment and exploration and evaluation assets are aggregated into cash generating units ("CGUs"), based on management's judgment in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash flows from other assets or groups of assets. CGUs are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risks and materiality.

Decommissioning provisions

The value of decommissioning provisions depends on estimates of current risk-free interest rates, future restoration and reclamation expenditures and the timing of those expenditures.

Fair value of common share

As the Company's shares is not traded on a listed exchange, the Company is required to estimate the fair value of the common shares issued on debt, promissory notes and accounts payable and accrued liabilities settlements, issued in exchange for services, and used in the valuation of the conversion feature of the derivative liability. The company estimated the fair value of common shares based on expected capital raises, history of debt conversions with third parties, and internal company information.

Fair value of property and equipment

The market value of property and equipment assets is the estimated amount for which the assets could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of oil and natural gas interests (included in property and equipment) is estimated with reference to the discounted cash flows expected to be derived from oil and natural gas production based on externally prepared reserve reports. The risk-adjusted discount rate is specific to the asset with reference to general market conditions.

The market value of other items of property and equipment is based on the quoted market prices for similar items.

Judgments

Derivative liability

The fair value of financial liabilities not traded in an active market is determined by using valuation techniques. The Company uses its judgement to select techniques and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The assumptions used for estimating the fair value of derivatives and financial instruments has been disclosed in Note 9.

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).

Deferred taxes

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amount and the tax basis of assets and liabilities. An estimate is required for both the timing and corresponding tax rate for this reversal. Should these estimates change, it may impact the measurement of asset or liability as well as deferred tax recovery or expense recognized to earnings. The Company only recognizes deferred tax assets arising from unused tax losses to the extent that the Company has sufficient taxable temporary differences, or it is probable that sufficient taxable profit will be available against which the unused tax losses can be utilized (Note 13). The Company has not recognized any deferred asset for the years ended December 31, 2019 and 2018.

3. Summary of significant accounting policies (continued)

Impairment of oil and natural gas properties

Management uses judgment to assess the existence of impairment indicators such as events or changes in circumstances that may indicate the carrying amount of oil and natural gas properties may not be recoverable.

Decommissioning provisions

Management uses judgment to assess the Corporation's legal obligations to decommission its oil and natural gas properties and restore property sites after closure. The Corporation's production activity is required to be in compliance with various environmental laws and regulations in Canada. The assessment of decommissioning provisions is based on management's understanding of the current legal and environmental requirements and third party engineering valuations.

Business combinations

The Company assesses whether an acquisition should be accounted for as an asset acquisition or a business combination under IFRS 3. This assessment requires management to make judgements on whether the assets acquired and liabilities assumed constitute a business as defined in IFRS 3 and if the integrated set of activities, including inputs and processes acquired, is capable of being conducted and managed as business and the Company obtains control of the business inputs and processes.

Cash generating units

Management makes judgments in determining its CGUs and evaluates the geography, geology, production profile and infrastructure of its assets in making such determinations. Based on this assessment, the Company's CGUs are generally composed of significant development areas. As at December 31 2019, the Company had one CGUs (2018 – none). The Company reviews the composition of its CGUs at each reporting date to assess whether any changes are required in light of new facts and circumstances.

j. Business combinations

Business combinations are accounted for using the acquisition method where the acquisition of companies and assets meet the definition of a business under IFRS. The acquired identifiable net assets are measured at their fair value at the date of acquisition. Any excess of the purchase price over the fair value of the net assets acquired is recognized as goodwill. Following initial recognition, goodwill is recognized at cost less any accumulated impairment losses. Any deficiency of the purchase price below the fair value of the net assets acquired is recorded as a gain in income. Associated transaction costs are expensed when incurred.

k. Jointly controlled assets

Many of the Corporation's oil and natural gas activities involve jointly controlled assets and are conducted under joint non-operating agreement. The financial statements include the Corporation's share of these jointly controlled assets and liabilities.

l. Property and equipment

(i) Property and equipment

All costs directly associated with the development of oil and natural gas interests are capitalized on an area-by-area basis as oil and natural gas interests and are measured at cost less accumulated depletion and depreciation and net impairment losses. These costs include expenditures for areas where technical feasibility and commercial viability has been determined. These costs include property acquisitions with proved and/or probable reserves, development drilling, completion, gathering and infrastructure, decommissioning provisions and transfers from exploration and evaluation assets.

3. Summary of significant accounting policies (continued)

Costs of replacing parts of property and equipment are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in income (loss) as incurred. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in income (loss) as incurred.

Exchanges or swaps of property and equipment are measured at fair value unless the transaction lacks commercial substance or neither the fair value of the asset received nor the asset given up can be reliably estimated. When fair value is not used, the cost of the acquired asset is measured at the carrying amount of the asset given up. Any gains or losses from the divestiture of property and equipment are recognized in the statement of loss and comprehensive loss.

(ii) Depletion and depreciation

Oil and natural gas interests are depleted using the unit-of-production method by reference to the ratio of production in the period to the related proved and probable reserves, taking into account estimated future development costs. Production and reserves of natural gas are converted to equivalent barrels of crude oil on the basis of six thousand cubic feet of gas to one barrel of oil. Changes in estimates used in prior periods, such as proved and probable reserves, that affect the unit-of-production calculations do not give rise to prior period adjustments and are dealt with on a prospective basis.

Processing facilities and well equipment are depleted using the unit-of-production method along with the related reserves when the assets are designed to have a life similar to the reserves of the related wells with little to no residual value. Where facilities and equipment, including major components, have differing useful lives, they are depreciated separately on a straight-line basis over the estimated useful life of the facilities and equipment and other related components.

m. Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than deferred tax assets, are reviewed for indicators of impairment at each reporting date. If indicators of impairment exist, the recoverable amount of the asset is estimated. Exploration and evaluation assets are assessed for impairment when they are reclassified to property and equipment or if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purposes of assessing impairment, property and equipment are grouped into separate CGUs. Goodwill, if any is allocated to the CGUs that are expected to benefit from the synergies of the business combination creating the goodwill.

The recoverable amount of a CGU is the greater of its fair value less costs to sell and its value in use. Fair value is determined to be the amount for which the asset could be sold in an arm's length transaction between knowledgeable and willing parties. Fair value less costs to sell may be determined using discounted future net cash flows of proved and probable reserves using forecast prices and costs and including future development costs. These cash flows are discounted at an appropriate discount rate which would be applied by a market participant. Value in use is determined by estimating the present value of the future net cash flows to be derived from the continued use of the CGU in its present form. These cash flows are discounted at a rate based on the time value of money and risks specific to the CGU.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. An impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. Impairment losses are recognized in the statement of loss and comprehensive loss.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the CGU's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized. A goodwill impairment loss is not reversed.

3. Summary of significant accounting policies (continued)

n. Decommissioning provisions

Decommissioning provisions are recognized for decommissioning and restoration obligations associated with the Company's property and equipment. The best estimate of the expenditure required to settle the present obligation at the statement of financial position date is recorded on a discounted basis using the pre-tax risk-free interest rate. The future cash flow estimates are adjusted to reflect the risks specific to the liability. The value of the obligation is added to the carrying amount of the associated property and equipment and is depleted or amortized over the useful life of the asset. The provision is accreted over time through charges to financing expenses. Changes in the future cash flow estimates resulting from revisions to the estimated timing or amount of undiscounted cash flows or the discount rate are recognized as changes in the decommissioning provision and the related asset.

Actual decommissioning expenditures up to the recorded liability at the time are charged against the provision as the costs are incurred. Any difference between the recorded provision and the actual costs incurred is recorded as a gain or loss in the statement of loss and comprehensive loss.

o. Newly adopted accounting standards

IFRS 16 Leases

In January 2016, the IASB published IFRS 16 –Leases, which will replace IAS 17 –Leases. This IFRS eliminates the classification of an operating lease and requires lessees to recognise a right-of-use asset and a lease liability for all leases with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease, sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods, changes the accounting for sale and leaseback arrangements, and largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 with early application permitted in certain circumstances. As of January 1, 2019, the Company has adopted IFRS 16 and has concluded that, based on its current operations, the adoption of IFRS 16 had no significant impact on the Company's financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments ("IFRIC 23") was issued by the IASB on June 7, 2017. IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual period beginning on or after January 1, 2019. Earlier application is permitted. The Company intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2019. As of January 1, 2019, the Company has adopted IFRIC 23 and has concluded that, based on its current operations, the adoption of IFRIC 23 had no significant impact on the Company's financial statements.

p. Accounting standards issued but not yet effective

IAS 1 Presentation of Financial Statements

IAS 1 sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. IAS 1 has been revised to incorporate a new definition of "material" and IAS 8 has been revised to refer to this new definition in IAS 1. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. Management does not expect any material impact from the adoption of the standard.

(in Canadian Dollars)

3. Summary of significant accounting policies (continued)

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendment is effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. Management does not expect any material impact from the adoption of the standard.

4. Business combinations

On December 9, 2019 the Company purchased a 50% non-operating interest in west Central Alberta from a private company, consisting of production, pipelines, facilities and approximately 1,280 acres (net) of developed surface and mineral leases. Under the terms of the purchase agreement, the Company issued a debenture for $500,000 on December 9, 2019 for the 50% the above non-operating interest. The additional terms and accounting of this debenture is described in note 9.

For accounting purposes, the Company has been identified as the acquirer and the 50% non -operating interest in Avila is deemed to be the acquiree. As the non-operating interest described above meets the definition of a business and this transaction was accounted for as business combination under IFRS - 3 “Business Combinations”. The date on which the Company obtained control was determined to be December 9, 2019 - the date at which the company issued the debenture.

Net assets acquired	$
Property and equipment	921,900
Decommissioning liabilities	(31,443)
Deferred tax liability	(25,298)
Gain on acquisition	84,692
Fair value of the net assets acquired	780,467
Consideration	
Debenture issued (note 9) and fair value of consideration	780,467

The acquisition if effective on January 1st of 2019 would have contributed revenues of $153,178 and royalty and operating expenses totaling $86,118 until closing on December 9th, 2019, resulting in net income of $67,060.

The Company incurred no acquisition-related costs.

There was no income or loss subsequent to December 9, 2019 up to December 31, 2019.

(in Canadian Dollars)

5. Liabilities acquired through business combinations

The Company's estimated net present value of decommissioning liabilities is $168,496 as at December 31, 2019 (2018 - $0), based on an undiscounted total future liability of $184,520 (2018 – $0). These payments are expected to be incurred over a period of 7 to 10 years with the majority of costs to be incurred between 2027 and 2030. At December 31, 2019, risk-free rates between 1.55% - 1.90% (2018 – 1.77% - 2.23%) and an inflation rate of 2% (2018 – 2%) were used to calculate the net present value of the decommissioning liabilities.

		2019	2018
Balance - beginning of period		**-**	-
Liabilities acquired through business combinations - Note 4	$	31,443	-
Change in estimates		132,711	-
Accretion		171	-
	$	**164,325**	-

6. Property and equipment

		Oil and natural gas interests
Cost		
Balance at December 31, 2018	$	-
Acquisition (note 4)		921,900
Decommissioning provisions (note 5)		132,711
Balance at December 31, 2019	$	1,054,611

There was no depletion and depreciation taken during the year as the property and equipment were temporarily not producing.

As at December 31, 2019, the Company did not identify any indicators of impairment due to the acquisition occurring close to year-end.

7. Accounts payable and accrued liabilities

Significant components of Accounts Payable and Accrued Liabilities	**2019**	2018
	$	**$**
Accounts payable - trade	**205,067**	97,912
Interest Payable (Note 8 and 9)	**3,948**	99,489
Accrued management fees	**101,000**	96,750
	310,015	294,151

(in Canadian Dollars)

8. 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. (See note 10 for settlement details)	**-**	895,080
Unsecured promissory notes due July 31, 2019 bearing interest at 10% per annum compounded monthly. (See note 9 for settlement details)	**-**	50,629
	-	945,709

9. Convertible debentures

On November 20, 2018, the Company received cash proceeds of $30,000 for the issuance of convertible debentures. As at December 31, 2018, the cash proceeds were considered to be subscription payables. The debentures certificates were issued on February 1, 2019. The debentures are unsecured and bears simple interest at 15% per annum with principal and interest payable on maturity being two years from the date of issuance. The debentures are 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.

For accounting purposes, the convertible debentures have been separated into liability and equity components using the effective interest rate method. The fair value of the liability component of the convertible debentures at the time of issue was calculated as being equivalent to the discounted cash flows for the debentures assuming an effective interest rate of 20%. The effective interest rate was based on the estimated rate for a debenture without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the convertible debenture and the fair value of the liability component. The value of the equity component was determined to be $2,292. The value of the liability component was determined to be $27,708.

On December 9, 2019 the Company issued a debenture for $500,000 as payment in the business combination in which the Company acquired 50% interest in non-operating assets (see Note 4). The debenture is unsecured and bears a compounded interest of 5% per annum. The debenture matures on July 31, 2022 at which time the debenture and any accrued interest is payable. The convertible debenture can be converted at the lower of $0.25 or 80% of the major event price. The major event price means the price per common share that (i) a common share is being issued by the Company before the maturity date pursuant to an initial public offering of the common chares for listing on a recognized stock exchange; or (ii) a common share is being issued by the Company pursuant to a financing of no less than $500,000 net of fees and commissions; or (iii) results from a purchase by a third party of substantially all the assets of the Company by dividing the said purchase price by the number of issued common shares on a fully diluted basis.

As a result of the conversion price of the debentures not being fixed at the time of issuance, the conversion feature is considered a derivative liability and is revalued at each period end. The value of the derivative liability at the date of issuance and the year-end date was determined using the Monte Carlo method with the following input:

Discount rate: 20%
Volatility: 140%
Risk-free rate: 1.66% - 1.69%

9. Convertible debentures (continued)

As a result of the convertible debenture being issued as consideration in the business combination (note 4), the convertible debenture was required to be measured at fair value on the date of acquisition, December 9, 2019. The fair value of the conversion feature which is considered a derivate liability, was measured using the method and estimates noted above. The fair value of the conversion feature on December 9, 2019 was determined to be $429,191. There was no change in fair value as at December 31, 2019. The fair value of the liability component of the convertible debentures at the time of issue was calculated as being equivalent to the discounted cash flows for the debentures assuming an effective interest rate of 20%. The effective interest rate was based on the estimated rate for a debenture without a conversion feature. The fair value of the liability component was determined to be $351,276 on the date of acquisition. The debenture value per note 4 of $780,467 is made up of the fair value of the conversion feature of $429,191 and liability component of $351,276.

The above convertible debenture balance as at December 31, 2019 includes principal $351,276 and $27,708 of the convertible debentures on November 20, 2018 plus accrued interest of $5,280.

10. Equity

Share capital

a. Authorized

Unlimited number of common shares, without nominal or par value

b. Issued and outstanding common shares

On April 8, 2019, the Company had a share consolidation on a 10:1 basis. All disclosure of shares in the financial statements is post-consolidation.

On January 31, 2019 there were 3,000,000 pre-consolidated shares issued related to settlement of debenture at $0.05 (non-diluted) per share.

In June 2019, the Company issued 9,573,661 shares of the Company at $0.05 per share for partial settlement of debenture (note 8) and full conversion of promissory notes (note 8).

In August 2019, the Company issued 250,000 shares of the Company at $0.05 per share for partial settlement of debenture (note 8).

In September 2019, the Company issued 1,500,000 shares of the Company at $0.10 per share for partial settlement of debenture (note 8).

In September 2019, the Company issued 1,980,472 shares of the Company at $0.10 per share for full settlement of debenture (note 8). As the debt holders were acting in their capacity as shareholders, a shareholder benefit was recognized as a reduction of share capital of $47,824

In September 2019, the Company issued 525,000 shares of the Company at $0.15 per share for the settlement of accrued management fees (note 7).

In November 2019, the Company issued 150,000 shares of the Company at $0.15 per share for the settlement of accrued management fees (note 7).

(in Canadian Dollars)

10. Equity (continued)

In November 2019, the Company issued 150,000 shares of the Company at $0.10 per share for consulting services.

In November 2019, 500,000 shares of the Company were cancelled at $0.05 per share and were reissued at the same price in December 2019.

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.

The following table summarizes information about directors, officers and consultants stock options outstanding as at, and for the year ended December 31:

	2019		2018	
	Options	**Weighted – average exercise price**	Options	Weighted – average exercise price
		$		$
Opening	-	-	15,817	0.20
Expired	-	-	(15,817	(0.20)
Closing	-	-	-	-

No warrants issued and outstanding as at December 31, 2019 and 2018.

11. Net loss per share

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

	2019	2018
Net loss and comprehensive loss	$ (175,813)	$ (269,590)
Weighted average number of shares (basic and diluted)	9,842,825	3,025,971
Loss per share:	$	$
Basic	(0.01)	(0.09)
Diluted	(0.01)	(0.09)

(in Canadian Dollars)

12. Related party disclosures

	2019	2018
Key management personnel compensation:	**$**	**$**
Management and consulting fees	**117,705**	28,000
(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 directors of the Company and companies controlled by directors of the Company [(1)]	**-**	64,368

Amount owing to related parties	**2019**	2017
	$	$
Accounts payable and accrued liabilities including management fees and interest	**104,729**	22,938
Promissory notes payable – Principal outstanding	**-**	50,629
	104,729	73,567

[(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 December 31, 2018 are not considered related-party items.

13. Income taxes

The provision for income tax reflects an effective income tax rate which differs from federal and provincial statutory income tax rates. The main differences are as follows:

	2019	2018
Loss before taxes	$ (200,934)	$ (269,590)
Statutory tax rate	26.5%	27%
Expected income tax recovery	(53,248)	(72,789)
Gain on business combination	(22,490)	
Changes in tax benefits not recognized	50,617	72,789
Deferred tax recovery	(25,121)	-

The statuary tax rate declined from 27% to 26.5% due to reduction of the Alberta tax rate on July 1, 2019.

(in Canadian Dollars)

13. Income taxes (continued)

The Company has recognized deferred tax assets and liabilities as follows:

	2019	2018
Property and equipment	$ (127,561)	-
Convertible debenture	(33,232)	-
Non-capital losses	160,793	-
Net deferred tax asset (liability)	-	-

The Company has not recognized a deferred tax asset in respect of the following deductible temporary differences:

	2019	2018
Derivative liability	$ 429,191	-
Asset retirement obligation	164,325	-
Non-capital losses	1,857,523	2,275,225
Capital losses	4,929,801	4,929,801
Unrecognized deductible temporary differences	7,380,840	7,205,026

The Company has non-capital losses of $1,857,523 (2018 - $2,275,225) for which no deferred tax asset has been recognized, which are available for carry forward against future taxable income that expire as follows:

	$
2032	109,940
2033	582,470
2034	306,960
2035	112,813
2036	98,122
2037	96,230
2038	269,590
2039	281,398
Total	1,857,523

The Company has $4,929,801 of capital losses which have on expiry date.

14. 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.

The Company's financial instruments include cash, accounts payable and accrued liabilities, subscriptions to convertible debentures, debenture and promissory notes payable, derivative liability and convertible debentures. 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 convertible debenture approximates its fair market value as the interest rates are based on market rates.

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.

Derivative liability is considered to be a Level 3 classification as inputs are not based on observable market data. Please see note 9 for details on inputs.

There were no transfers between levels during the year.

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

a. 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 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).

b. 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 not exposed to interest rate risk on its debt as they bear a fixed interest rate.

Commodity price risk:

The nature of the Corporation's operations results in exposure to fluctuations in commodity prices. Commodity prices for oil and natural gas are impacted by global economic events that dictate the levels of supply and demand. The Company's management continuously monitors commodity prices and may consider instruments to manage exposure to these risks when it deems appropriate.

14. Financial instruments and financial risk management (continued)

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 and convertible debenture.

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

15. Subsequent events

Issuances

On January 23, 2020 the Company received $25,000 for 166,667 units of the Company at $0.15 per unit. Each units consists of one common share of the Company and one half common share warrant entitling the holder to purchase common shares a price of $0.20 per share 18 months after issuance.

In June 2020 the Company received net proceeds of $85,000 for Debenture Units of the Company related to a Offering for Debenture unit maturing on April 30, 2023. Each unit being comprised of an aggregate principal amount of a 10% Convertible unsecured subordinated debenture and one detachable share common share warrant entitling its holder to purchase 10,000 common shares at a price of $0.125 for a period of 36 months following the closing. The convertible debentures are convertible at the option of the holder into common shares of the Company at a conversion price of $0.10.

COVID-19

In March 2020, the World Health Organization declared a global pandemic following the emergence and rapid spread of a novel strain of the coronavirus ("COVID-19"). The outbreak and subsequent measures intended to limit the pandemic contributed to significant declines and volatility in financial markets. The pandemic adversely impacted global commercial activity. The full extent of the impact of COVID-19 on operations and future financial performance is currently unknown. It will depend on future developments that are uncertain and unpredictable, including the duration and spread of COVID-19, its continued impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus. These uncertainties may persist beyond when it is determined how to contain the virus or treat its impact. IFRS requires management to make estimates and assumptions that affect reported amounts and disclosures. These estimates and assumptions take into account historical and forward looking factors that the Company believes are reasonable, including but not limited to the potential impacts arising from COVID-19 and public and private sector policies and initiatives aimed at reducing its transmission. As the extent and duration of the impacts from COVID-19 remain unclear, the Company's estimates and assumptions may evolve as conditions change. Actual results could differ significantly from those estimates. The accounting policies applied in the preparation of these financial statements for the year ended December 31, 2019 are consistent.

In addition, the Company has experienced significant volatility with crude oil prices since year end due to macro-economic uncertainty, mainly due to OPEC and Russia abandoning production quotas and increasing production levels, along with demand destruction for crude oil products as a result of the COVID-19 outbreak and potential lack of storage forcing production shut-ins. The duration and impact of these global events remain uncertain and could impact cash flow and the Company's financial condition in the future.

16. Comparative figures

Comparative figures have been reclassified to conform with current year's presentation.

Item 13 <u>Date and Certificate</u>

Dated December 15, 2020

This offering memorandum does not contain a misrepresentation.

PETRO VIKING ENERGY Inc.

(S) "Greg Doucette"	***(S) "Lars Glimhagen"***
Greg Doucette, Chief Executive Officer	**Lars Glimhagen,** Chief Financial Officer
(S) "Michel Lebeuf"	***(S) "Kyle Appleby"***
Michel Lebeuf, Director	**Kyle Appleby,** Director