PetroViking

Energy Inc.

Form 51-102F1
Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 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 nine months ended September 30, 2021 has been prepared by management in accordance with the requirements under National Instrument 51-102 as at November 24, 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.

This MD&A has been prepared by management and approved by the Board of Directors on November 24, 2021.

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.

BOE presentation:

Barrel ("bbl") of oil equivalent ("boe") amounts may be misleading particularly if used in isolation. All boe conversions in this report are calculated using a conversion of six thousand cubic feet of natural gas to one equivalent barrel of oil (6 mcf=1 bbl) and is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

OVERALL PERFORMANCE

Business Description

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.

On March 17, 2021, the Company completed the acquisition of mineral rights that resulted in the Company holding a 50% interest in 7,680 acres of mineral rights, (3,840 acres net) within its currently held mineral rights in West Central Alberta (see above). The completion of this acquisition positions the Company with additional opportunities for growth in its core Area immediately adding 10 locations for a total of 15, increasing significantly both Proven and Probable reserves. The Gross Purchase Price was $285 per acre, with the total net cost to Petro Viking, being $747,640 including administrative fees from its Joint Venture partner of approximately $10,000. The mineral rights acquired are strategically located within a proven region where the mineral rights acquired are economically producing from the Belly River, Viking, Ellerslie, Duvernay and Wabamun.

On June 14, 2021, the Company entered into a binding agreement for the purchase of 100% the undivided interests in the seller's 53,835 Acres, 43,935 (Net) of mineral rights, associated wells, pipelines and facilities for the purchase price of $50,664,000.

The Purchase Price for the Acquisition is being satisfied by way of the issuance of 44,440,000 Class A common shares (the "Common Shares") at $0.60 per share and 30,000,000 convertible preferred shares (the "Convertible Shares") convertible at a price of $0.80 per share. The Convertible Shares will have a term of five years (5) and earn an accruing annual dividend at a rate of two percent (2%), payable upon conversion. The Conversion of the Convertible Shares at the election of the holder can only occur after one of three milestones has been achieved: a) the Company exceeds the production rate of 3,000 boe/d, b) the Common Shares trade at a volume weighted average price (VWAP) of more than $1.00 per share for twenty (20) consecutive business days or c) the second-year anniversary since the issuance of the Common Shares has occurred. At maturity upon the fifth anniversary of their issuance, the Convertible Shares shall automatically be redeemed on a 1:1 basis along with any accrued dividends by the issuance of Common shares.

It was subsequently determined that the Transaction was considered a "fundamental change" by the Canadian Securities Exchange ("CSE"). As a result, the Company's stock was suspended by the CSE on September 9, 2021 while the Company provided additional information relating to the Transaction. At the date of this Report, the requested information and documentation has been provided to the CSE.

On November 24, 2021 the Company received conditional approval for the closing of the Acquisition announced on June 14, 2021. The Company anticipates all conditions to be achieved including the delivery of shareholders' consent resolution to approve the Acquisition. Following the all conditions being waived, Management is anticipating the suspension from trading to be lifted shortly thereafter.

For the nine months ended September 30, 2021, general and administrative expenses increased by $324,470 from $342,356 in the same period last year. Generally, expenditures for consulting and professional fees have increased because of financing and market activities.

Highlights During the Nine-Month Period

During nine-month period ended September 30, 2021, the Company's net revenues (50% net) are as a result of the continuing development of its 50% interest in a Joint Venture; the revenues, royalties, and costs are summarized in the following table:

	Three months ending September 30,		Nine months ending September 30,	
	2021	2020	2021	2020
	$	$	$	$
Revenues:				
Oil & condensates	2,719	-	8,662	-
Gas	87,741	-	170,629	-
Liquids	18,722	-	34,592	-
Royalties	(8,970)	-	(18,215)	-
Transportation & gathering costs	(18,169)	-	(23,519)	-
Operating costs	(41,058)	-	(81,370)	
Net Revenue	59,154	-	111,298	
Revenue volumes				
Oil & condensates – M3	6.98	-	8.55	-
Gas – 103M3	707.17	-	987.85	-
Liquids – M3	54.56	-	66.30	-
Equivalent Volumes (BOE)				
Oil & condensates	43.94	-	53.77	-
Gas	4,183.36	-	5,843.74	-
Liquids	343.34		417.23	-
Average daily volumes				
Oil & condensates -$M3/day	0.07	-	0.07	-
Gas - $103M3/day	7.68	-	8.10	-
Liquids – M3/day	0.59	-	0.54	-

ISSUED AND OUTSTANDING SHARE DATA AT THE REPORT DATE

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

	For the period ending September 30, 2021		2020	
	#	$	#	$
Common shares	34,980,862	10,327,099	8,960,958	6,688,084
Warrants	12,260,694	4,168,635	41,667	16,667

During the nine months ending September 30, 2021, the Company issued common shares of the Company as follows:

Date Issued	# shares	$/share	Gross Proceeds	Reason for issue
January 18, 2021	1,867,000	0.15	280,050	Private placement
January 18, 2021	500,000	0.20	100,000	Flow-through placement
February 2, 2021	670,000	0.30	201,000	For services
February 8, 2021	660,001	0.30	99,000	Private placement
March 9, 2021	3,833,333	0.15	575,100	Exchange of subscription receipts (1)
March 9, 2021	1,802,500	0.20	360,500	Exchange of subscription receipts (1)
March 31, 2021	791,062	0.05	39,653	Conversion of debenture interest (2)
March 31, 2021	95,344	.025	2,384	Conversion of debenture interest (2)
March 31, 2021	100,000	0.10	10,000	Conversion of debenture
May 6, 2021	1,753,333	0.25	438,333	Private placement
June 14, 2021	73,698	0.18	13,265	Conversion of debenture interest (3)
June 17, 2021	24,000	0.15	3,600	Conversion of broker warrants
June 23, 2021	103,100	0.15	15,465	Conversion of broker warrants
June 28, 2021	51,050	0.15	7,657	Conversion of broker warrants
July 7, 2021	150,000	0.25	37,500	Conversion of warrants
July 15, 2021	45,150	0.15	6,772	Conversion of warrants
August 19, 2021	100,000	0.10	10,000	Conversion of debenture
August 25, 2021	290,000	0.25	72,500	Private placement – first tranche
September 9, 2021	2,000,000	0.25	500,000	Private placement – second tranche
September 13, 2021	7,710,000	0.25	1,927,500	Private placement – third tranche
September 20, 2021	200,000	0.25	50,000	Private placement – final tranche
Total	**22,821,571**		**4,750,280**	

Notes:

1. The Company exchanged the subscription receipts in the amount of $935,500 pursuant to the November 5, 2020, Offering Memorandum as the condition 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 of the Company at a price of $0.15 and 1,802,500 flow-through shares of the Company at a price of $0.20.
2. The debenture agreements provide for the holder to convert to shares priced in accordance to the conversion price as determined in each debenture
3. The debenture agreement provides for the holder of each debenture to convert outstanding interest at a price equivalent to the ten-day Weighted Volume Average Price at the date of conversion.

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

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 the 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. On September 30, 2021, the Company had an obligation to incur $445,500 of eligible expenses pursuant to the terms of the flow-through shares financing.

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,

	2021	**2020**
	$	$
Management and consulting fees	88,455[1,2]	103,660

(1) A total of $204,073 was owed to various related parties at September 30, 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. On September 30, 2021, the balance due on the promissory notes is $68,859.

A partner in a legal firm is also a director of the Company. For the nine months ended June 30, 2021, legal expense and share issuance cost related charges totaled $115,790. Amount owed to the legal firm on September 30, 2021, was $72,886.77.

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

On September 30, 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 hierarchy 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 September 30, 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 2022.

Petro Viking is exposed to several 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 in Note 14 of the September 30, 2021 Condensed Interim Financial Statements.

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	**Q3 – 2021 September 30**	**Q2 – 2021 June 30**	**Q1 – 2021 March 31**	**Q4 – 2020 December 31,**
	$000's	**$000's**	**$000's**	**$000's**
Net Income/(Loss)	(198)	100	(214)	(626)
	$	**$**	**$**	**$**
Income/loss per share	(0.01)	0.00	(0.01)	(0.10)

Reporting Period	**Q3 - 2020 September 30**	**Q2 – 2020 June 30**	**Q1 – 2020 March 31**	**Q4 – 2019 December 31**
	$000's	**$000's**	**$000's**	**$000's**
Net Income/Loss	(134,270)	(264)	(23)	37
	$	**$**	**$**	**$**
Income/loss per share	(0.01)	(0.02)	(0.00)	(0.01)

LIQUIDITY, FINANCIAL CONDITION AND GOING CONCERN

The Company's cash and cash equivalents are comprised of bank deposits. On September 30, 2021, the Company had cash, amounts receivable, prepaid expenses and short-term advances in the amount of $2,959,580. Accounts payable and accrued liabilities in the amount of $105,797 are due On September 30, 2021. Promissory note with a fair value of $22,582 (with a face value of $68,859) is due on September 15, 2022, to a related party. A flow-through liability of $21,250 relating to flow-through portion of shares issued will expire during the fourth quarter as costs eligible for the Canadian Renewable Conservation Expenses will have been incurred. (A derivative in the amount of $474,643 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.) On September 30, 2021, the Company had a working capital of 2,277,028 (December 31, 2020 - working capital deficit of $590,038).

SUBSEQUENT EVENTS

On October 1, 2021, the Company issued 500,000 common shares of the Company, at the request of a debenture holder, through the conversion of an unsecured convertible debenture at the conversion price of $0.10 per share.

On November 12, 2021, the Company issued 260,480 common shares of the Company as a result of converting an unsecured debenture plus accrued interest at $0.10 per share at the option of the holder.

On November 24, 2021, the Company received a conditional approval for listing subject to certain conditions. Management expects that these conditions will be met on a timely basis to satisfy Canadian Securities Commission conditions to allow for trading to resume.

DIRECTORS AND OFFICERS

Leonard B. Van Betuw, President and Chief Financial Officer, and Director

Kyle Appleby, Director

Thomas Valentine, Director

Daniel Lucero, Director

Michel Lebeuf Jr., Corporate Secretary and Director

Lars Glimhagen, Chief Financial Officer