PetroViking

Energy Inc.

Form 51-102F1
Management's Discussion and Analysis

For the Three Months Ended March 31, 2021 and 2020

Contents

GENERAL

This Management's Discussion and Analysis ("MD&A") or "Report") of the financial condition of Petro Viking Energy Inc. ("Petro Viking" or the "Company") and results of operations of the Company for the year ended March 31, 2021 has been prepared by management in accordance with the requirements under National Instrument 51-102 as at May 26, 2021 (the "Report Date"). The Report should be read in conjunction with the audited financial statements including notes thereto for the years ended December 31, 2020 and 2019 (collectively, the "Financial Statements"). The Financial Statements are presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), and Petro Viking's accounting policies as described in the notes to the Financial Statements. All dollar amounts in the Report are in Canadian dollars unless otherwise noted.

The Financial Statements, together with the MD&A, are intended to provide investors with a reasonable basis for assessing the performance and potential future performance of the Company and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward looking statements by the Company are not guarantee of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events. Please refer to the risks and cautionary notices of this MD&A.

Additional information about the Company and its business activities is available on SEDAR at 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.

OVERALL PERFORMANCE

<u>Business Description</u>

The Company is reporting company registered in Alberta under the Business Corporations Act and has its records and principal address located at 5940 Macleod Trail, Suite 500, Calgary, Alberta.

Petro Viking is an energy company based and operating in the province of Alberta, Canada with a goal to becoming an integrated energy company. In 2019 the Company acquired a 50% non-working interest 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 Note 6 of the audited Financial Statements at December 31, 2020.

For the three months ended March 31, 2021, the Company realized net revenue of $16,314 from its 50% non-working interest in west Central Alberta property. The Company's share in the cost of production was $10,931.

For the three months ended March 31, 2021, operating costs increased to $231,161 from $34,338 in the same period last year. Generally, expenditures for consulting and professional fees have increased as a result of financing and market activities.

<u>Highlights During the Year</u>

In March 2020, the World Health Organization declared the coronavirus (COVID-19) a global pandemic. Workforces, economies and financial markets have all been significantly affected. As at the date of this Report, it is not possible for the Company to determine the effects of the pandemic on the Company's business or operations during the preiod ended March 31, 2021, nor to predict the duration or magnitude of the pandemic in the ensuing year.

Securities Transactions during the Year

- On January 18, 2021, the Company issued 1,867,000 common shares of the Company at $0.15 per share for gross proceeds of $280,500 and 500,000 flow-through shares at $0.20 per share for gross proceeds of $100,000.
- On February 8, 2021, the Company issued 660,001 common shares of the Company at $0.15 per share for gross proceeds of $99,000.
- On March 9, 2021, the Company exchanged the subscription receipts in the amount of $935,500 from the November 5, 2020 Offering Memorandum as the conditions for the shares being released was met by the completed listing of the Company on the Canadian Securities Exchange on March 5, 2021. As a result of this exchange, the Company issued 3,833,333 common shares at a price of $0.15 in the Company and 1,802,500 flow-through shares at a price of $0.20 per share.
- On March 31, 2021 the Company issued 988,406 shares of the Company for debt. Of these shares, 100,000 shares were issued at $0.10, 793,062 shares were issued at $0.05 per share and 95,344 shares were issued at $0.025 per share. Each of the shares was priced in accordance to the conversion price as determined in each debt instrument.

ISSUED AND OUTSTANDING SHARE DATA AT THE REPORT DATE

At the Report date, the Company had the following securities outstanding:

				#
Common shares				22,390,531
	Expiry date	$/sh	#	
Warrants	July 6, 2021	0.40	41,667	
	November 5, 2022	0.20	2,874,998	
	June 1, 2023	0.40	412,500	
	July 7, 2023	0.13	2,000,000	
	November 5, 2023	0.15	604,200	
	January 31, 2024	0.20	20,000	
				5,953,365
				28,343,896

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.

COMMITMENTS

On June 30, 2020, the Company entered into a 24-month term consulting agreement where it is to compensate the consultant $6,000 per month. The consulting fee was settled with 120,000 shares for the initial 6 months.

On December 31, 2020, the Company entered into a 6-month term marketing services agreement where it is to compensate the consultant a one-time fee of $50,000 and a monthly fee of $22,500.

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian Development or Canadian Renewable Conservation expenses, even if th Company has committed to take all the necessary measures for this purpose. Refusal of certain expenses by tax authorities would have negative consequences for investors. As of December 31, 2020, the Company had an obligation to incur $445,500 of eligible expenses pursuant to the terms of the flow-through shares financing. During the three months ended March 31, 2021 the Company incurred costs that fulfilled the flow-through obligation.

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 twelve months ended March 31, 2021 and 2020.

	2021	2019
	$	$
Management fees	39,543[1,2]	13,775

(1) A total of $260,771 was owed to various parties at March 31, 2021.

(2) On September 15, 2020 the Company issued promissory notes bearing interest at 5% compounded semi-annually in the amount of $217,195 maturing on September 15, 2022 in settlement of debt.

A partner in a legal firm is also a director of the Company. For the three months ended March 31, 2021, legal expense and share issuance cost related charges totaled $57,995. Amounts owed to the legal firm at March 31, 2021 were $64,007.

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.

FINANCIAL INSTRUMENTS

As at March 31, 2021, the Company's financial instruments consist of cash, other receivables, accounts payable and accrued liabilities, due to related parties, and convertible debenture liabilities. IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of heirachy are:

- 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 (i.e. as prices) or indirectly (i.e., derived from prices; and
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

As at March 31, 2021, the Company believes that the carrying values of other receivables, accounts payable and accrued liabilities, and due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations.

RISK FACTORS AND UNCERTAINTIES

Petro Viking is a Carbon Neutral Energy Producer based and operating in the province of Alberta. To attain this goal, the Company has acquired a 50% non-working interest in a property located in Western Alberta consisting of production, pipelines, facilities and approximately 1,280 acres of developed surface and mineral leases in December 2019. An additional undeveloped property consisting of 3,840 acres was acquired during the first quarter of 2021. Petro Viking's proven and undeveloped lands are anticipated to result in approximately 2,000,000 BOE (net) beginning in the first quarter of 2021.

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 March 31, 2021, 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.

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.

Coronavirus (COVID-19)

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic. Workforces, economies and financial markets have all been significantly affected. As at the date of this Report, it is not possible for the Company to determine the effects of the pandemic on the Company's business or operations in the ensuing year, nor predict the duration, impact or magnitude of the pandemic in the future. The Company continues to operate its business, and adheres to Canadian Federal and Provincial emergency measures as those are developed. The Company continues to evaluate and adjust its operation activities accordingly.

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.

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	**Q1 – 2021** **March 31, 2021**	**Q4 – 2020** **December 31, 2020**	**Q3 – 2020** **September 30, 2020**	**Q2- 2020** **June 30, 2020**
Net Income/(Loss)	**$000's** (214)	**$000's** (626)	**$000's** (36)	**$000's** (264)
	$	**$**	**$**	**$**
Income/loss per share	(0.01)	(0.10)	(0.00)	(0.02)

Reporting Period	**Q1 – 2020** **March 31, 2021**	**Q4 – 2019** **December 31, 2019**	**Q3 – 2019** **September 30, 2019**	**Q2 - 2019** **June 30, 2019**
Net Income/Loss	**$000's** (23)	**$000's** 37	**$000's** (38)	**$000's** (96)
	$	**$**	**$**	**$**
Income/loss per share	(0.00)	(0.01)	(0.01)	(0.02)

LIQUIDITY, FINANCIAL CONDITION AND GOING CONCERN

The Company's cash and cash equivalents are comprised of bank deposits and funds held in trust. At March 31, 2021, the Company had cash, amounts receivable and prepaid expenses of $1,134,916. Accounts payable and accrued liabilities of $537,480 are due in the first quarter of 2021 fiscal year. A derivative in the amount of $801,500 has been recorded as a current liability which relates to the holders' ability to convert the liability into shares. This liability can be settled at any time until maturity. At March 31, 2021, the Company had a working capital deficit of 204,063 (December 31, 2020 working capital deficit of $590,038). The working capital deficit at December 31, 2020 includes the non-cash derivative liability of $801,499.

SUBSEQUENT EVENTS

On May 6, 2021, the Company closed a private placement by issuing 1,753,333 common shares of the Company at a price of $0.25 per share for gross proceeds of $438,333.

DIRECTORS AND OFFICERS

Kyle Appleby, Director

Thomas Valentine, Director

Daniel Lucero, Director

Michel Lebeuf, Corporate Secretary and Director

Greg Doucette, Chief Executive Officer

Lars Glimhagen, Chief Financial Officer