



**PETRO VIKING ENERGY INC.**

**(the “Company”)**

**FORM 2A  
LISTING STATEMENT**

**March 1, 2021**

## **IMPORTANT INFORMATION ABOUT THIS LISTING STATEMENT**

No person has been authorized to provide any information or to make any representation not contained in this Listing Statement, and, if provided or made, such information or representation should not be relied upon. You should assume that the information contained in this Listing Statement is accurate only as of the date of this Listing Statement. No securities are being offered pursuant to this Listing Statement.

Capitalized terms, except as otherwise defined herein, are defined in the section entitled “Glossary of Terms”. Except as otherwise indicated or the context otherwise requires in this Listing Statement, references to “the Issuer”, “the Company”, “we”, “us” and “our” refer to the Company.

## **NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Listing Statement includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, and therefore are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “seeks”, “projects”, “intends”, “plans”, “may”, “will” or “should”, or their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Listing Statement and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions because they relate to events and depend on circumstances that may or may not occur in the future. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the “Risk Factors” section of this Listing Statement. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this Listing Statement.

These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although we base our forward-looking statements on assumptions that we believe were reasonable when made, which include, but are not limited to, assumptions with respect to the Company’s future growth potential, results of operations, future prospects and opportunities, execution of the Company’s business strategy, access to adequate services and supplies, access to capital and debt markets and associated costs of funds, availability of a qualified workforce, there being no material variations in the current tax and regulatory environments, future levels of indebtedness and current economic conditions remaining unchanged, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this Listing Statement. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Listing Statement, those results or developments may not be indicative of results or developments in subsequent periods. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Listing Statement. Investors are cautioned against placing undue reliance on forward-looking statements.

Factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, include, but are not limited to, risks and uncertainties related to:

- The risks of the oil and gas industry such as operational risks in exploring for, developing and

- producing crude oil and natural gas and market demand;
- Supply and demand for oil and natural gas and fluctuations in oil and natural gas prices, foreign currency exchange rates and interest rates;
  - The availability of financing opportunities, risks related to the completion of financings, the use of proceeds, anticipated cash needs, the need for additional financing and lack of operating cash flow;
  - Risks associated with economic conditions, expectations regarding revenue, expenses and operations based on projections of market prices and costs;
  - Ability to attract and retain personnel, dependence on management and conflict of interests with directors and other management;
  - The speculative and competitive nature of the oil and gas industry and the Company's ability to compete with more established oil and gas companies;
  - Uncertainty of reserves estimates and reserves life and the risks and uncertainties involving geology of oil and natural gas deposits and projections relating to production, costs and expenses;
  - Liabilities inherent in oil and natural gas operations including health, safety and environmental risks in addition to lawsuits and other legal proceedings and challenges;
  - The Company's ability to enter into or renew leases, the identification, acquisition and integration of other oil and gas properties or companies;
  - The impact of a widespread outbreak of a contagious disease, including COVID-19 or other cases of Force Majeure which out of the Company's control;
  - General economic and market factors, including commodity rates, interest rates, business competition and changes in government regulations or in tax laws;
  - Regulatory developments and the regulatory environments in which the Company operates and its ability to receive regulatory approvals required to achieve the Company's business objectives;
  - Other risks described in this Listing Statement and described from time to time in the Company's documents filed with Canadian securities regulatory authorities.

These factors should not be considered exhaustive. The Company undertakes no obligation to publicly update or revise any forward-looking statements, except as required by applicable law.

Any forward-looking statements which we make in this Listing Statement speak only as of the date of such statement, and we do not undertake, except as required by applicable law, any obligation to update such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data. New factors emerge from time to time and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Please also refer to "Risk Factors" and "Management's Discussion and Analysis" in this Listing Statement. All of the forward-looking statements made in this Listing Statement are qualified by these cautionary statements.

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## 1. GLOSSARY OF TERMS

In this Listing Statement, the following terms have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders.

“\$” means Canadian dollars, unless otherwise noted.

“**Agent**” means Leede Jones Gable Inc., the agent retained by the Company to sell, on a best efforts basis, the OM Offering for gross proceeds of up to \$2,250,000.

“**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.

“**ASC**” means the Alberta Securities Commission;

“**Asset Purchase Agreement**” means the Asset Purchase Agreement dated September 30, 2019 entered into between the Company and Avila for the acquisition of a non-operating interest of fifty percent (50%) into a producing oil & gas property in the province of Alberta.

“**Audit Committee**” means the Audit Committee of the Company.

“**Avila**” means Avila Exploration and Development (Canada) Ltd., a company incorporated on March 30, 2009 under the Business Corporations Act (Alberta), which company will remain the same after giving effect to the Asset Purchase Agreement;

“**Avila Convertible Debenture**” means the secured convertible debenture in the aggregate principal amount of \$500,000 bearing an interest rate of 5% per annum due on July 31, 2022 issued by the Company to Avila;

“**BCAA**” means the Business Corporations Act (Alberta).

“**BCSC**” means the British Columbia Securities Commission;

“**Board**” means the board of directors of the Company.

“**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;

“**CEO**” means chief executive officer.

“**CFO**” means chief financial officer.

“**CRCE**” means Canadian Renewable and Conservation Expense as such term is defined in the Tax Act;

“**Common Shares**” or “**Shares**” means the common shares, without nominal or par value, in the authorized capital of the Company.

“**Company**” or “**PVE**” means Petro Viking Energy Inc., a company incorporated under the Business Corporations Act (Alberta) on January 13, 2010, which company will remain the same after giving effect to the Asset Purchase Agreement;

“**Company’s Financial Statements**” means the audited financial statements of the Company for the years ended December 31, 2018 and December 31, 2019 and the unaudited interim consolidated financial

statements for the six months period ended June 30, 2020, attached to this Listing Statement as Schedule “A”.

“**Consolidation**” means the consolidation of the Shares on the basis of one (1) post-consolidation Share of the Company for each two (2) pre-consolidation Shares of the Company on August 25<sup>th</sup>, 2020.

“**Exchange**” or “**CSE**” means the Canadian Securities Exchange.

“**Ferrybank Property**” means a producing oil & gas property located in the Ferrybank area, 30 kilometers North West of Ponoka, in the province of Alberta.

“**FT Share**” means a “Flow Through Share” as defined in subsection 66(15) of the Tax Act.

“**Joint Venture**” means the joint-venture with Avila Exploration & Development Canada LTD. pursuant to a joint operating agreement dated December 9, 2019 with an effective date as of January 1<sup>st</sup>, 2020.

“**Joint Venture Partner**” means Avila Exploration and Development (Canada) Ltd.

“**MD&A**” means management’s discussion and analysis.

“**NEO**” or “**Named Executive Officer**” means each of the following individuals:

(a) the Company’s CEO;

(b) the Company’s CFO;

(c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; and

(d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at that financial year.

“**NEX**” means the NEX board, a separate board of the TSX Venture Exchange.

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*, of the Canadian Securities Administrators.

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

“**NI 51-101**” means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*, of the Canadian Securities Administrators.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*, of the Canadian Securities Administrators.

“**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.

“**Offering Memorandum**” mean the Offering Memorandum dated August 13, 2020, as amended, pursuant to section 2.9 of NI 45-106.

**“OM Offering”** mean the brokered private placement, on a best effort basis, by way of an Offering Memorandum to raise a minimum of \$1,000,000 and a maximum of \$2,250,000 by an offering of Units, Subscription Receipts – A and Subscription Receipts – B.

**"Principals"** means:

- (a) a person of the Company who acted as a promoter of the Company within two years before the date of this Listing Statement;
- (b) a director or senior officer of the Company or any of its material operating subsidiaries at the time of this Listing Statement;
- (c) a person or company that holds securities carrying more than 20% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Listing; or
- (d) a person or company that: (i) holds securities carrying more than 10% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Listing; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company or any of its material operating subsidiaries.

**“Principal Regulator”** means the Alberta Securities Commission.

**“SEDAR”** means the System for Electronic Document Analysis and Retrieval ([www.sedar.com](http://www.sedar.com)).

**“Shareholders”** means the holders of Shares in the capital of the Company.

**“Statement of Reserves”** means the NI 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.

**“Stock Option Plan”** means the Company’s stock option plan providing for the granting of stock options to the Company’s directors, officers, employees, consultants, and advisors.

**“Subscription Receipts - A”** means the subscription receipts convertible into Units at a price of \$0.15 per Unit.

**“Subscription Receipts - B”** means the subscription receipts convertible into FT Shares at a price of \$0.20 per FT Share.

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

**“Transfer Agent”** means the Company’s transfer agent and registrar Computershare Trust Company of Canada at its office at 800 – 324, 8<sup>th</sup> Avenue, Calgary, Alberta, T2P 2Z2;

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

**“Units”** means the Units at a price of \$0.15 per Unit where each Unit consists of one of (1) 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 Share at a price of \$0.20 per share for a period of twenty-four (24) months from the date of issuance.

## **2. CORPORATE STRUCTURE**

### **2.1 Corporate Name and Address**

The full corporate name of the company is Petro Viking Energy Inc. (the **“Company”** or **“PVE”**) and has a

registered and head office located at 5940 Macleod Trail, Suite 500, Calgary, Alberta, T2H 2G4.

## **2.2 Jurisdiction of Incorporation**

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 Company is a reporting issuer; however, its shares are currently not listed on any Canadian or foreign recognized stock exchange. The Company was originally listed on the TSX-V on June 11, 2010 under the stock symbol “VIK”. On August 14 2015, the shares of the Company have been transferred from the TSX-V to the NEX and were eventually delisted from the NEX on March 28 2016. See section 10.7 – *Trading Price and Volume*.

## **2.3 Intercorporate Relationship**

As of the date hereof, the Company does not have any subsidiaries.

## **2.4 Fundamental Change**

This section is not applicable to the Company considering the Asset Purchase Agreement was not accompanied or preceded by a change of control.

## **2.5 Non-Corporate Issuers and Issuers incorporated outside of Canada**

This section is not applicable to the Company.

# **3. GENERAL DEVELOPMENT OF THE BUSINESS**

## **3.1 Business of the Company**

The Company is an energy company based and operating in the province of Alberta, Canada engaged in petroleum and natural gas exploration and development activities in western Canada. The Company intends 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.

At present, the Corporation owns a fifty percent (50%) non-operating interest in the Ferrybank Property, a producing oil & gas property located in the Ferrybank area, 30 kilometers North West of Ponoka, Alberta (the “**Ferrybank Property**”) with a current NI 51-101 – Standards of Disclosure for Oil and Gas Activities compliant Statement of Reserves consisting of five (5) wells, the particulars of which are described in further details in Part 6 of Schedule E – NI 51-101F1 Statement of Reserve Data and Other, excerpts of which are also included hereunder . See below *Statement of Reserve Data and Other Oil and Gas Information – Producing and Non-Producing Wells*.

The Corporation’s non-operating interest in the wells includes four producing wells (Shut-In Gas Wells) and one non-producing well, namely: (1) 00/01-26-045-27W4/0; (2) 00/01-22-045-27W4/0; (3) 00/01-22-045-27W4/2; (4) 00/14-15-045-27W4/0; and (5) 00/14-26-044-27W4/0.

### ***Ferrybank Property***

The Company entered into a Letter of Intent (“**LOI**”) with a privately held energy producing company, Avila Exploration & Development Canada LTD (“**Avila**”) on March 18, 2019, and subsequently amended on September 30, 2019, with respect to a contemplated asset acquisition between the Company and Avila whereby the Company would acquire a non-operating interest of up to 50% in and to the assets comprising

the Ferrybank Property in consideration of an aggregate payment of five hundred thousand dollars (\$500,000) (the “**Purchase Price**”).

On September 30, 2019, the Company entered into an arm’s length Asset Purchase Agreement with Avila relating to the purchase of the non-operating interest of 50% in and to the assets comprising the Ferrybank Property as further described herein in consideration of the Purchase Price. The assets comprising the Ferrybank Property includes Avila’s entire interest in and to all property, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (as defined in the Asset Purchase Agreement).

Pursuant to the terms of the Asset Purchase Agreement, the Purchase Price was paid by the Company by the issuance of a secured convertible debenture on December 9, 2019 in the aggregate principal amount of \$500,000 bearing a compounded interest rate of 5% per annum due on July 31, 2022 at which time the principal amount and any accrued interest is payable subject to prior redemption or conversion (the “**Avila Convertible Debenture**”). 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.

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 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 (the “**Major Event Price**”).

In addition, the Company will be responsible and pay any GST Taxes payable pursuant to the issuance of the Avila Convertible Debenture, for an amount of up to \$5,000. The parties have agreed to allocate the Purchase Price as follows: Petroleum and Natural Gas Rights (\$399,999); Tangibles (\$100,000); Miscellaneous Interests (\$1); and GST (\$5,000) for an aggregate consideration of \$505,000.

The acquisition became effective and closed on December 9, 2019 by the issuance of the Avila Convertible Debenture as announced in a press release on February 20, 2020. Following the execution of the Asset Purchase Agreement, the Company applied to have its shares listed on the CSE.

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 by Pristine Energy Ltd. (“**Pristine**”) for the Company and summarized and disclosed in the NI 51-101F1 and NI 51-101F2 filed on [www.sedar.com](http://www.sedar.com). See section 4.3.1 – *The Ferrybank Property Statement of reserves data and other oil and gas information* below.

#### ***Joint Operating Agreement***

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**”). 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.

Pursuant to the terms of the Joint Operating Agreement, the parties shall bear all costs and expenses paid or incurred for the ownership, maintenance and operation of the lands described therein, in accordance with a participating interests of 50% for Avila and 50% for the Company;

#### ***Corporate Changes and Financings***

On December 15, 2017, the Company restructured its liabilities where existing secured debentures were consolidated into one secured debenture with an aggregate outstanding amount of \$895,080 as at December

31, 2017 expiring on July 31, 2019 and bearing interest of 10% per annum. In addition, unsecured liabilities owed to related parties in the amount of \$50,629 were converted to unsecured promissory notes expiring on July 31, 2019 bearing interest at 10% per annum.

On January 31, 2019 the Company issued 6,000,000 pre-consolidation shares (600,000 post-consolidation shares) at \$0.05 per share related to settlement of outstanding debt in the aggregate amount of \$300,000.

On February 1, 2019, the Company issued unsecured convertible debenture in the aggregate principal amount of \$30,000 bearing a simple interest rate of 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 unit at any time during the term of the debentures. Each unit will be comprised of one Common Share and one common share purchase warrant exercisable at a price of \$0.05 per warrant for a period of 60 months.

On April 25, 2019, the Company consolidated its issued and outstanding Common Shares on a ten pre-consolidation shares for one post-consolidated shares (10:1) basis following shareholders' approval obtained at the Annual General Meeting held on April 8, 2019.

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

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

In September 2019, the Company issued 1,500,000 shares of the Company at \$0.10 per share for partial settlement of debenture. In addition, the Company issued 1,980,472 shares of the Company at \$0.10 per share for full settlement of debenture. The Company also issued 525,000 shares of the Company at \$0.15 per share for the settlement of accrued management fees.

In November 2019, the Company issued 150,000 shares of the Company at \$0.15 per share for the settlement of accrued management fees. In addition, 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.

On December 9, 2019, the Company issued the Avila Convertible Debenture pursuant to the terms and conditions of the Asset Purchase Agreement. See section 3.1 – *Business of the Company* above for details regarding this convertible debenture.

On January 3, 2020 the Company issued 166,667 units of the Company at \$0.15 per unit for net proceeds of \$25,000. Each units consists of one common share of the Company and one-half common share purchase warrant entitling the holder to purchase common shares at a price of \$0.20 per share for a period of 18 months after issuance.

On July 23, 2020, the Company completed a non-brokered private placement for 400 units for gross proceeds of \$400,000. Each unit consisted of a \$1,000 unsecured convertible debenture and one common share purchase warrant, with each such warrant exercisable by the holder to acquire 10,000 Common Shares a price of \$0.125 per share for a period of 36 months.

On August 4, 2020, the Company held its Annual General and Special Meeting where the shareholders approved the Consolidation of the Company's issued and outstanding shares and the Asset Purchase Acquisition between Petro Viking and Avila Exploration & Development Canada Ltd.

On August 25, 2020, the Company consolidation its issued and outstanding Common Shares on a two pre-consolidation shares for one post-consolidated shares (2:1) basis. Following the consolidation, the total issued and outstanding common shares of the Company is approximately 8,960,958 as at August 25, 2020.



On August 13, 2020, the Company initiated a brokered private placement by way of an Offering Memorandum for aggregate gross proceeds between \$1,000,000 and \$2,250,000 by the issuance of a combination of Units, Subscription Receipts – A and Subscription Receipts B.

Each Unit consists of one of (1) Common Share at a price of \$0.15 per share 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 share for a period of twenty-four (24) months from the date of issuance. Subscription Receipts – A are offered at a price of \$0.15 each and convertible into Units and Subscription Receipts – B are offered at a price of \$0.20 each and convertible into Flow Through Shares.

On August 17, 2020, the Company announced that it has appointed the Agent to act as lead agent to raise, by way of a private placement on a best efforts basis under the OM Offering

On November 5, 2020, the Company closed the OM Offering and issued 1,916,666 Units, 3,833,333 Subscription Receipts – A and 1,802,500 Subscription Receipts - B for aggregate gross proceeds of \$1,223,000, including \$287,500 of readily available funds and \$935,500 to be held in escrow pursuant to a subscription receipt agreement.

On November 11, 2020, the Company initiated a non-brokered private placement, to raise gross proceeds of up to \$1,223,375 by an offering of 2,822,500 Common Shares at a price of \$0.15 per Common Share and 4,000,000 Flow-Through Shares at a price of \$0.20 per Flow-Through Share.

On December 15, 2020, the Company issued 350,000 Common Shares at a price of \$0.15 per Common Share and 125,000 Flow-Through Shares at a price of \$0.20 per Flow-Through Share pursuant to the non-brokered private placement offering initiated on November 11, 2020.

On December 21, 2020, the Company issued 333,334 Common Shares at a price of \$0.15 per Common Share.

On December 23, 2020, the Company issued 333,333 Common Shares at a price of \$0.15 per Common Share and 50,000 Flow-Through Shares at a price of \$0.20 per Flow-Through Share pursuant to the non-brokered private placement offering initiated on November 11, 2020.

On January 20, 2021, the Company issued 1,867,000 Common Shares at a price of \$0.15 per Common Share and 500,000 Flow-Through Shares at a price of \$0.20 per Flow-Through Share pursuant to the non-brokered private placement offering initiated on November 11, 2020.

On February 2, 2021, the Company issued 670,000 Common Shares at a price of \$0.30 per Common Share and 412,500 common share purchase warrant, each full warrant entitling the holder thereof to purchase on additional Common Share at a price of \$0.40 per share prior to June 1, 2023 in connection with a Consulting Agreement dated June 1, 2020;

On February 10, 2021, the Company issued 660,001 Common Shares at a price of \$0.15 per Common Share pursuant to the non-brokered private placement offering initiated on November 11, 2020.

### **3.2 Trends, Commitments, Events or Uncertainties**

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's business has numerous inherent risks and uncertainties common to other junior mineral exploration companies. Management has identified the following potentially significant inherent risks and uncertainties specific to its operations and plans in the coming years.

The Company and its exploration and development programs are at an early stage and the Company has no source of revenues. To date, the Company has not achieved a sustainable stream of revenue. There can be no

assurance that significant additional losses will not occur in the near future, or that the Company will be profitable in the future. In particular, the Company's operating expenses and capital expenditures are likely to increase significantly. The Company expects to continue to incur losses until such time a sustainable revenue source can be obtained from the development of the Ferrybank Property. There can be no assurance that the Company will generate any revenues or achieve profitability. As there is no revenue generated from operations, the Company relies on the equity and debt financing to pursue business opportunities. Failure to obtain such financing could result in delay or the ability to complete proposed business opportunities. Whilst it has been successful at raising equity in the past, there can be no assurance that it will be able to do so in the future and its efforts to do so will be impacted from time to time by commodity prices and the state of the financial markets.

Except as disclosed in the Statement of Reserves, there can be no assurance that the activities of the Company will result in further discovery of petroleum or natural gas reserves or that any such discovery will be of sufficient size and grade to warrant production. Each of the wells and exploration permits which the Company holds or has a right to acquire an interest in is in the exploration stage only and without a known body of commercial reserves. After discovery, significant stages of exploration and assessment are required before economic viability can be determined, and development is dependent upon success at every stage. Very few precious or base metal properties that are explored are ultimately developed into production.

Petroleum and natural gas exploration and development activities involve risks which even a combination of experience, knowledge and prudence may not be able to overcome. The activities in which the Company is directly or indirectly involved will be subject to the hazards normally incidental to exploration activities which could result in injury and damage to life and property, possible adverse environmental impacts and possible legal liability for some or all of such injury, damage or impact. The Company could be exposed to significant defense costs and ultimate financial liability.

The Company is highly dependent on its key executive officers, the loss of any of which could have an adverse effect on the Company. Additionally, resource exploration activity worldwide can result in shortages of experienced technical field personnel. The inability of the Company to secure such personnel when required or at affordable prices could have an adverse effect on the Company's performance.

The Covid-19 pandemic has created a slowdown in the global economy and uncertainty in the global financial markets which is expected to continue for the next twelve months or longer. This may adversely impact the Company's equity financing capability in turn slowing down or stopping altogether the Company's exploration activity. Travel restrictions imposed as COVID-19 pandemic remediation measures will restrict access by key management and exploration personnel to exploration sites until travel restrictions are lifted.

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.

Management is not aware of any other trend, commitment, event or uncertainty that might reasonably be expected to have a material effect on the Company's business, financial condition or results of operations.

#### **4. NARRATIVE DESCRIPTION OF THE BUSINESS**

##### **4.1 Description of the Business**

###### **4.1.1 General**

The principal business carried on and intended to be carried on by the Company is the acquisition, exploration and development of oil and gas properties. The principal business intended to be carried on by the Company will consist of the exploration and development of its 50% interest in Ferrybank Property.

#### 4.1.2 Business Objectives

The Company intends on expending its working capital and net proceeds raised from its completed financings (see *General Development of the Business – Financing*) to participate in the development of its 50% interest in the Ferrybank Property. The Company is also raising funds in order to complete its listing on the CSE following the acquisition of Petroleum and Natural Gas Rights pursuant to the Asset Purchase Agreement.

The Company in 2019 acquired its 50% non-operating interest in the lands and net proven developed production of approximately 50 boe/d in the region. 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](http://www.sedar.com).

The Company is focused on the conventional exploration and development of oil and natural gas reserves in Western Canada. The Ferrybank area is located 30 kilometers north west of Ponoka, Alberta. At Ferrybank, the Company owns working interests ranging from 32 to 50 percent in 4 producing natural gas wells. There is one Glauconitic location owned 50% by Petro Viking which is expected to be drilled in 2021.

The Company may decide to acquire other Oil and Gas Properties in addition to the Ferrybank Property. 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.

#### 4.1.3 Significant Milestones

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 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 acquisition became effective by the execution of an arm's length Asset Purchase Agreement and the payment of \$500,000 on December 9, 2019 whereby the Company has acquired a non-operating interest of fifty percent (50%) in and to the Ferrybank Property as described herein.

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

Objective/Use	Milestone	Anticipated Cost	Estimated completion
Financing	Non-Brokered Private Placement for gross proceeds of up to \$1,223,375	\$ 50,000	November 2020
Financing	Offering Memorandum for proceeds between \$1,000,000 and \$2,250,000	\$ 100,000	December 2020
Continuing Operations	Enhancement and Development of the Ferrybank Property	\$ 200,000	December 2020

Listing	Re-listing of the Company	\$ 25,000	December 2020
Capital Participants	Acquisition through the issuance of securities	\$ 100,000	January 2021
Drilling	Participate in the drilling and completion of a liquids rich proven undeveloped well	\$ 225,000	February 2021

In view of the foregoing, the principal milestones expected to occur by 2022 for the business objectives described above to be accomplished with respect to Avila's Oil and Gas Properties are as follows:

Long Term Objective	What we must do and how we will do it	Anticipated Cost	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 cash flow and securities issuances	\$675,000	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.

#### 4.1.4 Funds Available and Use of Funds

The Company will generate revenue from oil and gas production and currently has negative cash flows from operating activities. The Company anticipates that it will continue to have negative cash flow until such time that commercial production is achieved at the Ferrybank Property.

The Company will be required to raise additional funds through the issuance of additional equity securities or through further loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained, or at all. See "Risk Factors"

As at January 31, 2021, the Company had working capital of approximately \$523,500. Once the Company completes the listing of its Common Shares on the CSE, the Subscription Receipts – A and Subscription Receipts – B will be automatically exchanged into their respective underlying securities, and the proceeds for an aggregate amount of \$935,500 will be release from escrow to the Company.

The Company estimates that it will require the following funds to conduct its plan of operations over the next twelve months:

Sources of Funds	Amount
Working capital as of February 1, 2021	\$540,000
Proceeds to be released from escrow upon conversion of the subscription receipts.	\$935,500

<b>Total of Available Funds:</b>	<b>\$1,475,500</b>
<b>Use of Available Funds</b>	
Enhancement and Development of Oil and Gas Properties <sup>(1)</sup>	\$200,000
Drilling of one New Well as a 50% Participant per the 51-101 <sup>(2)</sup>	\$225,000
Capital Participant <sup>(3)</sup>	\$ 100,000
General and Administrative Expenses	\$331,500
General working capital <sup>(4)</sup>	\$619,000
<b>Total:</b>	<b>\$1,475,500</b>

Notes:

- <sup>(1)</sup> 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.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> Capital Participant, as a 50% joint venture partner with Avila, the Company has elected to Participate in the purchase and development of additional lands adjacent to its current area of operation.
- <sup>(4)</sup> 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 an 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.

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.

As more detailed elsewhere in this Listing Statement and in the twelve month operating budget that was prepared by the Company in connection with this Listing Statement, the Company estimates that it will have a monthly cash burn rate of approximately \$25,000 at a minimum.

The Company intends to fund its business using the proceeds from prior private placement financings (hereinafter described). The Company intends to spend the funds available to it as stated in this Listing Statement. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations in regards to any prospective investment or business opportunity or if the costs of the Listing Statement or Listing, or negotiating an applicable transaction, are greater than anticipated.

#### ***Administrative Costs***

An estimate of the general and administrative expenses of the Company for the next 12 months is as follows:

<b>General &amp; Administrative Items</b>	<b>Costs</b>
Salaries	\$80,000
Legal and accounting fees	\$95,000
Technical Studies	\$12,000

Consulting Fees	\$50,000
Rent and Overhead	\$2,500
Insurance	\$20,000
Interest on debts	\$46,000
Regulatory filing fees and transfer agent fees	\$26,000
Total:	\$331,500

### ***Offering Memorandum***

On August 13, 2020, the Company initiated a brokered private placement on a best effort basis, by way of an Offering Memorandum pursuant to section 2.9 of NI 45-106, to raise a minimum of \$1,000,000 and a maximum of \$2,250,000 by an offering of Units, Subscription Receipts convertible into Units (Subscription Receipts – A) and Subscription Receipts convertible into Flow-Through Shares (Subscription-Receipts – B) (collectively the “Subscription Receipts”) in on or more closings. The details of the Units and Subscription Receipts are as follows:

- **Units:** The Company is offering up to 1,666,667 Units at a price of \$0.15 per Unit for total gross proceeds of up to \$250,000, subject to a minimum investment of \$600 for each subscription representing a minimum purchase of 4,000 Units.

Each Unit consists of one of (1) Common Share 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 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 at a price of \$0.15 per Subscription Receipt-A for total gross proceeds of up to \$500,000, subject to a minimum investment of \$600 for each subscription representing a minimum purchase of 4,000 Subscription Receipts-A.

Subscription Receipts – A are convertible into Units where each Unit consists of one of (1) Common Share 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 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 at a price of \$0.20 per Subscription Receipt-B for total gross proceeds of up to \$1,500,000, subject to a minimum investment of \$5,000 for each subscription representing a minimum purchase of 25,000 Subscription Receipts-B.

Subscription Receipts-B are convertible into Flow-Through Shares, each converted Subscription Receipt B entitling the holder thereof to be issued one (1) Flow-Through Share in the capital of the Company.

The OM Offering is subject to an aggregated minimum offering from the offering from either the Units or the Subscription Receipts or a combination thereof of at least \$1,000,000. The maximum OM Offering excludes any over-allotment option which may be granted to the Agent. All securities available under the OM Offering were issued on a post-consolidated basis following the consolidation of all issued and outstanding Common Shares effected on August 25, 2020.

An over-allotment option was granted to the Agent which it may exercise in whole or in part, by giving notice in writing to the Company to sell up to an additional 15% worth of Units and Subscription Receipts sold pursuant to the OM Offering.

#### Agent's Compensation

In connection with the OM Offering, the Agent is entitled to receive a commission payable in cash of 8% of the gross proceeds raised under the OM Offering in addition to a one-time corporate finance fee payment of \$35,000. Further, the Agent is also entitled to receive the following broker warrants at each closing of the OM Offering:

- Broker Warrants A for the purchase of that number of Units equal to 8% of the number of Units subscribed for under the OM Offering. 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) month.
- Broker Warrants B for the purchase of that number of common shares equal to 8% of the number of Flow-Through Shares subscribed for under the Offering. 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 OM Offering Closing Date;

#### Conversion and Escrow Release Conditions

Each Subscription Receipt A and Subscription Receipt B will be automatically exchanged for no additional consideration upon the satisfaction or waiver of the conditions described below (the “**Escrow Release Conditions**”) 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.

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 Subscription Agent in accordance with the Subscription Receipt Agreement dated November 2, 2020 pending the satisfaction or the waiver of the Escrow Release Conditions at or before 5:00 P.M. (EDT) on March 15<sup>th</sup>, 2021 (the “**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 Common Shares on the CSE;
- ii) Consolidation of the 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.

If a Termination Event occurs, the Escrowed Funds shall be returned to the holders of the Subscription Receipts on a pro rata basis and the Subscription Receipts will be cancelled without any further action on the part of the Subscribers. 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**”).

#### Closing of the OM Offering

After raising and completing the minimum offering of \$1,000,000, the Company closed the OM Offering on November 5, 2020 for aggregate gross proceeds of \$1,223,000, including \$287,500 of readily available funds and \$935,500 to be held in escrow pursuant to the Subscription Receipt Agreement.

The offering of Units and Subscription Receipts-A was fully subscribed and the Agent exercised its over-allotment option resulting in the offering of an additional 15% of Units and an additional 15% of Subscription Receipts – A.

The Company issued 1,916,666 Units (including 249,999 from the exercise of the over-allotment option), 3,833,333 Subscription Receipts – A (including 500,000 from the exercise of the over-allotment option) and 1,802,500 Subscription Receipts – B.

In addition, the Company also issued Broker Warrants to the Agent and other broker who participated in the OM Offering on November 5, 2020 including 460,000 Broker Warrants – A and 144,200 Broker Warrants – B.

#### ***Non-Brokered Private Placement***

On November 11, 2020, the Company initiated a non-brokered private placement, to raise gross proceeds of up to \$1,223,375 by an offering of Common Shares and Flow-Through Shares. As of the date of this Listing Statement, the Company has raised gross proceeds of \$616,550 through the issuance of 3,210,333 Common Shares at a price of \$0.15 per Common Share and 675,000 Flow-Through Shares at a price of \$0.20 per Flow-Through Share.

#### **4.1.5 Principal Products or Services**

As described herein, the Company is currently focusing on explorations of its properties and current as no production or sales. If the Ferrybank Property comes into production, the Company’s principal product is expected to be oil and gas. There is a global market for oil and gas derived products which could be sold and the Company will not be dependent on a particular purchaser with regard to the sale of any product produced.

#### **4.1.6 Production and Sales**

As described herein, the Company is currently focusing on explorations of its properties and currently has no production or sales of mineral products.

#### **4.1.7 Competitive Conditions**

The oil and natural gas industry is highly competitive. The Company encounters competition from other independent operators and from major oil companies in: acquiring oil and natural gas properties suitable for exploration, development and production; contracting for drilling equipment; securing trained personnel; obtaining transportation access to storage, refining and production infrastructure, and for capital to finance such activities. Many of these competitors have financial resources and personnel resources available to them that are substantially larger than that of the Company.

The Company may be unable to realize any value associated with its Gas and Oil Properties and may be unable to acquire additional properties on terms it considers acceptable. There can be no assurances that the Company's activities will yield commercially viable results. See “Risk Factors”.

#### **4.1.8 Industry Overview**

The oil and gas industry is subject to extensive controls and regulations governing its operations (including



land tenure, exploration, development, production, refining, transportation and marketing) imposed by legislation enacted by various levels of government and with respect to pricing and taxation of oil and natural gas by agreements, all of which should be carefully considered by investors in the oil and gas industry. All current legislation is a matter of public record and the Company is unable to predict what additional legislation or amendments may be enacted.

#### **4.1.9 Lending and Investment Policies and Restrictions**

This section is not applicable to the Company.

#### **4.1.10 Bankruptcy and Receivership**

The Company, or any of its subsidiary from time to time, has not been the subject of any bankruptcy, receivership or similar proceedings within the three most recently completed financial years.

#### **4.1.11 Material Restructuring Transaction**

The Company has not been subject to any material restructuring transactions within the three most recently completed financial years.

#### **4.1.12 Social or Environmental Policies**

The Company has not implemented any formal social or environmental policies. The Company intends to comply with all environmental laws and regulations applicable to its mineral operations and development activities.

### **4.2 Asset-Backed Securities**

The Company does not have any asset-backed securities.

### **4.3 Issuers with mineral project**

#### **4.3.1 The Ferrybank Property - Statement of reserves data and other oil and gas information**

The statement of reserves data and other oil and gas information set forth below is dated June 15, 2020, with the effective date thereof being December 31, 2019. All of the Corporation's reserves herein reported were evaluated by Pristine Energy Ltd., an independent qualified reserves evaluator, in accordance with NI 51-101 for the fiscal year ended December 31, 2019.

The reserves estimation and economic valuation set forth below was prepared by Pristine Energy Ltd. with an effective date of December 31, 2019 and a preparation date of June 15, 2020 and summarizes the oil, liquids and natural gas reserves of the Company and the net present values of future net revenue for these reserves using forecast prices and costs. The Statement of Reserves conforms to the requirements of NI 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

The Statement of Reserves Data and Other Oil and Gas Information in Form 51-101F1 and the Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor in Form 51-101F2, are attached as schedules “E” and “F”, respectively, to this Listing Statement. The Report of Management and Directors on Reserves Data and Other information in Form 51-101F3 is attached as Schedule “G”.

All Figures and Tables from the reports are reproduced in and form part of this Listing Statement; a complete copy of the reports are available for review, in color, on SEDAR at the following website: [www.sedar.com](http://www.sedar.com).

## ***Statement of Reserve Data and Other Oil and Gas Information***

### 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 NI 51-101 – *Standards for Disclosure for Oil and Gas Activities*.

### 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 Petro Viking Energy Inc. as evaluated by Pristine Energy Ltd. of Calgary Alberta Report dated June 11, 2020. Pristine Energy Ltd. (“**Pristine**”) 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 Company’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 Company’s properties described herein are estimates only. The actual reserves attributable to the Company’s properties may be greater or less than those calculated.

### Disclosure of Reserve Date

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 Company for each of the product types that the Company 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. 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 the Company 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			Net Revenue NPV (MSC)						
	WI	RI	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %	
<b>Proved Developed Producing</b>										
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	
<b>Total</b>				4,528.9	2,305.5	1,718.8	1,459.8	1,050.9	816.8	
				<b>Before Tax Cash Flow NPV (1) (MSC)</b>						
				2,141.4	1,272.5	994.7	862.6	640.2	504.8	
<b>Proved Developed Non-Producing</b>										
				<b>Net Revenue NPV (MSC)</b>						
Gas (MMcf)	832.8	-	761.8	2,600.7	1,316.3	1,037.8	918.2	725.9	608.3	
<b>Total</b>				2,600.7	1,316.3	1,037.8	918.2	725.9	608.3	
				<b>Before Tax Cash Flow NPV (1) (MSC)</b>						
				1,004.6	580.4	448.9	386.6	281.7	215.9	
<b>Total Proved</b>				<b>Net Revenue NPV (MSC)</b>						
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	
<b>Total</b>				7,129.6	3,621.7	2,756.7	2,378.0	1,776.8	1,425.1	
				<b>Before Tax Cash Flow NPV (1) (MSC)</b>						
				3,146.0	1,852.9	1,443.6	1,248.4	921.9	720.8	
<b>Total Probable</b>				<b>Net Revenue NPV (MSC)</b>						
Gas (MMcf)	75.0	-	67.7	298.1	103.8	71.9	59.6	41.6	31.8	
<b>Total</b>				298.1	103.8	71.9	59.6	41.6	31.8	
				<b>Before Tax Cash Flow NPV (1) (MSC)</b>						
				164.2	73.6	52.8	44.0	30.8	23.3	
<b>Total Proved + Probable</b>				<b>Net Revenue NPV (MSC)</b>						
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	
<b>Total</b>				7,427.7	3,725.6	2,828.5	2,437.6	1,818.4	1,456.9	
				<b>Before Tax Cash Flow NPV (1) (MSC)</b>						
				3,310.2	1,926.5	1,496.3	1,293.5	952.6	744.1	
				<b>Remaining Equivalent Reserves (2) (MBOE)</b>						
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	
<b>Total Proved</b>	346.0	-	313.5	9.1	5.4	4.2	3.6	2.7	2.1	
<b>Total Probable</b>	12.5	-	11.3	13.1	5.9	4.2	3.5	2.5	1.9	
<b>Total Proved + Probable</b>	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 Company 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	Royalties & Burdens	Operating Costs	Abandonment & Salvage	Other Revenue	Credit / Surcharge	Net Op. Income	Capital Costs	Before Tax Cash Flow	Income Tax Paid	After Tax Cash Flow	
												MSC
<b>Proved</b>												
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	
<b>Total Proved</b>	7,784.8	655.2	3,597.4	161.2	-	-	3,371.0	225.0	3,146.0	727.5	2,418.6	
<b>Total Probable</b>	323.7	25.6	129.9	3.9	-	-	164.2	-	164.2	37.8	126.4	
<b>Total Proved + Probable</b>	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	Unit Value
		M\$C	\$C/unit
<b>Total Proved</b>	Light and Medium Oil (bbl)	-	-
	Heavy Oil (bbl)	-	-
	Sales Gas (Mcf)	7,129.6	3.8
	Liquids (bbl)	-	-
	<b>Total</b>	<b>7,129.6</b>	
<b>Total Proved + Probable</b>	Light and Medium Oil (bbl)	-	-
	Heavy Oil (bbl)	-	-
	Sales Gas (Mcf)	7,427.7	3.8
	Liquids (bbl)	-	-
	<b>Total</b>	<b>7,427.7</b>	

\* 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)												
Reserves Category	Net Present Value of Future Cash Flow											
	Before Tax						After Tax					
	0%	5%	8%	10%	15%	20%	0%	5%	8%	10%	15%	20%
	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C
<b>Proved</b>												
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
<b>Total Proved</b>	<b>3,146.0</b>	<b>1,852.9</b>	<b>1,443.6</b>	<b>1,249.4</b>	<b>921.9</b>	<b>720.8</b>	<b>2,418.6</b>	<b>1,418.0</b>	<b>1,100.6</b>	<b>949.9</b>	<b>695.3</b>	<b>538.8</b>
<b>Total Probable</b>	<b>164.2</b>	<b>73.6</b>	<b>52.8</b>	<b>44.0</b>	<b>30.8</b>	<b>23.3</b>	<b>126.4</b>	<b>56.6</b>	<b>40.6</b>	<b>33.9</b>	<b>23.6</b>	<b>17.9</b>
<b>Total Proved + Probable</b>	<b>3,310.2</b>	<b>1,926.5</b>	<b>1,496.3</b>	<b>1,293.5</b>	<b>952.6</b>	<b>744.1</b>	<b>2,544.9</b>	<b>1,474.6</b>	<b>1,141.2</b>	<b>983.8</b>	<b>719.0</b>	<b>556.7</b>

### Pricing Assumptions

The following tables detail the benchmark reference prices for the regions in which the Company operated as at December 31, 2019 reflected in the reserves data disclosed above under "Disclosure of Reserves Data".

Year	Inflation %	CAD/USD Exchange Rate 2020 \$ USD/CAD	Domestic Crude Oil											Alberta Natural Gas Liquids (Then Current Dollars) at Edmonton								
			WTI Crude Oil (39.6 API, 0.24%NS) Cushing, OK		Brent Spot Crude Oil (38.3 API, 0.37%NS) UK		MSW, Light Crude Oil (40 API, 0.3%NS) at Edmonton		Bow River Crude Oil (21.4 API, 2.8%NS) at Hardisty		WCS Crude Oil (20.9 API, 3.5%NS) at Hardisty		Heavy Crude Oil Proxy (12 API) at Cromer		Light Sour Crude Oil (35 API, 1.2%NS) at Cromer		Medium Crude Oil (29 API, 2.0%NS) at Cromer		Ethane	Propane	Butane	Condensate
			Constant	Then	Constant	Then	Constant	Then	Constant	Then	Constant	Then	Constant	Then	Constant	Then	Constant	Then	Current	Current	Current	Current
			USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl	USD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	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	82.35	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	78.00							
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	68.98							
2020 Q1	0.0	0.760	61.00	61.00	67.00	71.71	55.66	55.36	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	+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)

Year	Henry Hub		Alberta			Saskatchewan			British Columbia		Huntingdon/		Dawn
	Constant	Then	AECO/NIT	Plant Gate		Plant Gate		Westcoast	Spot	Sumas Spot		@ Ontario	
	2020 \$ USD/MMBtu	Current USD/MMBtu	Spot CAD/MMBtu	Spot CAD/MMBtu	ARP CAD/MMBtu	Empress CAD/MMBtu	SaskEnergy CAD/MMBtu	Station 2 CAD/MMBtu	Plant Gate CAD/MMBtu	USD/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.



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

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

The following table discloses additional information relating to the reserves data and the history of attribution of undeveloped reserves:

HISTORY OF ATTRIBUTION OF UNDEVELOPED OIL AND GAS RESERVES 2018 - 2019									
YEAR	LIGHT AND MEDIUM OIL		HEAVY OIL		NATURAL GAS		NATURAL GAS LIQUIDS		
	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	
<b>PROVED UNDEVELOPED RESERVES</b>									
	Attributed at								
	Prior December 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>PROBABLE UNDEVELOPED RESERVES</b>									
	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;
- Ultimate recovery of reserves; and
- Future oil and gas prices.

### Future Development Costs

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

The Company'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.

The following table details the development costs deducted in the estimation of future net revenue attributable to proved reserves of the Company (estimated and forecast prices and costs) and proved plus probable reserves of the Company (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	-	-
<b>Total (M\$C)</b>	<b>225</b>	<b>225</b>

### Abandonment and Reclamation Costs

*Additional information concerning abandonment and reclamation costs on producing wells.*

The Company 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
<b>Total Wells</b>	<b>2.31</b>	<b>2.31</b>
<b>Total (M\$C)</b>	<b>161.2</b>	<b>161.2</b>

### Producing and Non-Producing Wells

The following table summarizes the Company's interests as at December 31, 2019 in producing wells and in non-producing wells which the Company 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				
PROVINCE	Non-Producing			
	Shut-In Oil Wells		Shut-In Gas Wells	
	Gross	Net	Gross	Net
Alberta	Nil	Nil	4	1.81
<b>Total</b>	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 Company'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		
Year	SALES GAS	
	DAILY Mcf/d	ANNUAL 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

The Company 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, the Company 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 the Company's land holdings in respect of which no reserves have been attributed:



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

#### Expiring Rights

The Company does not have any rights expiring in 2020.

#### Exploration and Development Activities

For the year ended December 31, 2019, the Company 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
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

The Company's most important and 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 the Company'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.

	Years ended December 31, 2019		January 1 to
	2019	2018	December 31, 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	-	-	-
<b>Total</b>	<b>\$ 921,900</b>	<b>\$ -</b>	<b>\$ 921,900</b>

### Forward Contracts

The Company 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 Company has the following exploration and development expenditures, unde depreciated capital costs and non-capital loss carry forwards which may be carried forward indefinitely to reduce future Canadian taxable income.

	<u>Available Amount</u>	<u>Deduction Rate</u>
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%
<b>Total MSC</b>	<b>Nil</b>	

### Production History

The Company did not have any reportable production for the year ended December 31, 2019.

### ***Report of Independent Qualified Reserves Evaluator or Auditor***

Pristine has evaluated the Company's reserves data as at December 31, 2019. The 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 costs.

The reserves data are the responsibility of the Company's management. Pristine's responsibility is to express an opinion on the reserves data based on our evaluation.

Pristine carried out its evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

Those standards require that Pristine plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved and 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:

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

In Pristine’s opinion, the reserves data respectively evaluated by it have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. Pristine expresses no opinion on the reserves data that it has reviewed but did not audit or evaluate.

Pristine has no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

***Report of Management and Directors on Oil and Gas Disclosure***

Report of Management and Directors on Reserves Data and Other Information Management of the Company are 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 last day of the Company’s most recently completed financial being 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.

**5. SELECTED FINANCIAL INFORMATION**

The following table sets out the Company’s selected financial information as at and for the periods indicated. Such information is derived from the financial statements of the Company attached as Schedule “A”.

The information below should be read in conjunction with the Company’s management discussion and analysis, audited annual financial statements and unaudited condensed interim financial statements and related notes and other financial information.

## 5.1 Annual Information

PVE Information	Nine months period ended September 30, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue	Nil	Nil	Nil	Nil
Expenses	(\$469,252)	(\$285,626)	(\$269,590)	(\$40,205)
Net loss	(\$323,300)	(\$175,813)	(\$269,590)	(\$40,205)
Loss per share	(\$0,04)	(\$0,01)	(\$0,09)	(\$0,01)
Total assets	\$1,424,418	\$1,065,473	\$13,403	Nil
Total liabilities	\$1,633,721	\$1,287,794	\$1,269,860	\$986,867
Cash dividends	Nil	Nil	Nil	Nil

## 5.2 Quarterly Information

PVE Information	2020			2019				2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (Loss)	(36,000)	(264,000)	(23)	(37,000)	(38,000)	(96,000)	(79,000)	(141,000)
Earnings (Loss) per share – basic and diluted	(0.00)	(0.02)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.05)

## 5.3 Dividends

The payment of dividends, if any, in the future, rests within the sole discretion of the Board. The payment of dividends will depend upon the Company's earnings, its capital requirements and its financial condition, as well as other relevant factors. The Company has not declared any cash dividends since its inception and the Company intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Shares and other classes of shares in the foreseeable future.

There are no restrictions in the Company's constating documents that prevent the Company from declaring dividends. The BCAA, however, prohibits the Company from declaring a dividend if there reasonable ground for believing that: (i) the Company would, after payment, be unable to pay its liabilities as they become due; or (ii) the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares.

## **5.4 Foreign GAAP**

The Company's financial statements have not been prepared in accordance with Foreign or U.S. GAAP.

## **6. MANAGEMENT AND DISCUSSION ANALYSIS**

This discussion concerns the Company's Financial Statements, which are included in this Listing Statement and should be referred to when reading this discussion. The Company's Financial Statements summarize the financial impact of the Company's financings, investments and operations, which Financial Statements were prepared in accordance with IFRS.

The Company's Management Discussion and Analysis for the period from January 1, 2019 to December 31, 2019, for the three months period ended March 31, 2020, for the six months period ended June 30, 2020 and for the nine months period ended November 30 2020 are attached hereto as Schedule "B".

Certain information included in the Company's MD&As is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Note Regarding Forward-Looking Statements*" for further detail.

## **7. MARKET FOR SECURITIES**

As of the date of this Listing Statement, the Company is a Canadian private reporting issuer in the provinces of British Columbia, Alberta and Saskatchewan; however, its shares are currently not listed on any recognized Stock Exchange. *Please refer to the section entitled "Trading Price and Volume" below.*

Previously, the Common Shares of Company were originally listed on the TSX-V on June 11, 2010. The Common Shares have been transferred on August 14 2015 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 Common Shares were eventually delisted from the NEX Board on March 28 2016 for failure to pay and maintain NEX Listing Maintenance Fees.

Upon listing, the Company will also become a reporting issuer in the province of British Columbia, Alberta, Saskatchewan and Ontario. This Listing Statement is being submitted to the CSE to apply for the listing of the Shares under the symbol "VIK".

## **8. CONSOLIDATED CAPITALIZATION**

The following table sets out the consolidated capitalization of the Company as at the dates specified below and should be read in conjunction with the December 31, 2019 audited financial statements included hereto.

Since the year ended December 31, 2019, the Company has not effected any material changes with respect to its share capital other than the changes described in this Listing Statement including: (i) the consolidation of its issued and outstanding Common Shares on the basis of one (1) post-consolidated share for each two (2) pre-consolidated shares on August 25, 2020. Following the Consolidation, the total issued and outstanding common shares of the Company is approximately 8,960,958 as at August 25, 2020.

Description	Outstanding as at December 31, 2018 (Audited)	Outstanding as at December 31, 2019 (Audited)	Outstanding as at June 30, 2020 (Unaudited)	Outstanding at the date of this Listing Statement (Unaudited)
Common Shares	3,025,978	17,755,111	17,921,778	15,766,292 <sup>(1)</sup>
Subscription Receipts	Nil	Nil	Nil	5,635,833 <sup>(2)</sup>
Warrants	Nil	Nil	383,333 <sup>(5)(6)</sup>	5,754,166 <sup>(3)(4)(5)(6)(7)</sup>
Broker Warrants	Nil	Nil	Nil	604,200 <sup>(8)</sup>
Options	Nil <sup>(9)</sup>	Nil	Nil	Nil
Convertible Debentures	Nil	530,000	720,000	930,000 <sup>(10)</sup>

Notes:

- (1) Following the Consolidation of the Shares on a 2-for-1 basis and adjustments due to fractional rounding effected on August 25, 2020, resulting in 8,960,958 Shares issued and outstanding in addition to 1,916,666 Common Shares issued in connection with the OM Offering on November 5, 2020, in addition to 4,888,668 Common Shares issued from December 2020 to February 2021.
- (2) Following closing of the 1<sup>st</sup> tranche of the OM Offering on November 5, 2020 and the issuance of 3,833,333 Subscription Receipts-A and 1,802,500 Subscription Receipts-B.
- (3) A total of 4,000,000 Shares is reserved for issuance upon exercise of the 400 warrants issued on July 7, 2020, each full warrant entitling its holder to purchase 10,000 common shares at a price of \$0.125 per share until July 7, 2023.
- (4) A total of 958,333 warrants exercisable at a price of \$0.20 until November 5, 2022 were issued following closing of the 1<sup>st</sup> tranche of the OM Offering on November 5, 2020.
- (5) A total of 300,000 warrants exercisable at a price of \$0.10 until February 1, 2024 were issued in connection with the issuance of a convertible debenture units in the principal amount of \$30,000 on February 1, 2019.
- (6) A total of 83,333 warrants exercisable at a price of \$0.20 until July 23, 2021 were issued in connection with the issuance of 166,667 units for gross proceeds of \$25,000 on February 1, 2019.
- (7) A total of 412,500 warrants exercisable at a price of \$0.40 until June 1, 2023 were issued in connection with the consulting agreement dated June 1, 2020.
- (8) A total of 604,200 Broker Warrants were issued on November 5, 2020 upon closing of the 1<sup>st</sup> tranche of the OM Offering consisting of 460,000 Broker Warrants-A and 144,200 Broker Warrants-B. See section 4.1.4 - *Funds Available and Use of Funds – Offering Memorandum – Agent’s Compensation* above for further details.
- (9) A total of 15,817 outstanding options have expired in 2018 as a result of the passing of its holder.
- (10) A total of 6,300,000 Shares are issuable upon conversion of these convertible debentures. See section 14.2 *Convertible / Exchangeable Securities* below for details

## 9. OPTIONS TO PURCHASE SECURITIES

The Stock Option Plan was approved by the Board and adopted by the Company in February 2010 and has been approved at every annual general meeting of the shareholders to this date. The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees, consultants, and advisors (together “service providers”) of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders.

The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of Shares issued and outstanding from time to

time. The options will expire not more than 5 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 the grant. The Stock Option Plan will be administered by the Board, which will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board may from time to time determine. The exercise prices shall be determined by the Board, but shall, in no event, be less than the closing market price of the Shares on the Exchange, less the maximum discount permitted under the Exchange policies, if such is permitted. The Stock Option Plan provides that the number of Shares issuable on the exercise of options granted to all persons together with all of the Company's other previously granted options may not exceed 10% of the issued and outstanding Shares.

The number of Shares which may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Shares on a yearly basis. In addition, the number of Shares which may be reserved for issuance to any one Consultant upon exercise of all stock options held by such person may not exceed 2% of the issued Shares on a yearly basis. In addition, the number of Shares which may be reserved for issuance to any persons employed to provide Investor Relations Activities upon exercise of all stock options held by such persons may not exceed 2% of the issued Shares on a yearly basis.

Subject to earlier termination and in the event of dismissal for cause, termination other than for cause or in the event of death, all options granted under the Stock Option Plan will expire on the date of expiry set by the Board at the time of grant, which may not be later than ten years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

As at the date hereof, the Company has nil issued and outstanding options.

## **10. DESCRIPTION OF THE SECURITIES**

### **10.1 General**

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 (the "Shares") and an unlimited number of shares designated as preferred shares with the rights, privileges, restrictions and conditions set out below.

As of the date of this Listing Statement, there are 15,766,292 issued and outstanding fully paid common shares and nil preferred shares outstanding.

- ***Common Shares***

The 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 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 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 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 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 BCAA.

## **10.2 Debt Securities**

As of the date of this Listing Statement, the Company has no debt securities listed and is not seeking a listing of any debt securities.

## **10.3 Other Securities**

As of the date of this Listing Statement, the Company has no other securities listed and is not seeking a listing of any other securities beyond the Shares.

## **10.4 Modification of terms**

Save and except for the consolidations set forth below, the Company has not amended, modified or varied any of the terms or rights attached to its Common Shares.

On April 8, 2019, the Company consolidated all of its issued and outstanding Shares on the basis of one (1) post-consolidated Share for each ten (10) pre-consolidated Shares.

On August 25, 2020, the Company consolidated all of its issued and outstanding Shares on the basis of one (1) post-consolidated Share for each two (2) pre-consolidated Shares.

## **10.5 Other Attributes**

There are no other attributes of the Company's Common Shares that would be materially limited or qualified by the rights of any other class of securities, or any other class of securities that would rank ahead of or



equally with the Common Shares.

## 10.6 Prior Sales

The following table summarizes all sales/issuances of securities of the Company within the last twelve months before the date of this Listing Statement:

Allotment Date	Price per Security/Exercise Price	Number of Securities	Type of Securities
June 2019	\$0.05	9,573,661	Common Shares
August 2019	\$0.05	250,000	Common Shares
September 2019	\$0.10	1,500,000	Common Shares
September 2019	\$0.10	1,980,472	Common Shares
September 2019	\$0.15	525,000	Common Shares
November 2019	\$0.15	150,000	Common Shares
November 2019	\$0.10	150,000	Common Shares
November – December 2019	\$0.05	500,000	Common Shares <sup>(1)</sup>
December 2019	\$0.15	1	Convertible Debenture <sup>(2)</sup>
January 2020	\$0.15	166,667	Units <sup>(3)</sup>
July 2020	\$1,000 / \$0.10	400	Debenture Units <sup>(4)</sup>
November 2020	\$0.15	1,916,666	Units <sup>(5)</sup>
November 2020	\$0.15	3,833,333	Subscription Receipts - A <sup>(6)</sup>
November 2020	\$0.20	1,802,500	Subscription Receipts - B <sup>(7)</sup>
November 2020	\$0.15	460,000	Broker Warrants – A
November 2020	\$0.20	144,200	Broker Warrants – B <sup>(8)</sup>
December 2020	\$0.15	1,016,667	Common Shares
December 2020	\$0.20	175,000	Flow-Through Shares
January 2021	\$0.15	1,867,000	Common Shares
January 2021	\$0.20	500,000	Flow-Through Shares
February 2021	\$0.30	670,000	Common Shares

February 2021	\$0.40	412,500	Warrants <sup>(9)</sup>
February 2021	\$0.15	660,001	Common Shares

Notes :

- (1) 500,000 Common Shares issued at a price of \$0.05 were cancelled in November 2019 and were re-issued at the same price in December 2019.
- (2) The Avila Convertible Debenture was issued on December 9, 2019. The exercise price is the lesser of \$0.25 per Common Share or 80% of the Major Event Price as defined herein.
- (3) Each Unit is offered at a price of \$0.15 per Unit where each Unit consists of one (1) Common Share and one-half (1/2) common share purchase warrant exercisable at a price of \$0.20 per share for a period of 18 months.
- (4) Debenture Units where each unit is comprised of a \$1,000 convertible debenture bearing interest rate of 10% per annum due in April 2023, convertible at the option of the holder into 10,000 Common Shares at a price of \$0.10 per share, 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.
- (5) Units issued on November 5, 2020 under the OM Offering at a price of \$0.15 per Unit where each Unit consists of one of (1) Common Share and one-half (1/2) 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 24 months from the date of issuance.
- (6) Subscription Receipts A issued on November 5, 2020 under the OM Offering at a price of \$0.15 per Subscription Receipt A where each Subscription Receipt A is convertible into underlying Units whereby each Unit consists of one of (1) Common Share one-half (1/2) 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 24 months from the date of issuance.
- (7) Subscription Receipts B issued on November 5, 2020 under the OM Offering at a price of \$0.20 per Subscription Receipt B where each Subscription Receipt B is convertible into underlying Flow-Through Shares.
- (8) Each Broker Warrant A consists of one (1) Unit comprising one (1) common share exercisable at a price of \$0.15 per share and one-half (1/2) of one common share purchase warrant exercisable at a price of \$0.20 for a period of thirty-six (36) month.
- (9) A total of 412,500 warrants exercisable at a price of \$0.40 until June 1, 2023 were issued in connection with the consulting agreement dated June 1, 2020.

## 10.7 Trading Price and Volume

The Common Shares are currently not listed on a Canadian stock exchange or other foreign stock exchange. This Listing Statement is being submitted to the CSE to apply for the Common Shares to be listed for trading on the CSE under the symbol “VIK”.

## 11. ESCROWED OR RESTRICTED SECURITIES

As at the date of this Listing Statement, the following securities are subject to restrictions on transfers:

Designation of Class	Number of securities held in escrow or subject to a contractual restriction on transfer <sup>(1)</sup>	Percentage of class
Common Shares	7,246,176 <sup>(2)</sup>	45.96% <sup>(3)</sup>
Warrants	1,333,333 <sup>(3)</sup>	23.17% <sup>(4)</sup>
Subscription Receipts - A	3,833,333	100%
Subscription Receipts - B	1,802,500	100%
Broker Warrants <sup>(5)</sup>	604,200	100%

Notes:

- (1) As of the date of the Listing Statement but excluding any securities issuable as a result of conversion of the Subscription Receipts outstanding upon satisfaction of the Escrow Release Conditions.
- (2) Includes 5,802,000 Common Shares subject to resale restrictions and 1,444,176 Common Shares held by Principals and Related Persons that are held in escrow;
- (3) Based on 15,766,292 Common Shares issued and outstanding as of the date of this Listing Statement but excluding any Common Shares to be issued upon conversion of the outstanding Subscription Receipts;
- (4) Includes 958,333 Warrants issued on November 5, 2020 under the Offering Memorandum and 375,000 Warrants issued to Peter Nesveda on February 2, 2021;
- (5) Based on 5,754,166 common share purchase warrant issued and outstanding as of the date of this Listing Statement but excluding any warrants to be issued upon conversion of the outstanding Subscription Receipts;
- (6) Broker Warrants include 460,000 Broker Warrants-A and 144,200 Broker Warrants-B.

Unless permitted under securities legislation, all securities issued pursuant to the OM Offering are subject to a hold period ending on the date that is four months and a day after from the date the securities were issued.

No securities are otherwise subject to any contractual restrictions on transfer.

## 12. PRINCIPAL SHAREHOLDERS

The Company is authorized to issue an unlimited number of Common Shares. As at the date hereof, there are 15,766,292 Common Shares issued and outstanding. There are no other shares issued or outstanding of any other class.

To the knowledge of the directors and officers of the Company, as of the date of this Listing Statement, no person beneficially owns or exercises control or direction over, directly or indirectly, Common Shares carrying more than 10% of the votes attached to the Common Shares.

To the knowledge of the directors and officers of the Company, no voting trust exists within the Company such that more than 10% of any class of voting securities of the Company are held, or are to be held, subject to any voting trust or other similar agreement.

## 13. DIRECTORS AND EXECUTIVE OFFICERS

### 13.1 Name, Occupation and Security Holdings

The following table sets out the names of the Company's directors and officers, municipalities of residence, the number and percentage of voting securities beneficially owned, directly or indirectly, or over which each

exercises control or direction as at the date hereof, the principal occupations held over the past five years, the offices held with the Company and the committees of which they are members.

The directors of the Company are elected annually by the Shareholders and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed.

<b>Name and Province of Residence</b>	<b>Director/ Officer (since)</b>	<b>Principal Occupation for the Past 5 Years</b>	<b>Shares Beneficially Owned Directly or Indirectly<sup>(1) (2)</sup></b>
<b>Gregory Joseph Doucette</b> <i>President &amp; CEO</i> Calgary, Alberta, Canada	President and Chief Executive Officer (since 2020/07/06)	Long Run Exploration Ltd. Alberta Energy Regulator Vesta Energy Ltd.	Nil
<b>Lars Glimhagen</b> <i>CFO</i> Vernon, BC, Canada	Chief Financial Officer (since 2018/03/16)	Engold Mines Ltd. (formerly GWR Resources Inc.) (Oct. 1998 - Sept. 2012) Petro Viking Energy Inc. (Oct. 2012 – present)	474,176 <sup>(3)</sup> (3.01%)
<b>Michel Lebeuf</b> <sup>(4)</sup> <i>Director &amp; Secretary</i> Laval, QC, Canada	Director and Corporate Secretary (since 2018/03/16)	Partner at Dunton Rainville LLP (May 2016 – present)	250,000 (1.59%)
<b>Thomas Edwards Valentine</b> <i>Director</i> <sup>(4)</sup> Calgary, AB, Canada	Director (since 2019/04/08)	Associate and Senior partner at Norton Rose Fulbright LLP (1982 – present)	Nil
<b>Daniel Lucero</b> <i>Director</i> Montelibano, Cordoba, Colombia	Director (since 2019/12/20)	Quattro Exploration and Production Ltd. (Oct. 2011 – Feb. 2017) Kinetex Geosciences (Oct. 2008 – Sept. 2011) CoalCorp Mining (Aug. 2006 – Sept. 2008) Andicoal (Apr. 2005 – July 2006)	Nil
<b>Kyle Appleby</b> <i>Director</i> <sup>(4) (5)</sup> Laval, QC, Canada	Director (since 2020/11/09)	Chartered professional accountant	Nil
<b>Peter Nesveda</b> <i>Vice-President</i> Malvern, Australia	Vice-President - Investors Relations and Corporate Affairs	Director of Intuitive Pty. Ltd. (Oct. 2000 – present)	720,000 (4.57%)

	(since 2020/06/01)		
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Notes:

- (1) Information as to ownership of shares has been taken from the list of registered shareholders maintained by the Transfer Agent.
- (2) Based on 15,766,292 Common Shares issued and outstanding as of the date of this Listing Statement but excluding any Common Shares to be issued upon conversion of the outstanding Subscription Receipts;
- (3) Includes 4,700 Common Shares held by Lars Glimhagen and 469,476 Common Shares held by LNG Management Services Ltd., a privately held company controlled by Lars Glimhagen;
- (4) Member of the Audit Committee.
- (5) Chair of the Audit Committee

### 13.2 Cease Trade Orders or Bankruptcies

Save and except as set out below, as of the date of this Listing Statement, no director or officer of the Company is, or has been, within ten years before the date of this Listing Statement, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or
  - (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.
- Lars Glimhagen was a director of the Company when a failure-to-file cease-trade-order was issued by the ASC and the BCSC on May 6, 2015 and on May 8, 2015 respectively. A partial revocation order was granted on November 6, 2018 by both the ASC and the BCSC to allow the completion of a private placement and a debt conversion. The Company filed all continuous disclosure documents as required thereafter and a full revocation of the cease-trade-order was issued by the ASC and the BCSC on January 30, 2019.

### 13.3 Penalties or Sanctions

As of the date of this Listing Statement, no director or officer of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

### 13.4 Personal Bankruptcies

Save and except as set out below, to the Company's knowledge, no existing or proposed director, officer, promoter or other member of management of the Company has, during the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings,

arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

- Michel Lebeuf filed a proposal with his creditors on February 3, 2017. The 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.

### **13.5 Conflicts of Interest**

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the Company's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

### **13.6 Background – Directors and Executive Officers**

The following is a brief description of each of the directors and executive officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date of this Listing Statement, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company. All directors are elected at the Company's annual general meeting and hold office for a term of one year.

#### **Greg Doucette, President and Chief Executive Officer, 46 years old**

Mr. Greg 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. Mr. Doucette obtained a CAPPA Certificate on 2007 as well as a Degree in Education and Political Science on 1997.

Mr. Doucette is not a party to any employment, non-competition or confidentiality agreement with the Company. Mr. Doucette will devote approximately 25% of his time to the Company.

#### **Lars Glimhagen, Chief Financial Officer, 71 years old**

Mr. Lars 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. Mr. Glimhagen obtained a Provincial B.C. Instructor Program (April 2017) from the Vancouver Community College.

Mr. Glimhagen is not a party to any employment, non-competition or confidentiality agreement with the Company. Mr. Glimhagen will devote approximately 90 % of his time to the Company.

**Michel Lebeuf, Corporate Secretary and Director, 47 years old**

Mr. 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 has experience in corporate reorganizations, public and private transfers, and institutional funding. Mr. Lebeuf graduated from Université de Montréal where he obtained a diploma in political sciences in 1992 and a civil law degree in 1997.

Mr. Lebeuf is not a party to any employment, non-competition or confidentiality agreement with the Company. Mr. Lebeuf will devote approximately 20% of his time to the Company.

**Daniel Lucero, Director, 39 years old**

M. Daniel 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 on 2004.

Mr. Lucero is not a party to any employment, non-competition or confidentiality agreement with the Company. Mr. Lucero will devote approximately 25% of his time to the Company.

**Thomas Valentine, Director, 59 years old**

Mr. Thomas 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. Mr. Valentine graduated from the University of British Colombia with a Bachelor of Arts in 1983. He also completed a Bachelor of Laws from Dalhousie University in 1986 and obtained a Master of Laws from London School of Economics in 1989.

Mr. Valentine is not a party to any employment, non-competition or confidentiality agreement with the Company. Mr. Valentine will devote approximately 10% of his time to the Company.

**Kyle Appleby, Director, 46 years old**

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 on 1996 and obtained his accounting designation in 2001.

Mr. Appleby is not a party to any employment, non-competition or confidentiality agreement with the Company. Mr. Appleby will devote approximately 25% of his time to the Company.

**Peter Nesveda, Vice-President Investors Relations and Corporate Affairs, 71 years old**

Mr. Peter Nesveda possesses over 30 years plus of international investor relations and corporate affairs experience having worked with several public and private companies in Australia, United Kingdom, Hong Kong, South Africa, Singapore, Canada, New Zealand and the USA. Mr. Nesveda brings together a

significant number of global contacts in the public and private sectors and has assisted in forming companies by way of strategic and cornerstone introductions. He brings all of his skill set to work in support of emerging companies: investor relations, corporate affairs, introducing funders and financiers, helping build management teams and boards of directors.

Mr. Nesveda is not a party to any employment, non-competition or confidentiality agreement with the Company. Mr. Nesveda will devote approximately 10% of his time to the Company.

### **13.7 Audit Committee**

The Company will have one committee, the Audit Committee, comprised of three members of the Board namely Michel Lebeuf, Thomas Valentine and Kyle Appleby. All three directors are considered to be independent members of the Audit Committee within the meaning of NI 52-110.

All members are “financially literate” within the meaning of NI 52-110. The Company is a “venture issuer” as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

The Audit Committee assists the Board in fulfilling its responsibilities for oversight of financial and accounting matters. The Audit Committee reviews the financial reports and other financial information provided by the Company to regulatory authorities and its shareholder and reviews the Company’s system of internal controls regarding finance and accounting including auditing, accounting and financial reporting processes.

The Company’s Board has adopted an Audit Committee Charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110, a copy of which is attached hereto as Schedule “D”. The principal duties and responsibilities of the Audit Committee will be to assist the Board in discharging the oversight of:

- i) the integrity of the Company’s consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;
- ii) the Company’s compliance with legal and regulatory requirements;
- iii) the Company’s external auditors’ qualifications and independence;
- iv) the work and performance of the Company’s financial management and its external auditors; and
- v) the Company’s system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Issuer’s Board.

It is anticipated that the Audit Committee will have access to all books, records, facilities, and personnel and may request any information about the Company as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

## **14. CAPITALIZATION**

The following section is based on the Company’s Common Shares, which are the only securities listed as of the date of this Listing Statement.



## 14.1 Issued Capital

The following table is with respect to the issued and outstanding Common Shares of the Company.

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	15,766,292	36,207,156	100%	100%
Held by Related Persons or employees of the Company or Related Person of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Company upon exercise or conversion of other securities held) (B)	1,444,176	1,819,176	9.16%	5.02%
Total Public Float (A-B)	14,322,116	34,387,980	90.84%	94.98%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	7,246,176	16,132,006	45.96%	44.55%
Total Tradeable Float (A-C)	8,520,116	20,075,150	54.04%	55.45%

### Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security: Common Shares

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	29	846
100 – 499 securities	10	1,697
500 – 999 securities	2	1,348
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	2	6,508
4,000 – 4,999 securities	0	0
5,000 or more securities	8	2,768,902
<b>Total:</b>	<b>51</b>	<b>2,779,301</b>

Public Securityholders (Beneficial)

**Instruction:** Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security: Common Shares

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	17	615
100 – 499 securities	53	11,250
500 – 999 securities	50	31,802
1,000 – 1,999 securities	37	47,297
2,000 – 2,999 securities	21	48,653
3,000 – 3,999 securities	12	40,551
4,000 – 4,999 securities	7	30,875
5,000 or more securities	34	1,916,115
Unable to confirm	Cannot accurately confirm the shareholdings of objecting beneficial shareholders	Cannot accurately confirm the shareholdings of objecting beneficial shareholders

**Total:**                                          231                                                              2,127,158                    

Non-Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security: Common Shares

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	4	1,444,176

**14.2 Convertible or Exchangeable Securities**

The following chart provides details regarding all outstanding securities convertible or exchangeable into any class of listed securities as of the date of this Listing Statement.

Description of Security (conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
166,667 one-half (1/2) common share purchase warrants in connection with the issuance of Units, each whole warrant entitling its holder to purchase one (1) Common Share at a price of \$0.20 per share until July 23, 2021 <sup>(1)</sup>	166,667	83,333
300,000 common share purchase warrants in connection with the issuance of Units, each warrant entitling its holder to purchase one (1) Common Share at a price of \$0.10 per share until February 1, 2024 <sup>(2)</sup>	300,000	300,000

400 common share purchase warrants issued on July 7, 2020, each whole warrant entitling its holder to purchase 10,000 common shares at a price of \$0.125 per share until July 7, 2023;	400	4,000,000
958,333 common share purchase warrants in connection with the issuance of Units, each whole warrant entitling its holder to purchase one (1) Common Share at a price of \$0.20 per share until November 5, 2022;	958,333	958,333
Subscription Receipts – A, where each Subscription Receipt – A is convertible into one (1) Unit comprising of one (1) Common Share and one-half common share purchase warrant. each whole warrant entitling its holder to purchase one (1) Common Share at a price of \$0.20 per share until November 5, 2022;	3,833,333	5,749,998
Subscription Receipts – B, where each Subscription Receipt – B is convertible into one (1) FT Share;	1,802,500	1,802,500
Broker Warrants A <sup>(3)</sup>	460,000	690,000
Broker Warrants B <sup>(4)</sup>	144,200	144,200
Convertible Debentures <sup>(5) (6) (7)</sup>	\$930,000	6,300,000
Warrants <sup>(8)</sup>	412,500	412,500

Notes :

- (1) A total of 83,333 warrants exercisable at a price of \$0.20 until July 23, 2021 were issued in connection with the issuance of 166,667 units for gross proceeds of \$25,000 on February 1, 2019.
- (2) A total of 300,000 warrants exercisable at a price of \$0.10 until February 1, 2024 were issued in connection with the issuance of a convertible debenture units in the principal amount of \$30,000 on February 1, 2019.
- (3) Broker Warrants A for the purchase of that number of Units equal to 8% of the number of Units subscribed for under the OM Offering. 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;
- (4) 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 OM Offering. Each Broker Warrant B consists of one common share exercisable at a price of \$0.15 for a period of thirty-six (36) months;
- (5) A total of 4,000,000 Shares is reserved for issuance upon exercise of the 400 warrants issued on July 7, 2020, each full warrant entitling its holder to purchase 10,000 common shares at a price of \$0.125 per share until July 7, 2023.
- (6) A \$500,000 convertible debenture convertible into 2,000,000 Common Shares at an exercise price of \$0.25 per share;
- (7) A \$30,000 convertible debenture convertible into 300,000 Common Shares at an exercise price of \$0.10 per share;

- (8) Each full warrant entitles the holder thereof to purchase one additional Common Share at a price of \$0.40 per share prior to June 1, 2023;

## **15. EXECUTIVE COMPENSATION**

### **15.1 Compensation Discussion and Analysis**

The Company's completed Form 51-102 F6 Statement of Executive Compensation for the period ending on December 31, 2019 is attached hereto as Schedule "C". It is not the Company's plan to make any material changes to the compensation of its executives.

## **16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of the date of this Listing Statement, no director or executive officer or employee of the Company, or an associate of any such director or officer is or at any time during the most recently completed financial year has been indebted to the Company and no indebtedness of any such individual to another entity is or at any time during the most recently completed financial year has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

## **17. RISK FACTORS**

The following are certain factors relating to the business of the Company, which factors investors should carefully consider when making an investment decision concerning the Shares. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company.

If any one or more of the following risks occur, the Company's business, financial condition and results of operations could be seriously harmed. Further, if the Company fails to meet the expectations of the public market in any given period, the market price of the Shares could decline. An investment in the Shares should only be made by persons who can afford a significant or total loss of their investment.

The risks discussed below also include forward-looking statements and actual results may differ substantially from those discussed in these forward-looking statements. See "*Note Regarding Forward Looking Statements*" in this Listing Statement.

### **17.1 Risk related to the operations of the Company**

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, acquire, develop, and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves the Company may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. Any future increase in the Company's reserves will depend not only on the Company's ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that further commercial quantities of oil and natural gas will be discovered or acquired by the Company. The Company's principal risks include finding and developing economic hydrocarbon reserves efficiently and being able to fund the capital program.

### **17.2 Limited Operating History**

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.

There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. To date, the Company has not paid any dividends on their outstanding shares. Any decision to pay dividends on the shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions. The Company has no intention of paying any dividends in the foreseeable future.

### **17.3 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.

### **17.4 Reserve Estimates and Reserve Replacement**

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and natural gas liquids reserves and cash flows to be derived therefrom, including many factors beyond the Company's control. Reserve and associated cash flow information once compiled will represent estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary from actual results. For those reasons, any estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom prepared by different engineers, or by the same engineers at different times, may vary. The Company's actual production, if any, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

The Company's future oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on the Company successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves the Company may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the Company's reserves will depend not only on the Company's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Company's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

## **17.5 Insurance**

The Resulting Issuer's involvement in the exploration for and development of oil and gas properties may result in the Resulting Issuer becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although the Resulting Issuer will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Resulting Issuer may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Resulting Issuer. The occurrence of a significant event that the Resulting Issuer is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Resulting Issuer's financial position, results of operations or prospects.

## **17.6 Title to Assets**

Although the Company has reviewed and is satisfied with title for any properties in which it has a material interest, the Company has not obtained title reports on any of its properties and there is no guarantee that title to such properties will not be challenged or impugned. While title reviews will generally be conducted prior to the purchase of most oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the Company's claim which could result in a reduction of the revenue received by the Company.

## **17.7 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.

## **17.8 Permits and Licenses**

The operations of the Resulting Issuer may require licenses and permits from various governmental authorities. There can be no assurance that the Resulting Issuer will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects.

## **17.9 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.

## **17.10 Dilution**

Common shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Common Shares, may be created, issued, sold and delivered on

such terms and conditions and at such times as the Board may determine. In addition, the Company may issue additional Shares from time to time pursuant to Share purchase warrants and the options to purchase Shares issued from time to time by the Board. The issuance of these Shares could result in dilution to holders of Shares.

### **17.11 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.

### **17.12 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.



### **17.13 Lack of Operating Cash Flow**

The Company currently has no source of operating cash flow and is expected to continue to do so for the foreseeable future. The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue our business. Further exploration and development of the Ferrybank Property will require the commitment of substantial financial resources. It may be several years before the Company will generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

### **17.14 Volatility of Oil and Gas Prices**

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of the Company. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could result in a reduction of net production revenue. Certain wells or other projects may become uneconomic as a result of a decline in world oil prices and natural gas prices, leading to a reduction in the volume of the Company's oil and gas reserves. The Company might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the Company's future net production revenue, causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to the Company are in part determined by the borrowing base of the Company. A sustained material decline in prices from historical average prices could limit or reduce the Company's borrowing base, therefore reducing the bank credit available to the Company, and could require that a portion of any existing bank debt of the Company be repaid.

In addition to establishing markets for its oil and natural gas, the Company must also successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas which may be acquired or discovered by the Company will be affected by numerous factors beyond its control. The Company will be affected by the differential between the price paid by refiners for light quality oil and the grades of oil produced by the Company. The ability of the Company to market its natural gas may depend upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. The Company will also likely be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business. The Company has limited direct experience in the marketing of oil and natural gas.

### **17.15 Availability of Equipment and Access Restriction**

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Resulting Issuer and may delay exploration and development activities.

### **17.16 Acquiring Additional Properties and Associated Risks**

If appropriate opportunities present themselves, the Company may acquire other Oil and Gas Properties and/or companies. The Company currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired company or Oil and Gas Properties into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and

other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

#### **17.17 Executive Employee Recruitment and Retention**

The success of the Company will be dependent upon the performance of its management and key employees. The loss of any key executive or manager of the Company may have an adverse effect on the future of the Company's business. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, geologic and mining personnel as well as additional operations staff. There is no assurance that it will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

#### **17.18 Adverse 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.

#### **17.19 Claims and Legal Proceedings**

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give rise to legal uncertainties or have unfavourable results. The Company may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from the Company's operations. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

#### **17.20 Conflicts of Interest**

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including oil and gas companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The BCAA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCAA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCAA. To the proposed management of the Company's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Company and a proposed director or officer of the Company except as otherwise disclosed herein.

### **17.21 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.

### **17.22 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.

### **17.23 Additional Securityholder Risk**

There is no risk that Shareholders of the Company may become liable to make an additional contribution beyond the price they paid to purchase or acquire the Common Shares.

## **18. PROMOTERS**

Save and except for the persons listed below, there are no persons performing Investor Relations Activities for the Company and there have been no persons performing such services within the last two years.

- Peter Nesveda: Mr. Nesveda was appointed as vice-president of Investors Relations and Corporate Affairs on June 1, 2020. Mr. Nesveda is a director of Intuitive Pty. Ltd. with whom the Company signed a consulting agreement dated June 1, 2020. Mr. Nesveda is the holder of 700,000 Common Shares in the Company.

## **19. LEGAL PROCEEDINGS**

### **19.1 Legal Proceedings**

As of the date hereof, neither the Company nor any of its property was previously a party to, or the subject of, any legal proceeding nor is the Company currently party to any material legal proceeding or contemplating any legal proceedings which are material to its business. From time to time, however, the Company may be subject to various claims and legal actions arising in the ordinary course of business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

### **19.2 Regulatory Actions**

From inception to the date of this Listing Statement, save and except for the cease trade orders discussed under section 13.2 herein and those set out below, there have been no:

- (i) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;
- (ii) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and
- (iii) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

The Company received a failure-to-file cease-trade-order issued by the ASC and the BCSC on May 6, 2015 and on May 8, 2015 respectively. A partial revocation order was granted on November 6, 2018 by both the ASC and the BCSC to allow for the completion of a private placement and a debt conversion. The Company filed all continuous disclosure documents as required thereafter and a full revocation of the cease-trade-order was issued by the ASC and the BCSC on January 30, 2019.

## **20. INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as set forth in this Listing Statement, the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, any person or company who owns of record, or is known by the Company to own beneficially, directly or indirectly, more than 10% of the Shares of the Company or any associate or affiliate of the foregoing persons or companies in any transaction or in any proposed transaction within the 3 years before the date of the Prospectus that has materially affected or is reasonably expected to materially affect the Company.

## **21. AUDITORS, TRANSFER AGENT AND REGISTRAR**

### **21.1 Auditors**

The auditors of the Company are MNP LLP, Chartered Professional Accountants Company, located at 1155, Floor 23, René-Lévesque West, Montreal, Quebec, H3B 2K2.

As of the date of this Listing Statement, it is proposed that the Company's auditors will continue to be MNP LLP, Chartered Professional Accountants Company.

### **21.2 Transfer Agent and Registrar**

The Company's registrar and transfer agent of the Shares is Computershare Trust Company of Canada at its office located at 324, 8<sup>th</sup> Avenue, Suite 800, Calgary, Alberta, T2P 2Z2.

## **22. MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business and those mentioned above, the following are the only material contracts entered into by the Company within the two years before the date of this Listing Statement and which are currently in effect and considered to be material:

1. The Asset Purchase Agreement dated September 30, 2019 entered into between the Company and Avila for the acquisition of a non-operating interest of fifty percent (50%) into a producing oil & gas property in the province of Alberta.
2. Consulting Agreement entered between the Company and LNG Management Services Ltd. dated September 1, 2019;
3. Consulting Agreement entered between Company and Intuitive Pty Ltd. Dated June 1, 2020;
4. Subscription Receipt Agreement dated November 2, 2020 entered into between the Company, Leede Jones Gable Inc and Dunton Rainville LLP; and
5. Agency Agreement dated November 5, 2020 entered into between the Company and Leede Jones Gable Inc.;

## **23. EXPERTS**

### **23.1 Names of Experts**

The following are persons or companies whose profession or business gives authority to a statement made in this Listing Statement as having prepared or certified a part of that document, report, or valuation described in this Listing Statement:

- MNP LLP, Chartered Professional Accountants Company, are the auditors of the Company, who prepared the audit report on the Company's consolidated Financial Statements as of December 31, 2017, December 31, 2018 and December 31, 2019 included in and forming part of this Listing Statement; and
- Pristine Energy Ltd., represented by Brent J. McGillivray, P. Eng., its president, who prepared the NI 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, the majority of which is reproduced in and forms part of this Listing Statement and is available in its full form on the Company's profile on SEDAR.

Brent J. McGillivray, P. Eng does not have any direct or indirect interest in the Company or the Ferrybank Property, and there are no circumstances that, when reasonably interpreted, could be thought to have interfered with the judgment of Brent J. McGillivray regarding the preparation of the Statement on Reserve.

### **23.2 Interests of Experts**

No person whose profession or business gives authority to a statement made by such person and who is named in this Listing Statement has received or will receive a direct or indirect interest in the Company's property or any associate or affiliate of the Company.

MNP LLP, Chartered Professional Accountants Company has confirmed that it is independent of the Company in accordance with the *Code of Professional Conduct of the Chartered Professional Accountants*.

Dunton Rainville LLP are legal counsels to the Company and participated in the preparation of this Listing Statement.

Save and except for the persons mentioned below, as at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or as a promoter of the Company or an associate or affiliate of the Company.

- Michel Lebeuf, a director and corporate secretary of the Company, is also a partner at Dunton Rainville LLP, is the beneficial (or registered) owner, directly or indirectly, of 250,000 Shares as of the date of this Listing Statement.

## **24. OTHER MATERIAL FACTS**

To management's knowledge, there are no other material facts relating to the Company that are not otherwise disclosed in this Listing Statement or are necessary for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company.

## **25. FINANCIAL STATEMENT**

The following financial statements and MD&A are included herein:

<b>SCHEDULE A</b> <i>Financial Statements of PVE</i>	PVE audited consolidated financial statements for the years ended December 31, 2019 and December 31, 2018, December 31, 2017 and unaudited condensed interim consolidated financial statements for the three and nine months period ended November 30, 2020
<b>SCHEDULE B</b> <i>Management's Discussion and Analysis of PVE</i>	PVE MD&A for the year December 31, 2019 and December 31, 2018, December 31, 2017 and for the three months period ended March 31, 2020, for the six months period ended June 30, 2020 and for the nine months period ended November 30 2020

## **26. OTHER SCHEDULES**

The following documents are included herein:

<b>SCHEDULE C</b> <i>Statement of Executive Compensation</i>	PVE Statement of Executive Compensation (Form 51-102F6V) for the year ended December 31, 2019.
<b>SCHEDULE D</b>	PVE Audit Committee Charter
<b>SCHEDULE E</b> <i>NI 51-101F1</i>	Statement of Reserves Data and Other Oil and Gas Information
<b>SCHEDULE F</b> <i>NI 51-101F2</i>	Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor
<b>SCHEDULE G</b> <i>NI 51-101F3</i>	Report of Management and Directors on Reserves Data and Other information

**SCHEDULE "A" – PVE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE YEARS ENDED DECEMBER 31, 2019, DECEMBER 31, 2018, DECEMBER 31, 2017  
AND UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTH PERIOD ENDED NOVEMBER 30, 2020**

**Petro Viking Energy Inc.**  
**Financial Statements**  
**December 31, 2017 and 2016**

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## Independent Auditors' Report

To the Shareholders of Petro Viking Energy Inc.:

We have audited the accompanying financial statements of Petro Viking Energy Inc., which comprise the statements of financial position as at December 31, 2017 and December 31, 2016, and the statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Petro Viking Energy Inc. as at December 31, 2017 and December 31, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### *Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 1 of these financial statements, which states that Petro Viking Energy Inc. incurred significant losses from operations over the years and has an accumulated deficit of \$7,130,147. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to reflect the possible future effects on the amounts and classification of liabilities that may result from the outcome of this uncertainty

Montréal, Québec

June 29, 2018



<sup>1</sup> CPA auditor, CA, public accountancy permit No. A126822

**Petro Viking Energy Inc.**  
**Statements of Financial Position**

*As at December 31*  
*(in Canadian dollars)*

	2017	2016
	\$	\$
<b>Assets</b>		
<b>Total assets</b>	-	-
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities <i>(Note 4)</i>	41,158	426,662
Debenture <i>(Note 5)</i>	-	520,000
	41,158	946,662
Non-Current liabilities		
Debenture <i>(Note 5)</i>	945,709	-
<b>Total liabilities</b>	986,867	946,662
<b>Shareholders' deficiency</b>		
Share capital <i>(Note 6)</i>	4,525,520	4,525,520
Contributed surplus	1,617,760	1,617,760
Deficit	(7,130,147)	(7,089,942)
<b>Total shareholders' deficiency</b>	(986,867)	(946,662)
<b>Total liabilities and shareholders' deficiency</b>	-	-

Going concern *(Note 1)*

Basis of presentation *(Note 2)*

Approved on behalf of the directors:

*Signed "Irvin Eisler"*

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Irvin Eisler, President

*Signed "Lars Glimhagen"*

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Lars Glimhagen, CFO

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

**Petro Viking Energy Inc.**  
**Statements of Financial Position**

*As at December 31*  
*(in Canadian dollars)*

	2017	2016
	\$	\$
<b>Assets</b>		
<b>Total assets</b>	-	-
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities <i>(Note 4)</i>	41,158	426,662
Debenture <i>(Note 5)</i>	-	520,000
	41,158	946,662
Non-Current liabilities		
Debenture <i>(Note 5)</i>	945,709	-
<b>Total liabilities</b>	986,867	946,662
<b>Shareholders' deficiency</b>		
Share capital <i>(Note 6)</i>	4,525,520	4,525,520
Contributed surplus	1,617,760	1,617,760
Deficit	(7,130,147)	(7,089,942)
<b>Total shareholders' deficiency</b>	(986,867)	(946,662)
<b>Total liabilities and shareholders' deficiency</b>	-	-

Going concern *(Note 1)*

Basis of presentation *(Note 2)*

Approved on behalf of the directors:

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Irvin Eisler, President

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Lars Glimhagen, CFO

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

**Petro Viking Energy Inc.**  
**Statements of Loss and Comprehensive Loss**

*Year ended December 31*

*(in Canadian dollars)*

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>Revenue</b>	<u>-</u>	<u>-</u>
	-	-
<b>Expenses and other income</b>		
Management fees	18,000	28,000
Debenture interest	78,230	70,122
Reversal of payables (Note 4)	(56,025)	-
	<u>40,205</u>	<u>98,122</u>
<b>Net loss and comprehensive loss for the year</b>	<u>(40,205)</u>	<u>(98,122)</u>
Net loss per share, basic and diluted (Note 7)	<u>(0.00)</u>	<u>(0.00)</u>
Weighted average number of shares, basic and diluted	<u>30,259,707</u>	<u>30,259,707</u>

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

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

	2017	2016
	\$	\$
<b>Operating activities</b>		
Net loss and comprehensive loss for the year	(40,205)	(98,122)
Reversal of payables (Note 4)	(56,025)	-
Changes in accounts payable and accrued liabilities	96,230	98,122
<b>Net operating cash flows</b>	-	-
Change in Cash	-	-
Cash, beginning of the year	-	-
<b>Cash, end of the year</b>	-	-

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

**Petro Viking Energy Inc.**  
**Statements of Changes in Shareholders' Deficiency**

*As at December 31*  
*(in Canadian dollars)*

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>Share Capital</b>		
Balance, beginning of year	<u>4,525,520</u>	<u>4,525,520</u>
Balance, end of year	<u>4,525,520</u>	<u>4,525,520</u>
<b>Contributed surplus</b>		
Balance, beginning of year	<u>1,617,760</u>	<u>1,617,760</u>
Balance, end of year	<u>1,617,760</u>	<u>1,617,760</u>
<b>Deficit</b>		
Balance, beginning of year	<u>(7,089,942)</u>	<u>(6,991,820)</u>
Net loss and comprehensive loss for the year	<u>(40,205)</u>	<u>(98,122)</u>
Balance, end of year	<u>(7,130,147)</u>	<u>(7,089,942)</u>
<b>Shareholders' Deficiency</b>	<u>(986,867)</u>	<u>(946,662)</u>

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

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*Year ended December 31, 2017 and 2016*  
*(in Canadian dollars)*

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**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 434 Sierra Madre Ct., Calgary, Alberta T3H 3M4.

The Company currently is not engaged in any activities and is in the process of getting its filing documents up to date to have its shares relisted and be able to enter into a qualifying transaction to have future operations. On December 15, 2017, the Company restructured all its current liabilities to directors, as explained in Notes 4 and 5, into long-term liabilities and is planning to convert these into shares at the market price of the shares on the date of the qualifying transaction. Furthermore, the Company intends to settle any remaining unrelated payables into shares once the listing transaction is completed and, to the extent such conversion is not possible, they will be settled in cash.

The financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. As at December 31, 2017, the Company reported a cumulative deficit of \$7,130,147 and a negative working capital of \$41,158. The Company’s ability to continue as a going concern is dependent upon its ability to close a qualifying transaction and raise additional financing which will allow for settlement of debt as detailed above and to have future operations. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future or settle its liabilities as intended above.

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 with IFRS as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”) in effect at the closing date of December 31, 2017.

The financial statements were authorized by the Board of Directors for issue on June 29, 2018.

*Basis of measurement*

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

*Functional and presentation currency*

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

**3. Summary of significant accounting policies**

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

**a) Share capital**

Share capital represents the amount received on the issue of shares, less issuance costs. Proceeds from unit placements are allocated between shares and warrants issued by: estimating the value of the warrants using the Black-Scholes options model; the fair value is allocated to warrants from the net proceeds and the balance is allocated to 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.

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

The Company operates equity-settled share-based remuneration plans (share options 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 the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options have already vested. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the share options recorded in contributed surplus are then transferred to share capital.

**c) 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.



**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**

*Year ended December 31, 2017 and 2016*

*(in Canadian dollars)*

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

Deferred taxes are measured based on enacted or substantively enacted tax rates for the year in which the temporary differences are expected to be realized or settled and are presented as non-current.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current tax assets and liabilities on a net basis.

**d) 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.

**e) Financial instruments**

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

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

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

Financial assets

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

The Company had no financial assets at December 31, 2017 and December 31, 2016

Financial liabilities

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

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

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

**f) 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 rate method over the life of the debt. Discounts, where proceeds received are less than the par value of the debt, are recorded as a reduction to long-term debt and are amortized using the effective interest method and included in borrowing costs.

**g) 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 position date which are based on information available to management at each financial 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.

**Judgements**

**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 9). The Company has not recognized any deferred asset for the years ended December 31, 2017 and 2016.

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
Year ended December 31, 2017 and 2016  
*(in Canadian dollars)*

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

**h) Accounting standards issued but not yet applied**

IFRS 2 Share based payment

On June 20, 2016, the IASB published final amendments to IFRS 2 that clarify the classification and measurement of share-based payment transactions. These amendments deal with variations in the final settlement arrangements including; (a) accounting for cash-settled share-based payment transactions that include a performance condition, (b) classification of share-based payment transactions with net settlement features, as well as (c) accounting for modifications of share-based payment transactions from cash-settled to equity. These changes are effective for annual periods beginning on or after January 1, 2018. These changes will not have any material impact on the Company as it does not encounter these circumstances regularly.

IFRS 9, Financial Instruments

Issued in final form in July 2014 by the IASB and will replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however early adoption is permitted. These changes will not have any material impact on the Company due to the nature of its financial instruments.

**4. Accounts payable and accrued liabilities**

	<b>2017</b>	2016
	\$	\$
Accounts payable - trade	41,158	126,988
Interest payable on debentures	-	218,674
Accrued management fees	-	81,000
	<b>522,892</b>	<b>426,662</b>

On December 15, 2017, the Company reversed \$56,025 of its trade payables that were recorded on the Company’s books for more than three years and were not claimed or subject to legal proceedings in order to be repaid. These trade payables were deemed to be legally prescribed.

Furthermore, on December 15, 2017, the Company restructured its payables and debentures (Note 5) to directors resulting in \$29,805 of its trade payables, \$296,904 of interest payable and \$99,000 of accrued management fees to become long term debentures. This was treated as a none cash transaction for the purpose of the statement of cash flows.

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**

*Year ended December 31, 2017 and 2016*

*(in Canadian dollars)*

**5. Debentures**

	<b>2017</b>	<b>2016</b>
	\$	\$
Debtentures due on demand and bearing interest at 10% per annum compounded monthly. On December 15, 2017, these debtentures were restructured.	-	520,000
Debtenture due July 31, 2019 bearing interest at 10% per annum compounded monthly. Secured by future assets of the Company.	895,080	-
Unsecured promissory notes due July 31, 2019 bearing interest at 10% per annum compounded monthly	50,629	-
	<b>945,709</b>	<b>520,000</b>

**6. Equity**

**Share capital**

**a. Authorized**

Unlimited number of common shares, without nominal or par value

**b. Issued and outstanding common shares**

*(for the year ended December 31)*

	<b>2017</b>		<b>2016</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
		\$		\$
Balance, beginning of year	30,259,707	4,525,520	30,259,707	4,525,520
Balance, end of year	30,259,707	4,525,520	30,259,707	4,525,520

**Share-based payments**

The Company has a stock option plan under which the Board of Directors may grant options to directors, officers, other employees and key consultants. The Company may also grant options to agents. Under the plan, the number of shares reserved for issuance pursuant to the exercise of all options under the plan may not exceed 10% of the issued and outstanding common shares at any time. The options expire not more than five years from the date of grant (except for 949,000 options issued during 2010, which expire after ten 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.

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**

*Year ended December 31, 2017 and 2016*

*(in Canadian dollars)*

**6. Equity (continued)**

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

	2017		2016	
	Options	Weighted – average exercise price	Options	Weighted – average exercise price
		\$		\$
Opening	608,167	0.13	758,167	0.16
Expired	(450,000)	(0.10)	(150,000)	0.30
Closing	158,167	0.20	608,167	0.13

The options outstanding at December 31, 2017 expire on June 3, 2020.

**7. Net loss per share**

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

	2017	2016
Net loss and comprehensive loss	\$ (40,205)	\$ (98,122)
Weighted average number of shares (basic and diluted)	30,259,707	30,259,707
Loss per share:	\$	\$
Basic	(0.00)	(0.00)
Diluted	(0.00)	(0.00)

The calculation of diluted loss per share excluded the outstanding stock options as there were antidilutive.

**8. Related party disclosures**

	2017	2016
<b>Key management personnel compensation:</b>		
Management fees	18,000	28,000
<i>(Key management personnel are comprised of the Company's directors and officers.)</i>		
<b>Other related party transactions:</b>		
Interest expense on the Company's debentures, held by a director of the Company, and companies controlled by a director of the Company.	78,230	70,122

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
Year ended December 31, 2017 and 2016  
*(in Canadian dollars)*

**8. Related party disclosures (continued)**

**Amount owing to related parties**

	2017	2016
	\$	\$
Accounts payable and accrued liabilities including management fees, and debenture interest.	-	329,479
Debenture – Principal outstanding (Note 5)	945,709	520,000

**9. 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:

	2017	2016
Net loss	\$ (40,205)	\$ (98,122)
Statutory tax rate	27%	27%
Expected income tax recovery	(10,855)	(26,493)
Changes in tax benefits not recognized	10,855	(26,493)
Deferred tax recovery	-	-

Temporary differences that give rise to the net deferred tax asset, which is not recognized on the Company's statement of financial position, as of December 31, 2017 and 2016 are due to capital losses carried forward of \$4,929,801 and non-capital losses of \$2,005,635 available for carry forward against future taxable income that expire as follows:

	\$
2030	185,847
2031	332,320
2032	290,873
2033	582,470
2034	306,960
2035	112,813
2036	98,122
2037	96,230
<b>Total</b>	<b>2,005,635</b>

**10. 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 accounts payable and accrued liabilities and debentures. The carrying values of accounts payable and accrued liabilities approximate their fair values due to their relatively short periods to maturity. The carrying value of debentures approximate their fair values as the interest rates are based on market rates.

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

**a. Fair values**

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

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

The fair value of accounts payable and accrued liabilities and debentures approximate their amortized cost.

There were no transfers between levels during the year.

**b. Liquidity risk**

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. Accounts payable and accrued liabilities have an expected maturity of less than one year resulting in their current classification on the statement of financial position. The Company currently has no assets and is unable to discharge its liabilities until financing is obtained (Note 1).

**c. Market risk**

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

Interest rate risk:

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

**11. Capital Management**

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

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

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

At December 31, 2017, the Company's capital structure was not subject to external restrictions.

The Company anticipates it will continue operations in the foreseeable future and it will have adequate liquidity to fund its financial liabilities through its future cash flows.



**Petro Viking Energy Inc.**  
**Financial Statements**  
**December 31, 2018 and 2017**

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## Independent Auditor's Report

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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, 2018 and December 31, 2017, 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, 2018 and December 31, 2017, 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 \$269,590 during the year ended December 31, 2018 and, as of that date, the Company had an accumulated deficit of \$7,399,737 and its current liabilities exceeded its total assets by \$1,256,457. 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 ("MD&A").

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 the MD&A 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.

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

April 25, 2019

MNP<sup>1</sup> SENCRL, s.r.l.

<sup>1</sup> CPA auditor, CA, public accountancy permit no. A126822

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

	2018	2017
	\$	\$
<b>Assets</b>		
Current assets		
Cash	5,291	-
Sales taxes receivable	8,112	-
<b>Total assets</b>	<b>13,403</b>	<b>-</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities <i>(Note 4)</i>	294,151	41,158
Subscriptions to convertible debentures <i>(Note 6)</i>	30,000	-
Current portion of debenture and promissory notes payable <i>(Note 5)</i>	945,709	-
<b>Total current liabilities</b>	<b>1,269,860</b>	<b>41,158</b>
Non-current liabilities		
Debenture and promissory notes payable <i>(Note 5)</i>	-	945,709
<b>Total liabilities</b>	<b>1,269,860</b>	<b>986,867</b>
<b>Shareholders' equity</b>		
Share capital <i>(Note 7)</i>	4,525,520	4,525,520
Contributed surplus	1,617,760	1,617,760
Deficit	(7,399,737)	(7,130,147)
<b>Total shareholders' deficiency</b>	<b>(1,256,457)</b>	<b>(986,867)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>13,403</b>	<b>-</b>

Going concern *(Note 1)*

Basis of preparation *(Note 2)*

Subsequent events *(Note 14)*

Approved on behalf of the directors:

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Robert Rosner, President and CEO

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Lars Glimhagen, CFO

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

	2018	2017
	\$	\$
Revenue	-	-
<b>Expenses and other income</b>		
Management fees	103,000	18,000
Professional fees	61,555	-
Interest expense	99,573	78,230
Listing fees	5,169	-
General and administration	293	-
Reversal of payables (Note 4)	-	(56,025)
	<b>269,590</b>	<b>40,205</b>
<b>Net loss and comprehensive loss for the year</b>	<b>(269,590)</b>	<b>(40,205)</b>
Net loss per share, basic and diluted (Note 8)	<b>(0.09)</b>	<b>(0.01)</b>
Weighted average number of shares, basic and diluted	<b>3,025,971</b>	<b>3,025,971</b>

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

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

	2018	2017
	\$	\$
<b>Operating activities</b>		
Net loss and comprehensive loss for the year	(269,590)	(40,205)
Reversal of payables <i>(Note 4)</i>	-	(56,025)
Changes in non-cash working capital <i>(Note 9)</i>	274,881	96,230
<b>Cash flow from operating activities</b>	<b>5,291</b>	-
Change in Cash	5,291	-
Cash, beginning of the year	-	-
<b>Cash, end of the year</b>	<b>5,291</b>	-

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

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

	2018	2017
	\$	\$
<b>Share Capital</b>		
Balance, beginning of year	4,525,520	4,525,520
Balance, end of year	<u>4,525,520</u>	<u>4,525,520</u>
<b>Contributed surplus</b>		
Balance, beginning of year	1,617,760	1,617,760
Balance, end of year	<u>1,617,760</u>	<u>1,617,760</u>
<b>Deficit</b>		
Balance, beginning of year	(7,130,147)	(7,089,942)
Net loss and comprehensive loss for the year	(269,590)	(40,205)
Balance, end of year	<u>(7,399,737)</u>	<u>(7,130,147)</u>
<b>Shareholders' deficiency</b>	<u>(1,256,457)</u>	<u>(986,867)</u>

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

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*Year ended December 31, 2018 and 2017*  
*(in Canadian Dollars)*

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**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 May 18, 2015, the Executive Director of the British Columbia Securities Commission (“BCSC”) issued an order (the “Cease Trade Order” or “CTO”) under section 164(1) of the *Securities Act*, R.S.B.C. 1996, c. 418 (the “Act”) that all trading in securities of the Company cease until it files the required records referred to in the Order. The Company made an application to the Executive Director under section 171 of the Act for partial revocation of the Cease Trade Order to the Company, the Issuer. On January 30, 2019, the Executive Director ordered that the cease trade order be revoked under section 171 of the Act.

The Company is not currently engaged in any activities and is currently reviewing a number of business opportunities and projects that are NI51-101 compliant that will allow the Company to be re-listed. Subsequent to year end, the Company entered into a letter of intent to acquire assets of a privately held company in the energy sector (Note 14).

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, 2018, the Company reported a loss of \$269,590, a cumulative deficit of \$7,399,737 and a negative working capital of \$1,256,457. The Company’s ability to continue as a going concern is dependent upon its ability to close the qualifying transaction and raise additional financing which will allow for acquiring assets that will provide the Company with a revenue stream. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

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

**2. Basis of presentation**

*Statement of compliance*

These financial statements have been prepared in accordance to IFRS as issued by the International Accounting Standards Board (“IASB”) and in the interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”) in effect at the closing date of December 31, 2018.

The financial statements were authorized by the Board of Directors for issue on April 25, 2019.

*Basis of measurement*

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

*Financial and presentation currency*

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



**3. Summary of significant accounting policies**

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

**a) Cash and cash equivalents**

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

**b) Convertible debentures**

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

**c) Share Capital**

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

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

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

**e) 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.

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

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**

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

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

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

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

*Measurement – initial recognition*

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

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

*Classification of financial assets*

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

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

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.

**Judgments**

Going concern

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

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, 2018 and 2017.

**4. Accounts payable and accrued liabilities**

**Significant components of Accounts Payable and Accrued Liabilities**

	<b>2018</b>	2017
	\$	\$
Accounts payable - trade	<b>97,912</b>	41,158
Interest Payable	<b>99,489</b>	-
Accrued management fees	<b>96,750</b>	-
	<b>294,151</b>	41,158

On December 15, 2017, the Company reversed \$56,025 of its trade payables that were recorded on the Company's books for more than three years and were not claimed or subject to legal proceedings in order to be repaid. These trade payables were deemed to be legally prescribed.

Furthermore, on December 15, 2017, the Company restructured its payables and debenture (Note 5) to directors resulting in \$29,805 of its trade payables, \$296,904 of interest payable and \$99,000 of accrued management fees to become long term debenture. This was treated as a none cash transaction for the purpose of the statement of cash flows.

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*Year ended December 31, 2018 and 2017*  
*(in Canadian Dollars)*

**5. Debenture and promissory notes payable**

	2018	2017
	\$	\$
Debenture due July 31, 2019 bearing interest at 10% per annum compounded monthly. Secured by future assets of the Company	<b>895,080</b>	895,080
Unsecured promissory notes due July 31, 2019 bearing interest at 10% per annum compounded monthly	<b>50,629</b>	50,629
	<b>945,709</b>	945,709

**6. Subscriptions to convertible debentures**

On November 20, 2018, the Company received cash proceeds of \$30,000 for the issuance of convertible debentures; these were not yet issued as at December 31, 2018. The debentures will be unsecured and bear simple interest at 15% per annum with principal and interest payable on maturity being two years from the date of issuance. The debentures will be convertible into units at a conversion price of \$0.5 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 \$0.5 per warrant for a period of 60 months.

**7. Equity**

**Share capital**

**a. Authorized**

Unlimited number of common shares, without nominal or par value

**b. Issued and outstanding common shares**

	2018		2017	
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning of year	3,025,971	4,525,520	3,025,971	4,525,520
Balance, end of year	3,025,971	4,525,520	3,025,971	4,525,520

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

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

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
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**7. Equity (continued)**

	2018		2017	
	Options	Weighted – average exercise price	Options	Weighted – average exercise price
Opening	15,817	\$ 0.20	60,817	\$ 0.13
Expired	(15,817)	0.20	(45,000)	(0.10)
Closing	-	-	15,817	0.20

The options expiring in 2018 were a result of the passing of the holder.

**8. Net loss per share**

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

	2018	2017
Net loss and comprehensive loss	\$ (269,590)	\$ (40,205)
Weighted average number of shares (basic and diluted)	3,025,971	3,025,971
Loss per share:	\$	\$
Basic	(0.09)	(0.01)
Diluted	(0.09)	(0.01)

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

	2018	2017
Sales taxes receivable	\$ (8,112)	\$ -
Accounts payable and accrued liabilities	252,993	96,230
Subscriptions to convertible debentures	30,000	-
	<b>274,881</b>	<b>96,230</b>

**10. Related party disclosures**

	2018	2017
<b>Key management personnel compensation:</b>	\$	\$
Management and consulting fees	28,000	18,000
<i>(Key management personnel are comprised of the Company's directors and officers.)</i>		
<b>Other related party transactions:</b>		
Interest expense on debenture and promissory notes payable held by directors of the Company and companies controlled by directors of the Company <sup>(1)</sup>	64,368	78,230

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
Year ended December 31, 2018 and 2017  
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**10. Related party disclosures (continued)**

Amount owing to related parties	2018	2017
	\$	\$
Accounts payable and accrued liabilities including management fees and interest <sup>(1)</sup>	<b>22,938</b>	-
Debenture – Principal outstanding. <sup>(1)</sup>	-	520,080
Promissory notes payable – Principal outstanding.	<b>50,629</b>	50,629
	<b>85,446</b>	731,738

<sup>(1)</sup>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.

**11. 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:

	2018	2017
Net loss	\$ (269,590)	\$ (40,205)
Statutory tax rate	27%	27%
Expected income tax recovery	(72,789)	(10,855)
Changes in tax benefits not recognized	72,789	10,855
Deferred tax recovery	-	-

Temporary differences that give rise to the net deferred tax asset, which is not recognized on the Company's statement of financial position, as of December 31, 2018 and 2017 are due to capital losses carried forward of \$4,929,801, which are available for carry forward indefinitely, and non-capital losses of \$2,275,225 available for carry forward against future taxable income that expire as follows:

	\$
2030	185,847
2031	332,320
2032	290,873
2033	582,470
2034	306,960
2035	112,813
2036	98,122
2037	96,230
2038	269,590
Total	2,275,225

**12. 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.

**12. Financial instruments and financial risk management (continued)**

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

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

**a. Fair values**

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

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

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

There were no transfers between levels during the year.

**b. Liquidity risk**

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

**c. Market risk**

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

Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to interest rate risk on its debt as they bear a fixed interest rate.

**13. Capital Management**

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

The Company considers its capital structure to include share capital, contributed surplus and debenture and promissory notes payable.

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

At December 31, 2018, the Company's capital structure was not subject to external restrictions.



**14. Subsequent events**

In February 2019, the Company entered into various debt settlement agreements to settle \$300,000 of debt through the issuance of 600,000 shares at \$0.5 per share.

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

## Independent Auditor's Report

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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.

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

June 19, 2020

MNP<sup>1</sup> SENCRL, s.r.l.

<sup>1</sup> CPA auditor, CA, public accountancy permit no. A126822

**Petro Viking Energy Inc.**  
**Statements of Financial Position**

*As at December 31*  
*(in Canadian dollars)*

	<i>Notes</i>	<b>2019</b>	2018
		\$	\$
<b>Assets</b>			
Current assets			
Cash		1,315	5,291
Sales taxes receivable		2,047	8,112
Prepaid expenses		7,500	-
<b>Total current assets</b>		<b>10,862</b>	13,403
<b>Long term assets</b>			
Property and equipment	4,6	1,054,611	-
<b>Total assets</b>		<b>1,065,473</b>	13,403
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	7,10,12	310,014	294,151
Subscription to convertible debentures	9	-	30,000
Current portion of debenture and promissory notes payable	8	-	945,709
<b>Total current liabilities</b>		<b>310,014</b>	1,269,860
Non-current liabilities			
Convertible debenture	9	384,264	-
Asset retirement obligation	5	164,325	-
Derivative liability	9	429,191	-
<b>Total liabilities</b>		<b>1,287,794</b>	1,269,860
<b>Shareholders' equity</b>			
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)
<b>Total shareholders' deficiency</b>		<b>(222,321)</b>	(1,256,457)
<b>Total liabilities and shareholders' deficiency</b>		<b>1,065,473</b>	13,403

*Going concern (Note 1)*

*Basis of presentation (Note 2)*

*Subsequent events (Note 15)*

Approved on behalf of the directors:

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Lars Glimhagen  
Chief Executive Officer

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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
<b>Expenses</b>		
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
<b>Other income:</b>		
Gain on business combination (note 4)	84,692	-
<b>Loss before income taxes</b>	200,934	269,590
Deferred tax recovery (note 13)	25,121	-
<b>Net loss and comprehensive loss for the year</b>	175,813	269,590
Net loss per share, basic and diluted (Note 11)	(0.01)	(0.09)

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

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

	Note	2019	2018
		\$	\$
<b>Operating activities</b>			
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
<b>Cash flow used in operating activities</b>		<b>(3,976)</b>	<b>(24,709)</b>
<b>Financing activity</b>			
Subscription to convertible debentures	8	-	30,000
<b>Cash flow from financing activity</b>		<b>-</b>	<b>30,000</b>
Change in Cash		(3,976)	5,291
Cash, beginning of the year		5,291	-
<b>Cash, end of the year</b>		<b>1,315</b>	<b>5,291</b>

*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)
<b>Balance, Decemeber 31, 2019</b>	<b>17,755,111</b>	<b>6,663,083</b>	<b>(929,906)</b>	<b>1,617,760</b>	<b>2,292</b>	<b>(7,575,550)</b>	<b>222,321</b>

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

**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*

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 (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.



**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.

<b>Net assets acquired</b>	<b>\$</b>
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
<b>Consideration</b>	
Debenture issued (note 9) and fair value of consideration	780,467

The acquisition if effective on January 1<sup>st</sup> of 2019 would have contributed revenues of \$153,178 and royalty and operating expenses totaling \$86,118 until closing on December 9<sup>th</sup>, 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.

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
Year ended December 31, 2019 and 2018  
(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.

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

**6. Property and equipment**

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

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**

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

**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 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 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 derivative 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).

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*Year ended December 31, 2019 and 2018*  
*(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)

**Petro Viking Energy Inc.**  
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**12. Related party disclosures**

	2019	2018
<b>Key management personnel compensation:</b>	\$	\$
Management and consulting fees <i>(Key management personnel are comprised of the Company's directors and officers.)</i>	117,705	28,000
<b>Other related party transactions:</b>		
Interest expense on debenture and promissory notes payable held by directors of the Company and companies controlled by directors of the Company <sup>(1)</sup>	-	64,368
<b>Amount owing to related parties</b>	<b>2019</b>	<b>2017</b>
	\$	\$
Accounts payable and accrued liabilities including management fees and interest	104,729	22,938
Promissory notes payable – Principal outstanding	-	50,629
	<b>104,729</b>	<b>73,567</b>

<sup>(1)</sup>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 statutory tax rate declined from 27% to 26.5% due to reduction of the Alberta tax rate on July 1, 2019.

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*Year ended December 31, 2019 and 2018*  
*(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 unit consists of one common share of the Company and one half common share warrant entitling the holder to purchase common shares at 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.



**PETRO VIKING ENERGY INC.**

**FINANCIAL STATEMENTS**

**For the three months ended June 30, 2020 and 2019**

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

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**PETRO VIKING ENERGY INC.**

**FINANCIAL STATEMENTS**

**For the three and six months ended June 30, 2020 and 2019**

(Unaudited - Expressed In Canadian Dollars)

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**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.**  
**Statements of Financial Position**

*Unaudited*

*As at June 30, 2020 compared to December 31, 2019*

*( in Canadian dollars)*

	<i>Notes</i>	<u>2020</u>	<u>2019</u>
		\$	\$
<b>Assets</b>			
Current assets			
Cash		3,374	1,315
Sales taxes receivable		12,709	2,047
Prepaid expenses		107,448	7,500
<b>Total current assets</b>		<u>123,531</u>	<u>10,862</u>
Long term assets			
Property, plant and equipment	4,6	<u>1,054,611</u>	<u>1,054,611</u>
<b>Total assets</b>		<u>1,178,142</u>	<u>1,065,473</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	7,10,12	<u>283,985</u>	<u>310,014</u>
Total current liabilities		<u>283,985</u>	<u>310,014</u>
Non-current liabilities			
Convertible Debenture	9	694,264	384,264
Asset retirement obligation	4	164,324	164,325
Derivative liability	9	429,191	429,191
Total non-current liabilities		<u>1,571,764</u>	<u>1,287,794</u>
<b>Shareholders' equity</b>			
Share capital	10	5,758,177	5,733,177
Contributed surplus		1,617,760	1,617,760
Convertible debenture - equity portion	9	2,292	2,292
Deficit		<u>(7,771,850)</u>	<u>(7,575,550)</u>
<b>Total shareholders' deficiency</b>		<u>(393,622)</u>	<u>(222,321)</u>
<b>Total liabilities and shareholders' deficiency</b>		<u>1,178,142</u>	<u>1,065,473</u>

Going concern (*Note 1*)

Basis of preparation (*Note 2*)

Subsequent events (*Note 14*)

Covid-19 outbreak (*Note 15*)

Approved on behalf of the directors:

*//signed: Greg Doucette*

Greg Doucette

Chief Executive Officer

*//signed: Lars Glimhagen*

Lars Glimhagen

Chief Financial Officer

**Petro Viking Energy Inc.**  
**Statements of Loss and Comprehensive Loss**

*Unaudited*  
*For the three and six months ended June 30,*  
*(in Canadian dollars)*

	<i>Notes</i>	Three months ended June 30,		Six months ended June 30,	
		2020	2019	2020	2019
<b>Expenses</b>					
Management fees	14	15,465	9,000	35,000	48,205
Consulting		60,000	-	54,240	
Professional fees		93,561	32,979	101,200	49,692
Interest expense		-	17,280	7,735	38,150
Shareholder and trust services		4,288	-	6,425	2,081
Office and administration		434	10,073	3,486	10,465
<b>Net loss before the following items</b>		<b>173,748</b>	69,332	<b>208,086</b>	148,593
<b>Other income:</b>					
Reversal of payables	8	-	-	11,786	-
<b>Loss before income taxes</b>		<b>173,748</b>	69,332	<b>196,299</b>	148,593
Deferred tax recovery	3				
<b>Net loss and comprehensive loss for the year</b>		<b>173,748</b>	69,332	<b>196,299</b>	148,593
Net loss per share, basic and diluted	12	<b>(0.02)</b>	(0.01)	<b>(0.02)</b>	(0.02)

**Petro Viking Energy Inc.**  
**Statements of Changes in Shareholders' Deficiency**  
*Unaudited*  
*(in Canadian dollars)*

	<i>Notes</i>	<b># Shares</b>	<b>Amount</b>	<b>Cost of Issued Shares</b>	<b>Contributed Surplus</b>	<b>Equity portion of debentures</b>	<b>Deficit</b>	<b>Total</b>
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)
<b>Balance, Decemeber 31, 2019</b>		<b>17,755,111</b>	<b>6,663,083</b>	<b>(929,906)</b>	<b>1,617,760</b>	<b>2,292</b>	<b>(7,575,550)</b>	<b>(222,321)</b>
Issued shares for cash	10	166,667	25,000					25,000
Net loss and comprehensive loss for the period							(22,552)	(22,552)
<b>Balance, March 31, 2020</b>		<b>17,921,778</b>	<b>6,688,083</b>	<b>(929,906)</b>	<b>1,617,760</b>	<b>2,292</b>	<b>(7,598,102)</b>	<b>(219,873)</b>
Net loss and comprehensive loss for the period							(173,748)	(173,748)
<b>Basalance, June 30, 2020</b>		<b>17,921,778</b>	<b>6,688,083</b>	<b>(929,906)</b>	<b>1,617,760</b>	<b>2,292</b>	<b>(7,771,850)</b>	<b>(393,622)</b>



**Petro Viking Energy Inc.**  
**Statements of Cash Flows**

*Unaudited*  
*For the six months ended June 30,*  
*(in Canadian dollars)*

	Note	2020	2019
		\$	\$
<b>Operating activities</b>			
Net loss		(196,300)	(148,592)
Accrued interest expense	7	-	38,150
Change in prepaid expenses		(99,948)	
Change in sales tax receivable		(10,662)	(3,688)
Change in accounts payable and accrued liabilities		(26,031)	114,190
<b>Cash flow from operating activities</b>		<b>(332,941)</b>	<b>60</b>
<b>Financing activity</b>			
Issued shares for cash		25,000	-
Issued convertible debentures for cash		310,000	-
<b>Cash flow from financing activity</b>		<b>335,000</b>	<b>-</b>
Change in Cash		2,059	60
Cash, beginning of the year		1,315	-
<b>Cash, end of the year</b>		<b>3,374</b>	<b>60</b>

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*For the six months ended June 30, 2020 and 2019*  
*Unaudited – in Canadian Dollars*

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**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 June 30, 2020, the Company reported a loss of \$22,552, a cumulative deficit of \$7,756,850 and a negative working capital of \$181,299. The Company’s ability to continue as a going concern is dependent upon its ability to raise 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 March 31, 2020.

The financial statements were authorized by the Board of Directors for issue on August 31, 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**

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

**b. Convertible debentures (continued)**

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*For the six months ended June 30, 2020 and 2019*  
*Unaudited – in Canadian Dollars*

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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.

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*For the six months ended June 30, 2020 and 2019*  
*Unaudited – in Canadian Dollars*

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**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

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**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.

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**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*.

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**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.

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**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.



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**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.

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**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 recognize 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.

**n.) 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.

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**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. 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.

<b>Net assets acquired</b>	\$
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
<b>Consideration</b>	
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.

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

Cost	<u>Oil and natural gas interests</u>
Balance at December 31, 2018	\$ -
Acquisition (note 4)	921,900
Decommissioning provisions (note 5)	132,711
Balance at June 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 June 30, 2020, the Company did not identify any indicators of impairment.

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**7. Accounts payable and accrued liabilities**

<b>Significant components of Accounts Payable and Accrued Liabilities</b>	<b>2020</b>	<b>2019</b>
	\$	\$
Accounts payable - trade	<b>254,239</b>	205,067
Interest Payable (Note 8 and 9)	<b>11,683</b>	3,948
Accrued management fees	<b>39,000</b>	96,750
	<b>305,422</b>	294,151

**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. 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 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:

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

**10. Equity****Share capital****a. Authorized**

Unlimited number of common shares, without nominal or par value

**b. Issued and outstanding common shares**

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

	2020		2019	
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning of year	17,755,111	6,663,084	3,025,978	5,674,274
Issued for cash	166,667	25,000	-	-
Issued shares for debt	-	-	13,904,133	982,284
Issued shares for payables	-	-	675,000	101,250
Issued shares for services	-	-	150,000	15,000
Balance, end of year	17,921,778	6,688,084	17,755,111	6,663,084

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.

**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.

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**10. Net loss per share**

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

	2020	2019
Net loss and comprehensive loss	\$ (158,748)	\$ (68,332)
Weighted average number of shares (basic and diluted)	8,694,831	8,528,164
Loss per share:	\$	\$
Basic	(0.00)	(0.00)
Diluted	(0.00)	(0.00)

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

	2020	2019
	\$	\$
Sales taxes receivable	(10,662)	(2,047)
Prepaid expenses	(99,948)	-
Accounts payable and accrued liabilities	(44,094)	214,648
	(153,698)	212,601

**12. Related party disclosures****Key management personnel compensation:**

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

	2020	2019
	\$	\$
Management and consulting fees	29,540	28,000

**Amount owing to related parties**

Accounts payable and accrued liabilities including management fees and interest

	2020	2019
	\$	\$
Accounts payable and accrued liabilities including management fees and interest	140,335	140,335
	140,335	140,335

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**13. 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.

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.



**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*For the six months ended June 30, 2020 and 2019*  
*Unaudited - in Canadian Dollars*

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### 13. Financial instruments and financial risk management

#### 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.

#### **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.

### 14. Subsequent events

In May, 2020 the Company offered a placement of Debenture Units of the Corporation. Each Unit being comprises of an aggregate \$1,000 principal amount of a 10% Convertible unsecured subordinated debenture and one detachable common share purchase warrant entitling its holder to purchase 10,000 common shares of the Company at a price of \$0.125 for a period of 36 months following the closing.

At the date of these financial statements an aggregate amount of \$400,000 has been received.

### 15. Covid-19 outbreak

Since year ended July 31, 2019, 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.



**PETRO VIKING ENERGY INC.**

**FINANCIAL STATEMENTS**

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

(Unaudited - Expressed In Canadian Dollars)

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## 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)*

	<i>Notes</i>	<u>2020</u>	<u>2019</u>
		\$	\$
<b>Assets</b>			
Current assets			
Cash		96,006	1,315
Sales taxes receivable		6,838	2,047
Prepaid expenses		257,448	7,500
<b>Total current assets</b>		<u>360,292</u>	<u>10,862</u>
Long term assets			
Property, plant and equipment	4,6	<u>1,054,611</u>	<u>1,054,611</u>
<b>Total assets</b>		<u>1,414,903</u>	<u>1,065,473</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	7,8,11,13	<u>237,820</u>	<u>310,014</u>
Total current liabilities		<u>237,820</u>	<u>310,014</u>
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		<u>1,594,974</u>	<u>977,780</u>
<b>Total liabilities</b>		<u>1,832,794</u>	<u>1,287,794</u>
<b>Shareholders' equity</b>			
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		<u>(7,906,120)</u>	<u>(7,575,550)</u>
<b>Total shareholders' deficiency</b>		<u>(417,891)</u>	<u>(222,321)</u>
<b>Total liabilities and shareholders' deficiency</b>		<u>1,414,903</u>	<u>1,065,473</u>

Going concern (*Note 1*)

Basis of preparation (*Note 2*)

Subsequent events (*Note 18*)

Covid-19 outbreak (*Note 19*)

Approved on behalf of the directors:

*//signed: Greg Doucette*

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Greg Doucette

Chief Executive Officer

*//signed: Lars Glimhagen*

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Lars Glimhagen

Chief Financial Officer

**Petro Viking Energy Inc.**  
**Condensed Interim Statements of Loss and Comprehensive Loss**

*Unaudited*  
*For the three and nine months ended September 30,*  
*(in Canadian dollars)*

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

**Petro Viking Energy Inc.**  
**Condensed Interim Statements of Changes in Shareholders' Deficiency**  
*Unaudited*  
*(in Canadian dollars)*

	<i>Notes</i>	<b># Shares</b>	<b>Amount</b>	<b>Cost of Issued Shares</b>	<b>Contributed Surplus</b>	<b>Equity portion of debentures</b>	<b>Units not yet issued</b>	<b>Deficit</b>	<b>Total</b>
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)
<b>Balance, Decemeber 31, 2019 (pre consolidation)</b>		17,755,111	6,663,083	(929,906)	1,617,760	2,292	-	(7,575,550)	(222,321)
<b>Balance, December 31, 2019 (post-consolidation)</b>		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)
<b>Balance, September 30, 2020</b>		<b>8,960,957</b>	<b>6,688,083</b>	<b>(929,906)</b>	<b>1,617,760</b>	<b>2,292</b>	<b>110,000</b>	<b>(7,906,120)</b>	<b>(417,891)</b>



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

	<b>2020</b>	2019
	\$	\$
<b>Operating activities</b>		
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)	-
<b>Cash flow from operating activities</b>	<b>(657,504)</b>	<b>(244,028)</b>
<b>Financing activities</b>		
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	-
<b>Cash flow from financing activities</b>	<b>752,195</b>	<b>239,185</b>
Change in Cash	94,691	(4,843)
Cash, beginning of the year	1,315	5,290
<b>Cash, end of the period</b>	<b>96,006</b>	<b>447</b>

# Petro Viking Energy Inc.

## Notes to the Financial Statements

For the nine months ended September 30, 2020 and 2019

Unaudited – in Canadian Dollars

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### 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.

# Petro Viking Energy Inc.

## Notes to the Financial Statements

For the nine months ended September 30, 2020 and 2019

Unaudited – in Canadian Dollars

### 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.

# Petro Viking Energy Inc.

## Notes to the Financial Statements

For the nine months ended September 30, 2020 and 2019

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 recognize 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.

<b>Net assets acquired</b>	<b>\$</b>
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
<b>Consideration</b>	
Debenture issued (note 9) and fair value of consideration	780,467

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*For the nine months ended September 30, 2020 and 2019*  
*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**

Cost	<u>Oil and natural gas interests</u>
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.

# Petro Viking Energy Inc.

## Notes to the Financial Statements

For the nine months ended September 30, 2020 and 2019

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
	<u>237,820</u>	<u>209,523</u>

### 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

## **Petro Viking Energy Inc.**

### **Notes to the Financial Statements**

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

*Unaudited - in Canadian Dollars*

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#### **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

# Petro Viking Energy Inc.

## Notes to the Financial Statements

For the nine months ended September 30, 2020 and 2019

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
<b>Balance, September 30, 2020</b>	<b>400</b>	<b>0.125</b>

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

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

**Petro Viking Energy Inc.**  
**Notes to the Financial Statements**  
*For the nine months ended September 30, 2020 and 2019*  
*Unaudited - in Canadian Dollars*

**13. Net loss per share**

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
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:	<b>\$</b>	<b>\$</b>
Basic	(0.01)	(0.01)
Diluted	(0.01)	(0.01)

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

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

**15. Related party disclosures**

**Key management personnel compensation:**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Management and consulting fees	<b>152,700</b>	57,205

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

**Amount owing to related parties:**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
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.	<b>102,415</b>	-

**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.

**SCHEDULE "B" – PVE MD&A FOR THE YEAR ENDED DECEMBER 31, 2019,  
DECEMBER 31, 2018, DECEMBER 31, 2017 AND FOR THE THREE MONTHS PERIOD  
ENDED MARCH 31, 2020, THE SIX MONTHS PERIOD ENDED JUNE 30, 2020 AND THE  
NINE MONTHS PERIOD ENDED NOVEMBER 30, 2020**



**Management's Discussion and Analysis**  
**For the Three Months Ended March 31, 2018 and 2017**

## DESCRIPTION OF THE COMPANY

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 434 Sierra Madre Ct., Calgary, Alberta T3H 3M4.

The Company is not engaged in any activities and is in the process of getting its filing documents up to date to have its shares relisted and be able to enter into a qualifying transaction to have future operations. On December 15, 2017, the Company restructured all its current liabilities to directors into long-term liabilities and is planning to covert these into shares at the market price of the shares on the date of the qualifying transaction (see Notes 4 and 5 of the Notes to the annual audited financial statements as at December 31, 2017). Furthermore, the Company intends to settle any remaining unrelated payables into shares once the listing transaction is completed and, to the extent such conversion is not possible, they will be settled in cash.

## BASIS OF PRESENTATION

The annual audited financial statements referred to above, including comparatives, and the financial data presented in the MD&A are in Canadian dollars which is also the Company’s functional currency.

## FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements relating to future events. Forward-looking information is information that does not relate strictly to historical or current facts and can be identified by words such as “anticipate”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “should”, “believe”, or similar expressions. Such statements represent Petro Viking’s internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital expenditures, anticipated future debt, revenues or other expectations, beliefs, plans, objectives, intentions or statements about future events or performance. These statements represent management’s best projections, expectations, and estimates as of the date of this document, but undue reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A, which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements.

## FINANCIAL AND OPERATIONAL RESULTS

<i>General and Administrative Expenses</i>	Three months ended March 31,	
	2018	2017
	\$	\$
<b>General and Administrative Expenses</b>	<b>31,073</b>	22,917
<i>Includes:</i>		
Administration and consulting fees	3,352	4,500
Interest	27,721	18,417

<b>Cash flow from Operations</b>	Three months ended March 31,	
	<b>2018</b>	2017
	\$	\$
Net loss and comprehensive loss for the year	(31,073)	(22,917)
Changes in accounts payable and accrued liabilities	31,073	22,917
<b>Funds flow from operations</b>	-	-

### OUTSTANDING SHARE DATA

	March 31, 2018		March 31, 2017	
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning of year	<b>30,259,707</b>	<b>4,525,520</b>	30,259,707	4,525,520
Balance, end of year	<b>30,259,707</b>	<b>4,545,520</b>	30,259,707	4,525,520

The Company has 30,259,707 outstanding common shares at July 18, 2018.

## **LIQUIDITY AND CAPITAL RESOURCES**

At March 31, 2018 the Company did not have any financial assets

At March 31, 2018, the Company has a working capital deficit of \$72,231 (2016 – 41,158) comprised of unsecured and unrelated trade payables.

On December 15, 2017 the Company restructured its liabilities consisting of non-related trade payables and trade payables and debentures in favor of a number of related parties by:

1. Consolidating various debentures due to related parties that had a maturity date of January 31, 2015 to a new instrument with a maturity date of July 31, 2019.
2. Unsecured liabilities owing to related parties were converted to Promissory Notes with a maturity date of July 29, 2019.
3. Reversing a number of trade non-related liabilities that were recorded on the Company's books for more than three years and were not claimed or subject to legal proceedings in order to be repaid.

The Company intends to settle these liabilities with the issue of shares at the market value after completing the listing transaction. In the event that the Company is unable to convert any of these liabilities, it will settle these accounts in cash.

While the Company is not currently engaged in any activities, the Company is in the process of getting its filing documents up to date to have its share relisted and be able to enter into a qualifying transaction to have future operations.

The Company's ability to continue as a going concern is dependent upon its ability to close a qualifying transaction and raise additional financing which will allow for settlement of debt as detailed above and to have future operations. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain financing in the future of settle its liabilities as intended above.

These factors indicate the existence of a material uncertainty regarding the ability of the Company to continue as a going concern.

## **FINANCIAL INSTRUMENTS**

At March 31, 2018, the Company's financial instruments include accounts payable and accrued liabilities and debenture. The carrying values of accounts payable and accrued liabilities approximate their fair values due to their relatively short periods to maturity. The carrying value of debentures approximate their fair values as the interest rates are based on market rates. The Company presently has no established credit facility.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any special purpose entities, nor is it a party to any transactions or arrangements that would be excluded from the statement of financial position.

## **RELATED PARTY DISCLOSURES**

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties. Related party transactions during the period are disclosed below:

	Three months ended March 31,	
	2018	2017
	\$	\$
<b>Key management personnel compensation:</b>		
Administration and consulting fees	3,352	4,500
<b>Others:</b>		
Interest expense on the Company's debentures, held by a director of the Company, and companies controlled by a director of the Company.	27,721	18,417

	\$	\$
Accounts payable and accrued liabilities for consulting fees and debenture interest payable.	27,721	-
Debenture – Principal outstanding.	945,709	945,709

On December 15, 2017, the Company restructured its liabilities. Existing secured debentures in the aggregate amount of \$270,000 and unsecured promissory note in the amount of \$250,000, with accrued interest of \$296,850, and an unsecured payable amount of \$78,230 were consolidated into one debenture with an outstanding amount of \$895,080 as at December 15, 2017. The expiry date of the consolidated instrument is July 31, 2019 bearing interest of 10% per annum, compounded monthly and is secured by future assets of the Company.

In addition to the consolidation of the debenture, unsecured liabilities due to related parties in the amount of \$50,629 were converted to unsecured promissory notes expiring on July 31, 2019 bearing interest at 10% per annum compounded monthly.

It is management's intention to convert these instruments into shares at the market price of the shares on the date of a contemplated qualifying transaction.

## CRITICAL ACCOUNTING ESTIMATES

There have been no changes to the Company's significant accounting judgements and estimates in the three months ended March 31, 2018. The Company's significant accounting judgements and estimates are described in note 3(g) to the annual audited financial statements for the year ended December 31, 2017.

## CHANGES IN ACCOUNTING POLICIES

There have been no changes to the Company's accounting policies for the year ended March 31, 2018. The Company's significant accounting policies are described in to note 3 to the annual audited financial statements for the year ended December 31, 2017.

## RISK MANAGEMENT

Petro Viking is exposed to a number of risks in the normal course of its business that have the potential to affect its operating performance. The Company has exposure to liquidity and financial risk.

## RECENT PRONOUNCEMENTS ISSUED

The following pronouncements from the International Accounting Standards Board (“IASB”) are not yet effective as at December 31, 2017 and have not been early adopted by the Company. The Company intends to adopt these standards when they become effective.

### IFRS 2, Share-based payment

On June 20, 2016, the IASB published final amendments to IFRS 2 that clarify the classification and measurement of share-based payment transactions. These amendments deal with variations in the final settlement arrangements including; (a) accounting for cash-settled share-based payment transactions that include a performance condition, (b) classification of share-based payment transactions with net settlement features, as well as (c) accounting for modifications of share-based payment transactions from cash-settled to equity. These changes are effective for annual periods beginning on or after January 1, 2018. These changes will not have any material impact on the Company as it does not encounter these circumstances regularly.

### IFRS 9, Financial Instruments

Issued in final form in July 2014 by the IASB and will replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however early adoption is permitted. These changes will not have any material impact on the Company due to the nature of its financial instruments.



## SUPPLEMENTAL QUARTERLY INFORMATION

Reporting Period	Q1 - 2018	Q4 - 2017	Q3 - 2017	Q2 - 2017	Q1 - 2017
	\$	\$	\$	\$	\$
Periods Ending	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
<b>FINANCIAL</b>					
Cash flow - operating activities	-	-	-	-	-
Non-cash items					
Reversal of payables	-	56,025	-	-	-
Net loss and comprehensive loss for the year	(31,073)	31,494	(24,385)	(23,896)	(23,418)
Loss per share (basic)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Loss per share (diluted)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
General and administrative	3,352	4,500	4,500	4,500	4,500
Debenture interest	27,721	20,031	19,885	19,396	18,918

## SELECTED ANNUAL INFORMATION

Annual information, relating to the years ended December 31, 2017, 2016 and 2015

	2017	2016	2015
	\$	\$	\$
Total revenue	-	-	-
Net loss and comprehensive loss for the year	<b>(40,205)</b>	(98,122)	(5,098,639)
Net loss per share			
Basic	<b>(0.00)</b>	(0.00)	(0.17)
Diluted	<b>(0.00)</b>	(0.00)	(0.17)
Total assets	-	-	-
Total non-current financial liabilities	<b>945,709</b>	0.00	0.00

The annual MD&A was approved by the Board of Directors on July 18, 2018.



**Management's Discussion and Analysis**

**For the Twelve Months Ended December 31, 2018 and 2017**

## **FORWARD LOOKING INFORMATION**

Some statements contained in this MD&A constitute forward looking statements including, without limitation, anticipated developments in the Company's operations in future periods and other events or conditions that may occur in the future. These statements are about the future and are inherently uncertain and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those mentioned herein under heading "RISKS AND UNCERTAINTIES". Management believes that the expectations reflected in those statements are reasonable but no assurance can be given that these expectations will prove to be correct. It is recommended not to place undue reliance on forward looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company undertakes to update any forward looking information should the material factors or assumptions change resulting in a material change to the statements made.

## **DESCRIPTION OF THE COMPANY**

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 May 8, 2015, the Executive Director of the British Columbia Securities Commission ("BCSC") issued an order (the "Cease Trade Order" or "CTO") under section 164(1) of the Securities Act, R.S.B.C. 1996, c. 418 (the "Act") that all trading in securities of the Company cease until it files the required records referred to in the Order. On January 30, 2019, the Executive Director ordered the cease trade order be revoked under section 171 of the Act.

## **BASIS OF PRESENTATION**

The annual audited financial statements referred to above, including comparatives, and the financial data presented in the MD&A are in Canadian dollars which is also the Company's functional currency.

## **RESULTS OF OPERATIONS**

The Company has not generated any income for the twelve months ending December 31, 2018.

For the twelve months ended December 31, 2018, administrative costs increased significantly to \$269,590 from \$96,230 in the same period last year. Generally, expenditures for consulting and audit fees have increased as a result of increased activity in bringing the Company in good standing with the regulatory agencies, including the filing of delinquent disclosures as required by the BCSC. This entailed significant time spent on preparing draft financial reports, auditing of the most recent yearend financial statements and filing the completed reports on SEDAR.

1. Management fees increased to \$ 103,000 from \$18,000 in the same period last year mainly attributable to the restructuring of the company. Included in this amount is \$75,000 for capital market and corporate restructuring advisory services.

2. Accounting and audit fees increased to \$29,418 from \$ nil in the same period as last as a result of bringing the financial records up to date and the audit of the annual financial statements as a requirement to have the CTO revoked.
3. Professional fees increased to \$61,555 from \$ nil in the same period last year. These costs relate primarily to audit and legal fees.
4. Administrative costs increased to \$5,462 from \$ nil in the same period as last year. Management does not consider this a material difference.
5. Interest charges increased to \$99,573 from \$78,230 in the period as last year as a result of converting related party overdue liabilities to long term debt, and the re-negotiating of the debenture in favor of a company controlled by a former director of the company. As of the date of this MD&A, the debt instruments are due within 12 months, and have been reclassified as a current liability. Management expects to negotiate an extension of the due date of these instruments and a conversion of a portion of the debt to an undetermined number of shares in the company. For additional information, please see *Subsequent Events* section of this MD&A.

## ISSUED AND OUTSTANDING SHARE DATA

	December 31, 2018		December 31, 2017	
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning of year	3,025,971	4,525,520	3,025,971	4,525,520
Balance, end of year	3,025,971	4,545,520	3,025,971	4,525,520

On January 6, 2019, the Company issued 600,000 shares as partial settlement on the outstanding debenture (see *Debt Conversion note under Subsequent Events*).

As a result of shareholder approval at the Company's Annual General Meeting held on April 8, 2019, the shares have been consolidated on a 10:1 basis resulting in 3,625,971 post-consolidated shares outstanding as at April 25, 2019. All reference to number of shares in this document are post consolidation unless otherwise specified.

## LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2018 the Company had \$5,291 in cash in bank and held in trust, and \$8,112 in input tax it receivables (GST).

At December 31, 2018, the Company has a working capital deficit of \$1,256,457 comprised of the following:

	\$
Cash	5,291
Sales taxes receivable	8,112
Accounts payable and accrued liabilities	(294,151)
Subscriptions to convertible debentures	(30,000)
Current portion of debenture and promissory notes	(945,709)
	<u>(1,256,457)</u>

The Company's ability to continue as a going concern is dependent upon its ability to close a qualifying transaction (*see Letter of Intent note under Subsequent Events*) and obtain additional financing which will allow for settlement of debts as detailed above and to have future operations. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain 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.

## FINANCIAL INSTRUMENTS

Refer to Note 3(g) of the financial statements for the twelve months ended December 31, 2018 and 2017 regarding the Company's financial instruments.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities, nor is it a party to any transactions or arrangements that would be excluded from the statement of financial position.

## RELATED PARTY TRANSACTIONS

Refer to note 10 of the financial statements for the twelve months ended December 31, 2018 and 2017 for related party information.

## CRITICAL ACCOUNTING ESTIMATES

There have been no changes to the Company's significant accounting judgements and estimates in the twelve months ended December 31, 2018. The Company's significant accounting judgements and estimates are described in note 3(i) to the annual audited financial statements for the year ended December 31, 2018 and 2017.

## CHANGES IN ACCOUNTING POLICIES

The only change to the accounting policies pertains to the adoption of IFRS 9 – *Financial instruments* on January 1, 2018 as described in Note 2 to the financial statements.

## RISKS AND UNCERTAINTIES

Petro Viking is exposed to a number of risks in the normal course of its business that have the potential to affect its operating performance. The Company's risk exposures and the impact of the Company's financial instruments are summarized below:

### ***Credit Risk.***

The Company's credit risk is primarily attributable to cash. The maximum exposure of credit risk is best represented by the carrying amount of the financial instruments. The Company considers credit risk negligible as cash is held in reputable financial institutions.

### ***Liquidity Risk***

The Company monitors the expected settlement of financial assets and liabilities on an ongoing basis. At December 31, 2018, the carrying value and fair value amounts of the Company's financial instruments are approximately equal.

### ***Market Risk***

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. The Company has no interest-bearing assets and only fixed interest debts and considers the market risk negligible.

### ***Going Concern***

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

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

### ***Additional Financing***

As there is no revenue generated from operations, the Company relies on the equity and debt financing to pursue business opportunities. Failure to obtain such financing could result in delay or the ability to complete proposed business opportunities.

## SUPPLEMENTAL QUARTERLY INFORMATION

Selected quarterly information for the eight most recently completed quarters is presented below in Canadian currency (\$), and in accordance with the International Financial Reporting Standards ("IFRS").

Reporting Period	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Revenue	-	-	-	-	-	-	-	-
Management Fees	84	19	-	-	5	5	4	4
Professional Fees	32	29	-	-	-	-	-	-
Interest	26	25	24	24	20	20	19	19
Net Income/(Loss)	(148)	(73)	(24)	(24)	31	(25)	(23)	(23)
		\$	\$	\$	\$	\$	\$	\$
Income/(Loss) per share	(0.05)	(0.02)	(0.01)	(0.01)	0.01	(0.01)	(0.01)	(0.01)

## SUBSEQUENT EVENTS

### *Share Consolidation*

On April 8, 2019 the annual general and special meeting was held and approved the consolidation of the Company's issued and outstanding shares on a 10:1 basis – one post-consolidation share for every ten pre-consolidation shares. This results in the Company having approximately 3,625,971 common shares and outstanding post Consolidation.

### *Letter of Intent*

The Company is entering into a Letter of Intent (“LOI”) with a privately held energy producing company (“Vendor”) based in Alberta with respect to a contemplated asset acquisition between the Company and said Vendor whereby the Company would acquire a non-operating interest of fifty percent interest into a producing oil & gas property in Alberta with a current NI51-101 – Standards of Disclosure for Oil and Gas Activities compliant Technical Report.

As per the terms of the LOI, the Company will issue to the Vendor a convertible debt instrument for a total amount of \$500,000 plus applicable GST taxes convertible into common shares of the Company and the Company will endeavor to cover and pay any GST Taxes payable pursuant to the issuance of the convertible debt instrument., for an amount of up to \$5,000. It is understood that, following the completion of the contemplated transaction with the Vendor, the Company will then apply to have its shares listed on the Canadian Securities Exchange (the “CSE”).

Completion of the contemplated transaction with the Vendor is subject to various conditions, which include but are not limited to, the production of the Technical Report on the Property and its acceptance by the CSE in order to meet initial listing requirements.

### *Debt Conversion*

The Company's Debenture and Promissory Note instruments currently mature on July 31, 2019. As a result, they have been categorized as current liabilities in the amount of \$895,080 and \$50,629 respectively. There is also an additional outstanding interest on this debt in the amount of \$99,500. On

January 30, 2019 the Company issued 6,000,000 per-consolidation shares (600,000 post-consolidation shares) at \$0.05 per share as a partial settlement of the debt.

There is also a potential that the majority of the long-term debt will be converted to shares of the company's capital stock as settlement of the remaining outstanding debt. It is anticipated that the outstanding interest will be added to the principal amount and will be included in the conversion of the debt to shares of the Company.

## **OTHER MD&A REQUIREMENTS**

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



**Management's Discussion and Analysis**  
**For the Twelve Months Ended December 31, 2019 and 2018**

Management's discussion and analysis ("MD&A") focuses on significant factors that have affected Petro Viking Energy ("PVE" or "the Company") and such factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the Company's audited financial statements related notes thereto for the twelve month ended December 31, 2019 and 2018.

The effective date of this MD&A is June 19, 2020.

Additional information about the Company and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING INFORMATION**

Some statements contained in this MD&A constitute forward looking statements including, without limitation, anticipated developments in the Company's operations in future periods and other events or conditions that may occur in the future. These statements are about the future and are inherently uncertain and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those mentioned herein under heading "RISKS AND UNCERTAINTIES". Management believes that the expectations reflected in those statements are reasonable but no assurance can be given that these expectations will prove to be correct. It is recommended not to place undue reliance on forward looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company undertakes to update any forward looking information should the material factors or assumptions change resulting in a material change to the statements made.

## **DESCRIPTION OF THE COMPANY**

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 May 8, 2015, the Executive Director of the British Columbia Securities Commission ("BCSC") issued an order (the "Cease Trade Order" or "CTO") under section 164(1) of the Securities Act, R.S.B.C. 1996, c. 418 (the "Act") that all trading in securities of the Company cease until it files the required records referred to in the Order. On January 30, 2019, the Executive Director ordered the cease trade order be revoked under section 171 of the Act.

The company completed a business acquisition which is described in on Note 4 of the audited financial statements

## **BASIS OF PRESENTATION**

The annual audited financial statements referred to above, including comparatives, and the financial data presented in the MD&A are in Canadian dollars which is also the Company's functional currency.

## RESULTS OF OPERATIONS

The Company has not generated any income for the twelve months ending December 31, 2019.

For the twelve months ended December 31, 2019, operating costs increased to \$285,803 from \$269,590 in the same period last year. Generally, expenditures for consulting and audit fees have increased as a result of increased activity in bringing the Company in good standing with the regulatory agencies, including the filing of delinquent disclosures as required by the BCSC. This entailed significant time spent on preparing draft financial reports, auditing of the most recent yearend financial statements and filing the completed reports on SEDAR.

1. Management and consulting fees increased to \$ 132 705 from \$103,000 in the same period last year mainly attributable to the Company's Chief Executive Officer ("CEO") of \$56,000 and to Company's Chief Financial Officer ("CFO") of \$61,705. On October 13, 2019 the previous CEO resigned from the Company's Board of Directors. The current CEO resigned as the Company's CFO and the current CFO was appointed to fill the vacancy as a result of the previous CFO's resignation.
2. Professional fees decreased by \$66,782 from \$136,555 in the same period as last year. These costs relate primarily to audit and legal fees. The \$136,554 was a result of bringing the financial records up to date and the audit of the annual financial statements as a requirement to have the CTO revoked.
3. Administrative costs increased to \$4,499 from 293 nil in the same period as last year as a result of increased activity during the year.
4. Interest charges decreased to \$ 55,713 from \$99,573 in the period as last year as a result of converting related party overdue liabilities to long term debt, and the re-negotiating of the debenture in favor of a company controlled by a former director of the company.

## ISSUED AND OUTSTANDING SHARE DATA

	December 31, 2019		December 31, 2018	
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning of year	3,025,978	5,455,426	3,325,978	5,455,426
Issued shares	14,723,133	1,207,656	-	-
Balance, end of year	17,755,111	6,663,083	3,025,978	5,455,426

As a result of shareholder approval at the Company's Annual General Meeting held on April 8, 2019, the shares have been consolidated on a 10:1 basis resulting in 3,625,971 post-consolidated shares outstanding as at April 25, 2019. All reference to number of shares in this document are post consolidation unless otherwise specified.

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 and full conversion of promissory notes.

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

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

In September 2019, the Company issued 1,980,472 shares of the Company at \$0.10 per share for full settlement of debenture. 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.

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

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.

## LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2019 the Company had \$1,315 in cash in bank, and \$2,047 in input tax it receivables (GST).

At December 31, 2019, the Company has a working capital deficit of \$299,152 comprised of the following:

	\$
Cash	1,315
Sales taxes receivable	2,047
Prepaid expenses	7,500
Accounts payable and accrued liabilities	(310,014)
	<u>(299 152)</u>

The Company's ability to continue as a going concern is dependent upon its ability to close a qualifying transaction) and obtain additional financing which will allow for settlement of debts as detailed above and to have future operations. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain 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.

## FINANCIAL INSTRUMENTS

Refer to Note 3(g) of the financial statements for the twelve months ended December 31, 2019 and 2018 regarding the Company's financial instruments.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any special purpose entities, nor is it a party to any transactions or arrangements that would be excluded from the statement of financial position.

## **RELATED PARTY TRANSACTIONS**

Refer to note 12 of the financial statements for the twelve months ended December 31, 2019 and 2018 for related party information.

## **CRITICAL ACCOUNTING ESTIMATES**

The Company's significant accounting judgements and estimates are described in note 3(i) to the annual audited financial statements for the year ended December 31, 2019 and 2018.

## **CHANGES IN ACCOUNTING POLICIES**

The changes to the accounting policies are described in Note 3 (o) to the financial statements.

## **RISKS AND UNCERTAINTIES**

Petro Viking is exposed to a number of risks in the normal course of its business that have the potential to affect its operating performance. The Company's risk exposures and the impact of the Company's financial instruments are summarized below:

### ***Credit Risk.***

The Company's credit risk is primarily attributable to cash. The maximum exposure of credit risk is best represented by the carrying amount of the financial instruments. The Company considers credit risk negligible as cash is held in reputable financial institutions.

### ***Liquidity Risk***

The Company monitors the expected settlement of financial assets and liabilities on an ongoing basis. At December 31, 2019, the carrying value and fair value amounts of the Company's financial instruments are approximately equal.

### ***Market Risk***

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. The Company has no interest-bearing assets and only fixed interest debts and considers the market risk negligible.

### ***Going Concern***

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

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

**Additional Financing**

As there is no revenue generated from operations, the Company relies on the equity and debt financing to pursue business opportunities. Failure to obtain such financing could result in delay or the ability to complete proposed business opportunities.

**COVID-19**

Refer to note 15 of the financial statements for the twelve months ended December 31, 2019 and 2018 for COVID-19 information.

**SUPPLEMENTAL QUARTERLY INFORMATION**

Selected quarterly information for the eight most recently completed quarters is presented below in Canadian currency (\$), and in accordance with the International Financial Reporting Standards (“IFRS”).

Reporting Period	2019			
	Q4 – 2019	Q3 – 2019	Q2 – 2019	Q1 – 2019
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
	\$000's	\$000's	\$000's	\$000's
Revenue	-	-	-	-
Management fees	32	9	9	6
Professional fees	14	3	33	17
Interest expense	(58)	76	17	21
	\$	\$	\$	\$
Income/loss per share		(0.01)	(0.01)	(0.01)

Reporting Period	2018			
	Q4 – 2018	Q3 – 2018	Q2 – 2018	Q1 – 2018
	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
	\$000's	\$000's	\$000's	\$000's
Revenue	-	-	-	-
Management fees	84	19	-	-
Professional fees	32	29	-	-
Interest expense	26	25	24	28
	\$	\$	\$	\$
Income/loss per share	(0.05)	(0.03)	(0.01)	(0.00)

**SUBSEQUENT EVENTS**

Please refer to note 15 of the audited financial statements

**DIRECTORS AND OFFICERS**

Lars Glimhagen, Chief Executive Officer

Robert Rosner, Chief Financial Officer and Director

Michel Lebeuf, Corporate Secretary and Director

Thomas Valentine, Director

Daniel Lucerno,



**Management's Discussion and Analysis**  
**For the Six and Three Months Ended June 30, 2020 and 2019**

Management's discussion and analysis ("MD&A") focuses on significant factors that have affected Petro Viking Energy ("PVE" or "the Company") and such factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the Company's audited financial statements related notes thereto for the twelve month ended December 31, 2019 and 2018.

The effective date of this MD&A is August 31, 2020.

Additional information about the Company and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING INFORMATION**

Some statements contained in this MD&A constitute forward looking statements including, without limitation, anticipated developments in the Company's operations in future periods and other events or conditions that may occur in the future. These statements are about the future and are inherently uncertain and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those mentioned herein under heading "RISKS AND UNCERTAINTIES". Management believes that the expectations reflected in those statements are reasonable but no assurance can be given that these expectations will prove to be correct. It is recommended not to place undue reliance on forward looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company undertakes to update any forward looking information should the material factors or assumptions change resulting in a material change to the statements made.

## **DESCRIPTION OF THE COMPANY**

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

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

The company completed a business acquisition which is described in on Note 4 of the audited financial statements

## **BASIS OF PRESENTATION**

The annual audited financial statements referred to above, including comparatives, and the financial data presented in the MD&A are in Canadian dollars which is also the Company's functional currency.



## RESULTS OF OPERATIONS

The Company has not generated any income for the six months ending June 30, 2020.

For the six months ended June 30, 2020, operating costs increased to \$196,299 from \$148,593 in the same period last year. Generally, expenditures for consulting and legal fees have increased as a result of financing activity for the purpose of raising capital to complete an asset acquisition consisting of production, pipelines, facilities and approximately 1,280 acres (net) of developed surface and mineral leases. Financing is also ongoing for the Company's contribution to non-operated working interest in property to provide the Company with revenue streams.

During the six months ended June 30, 2020, the Company incurred the following expenditures.

- Management fees of \$35,000 (2019 – \$48,205)
- Consulting fees of \$60,000 (2019- nil)
- Professional fees of \$101,200 (2019 - \$49,602)
- Interest on debentures of \$7,735 (2019 - \$38,150)
- Shareholder and trust services of \$6,425 (2019 - \$2,081)
- General and administrative expenses of \$3,486 (2019 -\$10,465)

Management fees decreased by \$13,205 from the same period last year due to a reduction in fees being charged by a Director of the Company during the period.

Professional fees increased by \$51,508 from the same period last year due to an increase in audit and legal fees. The increase in audit fees related additional fees in evaluating the non-operated working interest in an asset as a result of a business combination. An increase in legal fees is related to financing activities.

Interest on debentures decreased by \$30,415 from the same period last year as a result of settling outstanding debentures for shares during year ended December, 2019.

## ISSUED AND OUTSTANDING SHARE DATA

	June 30, 2020		December 31, 2019	
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning of year	17,755,111	6,663,084	3,025,978	5,674,274
Issued shares for cash	166,667	25,000	-	-
Issued shares for debt	-	-	13,904,133	982,284
Issued shares for payables	-	-	675,000	101,250
Issued shares for services	-	-	150,000	15,000
Balance, end of year	17,921,788	6,663,083	17,755,111	6,663,084

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

## LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2020 the Company had \$311 in cash in bank, \$3,063 held in trust, \$12,709 in input tax credits (GST) and \$107,448 in prepaid expenses.

At June 30, 2020, the Company has a working capital deficit of \$160,455 comprised of the following:

	\$
Cash	311
Held in trust	3,062
Sales taxes receivable	12,709
Prepaid expenses	107,448
Accounts payable and accrued liabilities	(283,985)
	<u>(160,455)</u>

The Company's ability to continue as a going concern is dependent upon obtaining additional financing which will allow for settlement of debts as detailed above and to have future operations. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain 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.

## FINANCIAL INSTRUMENTS

Refer to Note 3(g) of the financial statements for the six months ended June 30, 2020 and 2019 regarding the Company's financial instruments.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities, nor is it a party to any transactions or arrangements that would be excluded from the statement of financial position.

## RELATED PARTY TRANSACTIONS

Refer to note 13 of the financial statements for the three months ended June 30, 2020 and 2019 for related party information.

## CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting judgements and estimates are described in note 3(i) to the annual audited financial statements for the three months ended June 30, 2020 and 2019.

## CHANGES IN ACCOUNTING POLICIES

The changes to the accounting policies are described in Note 3(o) to the financial statements for the six months ending June 30, 2020.

## RISKS AND UNCERTAINTIES

Petro Viking is exposed to a number of risks in the normal course of its business that have the potential to affect its operating performance. The Company's risk exposures and the impact of the Company's financial instruments are summarized below:

### *Credit Risk.*

The Company's credit risk is primarily attributable to cash. The maximum exposure of credit risk is best represented by the carrying amount of the financial instruments. The Company considers credit risk negligible as cash is held in reputable financial institutions.

## Liquidity Risk

The Company monitors the expected settlement of financial assets and liabilities on an ongoing basis. At June 30, 2020, the carrying value and fair value amounts of the Company's financial instruments are approximately equal.

### **Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. The Company has no interest-bearing assets and only fixed interest debts and considers the market risk negligible.

### **Going Concern**

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

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

### **Additional Financing**

As there is no revenue generated from operations, the Company relies on the equity and debt financing to pursue business opportunities. Failure to obtain such financing could result in delay or the ability to complete proposed business opportunities.

### **COVID-19**

Refer to note 15 of the financial statements for the six months ended June 30, 2020 and 2019 for COVID-19 information.

## SUPPLEMENTAL QUARTERLY INFORMATION

Selected quarterly information for the eight most recently completed quarters is presented below in Canadian currency (\$), and in accordance with the International Financial Reporting Standards ("IFRS").

Reporting Period	Q2 – 2020 June 30, 2020	Q1 - 2020 March 31,2020	Q4 – 2019 December, 2019	Q3 – 2019 September 30, 2019
	\$000's	\$000's	\$000's	\$000's
Revenue	-	-	-	-
Management fees	15	14	32	9
Professional fees	94	8	14	3
Interest expense	-	8	(58)	76
Net Income/(Loss)	(173)	(23)		(105)
	\$	\$	\$	\$
Income/loss per share	(0.02)	(0.01)	(0.01)	(0.01)

Reporting Period	Q1 – 2019 June, 2019	Q1 - 2019 March 31, 2019	Q4 – 2018 December 31, 2018	Q3 – 2018 September 30, 2018
	\$000's	\$000's	\$000's	\$000's
Revenue	-	-	-	-
Management fees	9	39	84	19
Professional fees	50	17	32	29
Interest expense	38	21	26	25
Net Income/Loss	(149)	(79)	(148)	(73)
	\$	\$	\$	\$
Income/loss per share	(0.02)	(0.01)	(0.05)	(0.03)

## **SUBSEQUENT EVENTS**

Please refer to note 16 of the audited financial statements

## **DIRECTORS AND OFFICERS**

Lars Glimhagen, Chief Executive Officer

Michel Lebeuf, Corporate Secretary and Director

Thomas Valentine, Director

Daniel Lucero, Director

Veronique Laberge, Director



**Form 51-102F1  
(Amended)  
Management's Discussion and Analysis  
For the Nine Months Ended September 30, 2020 and 2019**

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## **GENERAL**

Management's discussion and analysis ("MD&A") focuses on significant factors that have affected Petro Viking Energy ("PVE" or "the Company") and such factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the Company's audited financial statements related notes thereto for the twelve month ended December 31, 2019 and 2018.

The effective date of this MD&A is January 25, 2021.

Additional information about the Company and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING INFORMATION**

Some statements contained in this MD&A constitute forward looking statements including, without limitation, anticipated developments in the Company's operations in future periods and other events or conditions that may occur in the future. These statements are about the future and are inherently uncertain and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those mentioned herein under heading "RISKS AND UNCERTAINTIES". Management believes that the expectations reflected in those statements are reasonable but no assurance can be given that these expectations will prove to be correct. It is recommended not to place undue reliance on forward looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company undertakes to update any forward looking information should the material factors or assumptions change resulting in a material change to the statements made.

## **DESCRIPTION OF THE COMPANY**

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 purchased a 50% non-working 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. This acquisition is described in on Note 4 of the audited financial statements at December 31, 2019,

## **BASIS OF PRESENTATION**

The annual audited financial statements referred to above, including comparatives, and the financial data presented in the MD&A are in Canadian dollars which is also the Company's functional currency.

## RESULTS OF OPERATIONS

The Company has not generated any income for the nine months ending September 30, 2020.

For the nine months ended September 30, 2020, operating costs increased to \$416,548 from \$212,938 in the same period last year. Generally, expenditures for consulting and legal fees have increased as a result of financing activity for the purpose of raising capital to complete an asset acquisition consisting of production, pipelines, facilities and approximately 1,280 acres (net) of developed surface and mineral leases. Financing is also ongoing for the Company's contribution to non-operated working interest in property to provide the Company with revenue streams.

During the nine months ended September 30, 2020, the Company's focus has been to apply for listing on the CSE. The Company also completed a private placement of \$25,000 by issuing 83,334 common shares of the Company in addition to the receipt of \$85,000 in respect to an Offering Memorandum dated August 13, 2020.

### General and Administrative Costs

	For the nine months ended September 30,		Change	
	2020	2019	\$	%
General operating expenditures	<b>416,548</b>	212,938	203,610	96
Accretion expense	<b>52,704</b>	-	52,704	100
Other income	<b>145,952</b>	-	(145,952)	100
Net loss	<b>323,300</b>	212,938	110,362	52

## SUMMARY QUARTERLY RESULTS

Selected quarterly information for the eight most recently completed quarters is presented below in Canadian currency (\$).

Reporting Period	Q3 – 2020 September 30, 2020	Q2 – 2020 June 30, 2020	Q1- 2020 March 31,2020	Q4 – 2019 December 31, 2019
Net Income/(Loss)	\$000's (36)	\$000's (264)	\$000's (23)	\$000's 37
	\$	\$	\$	\$
Income/loss per share	(0.00)	(0.02)	(0.00)	(0.01)

Reporting Period	Q3 – 2019 June 30, 2019	Q2 – 2019 June 30, 2019	Q1 - 2019 March 31, 2019	Q4 – 2018 December 31, 2018
Net Income/Loss	\$000's (38)	\$000's (96)	\$000's (79)	\$000's (141)
	\$	\$	\$	\$
Income/loss per share	0.01	(0.01)	(0.01)	(0.05)



**ISSUED AND OUTSTANDING SHARE DATA**

	September 30, 2020		December 31, 2019	
	Number	Amount	Number	Amount
		\$		\$
Balance, beginning of year	<b>8,877,623</b>	<b>6,663,083</b>	1,513,056	5,455,426
Issued shares for cash	<b>83,334</b>	<b>20,064</b>	-	-
Issued shares for debt	-	-	6,952,067	1,091,407
Issued shares for payables	-	-	337,500	101,250
Issued shares for services	<b>653,871</b>	<b>88,273</b>	75,000	15,000
Subscriptions received	<b>566,667</b>	<b>85,000</b>	-	-
Balance, end of period	<b>10,181,495</b>	<b>6,856,420</b>	8,877,623	6,663,083

On August 25, 2020 the Company had a share consolidation on a 2:1 basis. All disclosure of shares in the Management Discussion and Analysis is on a post-consolidated basis.

**LIQUIDITY AND CAPITAL RESOURCES**

At September 30, 2020 the Company had \$11,006 in cash in bank, \$85,000 held in trust, \$6,838 in input tax credits (GST) and \$41,998 in prepaid expenses and \$224,965 in other receivables.

At September 30, 2020, the Company had a working capital of \$88,374 comprised of the following:

	\$
Cash in bank	11,006
Held in trust (unrestricted)	85,000
Sales taxes receivable	6,838
Prepaid expenses and other assets	41,998
Other receivable	224,965
Accounts payable and accrued liabilities	(251,820)
Convertible debentures	(29,613)
<b>Total working capital</b>	<b>88,374</b>

The Company's ability to continue as a going concern is dependent upon obtaining additional financing which will allow for settlement of debts as detailed above and to have future operations. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain 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.

**FINANCIAL INSTRUMENTS**

Refer to Note 3(g) of the financial statements for the nine months ended September 30, 2020 and 2019 regarding the Company's financial instruments.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities, nor is it a party to any transactions or arrangements that would be excluded from the statement of financial position.

## COMPENSATION OF KEY MANAGEMENT PERSONNEL

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of a member of the Company's Board of Directors, corporate officers and special advisory personnel.

The Company incurred the following transactions with directors and key management personnel during the nine months ended September 30, 2020 and 2019.

	2020	2019
	\$	\$
Management fees	43,660	27,000
Consulting fees	200,213	61,705
	<u>243,873</u> <sup>(1)</sup>	<u>88,705</u>

<sup>(1)</sup> A total of \$163,542 was owed to various parties at September 30, 2020.

Refer to Note 13 of the amended condensed interim financial statements for the three month and nine month period ended September 30, 2020 and 2019 for further related party disclosures.

## CHANGES IN ACCOUNTING POLICIES

The same accounting policies used in the preparation of the Financial Statements is the same as those used in the most recent audited annual financial statements and in the opinion of management reflects all the adjustments considered necessary for the fair presentation in accordance with IFRS of the result of the interim periods presented.

## RISKS AND UNCERTAINTIES

Petro Viking is exposed to a number of risks in the normal course of its business that have the potential to affect its operating performance. The Company's risk exposures and the impact of the Company's financial instruments are summarized below:

### *Credit Risk*

The Company's credit risk is primarily attributable to cash. The maximum exposure of credit risk is best represented by the carrying amount of the financial instruments. The Company considers credit risk negligible as cash is held in reputable financial institutions.

### *Liquidity Risk*

The Company monitors the expected settlement of financial assets and liabilities on an ongoing basis. At September 30, 2020, the carrying value and fair value amounts of the Company's financial instruments are approximately equal.

### ***Market Risk***

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. The Company has no interest-bearing assets and only fixed interest debts and considers the market risk negligible.

### ***Going Concern***

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

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

### ***Additional Financing***

As there is no revenue generated from operations, the Company relies on the equity and debt financing to pursue business opportunities. Failure to obtain such financing could result in delay or the ability to complete proposed business opportunities.

### ***COVID-19***

Refer to note 19 of the financial statements for the nine months ended September 30, 2020 and 2019 for COVID-19 information.

### ***Reliance on Key Personnel***

The Company relies on a relatively small number of directors, officers and senior personnel. Loss of any one of those persons could have an adverse effect on the Company. The Company does not currently maintain "key employee" insurance in respect of any of its senior management.

## **COMMITMENTS**

Please refer to note 16 of the amended condensed interim financial statements for the three month and nine month period ended September 30, 2020 and 2019.

## **SUBSEQUENT EVENTS**

Please refer to note 17 of the amended condensed interim financial statements for the three month and nine month period ended September 30, 2020 and 2019.

## **DIRECTORS AND OFFICERS**

Greg Doucette, Chief Executive Officer  
Lars Glimhagen, Chief Financial Officer  
Michel Lebeuf, Corporate Secretary and Director  
Thomas Valentine, Director  
Daniel Lucero, Director  
Kyle Appleby, Director

**SCHEDULE "C" – STATEMENT OF EXECUTIVE COMPENSATION FOR THE YEAR  
ENDED DECEMBER 31, 2019**

**PETRO VIKING ENERGY INC.**

(the “Company”)

**STATEMENT OF EXECUTIVE COMPENSATION – Venture Issuers**

The following information is presented in accordance with National Instrument Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* (the “Form”) of the Company for the financial year ended on December 31, 2019. All amounts represented in this form are in Canadian dollars unless stated otherwise.

**1. GENERAL**

For the purposes of this Form, the terms below have the following meaning:

“**Company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

“**Compensation Securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted share units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

“**External Management Company**” includes a subsidiary, affiliate or associate of the external management company.

“**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“CEO”);
- b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer (“CFO”);
- c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of National Instrument 51-102, for that financial year; and
- d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

“**Plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.

“**Underlying Securities**” means any securities issuable on conversion, exchange or exercise of compensation securities. Director and Named Executive Officer compensation, excluding compensation securities. The following table provides a summary of compensation paid, directly

or indirectly, for each of the three most recently completed financial years, to the directors and NEOs of the Company, other than compensation securities:

Based on the foregoing definitions, during the financial year ended December 31, 2019, the Company had two (2) NEOs.

## **2. DIRECTOR & NAMED EXECUTIVE OFFICER COMPENSATION**

### **a. Oversight and description of director and NEO compensation**

The Company has not, as of yet, generated any income or cash flows and operates with limited financial resources. The Board of Directors (the “**Board**”), through informal discussion without any formal objectives, criteria or analysis, is responsible for determining the final compensation to be granted to the Company’s executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position.

The Board’s compensation philosophy is aimed at attracting and retaining quality and experienced people which is critical to the success of the Company and may include a "pay-for-performance" element which supports the Company’s commitment to delivering strong performance for the Shareholders.

The Board annually reviews the corporate goals and objectives relevant to executive compensation; evaluates each executive officer’s performance in light of those goals and objectives and sets the executive officer’s compensation level based, in part, on this evaluation. The Board also takes into consideration the Company’s overall performance, shareholder returns, the value of similar incentive awards to executive officers at comparable companies and the awards given to executive officers in past years.

The Company has no arrangements, standard or otherwise, under which Directors are compensated for their services in their capacity as Directors or NEO, or for committee participation or involvement in special assignments during the most recently completed financial year or subsequently, up to and including the date of this Form.

During the financial year ended December 31, 2019, the Company had two (2) NEOs and four (4) directors:

- Lars Glimhagen (CEO/President);
- Robert Rosner (CFO & Director);
- Michel Lebeuf (Corporate Secretary & Director)
- Daniel Lucero (Director);
- Thomas Valentine (Director);

### **Director and Named Executive Officer compensation, excluding compensation securities**

The following table provides a summary of compensation paid, directly or indirectly, for each of the three most recently completed financial years, to the directors and NEOs of the Company, other than compensation securities:

**Table of compensation excluding compensation securities**

<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites<sup>(1)</sup> (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Lars Glimhagen, Director and CFO	2019 2018	56,000 18,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Frances Lariviere <sup>(1)</sup>	2018	Nil	Nil	Nil	Nil	Nil	Nil
Robert Rosner <sup>(2)</sup>	2019 2018	61,705 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Michel Lebeuf <sup>(3)</sup>	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Thomas Valentine <sup>(4)</sup>	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Daniel Lucero <sup>(5)</sup>	2019	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Ms. Frances Lariviere resigned due to personal reasons on May 1st, 2018.
- (2) Mr. Rosner was named as director of the Company on March 16, 2018.
- (3) Mr. Lebeuf was named as director of the Company on March 16, 2018.
- (4) Mr. Valentine was named a director of the Company on March 16, 2018.
- (5) Mr. Lucero was named as director of the Company on December 12, 2019.

In the above, all amounts of compensation were paid to directors or NEOs in their capacity as directors or NEOs of the Company, in their capacity as members of a committee of the board of directors of the Company, or as consultants or experts, during the Company's past two fiscal years.

**External Management Companies**

As of the date of this statement, there are no contracts with external management companies in effect.

**Stock Options and Other Compensation Securities**

There were no compensation securities granted or issued to, or held by, any Named Executive Officer or director of the Company during the most recently completed financial year ended December 31, 2019 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries and no compensation securities were re-priced, cancelled and replaced, extended or otherwise materially modified during the Company's most recently completed financial year. No compensation securities were exercised by any Named Executive Officer or director of the Company during the most recently completed financial year ended December 31, 2019.

**Stock Option Plans and Other Incentive Plans**

The Stock Option Plan is an important part of the Company's incentive strategy for its directors and officers, permitting them to participate in any appreciation of the market value of the

Company's shares over a stated period of time, and is intended to reinforce commitment to long-term growth and shareholder value.

The Stock Option Plan of the Company is administered by the Board and provides that stock options may be issued to directors, officers, employees, consultants and other personnel of the Company. The Stock Option Plan also provides that the number of common shares issuable under the plan, may not exceed 10% of the issued and outstanding common shares of the Company at any time. All stock options granted under the Stock Option Plan expire on a date not later than five years after the date of grant of such option, and are exercisable at an exercise price set by the Board in its sole discretion which price may not be less than the Discounted Market Price (as defined in the Option Plan).

Stock options grants may be made periodically to ensure that the number of options granted to any particular officer or director is commensurate with the officer's level of ongoing responsibility within the Company. The Board will evaluate the number of options an officer has been granted, the exercise price of the options and the term remaining on those options when considering further grants.

The Company did not grant any compensation securities to a director or NEO during the financial year ended December 31, 2019.

### **Employment, Consulting and Management Agreements.**

Unless indicated otherwise herein, management functions of the Company are substantially performed by directors or NEO (or private companies controlled by them, either directly or indirectly) of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

### **Termination and Change of Control Benefits**

As of the date of this Statement, there is no compensatory plan, contract or arrangement whereby a Named Executive Officer or director is entitled to receive any severance or termination payment from the Company or its subsidiaries, including periodic payments or installments, in the event of the termination or constructive dismissal of the officer's or director's employment or engagement with the Company or its subsidiaries or following a change of control of the Company.

### **Oversight and Description of Director and Named Executive Officer Compensation**

#### *Director Compensation*

At present, the Company has no arrangement in place pursuant to which directors are compensated by the Company for their services in their capacity as directors but are entitled to be reimbursed for actual expenses reasonably incurred by them in the performance of their duties as directors.



### *Named Executive Officer Compensation*

As of the date of this Statement, the Board as a whole is responsible for setting and administering the compensation paid to the Named Executive Officers and reviewing the Company's compensation policies, compensation matrix and guidelines generally from time to time.

While the Company has not yet adopted a formal compensation program, the Board believes it is critical to create and maintain a compensation program that will attract and retain committed, highly qualified personnel by providing appropriate rewards and incentives, motivate their performance to achieve the Company's strategic objectives and align the interests of executive officers with the long-term interests of the Company's shareholders and enhancement in share value.

Currently, the Company compensates its Named Executive Officers through a combination of (i) base salary; and (ii) discretionary cash bonuses based on performance. At present, the Company does not have a long-term incentive compensation program.

#### *Base Salary*

Base salaries are designed to compensate each Named Executive Officer's core competencies, skills, experience, and contribution to the Company. To date, the Company has deliberately kept base salaries below market rates due to the Company's present stage of operations.

Going forward, the Board intends to review and select a compensation peer group of companies operating in areas with an operational and risk profile similar to the area in which the Company operates. Base salaries will be compared to the Company's industry peer group through publicly available information and available compensation surveys prepared by compensation consultants. Consideration has been and will be given to the Company's growth plans, area of operations and its objective of attracting and retaining highly talented individuals from within the industry.

#### *Cash Bonus*

Discretionary cash bonuses will be intended to motivate and reward the accomplishment of specific business and operating objectives within a defined period. Given the relatively early stage of development of the Company and its lack of sustained cash flow, no cash bonus payments were paid in 2019 or as of the date of this Statement. At this point, it is contemplated that cash bonuses will only be paid to the executive officers of the Company if the Company achieves a positive cash flow position. Similar to the determination of base salaries, consideration will be given to the Company's compensation peer group when determining the final amount of any cash bonuses to be paid. Other than as described above there are no other perquisites provided to the Named Executive Officers.

### **Pension Disclosure**

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans in place for its Named Executive Officers or directors.

**SCHEDULE "D" – *AUDIT COMMITTEE CHARTER***

**PETRO VIKING ENERGY INC.**

(the “Company”)

**CHARTER AUDIT COMMITTEE CHARTER**

**1 Purpose**

- 1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee’s role is to:
  - (a) support the Board of Directors in meeting its responsibilities to shareholders;
  - (b) enhance the independence of the external auditor;
  - (c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
  - (d) increase the credibility and objectivity of the Company’s financial reports and public disclosure.
- 1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee’s responsibilities as described herein.
- 1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

**2 Membership**

- 2.1. Each member of the Audit Committee must be a director of the Company.
- 2.2. The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.
- 2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

### **3**      **Authority**

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
- (a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities; and
  - (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement.
  - (c) Approve interim financial statements and interim MD&A on behalf of the Board of Directors.

### **4**      **Duties and Responsibilities**

- 4.1. The duties and responsibilities of the Audit Committee include:
- (a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;
  - (b) recommending to the Board of Directors the compensation of the external auditor;
  - (c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
  - (d) overseeing the work of the external auditor;
  - (e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;
  - (f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;
  - (g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
  - (h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;
  - (i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to

Board approval and dissemination of financial statements to shareholders and the public;

- (j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;
- (k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to its dissemination to the public;
- (l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
- (m) ensuring the integrity of disclosure controls and internal controls over financial reporting;
- (n) resolving disputes between management and the external auditor regarding financial reporting;
- (o) establishing procedures for:
  - i. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto; and
  - ii. the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters.
- (p) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (q) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
- (r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.

4.2. The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

## **5 Meetings**

5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the

Committee who are not officers or employees of the Company or of an affiliate of the Company.

- 5.3. The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.
- 5.4. The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.
- 5.5. The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.
- 5.6. A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.
- 5.7. The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.
- 5.8. The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.
- 5.9. The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

## **6      Reports**

The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

## **7.      Minutes**

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

**SCHEDULE "E" – NI 51-101F1 – STATEMENT OF RESERVES DATA AND OTHER OIL  
AND GAS INFORMATION**



**PETROVIKING ENERGY INC.  
Section 1 - ALBERTA**

**STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION  
(COMPLYING WITH FORM NI51-101F1)**

**AS OF FISCAL YEAR-END, DECEMBER 31, 2019**

**DATA AS OF DECEMBER 31, 2019**

**APPROVED BY RESERVES COMMITTEE ON JUNE 15, 2020**



## 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

Bbl	barrel
bbls	barrels
m3	cubic meters
Mbbls	thousand barrels
MMbbls	million barrels
BOPD	barrels of oil per day
NGLs	natural gas liquids
STB	stock tank barrels

#### Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Bcf	billion cubic feet
Mcf/d	thousand cubic feet per day
bbls/d	barrels per day
MMcf/d	million cubic feet per day
MMBTU	million British Thermal Units
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 of Reserves; (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			Net Revenue NPV (M\$C)					
	WI	RI	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
<b>Proved Developed Producing</b>									
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
				<b>Before Tax Cash Flow NPV (1) (M\$C)</b>					
				2,141.4	1,272.5	994.7	862.6	640.2	504.8
<b>Proved Developed Non-Producing</b>				-	-	-	-	-	-
				<b>Net Revenue NPV (M\$C)</b>					
<b>Proved Undeveloped</b>									
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
				<b>Before Tax Cash Flow NPV (1) (M\$C)</b>					
				1,004.6	580.4	448.9	386.8	281.7	215.9
				<b>Net Revenue NPV (M\$C)</b>					
<b>Total Proved</b>									
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
				<b>Before Tax Cash Flow NPV (1) (M\$C)</b>					
				3,146.0	1,852.9	1,443.6	1,249.4	921.9	720.8
				<b>Net Revenue NPV (M\$C)</b>					
<b>Total Probable</b>									
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
				<b>Before Tax Cash Flow NPV (1) (M\$C)</b>					
				164.2	73.6	52.8	44.0	30.8	23.3
				<b>Net Revenue NPV (M\$C)</b>					
<b>Total Proved + Probable</b>									
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
				<b>Before Tax Cash Flow NPV (1) (M\$C)</b>					
				3,310.2	1,926.5	1,496.3	1,293.5	952.6	744.1
				<b>Remaining Equivalent Reserves (2) (MBOE)</b>					
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)											
<b>Undiscounted Company Share Cash Flow</b>											
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	Before		Income Tax Paid M\$C	After Tax Cash Flow M\$C
								Capital Costs M\$C	Tax Cash Flow M\$C		
<b>Proved</b>											
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
<b>Total Proved</b>	<b>7,784.8</b>	<b>655.2</b>	<b>3,597.4</b>	<b>161.2</b>	<b>-</b>	<b>-</b>	<b>3,371.0</b>	<b>225.0</b>	<b>3,146.0</b>	<b>727.5</b>	<b>2,418.6</b>
<b>Total Probable</b>	<b>323.7</b>	<b>25.6</b>	<b>129.9</b>	<b>3.9</b>	<b>-</b>	<b>-</b>	<b>164.2</b>	<b>-</b>	<b>164.2</b>	<b>37.8</b>	<b>126.4</b>
<b>Total Proved + Probable</b>	<b>8,108.5</b>	<b>680.8</b>	<b>3,727.3</b>	<b>165.1</b>	<b>-</b>	<b>-</b>	<b>3,535.2</b>	<b>225.0</b>	<b>3,310.2</b>	<b>765.3</b>	<b>2,544.9</b>

\* 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	Unit Value
		M\$C	\$C/unit
<b>Total Proved</b>	Light and Medium Oil (bbl)	-	-
	Heavy Oil (bbl)	-	-
	Sales Gas (Mcf)	7,129.6	3.8
	Liquids (bbl)	-	-
	<b>Total</b>	<b>7,129.6</b>	
<b>Total Proved + Probable</b>	Light and Medium Oil (bbl)	-	-
	Heavy Oil (bbl)	-	-
	Sales Gas (Mcf)	7,427.7	3.8
	Liquids (bbl)	-	-
	<b>Total</b>	<b>7,427.7</b>	

\* 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)												
Reserves Category	Net Present Value of Future Cash Flow											
	Before Tax						After Tax					
	0%	5%	8%	10%	15%	20%	0%	5%	8%	10%	15%	20%
	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C	M\$C
<b>Proved</b>												
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
<b>Total Proved</b>	<b>3,146.0</b>	<b>1,852.9</b>	<b>1,443.6</b>	<b>1,249.4</b>	<b>921.9</b>	<b>720.8</b>	<b>2,418.6</b>	<b>1,418.0</b>	<b>1,100.6</b>	<b>949.9</b>	<b>695.3</b>	<b>538.8</b>
<b>Total Probable</b>	<b>164.2</b>	<b>73.6</b>	<b>52.8</b>	<b>44.0</b>	<b>30.8</b>	<b>23.3</b>	<b>126.4</b>	<b>56.6</b>	<b>40.6</b>	<b>33.9</b>	<b>23.6</b>	<b>17.9</b>
<b>Total Proved + Probable</b>	<b>3,310.2</b>	<b>1,926.5</b>	<b>1,496.3</b>	<b>1,293.5</b>	<b>952.6</b>	<b>744.1</b>	<b>2,544.9</b>	<b>1,474.6</b>	<b>1,141.2</b>	<b>983.8</b>	<b>719.0</b>	<b>556.7</b>

## 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.

<b>Table 1</b>																
GLJ Petroleum Consultants																
<b>Domestic Crude Oil and Natural Gas Liquids</b>																
<b>Price Forecast</b>																
Effective January 1, 2020																
Year	Inflation %	CAD/USD Exchange Rate	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 (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				
			Constant 2020 \$	Then Current	Then Current	Then Current	Then Current	Then Current	Then Current	Then Current	Then Current	Then Current	Ethane CAD/bbl	Propane CAD/bbl	Butane CAD/bbl	Condensate CAD/bbl
			USD/bbl	USD/bbl	USD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	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)

**Table 2**  
**GLJ Petroleum Consultants**  
**Domestic Natural Gas**  
**Price Forecast**  
**Effective January 1, 2020**

Year	Henry Hub		Alberta			Saskatchewan			British Columbia		Huntingdon/ Sumas Spot	Dawn @ Ontario
	Constant 2020 \$	Then Current	AECO/NIT Spot	Plant Gate		Empress	Plant Gate		Westcoast Station 2	Spot Plant Gate		
	USD/MMBtu	USD/MMBtu	CAD/MMBtu	Spot	ARP		CAD/MMBtu	SaskEnergy	Spot	CAD/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.

**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												
Factors	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
	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									
YEAR	LIGHT AND MEDIUM OIL			HEAVY OIL		NATURAL GAS		NATURAL GAS LIQUIDS	
	First	Cumulative at		First	Cumulative at	First	Cumulative at	First	Cumulative at
	Attributed	Year End		Attributed	Year End	Attributed	Year End	Attributed	Year End
<b>PROVED UNDEVELOPED RESERVES</b>									
Attributed at									
Prior December 31, 2018	Nil	Nil		Nil	Nil	Nil	Nil	Nil	Nil
2019	Nil	Nil		Nil	Nil	Nil	Nil	Nil	Nil
<b>PROBABLE UNDEVELOPED RESERVES</b>									
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	-	-
<b>Total (M\$C)</b>	<b>225</b>	<b>225</b>

### **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				
PROVINCE	Non-Producing			
	Shut-In Oil Wells		Shut-In Gas Wells	
	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**

Year	SALES GAS	
	DAILY Mcf/d	ANNUAL 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:

PROVINCE	DECEMBER 31, 2019			
	Undeveloped Properties (Acres)		Expiring in 2020 (Acres)	
	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
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

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.

	Years ended December 31, 2019		January 1 to
	2019	2018	December 31, 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	-	-	-
<b>Total</b>	<b>\$ 921,900</b>	<b>\$ -</b>	<b>\$ 921,900</b>

### **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.

	<b>Available Amount</b>	<b>Deduction Rate</b>
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%
<b>Total M\$C</b>	<b>Nil</b>	

**Production History**

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

**SCHEDULE "F" – NI 51-101F2 – REPORT ON RESERVES DATA BY INDEPENDENT  
QUALIFIED RESERVES EVALUATOR OR AUDITOR**



June 11, 2020

**PetroViking Energy Inc.**  
Suite 500 5940 Macleod Trail SW  
Calgary, Alberta  
T2H 2G4

Attention: The Board of Directors of PetroViking Energy Inc.

Re: **Form 51-101F2**  
**Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor**  
**of PetroViking Energy Inc. (the “Company”)**

To the Board of Directors of PetroViking Energy Inc. (the “Company”):

1. We have evaluated the Company’s reserves data as at December 31, 2019. The 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 costs.
2. The reserves data are the responsibility of the Company’s management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the “COGE Handbook”) maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. 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:

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

6. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report.
8. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

**PRISTINE ENERGY LTD.**



Brent J. McGillivray, P. Eng.  
President

Calgary, Alberta, Canada  
June 11, 2020



**SCHEDULE "G" – NI 51-101F3 – REPORT OF MANAGEMENT AND DIRECTORS ON  
RESERVES DATA AND OTHER INFORMATION**

FORM 51- 101F3 REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Report of Management and Directors on Reserves Data and Other Information Management of Petro Viking Energy Inc. (the "Company") are 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 [last day of the reporting issuer'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.

\_\_\_\_\_  
"Robert Rosner"

Robert Rosner  
CFO, Director

\_\_\_\_\_  
"Tom Valentine"

Tom Valentine  
Director

\_\_\_\_\_  
"Daniel Lucero"

Daniel Lucero  
Director

\_\_\_\_\_  
"Michel Lebeuf"

Michel Lebeuf Jr.  
Director

July 15<sup>th</sup>, 2020



## CERTIFICATE OF THE COMPANY

Pursuant to a resolution duly passed by its Board of Directors, Petro Viking Energy Inc., hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Petro Viking Energy Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Calgary on this 1<sup>st</sup> day of March, 2021.

*“(s) Gregory Doucette”*

**Gregory Doucette, CEO**

*“(s) Lars Glimhagen”*

**Lars Glimhagen, CFO**

*“(s) Michel Lebeuf”*

**Michel Lebeuf, Director**

*“(s) Kyle Appleby”*

**Kyle Appleby, Director**

**CERTIFICATE OF THE COMPANY**

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Dated at Calgary on this 3<sup>rd</sup> day of March, 2021.

**DocuSigned by:**

(s)



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**Gregory Doucette, CEO**

**DocuSigned by:**

(s)



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**Lars Glimhagen, CFO**

(s)



(s)

**Michel Lebeuf, Director**

**Kyle Appleby, Director**

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Dated at Calgary on this 3<sup>rd</sup> day of March, 2021.

(s) \_\_\_\_\_

**Gregory Doucette, CEO**

DocuSigned by:  
*Lars Glimhagen*  
42B717810C5A441  
(s) \_\_\_\_\_

**Lars Glimhagen, CFO**

(s) *Michel Lebeuf*  
\_\_\_\_\_

**Michel Lebeuf, Director**

(s) \_\_\_\_\_  
*Kyle Appleby*

**Kyle Appleby, Director**