



**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)
	(160,455)

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