

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 5, 2021

Viking Energy Group, Inc.

(Exact name of registrant as specified in its charter)

<u>Nevada</u> (State or other jurisdiction of incorporation)	<u>000-29219</u> (Commission File Number)	<u>98-0199508</u> (IRS Employer Identification Number)
<u>15915 Katy Freeway Suite 450, Houston, Texas</u> (Address of principal executive offices)		<u>77094</u> (Zip Code)

Registrant's telephone number, including area code: (281) 404-4387

Not applicable.

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None.

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Explanatory Note

Viking Energy Group, Inc. (“**Viking**”) is filing this Current Report on Form 8-K/A (“**Amendment No. 1**”) to amend its Current Report on Form 8-K filed with the Securities and Exchange Commission (the “**SEC**”) on October 12, 2021 (the “**Initial Report**”) to (i) supplement the financial information provided with the Initial Report, to include the pro forma effects of the Disposition (as defined below) on Viking’s oil and gas reserves and the standardized measure of future net cash flows, based on the information disclosed in Viking’s annual report for the fiscal year ending December 31, 2020; (ii) to revise the pro forma financial information presented for the year ended December 31, 2020, to reflect the recognition of deemed dividends associated with modifications of Viking’s Series C Preferred Stock; and (iii) provide additional narrative relative to the rationale behind the Disposition.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On October 5, 2021, Viking entered into an Assignment of Membership Interests (the “**Assignment Agreement**”) with TO Ichor 2021, L.L.C. (“**Assignee**”), pursuant to which Viking assigned all of its membership interests in Ichor Energy Holdings, L.L.C. (“**Holdings**”) to the Assignee, effective October 5, 2021 (such assignment the “**Disposition**”).

Holdings is the owner of all of the membership interests in Ichor Energy, LLC (“**Ichor Energy**”), which owns all of the membership interests of Ichor Energy LA, LLC (“**Ichor LA**”) and Ichor Energy TX, LLC (“**Ichor TX**”) and, together with Holdings, Ichor Energy and Ichor LA, the “**Ichor Entities**”), which collectively owned approximately 58 producing wells, 31 salt water disposal wells, 46 shut in wells and 4 inactive wells as of June 30, 2021. The assets held by the Ichor Entities were acquired by the Ichor Entities in December 2018 from an affiliate of the Assignee (the “**Original Acquisition**”).

In connection with the Original Acquisition, Holdings and Ichor Energy entered into that certain Term Loan Credit Agreement, dated as of December 28, 2018, by and among Holdings, Ichor Energy, ABC Funding, LLC, as administrative agent, and the lenders party thereto (the “**Term Loan**”). The obligations under the Term Loan are secured by mortgages on the oil and gas leases of the Ichor Entities, a security agreement covering all assets of Ichor Energy, and a pledge by Ichor Holdings of all if the membership interests in Ichor Energy. Viking is not a party to the Term Loan. Concurrent with the closing of the Original Acquisition and entrance into the Term Loan in December 2018, Ichor Energy also entered into one or more hedge contracts with respect to a certain percentage of the estimated oil and gas production from Ichor Energy’s oil and gas assets, expiring on or about December 28, 2022.

The consideration for the conveyance of the Ichor Entities by Viking was the assumption by Assignee of all of the obligations associated with the Ichor Entities. Please see the pro forma financial statements provided herewith as Exhibit 99.1 for more detailed information on treatment of the transactions under the Assignment Agreement.

The Assignment Agreement contains a right of first refusal, and provides that if the Assignee receives an arms-length bona fide offer from any third party to purchase any of the membership interests in Holdings, such interests shall first be offered to Viking, and Viking shall have the right, exercisable within thirty (30) calendar days, to elect to purchase such membership interests upon substantially the same terms and conditions as are contained in the offer.

At the time of the disposition, the Ichor Entities were current with debt service payments under their loan agreements. Below is a list of several factors impacting Viking’s decision to enter into the Assignment Agreement to effect the Disposition:

- Viking had previously taken steps to execute on its diversification strategy, including having completed transactions as disclosed in Viking’s Current Reports on Form 8-K filed with the SEC on [August 9, 2021](#), and [August 23, 2021](#).
- The financing agreements to which the Ichor Entities were a party contained (i) high interest rates in Viking’s view, and (ii) hedge contracts limiting the price for which the associated hydrocarbons could be sold.
- The financing arrangements were isolated to the Ichor Entities (Viking was not a party to the loan agreements), and the large majority the cash flow generated by the Ichor Entities was ring-fenced at each subsidiary pursuant to requirements in the loan agreements. Accordingly, there was limited cash flow to Viking except for minor administrative fees and certain allowances. Any surplus cash flow was required to remain at the Ichor level.
- In Viking’s view, enhancing the asset value of the Ichor Entities would have required significant additional equity contributions for development. Viking did not believe that additional equity contributions were in the best interest of Viking’s shareholders, given the existing Ichor debt arrangements.
- Strategically, Viking believed its stockholders would be better served by transferring ownership of Holdings to a third party, which reduced Viking’s overall indebtedness on a consolidated basis.

The foregoing description of the Assignment Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified by, the full text of the Assignment Agreement, which is filed as Exhibit 2.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(a) Pro Forma Financial Information

The unaudited pro forma financial statements of Viking as of and for the six months ended June 30, 2021 and year ended December 31, 2020, in each case giving effect to the transactions under the Assignment Agreement, are set forth in Exhibit 99.1 hereto and incorporated herein by reference.

(d) Exhibits.

Exhibit No.	Description
2.1	Assignment of Membership Interests
99.1	Unaudited Pro Forma Financial Statements of Viking Energy Group, Inc.
104	Cover Page Interactive Data File (embedded within Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VIKING ENERGY GROUP, INC.

Date: April 19, 2022

By: /s/ James A. Doris
Name: James A. Doris
Title: Chief Executive Officer

ASSIGNMENT OF MEMBERSHIP INTERESTS

This Assignment of Membership Interests (this “**Assignment**”) dated effective as of October 5, 2021 (the “**Effective Date**”) is entered into by and between Viking Energy Group, (“**Assignor**”) and TO Ichor 2021, L.L.C. (“**Assignee**”).

RECITALS:

- A. Viking Energy Group, Inc. (“**Viking**”) owns all of the membership interests of Ichor Energy Holdings, LLC (“**Holdings**”);
- B. Holdings owns all of the membership interests of Ichor Energy, LLC (“**Ichor Energy**”), subject to certain warrants in favor of certain holders;
- C. Ichor Energy owns all of the membership interests of Ichor Energy LA, LLC (“**Ichor LA**”) and Ichor Energy TX, LLC (“**Ichor TX**”);
- D. Ichor LA owns interests in certain oil and gas properties located in Louisiana and Ichor TX owns interests in certain oil and gas properties located in Texas;
- E. Holdings, as guarantor, and Ichor Energy, Ichor LA and Ichor TX, as borrowers, are parties to a Term Loan Credit Agreement, a copy of which has been provided to the Assignee along with copies of production reports, lease operating statements, mark-to-market value of applicable hedge arrangements and other information relating to Holdings, Ichor Energy, Ichor LA and/or Ichor TX;
- F. Assignor has agreed to transfer to Assignee all of the issued and outstanding membership interests owned by Assignor of Holdings (the “**Assigned Interests**”); and
- G. Assignor desires to transfer all of the Assigned Interests to Assignee, and Assignee desires to accept the Assigned Interests from the Assignee.

NOW, THEREFORE, the parties to this Assignment hereby agree as follows:

1. Assignment of Assigned Interests. In exchange for good and valuable consideration, the receipt of which is hereby acknowledged, and effective as of the Effective Date, the Assignor hereby sells, assigns, transfers, conveys and delivers to Assignee, and Assignee hereby purchases and accepts, all of the Assigned Interests on an as-is, where-is basis.

2. Future Cooperation. Assignor and Assignee mutually agree to execute any further deeds, bills of sale, assignments, or other documents as may be reasonably requested by the other party for the purpose of giving effect to, evidencing or giving notice of the transaction evidenced by this Assignment.

Assignment of Membership Interest – Holdings

3. Amendment and Modification; Waiver. This Assignment may be amended, modified and supplemented only by written instrument duly authorized and executed by Assignor and Assignee. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by either party hereto of a breach of any provision of this Assignment shall not operate or be construed as a waiver of any other provision or breach

4. Governing Law. This Assignment shall be governed by, and construed in accordance with, the internal laws of the State of Texas, without regard to conflict of law principles.

5. Counterparts. This Assignment may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

6. Severability. If any provision of this Assignment is determined to be invalid or unenforceable, in whole or in part, it is the parties' intention that such determination will not be held to affect the validity or enforceability of any other provision of this Assignment, which provisions will otherwise remain in full force and effect.

7. Successors and Assigns. This Assignment will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

8. Right of First Refusal. If the Assignee receives from any third party or third parties with which it is dealing at arm's length, a bona fide offer (the "Offer") to purchase any of the Assigned Interests he shall forthwith notify the Assignor (the "Offeree") of the receipt of the Offer and its desire to accept same and shall contemporaneously with the giving of such notice deliver to the Assignor full particulars of the Offer. The Offeree shall then have the right, option and privilege, exercisable within thirty (30) calendar days from the receipt of the aforesaid notice to elect to purchase subject Assigned Interests upon substantially the same terms and conditions as are contained in the Offer.

Assignment of Membership Interest – Holdings

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

Assignor:

VIKING ENERGY GROUP, INC.

By: /s/ James A. Doris

Name: James A. Doris

Title: President & CEO

Assignee:

TO Ichor 2021, L.L.C.

By: /s/ April Hammel

Name: April Hammel

Title: Secretary

Assignment of Membership Interest – Holdings

Viking Energy Group, Inc.
Unaudited Pro Forma Condensed Combined Financial Statements

VIKING ENERGY GROUP, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following sets forth unaudited pro forma condensed consolidated financial information of Viking Energy Group, Inc. (the “Company”) prepared in accordance with Article 8-05 of Regulation S-X. You should read this information in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Risk Factors” and the Company’s consolidated financial statements and related notes and other financial information included in its most recent Annual Report on Form 10-K, and Quarterly Reports on Form 10-Q. The unaudited pro forma condensed consolidated financial information is based on and has been derived from the Company’s historical consolidated financial statements.

On October 5, 2021, the Company entered into an Assignment of Membership Interests (the “Assignment Agreement”) with TO Ichor 2021, L.L.C. (“Assignee”), pursuant to which the Company assigned all of its membership interests in Ichor Energy Holdings, L.L.C. (“Holdings”) to the Assignee, effective October 5, 2021 (the “Assignment”).

The unaudited pro forma condensed consolidated balance sheet as of June 30, 2021 and statements of operations for the year ended December 31, 2020 and the six months ended June 30, 2021 give pro forma effect to the elimination of certain assets and liabilities associated with the Assignment as if it occurred on June 30, 2021 (in the case of the balance sheet) or January 1, 2020 (in the case of the statement of operations). The unaudited pro forma effects of the disposition on the Company’s oil and gas reserves and the standardized measure of future net cash flows, give pro forma effect to the dispositions of the reserves based on the information disclosed in the Company’s annual report as of and for the year ended December 31, 2020.

The unaudited pro forma condensed consolidated financial information includes unaudited pro forma adjustments that are factually supportable and directly attributable to the respective transactions. In addition, the unaudited pro forma adjustments are expected to have a continuing impact on the Company’s results. The Company has prepared the unaudited pro forma condensed consolidated financial information for illustrative purposes only and it does not purport to represent what the results of operations or financial condition would have been had the respective transactions actually occurred on the dates indicated, nor does the Company purport to project the results of operations or financial condition for any future period or as of any future date. The actual results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors

VIKING ENERGY GROUP, INC.
 UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
 AS OF JUNE 30, 2021

	<u>Historical, June 30, 2021</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma June 30, 2021</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 7,471,030	(3,525,933)(a)	\$ 3,945,097
Accounts receivable	5,836,331	(2,449,384)(a)	3,386,947
Total current assets	13,307,361		7,332,045
Oil and gas properties, net	97,656,287	(56,955,136)(a)	40,701,151
Fixed assets, net	357,770		357,770
Deposits	57,896		57,896
TOTAL ASSETS	\$ 111,379,314		\$ 48,448,862
LIABILITIES AND MEMBERS' EQUITY			
Current liabilities			
Accounts payable and accrued expenses	\$ 5,328,304	(1,622,859)(a)	3,705,445
Derivative liability	12,649,422	(8,844,538)(a)	3,804,884
Undistributed revenue and royalties	5,833,882	(2,192,997)(a)	3,640,885
Current portion of long term debt	44,325,164	(2,301,067)(a)	42,024,097
Total current liabilities	68,136,772		53,175,311
Long term debt - net of current portion	51,636,447	(48,740,242)(a)	2,896,205
Operating lease liability	204,714		204,714
Asset retirement obligations	6,455,705	(2,000,485)(a)	4,455,220
Total Liabilities	126,433,638		60,731,450
Stockholders' Equity			
Equity and accumulated income (loss)	(15,054,324)	2,771,736(a)	(12,282,588)
Total Stockholders' Equity (Deficit)	(15,054,324)		(12,282,588)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 111,379,314		\$ 48,448,862

VIKING ENERGY GROUP, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

VIKING ENERGY GROUP, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021

	Historical Six Months Ended June 30, 2021	Pro Forma Adjustments	Pro Forma Six Months Ended June 30, 2021
REVENUE			
Oil and gas sales	\$ 21,190,712	(8,919,858)(b)	\$ 12,270,854
OPERATING EXPENSES			
Lease operating costs	9,974,748	(4,120,767)(b)	5,853,981
General and administrative	2,320,934	(590,960)(b)	1,729,974
Stock based compensation	388,543		388,543
Depreciation, depletion and amortization	4,663,227	(2,017,637)(b)	2,645,590
Accretion - ARO	289,674	(92,348)(b)	197,326
TOTAL OPERATING EXPENSES	<u>17,637,126</u>		<u>10,815,414</u>
INCOME (LOSS) FROM OPERATIONS	3,553,586		1,455,440
OTHER INCOME (EXPENSE)			
Interest expense	(6,431,875)	3,505,183(b)	(2,926,692)
Amortization of debt discount	(2,145,036)	435,414(b)	(1,709,622)
Change in fair value of derivatives	(12,976,173)	10,064,747(b)	(2,911,426)
Loss on financing settlements	(926,531)		(926,531)
Other income (expense)	22,002		22,002
TOTAL OTHER INCOME (EXPENSE)	<u>(22,457,613)</u>		<u>(8,452,269)</u>
NET INCOME (LOSS)	<u>\$ (18,904,027)</u>		<u>\$ (6,996,829)</u>
EARNINGS (LOSS) PER COMMON SHARE			
Basis and Diluted	<u>\$ (0.28)</u>		<u>\$ (0.10)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
Basis and Diluted	<u>67,350,993</u>		<u>67,350,993</u>

VIKING ENERGY GROUP, INC.
 UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Historical Year Ended December 31, 2020</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma Year Ended December 31, 2020</u>
REVENUE			
Oil and gas sales	\$ 40,266,780	(20,897,507)(b)	\$ 19,369,273
OPERATING EXPENSES			
Lease operating costs	19,075,749	(8,691,873)(b)	10,383,876
Impairment of oil and gas properties	37,500,000	(20,568,275)(b)	16,931,725
General and administrative	4,966,059	(1,027,404)(b)	3,938,655
Stock based compensation	5,625,302		5,625,302
Depreciation, depletion and amortization	13,513,735	(6,029,318)(b)	7,484,417
Accretion - asset retirement obligations	1,111,266	(5,797)(b)	1,105,469
TOTAL OPERATING EXPENSES	<u>81,792,111</u>		<u>45,469,444</u>
INCOME (LOSS) FROM OPERATIONS	(41,525,331)		(26,100,171)
OTHER INCOME (EXPENSE)			
Interest expense	(19,697,942)	7,234,611(b)	(12,463,331)
Amortization of debt discount	(7,321,178)	880,449(b)	(6,440,729)
Change in fair value of derivatives	5,485,573	(6,227,391)(b)	(741,818)
Loss on financing settlements	(931,894)		(931,894)
Other income (expense)	2,527	(23,583)(b)	(21,056)
TOTAL OTHER INCOME (EXPENSE)	<u>(22,462,914)</u>		<u>(20,598,828)</u>
NET INCOME (LOSS)	(63,988,245)		(46,698,999)
Net loss attributable to noncontrolling interest	1,996,511		1,996,511
NET INCOME (LOSS) ATTRIBUTABLE TO VIKING ENERGY GROUP, INC.	<u>(61,991,734)</u>		<u>(44,702,488)</u>
Preferred stock deemed dividend	-		(42,002,301)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>\$ (61,991,734)</u>		<u>\$ (86,704,789)</u>
EARNINGS (LOSS) PER COMMON SHARE			
Basis and Diluted	<u>\$ (2.42)</u>		<u>\$ (3.28)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
Basis and Diluted	<u>26,459,006</u>		<u>26,459,006</u>

VIKING ENERGY GROUP, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

Ichor Energy Assignment Adjustments to the Unaudited Pro Forma Condensed Consolidated Balance Sheet

The following adjustments have been made to the accompanying unaudited pro forma condensed consolidated balance sheet as of June 30, 2021

- (a) Represents the elimination of assets and liabilities and resulting gain on membership interest assignment of the properties sold.

Ichor Energy Assignment Adjustments to the Unaudited Pro Forma Condensed Consolidated Statements of Operations

The following adjustments have been made to the accompanying unaudited pro forma condensed consolidated statements of operations for the six months ended June 30, 2021, and the year ended December 31, 2020.

- (b) Represents the elimination of gas and oil production revenue and expenses for the properties sold.

VIKING ENERGY GROUP, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

VIKING ENERGY GROUP, INC.
 UNAUDITED PRO FORMA EFFECT OF THE DISPOSITION OF OIL AND GAS RESERVES
 AS OF DECEMBER 31, 2020

Estimated Quantities of Proved Reserves *(BOE) - 12/31/2020	Oil and Gas Dispositions		
	Total Company	Ichor Energy Holdings, LLC	Pro forma balances post disposition
Proved Developed, Producing	12,483,138	5,994,750	6,488,388
Proved Developed, Non Producing	3,471,570	1,306,080	2,165,490
Total Proved Developed	15,954,708	7,300,830	8,653,878
Proved Undeveloped	3,340,107	1,579,820	1,760,287
	<u>19,294,815</u>	<u>8,880,650</u>	<u>10,414,165</u>

* BOE is calculated on a 6 to 1 ratio (mcf to bbl)

Standardized Measure of Discounted Future Net Cash Flows - 12/31/2020	Oil and Gas Dispositions		
	Total Company	Ichor Energy Holdings, LLC	Pro forma balances post disposition
Future cash inflows	\$ 457,438,654	\$ 252,990,920	\$ 204,447,734
Future production costs	(202,285,561)	(101,418,180)	(100,867,381)
Future development costs	(32,860,370)	(12,862,070)	(19,998,300)
Future income tax expense	(8,424,790)	(5,257,134)	(3,167,656)
Future net cash flows	213,867,933	133,453,536	80,414,397
10% annual discount for estimated timing of cash flows	(96,141,109)	(60,054,091)	(36,087,018)
	<u>\$ 117,726,824</u>	<u>\$ 73,399,445</u>	<u>\$ 44,327,379</u>