

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

FORM 10-Q/A
(Amendment No. 1)

QUARTERLY REPORT UNDER SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED **SEPTEMBER 30, 2021**

OR

TRANSITION REPORT UNDER SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: **000-29219**

VIKING ENERGY GROUP, INC.

(Formerly Viking Investments Group, Inc.)
(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

98-0199508

(IRS Employer Identification No.)

15915 Katy Freeway, Suite 450

Houston, TX 77094

(Address of principal executive offices)

(281) 404 4387

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Not applicable.	Note applicable.	Not applicable.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer
Non-Accelerated Filer

Accelerated Filer
Smaller Reporting Company
Emerging Growth Company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

As of November 5, 2021, the registrant had 101,971,563 shares of common stock outstanding.

EXPLANATORY NOTE - RESTATEMENT OF CERTAIN FINANCIAL INFORMATION PERTAINING TO DEEMED DIVIDENDS

This Amendment No. 1 to Quarterly Report on Form 10-Q/A (this "Amendment") amends the quarterly report of Viking Energy Group, Inc. (the "Company") for the quarterly period ended September 30, 2021, as filed with the United States Securities and Exchange Commission (the "SEC") on November 15, 2021 (the "Original 10-Q"), to restate the financial statements for the three and nine months ended September 30, 2020.

On August 31, 2020, the Company filed an amended Certificate of Designation (the "August Amendment") regarding the rights associated with Viking's shares of Series C Preferred Stock (the "Preferred Shares") in connection with an Agreement and Plan of Merger (the "2020 Merger Agreement") in effect at the time between the Company and Camber Energy, Inc. ("Camber"). The August Amendment modified the conversion and voting entitlements associated with the Preferred Shares in anticipation of a full combination between Viking and Camber.

The modification of preferred stock rights that includes adding a substantive conversion option requires the modification to be treated as a redemption of the preferred shares and any difference between the fair value of the modified preferred shares and the carrying amount of the preferred shares be subtracted (or added) to net income to arrive at income available to common shareholders in accordance with FASB ASC 260-10-S99-2. Consequently, we have recognized a deemed dividend in determining net income or loss attributable to common shareholders as reported in the Statement of Operations and utilized in computing earnings or loss per common share for the three and nine months ended September 30, 2020. The deemed dividend has no impact on the Company's (i) balance sheet, (ii) reported revenues and expenses, and (iii) statement of cash flows.

The Company is amending the Original 10-Q to recognize the fair value of the deemed dividend in the amount of \$14,546,677 for the three and nine months ended September 30, 2020; such deemed dividend had not been previously recognized. This restatement has no impact on financial position and results of operations for the three and nine months ended September 30, 2021.

Except as described above and in note 4 to the accompanying consolidated financial statements and in "Item 4. Controls and Procedures," no other information included in the Original 10-Q is being amended or updated by this Amendment, and this Amendment does not purport to reflect any information or events subsequent to the Original 10-Q. This Amendment continues to describe the conditions as of the date of the Original 10-Q, and, except as expressly described herein, the Company has not updated, modified or supplemented the disclosures contained in the Original 10-Q. Accordingly, this Amendment should be read in conjunction with the Original 10-Q, the 10-Q for the quarterly period ended September 30, 2020, and with the Company's filings with the SEC subsequent to the Original 10-Q.

VIKING ENERGY GROUP, INC.

Part I - Financial Information

Item 1	Financial Statements	3
	Consolidated Balance Sheets as of September 30, 2021 (unaudited) and December 31, 2020	3
	Consolidated Statements of Operations for the three and nine months ended September 30, 2021 and 2020 (unaudited)	4
	Consolidated Statements of Cash Flows for the nine months ended September 30, 2021 and 2020 (unaudited)	5
	Consolidated Statements of Changes in Stockholders' Deficit for the nine months ended September 30, 2021 and 2020 (unaudited)	6
	Notes to Consolidated Financial Statements (unaudited)	7
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	32
Item 3	Quantitative and Qualitative Disclosures about Market Risk	42
Item 4	Controls and Procedures	42

Part II - Other Information

Item 1	Legal Proceedings	43
Item 2	Unregistered Sales of Equity Securities and Use of Proceeds	58
Item 3	Defaults Upon Senior Securities	60
Item 4	Mine Safety Disclosures	60
Item 5	Other Information	60
Item 6	Exhibits	61

PART I-FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

VIKING ENERGY GROUP, INC.
(A Majority Owned Subsidiary of Camber Energy, Inc.)
Consolidated Balance Sheets

	September 30, 2021	December 31, 2020
	(unaudited)	
ASSETS		
Current assets:		
Cash	\$ 2,893,877	\$ 3,976,783
Restricted cash	3,721,993	3,862,756
Accounts receivable - oil and gas - net	7,708,223	4,050,631
Prepaid expenses	1,135,445	-
Total current assets	15,459,538	11,890,170
Oil and gas properties, full cost method		
Proved developed producing oil and gas properties, net	60,749,028	64,703,753
Proved undeveloped and non-producing oil and gas properties, net	35,331,225	37,452,683
Total oil and gas properties, net	96,080,253	102,156,436
Fixed assets, net	319,368	433,168
Derivative asset	-	1,220,209
Investment in unconsolidated entity	8,005,931	-
ESG Clean Energy license, net	4,963,633	-
Deposits	57,896	57,896
TOTAL ASSETS	\$ 124,886,619	\$ 115,757,879
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 7,490,898	\$ 4,475,519
Accrued expenses and other current liabilities	3,933,036	3,857,655
Undistributed revenues and royalties	5,836,958	4,115,462
Derivative liability	16,074,519	893,458
Due to director	-	559,122
Current portion of long-term debt and other short-term borrowings - net of debt discount	41,945,548	32,977,368
Total current liabilities	75,280,959	46,878,584
Long term debt - net of current portion and debt discount	51,062,299	78,775,796
Operating lease liability	185,308	241,431
Asset retirement obligation	6,474,028	6,164,231
TOTAL LIABILITIES	133,002,594	132,060,042
Commitments and contingencies	-	-
STOCKHOLDERS' DEFICIT		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized, 28,092 shares issued and outstanding as of September 30, 2021 and December 31, 2020	28	28
Common stock, \$0.001 par value, 500,000,000 shares authorized, 99,363,736 and 51,494,956 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively.	99,363	51,495
Additional paid-in capital	112,042,473	75,920,811
Accumulated deficit	(120,257,839)	(92,274,497)
TOTAL STOCKHOLDERS' DEFICIT	(8,115,975)	(16,302,163)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 124,886,619	\$ 115,757,879

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

[Table of Contents](#)

VIKING ENERGY GROUP, INC.
(A Majority Owned Subsidiary of Camber Energy, Inc.)
Consolidated Statements of Operations (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020 (restated)	2021	2020 (restated)
Revenue				
Oil and gas sales	\$ 9,680,661	\$ 10,149,387	\$ 30,871,373	\$ 31,487,202
Operating expenses				
Lease operating costs	4,888,546	4,991,648	14,863,294	13,147,640
General and administrative	1,966,519	1,190,145	4,287,453	3,391,982
Stock based compensation	82,055	3,235,200	470,598	3,686,582
Depreciation, depletion and amortization	2,181,326	2,573,183	6,844,553	8,671,593
Impairment of oil and gas properties	-	2,500,000	-	2,500,000
Accretion - ARO	148,551	119,659	438,225	360,937
Total operating expenses	<u>9,266,997</u>	<u>14,609,835</u>	<u>26,904,123</u>	<u>31,758,734</u>
Income from operations	<u>413,664</u>	<u>(4,460,448)</u>	<u>3,967,250</u>	<u>(271,532)</u>
Other income (expense)				
Interest expense	(3,180,460)	(5,327,925)	(9,612,335)	(16,821,040)
Amortization of debt discount	(1,261,618)	(3,228,124)	(3,406,654)	(6,005,728)
Change in fair value of derivatives	(3,425,097)	(5,018,338)	(16,401,270)	8,569,093
Equity in earnings of unconsolidated entity	47,772	-	47,772	-
Loss on financing settlements	(1,847,810)	-	(2,774,341)	(931,894)
Interest and other income	174,234	28	196,236	2,503
Total other income (expense)	<u>(9,492,979)</u>	<u>(13,574,359)</u>	<u>(31,950,592)</u>	<u>(15,187,066)</u>
Net income (loss) before income taxes	<u>(9,079,315)</u>	<u>(18,034,807)</u>	<u>(27,983,342)</u>	<u>(15,458,598)</u>
Income tax benefit (expense)	-	-	-	-
Net income (loss)	<u>(9,079,315)</u>	<u>(18,034,807)</u>	<u>(27,983,342)</u>	<u>(15,458,598)</u>
Net (income) loss attributable to noncontrolling interest	-	1,028,313	-	1,182,952
Net income (loss) attributable to Viking Energy Group, Inc.	<u>(9,079,315)</u>	<u>(17,006,494)</u>	<u>(27,983,342)</u>	<u>(14,275,646)</u>
Preferred stock deemed dividend	-	(14,546,677)	-	(14,546,677)
Net income (loss) attributable to common stockholders	<u>\$ (9,079,315)</u>	<u>\$ (31,553,171)</u>	<u>\$ (27,983,342)</u>	<u>\$ (28,822,323)</u>
Earnings (loss) per common share				
Basic and Diluted	<u>\$ (0.10)</u>	<u>\$ (1.39)</u>	<u>\$ (0.38)</u>	<u>\$ (1.68)</u>
Weighted average number of common shares outstanding				
Basic and Diluted	<u>87,741,024</u>	<u>22,649,319</u>	<u>74,222,359</u>	<u>17,164,033</u>

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

[Table of Contents](#)

VIKING ENERGY GROUP, INC.
(A Majority Owned Subsidiary of Camber Energy, Inc.)
Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended September 30,	
	2021	2020
Cash flows from operating activities:		
Net income (loss)	\$(27,983,342)	\$(15,458,598)
Adjustments to reconcile net loss to cash provided by operating activities:		
Change in fair value of derivative liability	16,401,270	(8,569,093)
Stock based compensation	470,598	3,686,582
Depreciation, depletion and amortization	6,844,553	8,671,593
Amortization of operational right-of-use assets	(113)	1,442
Accretion - asset retirement obligation	438,225	360,937
Impairment of oil and gas properties	-	2,500,000
Amortization of debt discount	3,406,654	6,005,728
Loss on debt settlement	2,774,341	931,894
Stock based interest expense	-	2,178,356
PPP loan forgiveness	(149,600)	-
Equity in earnings of unconsolidated entity	(47,772)	-
Changes in operating assets and liabilities		
Accounts receivable	(3,657,592)	(942,632)
Prepaid expenses and other assets	-	86,214
Accounts payable	3,015,379	(1,440,401)
Accrued expenses and other current liabilities	(313,058)	2,058,495
Undistributed revenues and royalties	1,721,496	1,168,312
Net cash provided by operating activities	2,921,039	1,238,829
Cash flows from investing activities:		
Investment in and acquisition of oil and gas properties	(1,709,253)	(1,527,473)
Acquisition of fixed assets	-	(34,075)
Payments for ESG Clean Energy license	(1,500,000)	-
Investment in unconsolidated entity	(7,958,159)	-
Proceeds from sale of oil and gas properties	906,613	84,816
Net cash used in investing activities	(10,260,799)	(1476,732)
Cash flows from financing activities:		
Proceeds from long-term debt	510,000	11,467,688
Repayment of long-term debt	(5,333,066)	(10,946,169)
Proceeds from sale of stock to Camber Energy, Inc.	11,000,000	-
Proceeds from sale of stock	-	7,925
Proceeds from exercise of warrants	-	38,000
Repayment of amount due director	(60,843)	(16,993)
Net cash provided by financing activities	6,116,091	550,451
Net decrease in cash	(1,223,669)	312,548
Cash and Restricted Cash, beginning of period	7,839,539	5,638,724
Cash and Restricted Cash, end of period	\$6,615,870	\$5,951,272
Supplemental Cash Flow Information:		
Cash paid for:		
Interest	\$9,755,850	\$12,683,119
Income taxes	\$-	\$-
Supplemental disclosure of Non-Cash Investing and Financing Activities:		
Recognition of asset retirement obligation	\$-	\$1,514,328
Equity in earnings of unconsolidated entity	\$47,772	\$-
Amortization of right-of-use asset and lease liability	\$36,872	\$49,331
Issuance of shares as payment of interest on debt	\$-	\$115,958
Issuance of shares for services	\$388,662	\$2,986,763
Issuance of warrants for services	\$29,881	\$699,819
Issuance of warrants as discount on debt	\$-	\$183,214
Issuance of warrant shares as reduction of debt	\$-	\$15,000
Issuance of shares in debt conversion	\$3,800,164	\$4,350,146
Issuance of shares as discount on debt	\$141,321	\$2,375,501
Private placement debt exchanged for new private placement debt	\$-	\$6,839,345
Purchase of working interest through new debt	\$-	\$29,496,356
Recognition of beneficial conversion feature as discount on debt	\$-	\$1,929,978
Accrued interest rolled into new private placement	\$-	\$141,985
Issuance of shares as reduction of debt and accrued expenses	\$-	\$4,110,250
Issuance of shares to parent for reduction of debt and accrued expenses	\$18,900,000	\$-
Issuance of shares for prepaid services	\$1,187,500	\$-
PPP loan forgiveness	\$149,600	\$-

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

[Table of Contents](#)

VIKING ENERGY GROUP, INC.
(A Majority Owned Subsidiary of Camber Energy, Inc.)
Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

For the nine months ended September 30, 2021

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Noncontrolling Interest</u>	<u>Total Stockholders' Equity</u>
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>				
Balances at December 31, 2020	28,092	\$ 28	51,494,956	\$ 51,495	\$ 75,920,811	\$ (92,274,497)	\$ -	\$ (16,302,163)
Rounding due to reverse split			1,770	2				2
Shares issued for services			490,689	490	388,172			388,662
Shares issued as debt discount			169,336	169	141,152			141,321
Warrants issued for services					29,881			29,881
Shares issued to parent for reduction of debt and accrued expenses			16,153,846	16,154	19,605,846			19,622,000
Shares issued for sale of stock to Camber Energy, Inc.			27,500,000	27,500	10,972,500			11,000,000
Shares issued in conversion of debt			2,603,139	2,603	3,797,561			3,800,164
Shares issued for prepaid services			950,000	950	1,186,550			1,187,500
Net loss						(27,983,342)		(27,983,342)
Balances at September 30, 2021	<u>28,092</u>	<u>\$ 28</u>	<u>99,363,736</u>	<u>\$ 99,363</u>	<u>\$ 112,042,473</u>	<u>\$ (120,257,839)</u>	<u>\$ -</u>	<u>\$ (8,115,975)</u>

For the nine months ended September 30, 2020

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Noncontrolling Interest</u>	<u>Total Stockholders' Equity</u>
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>				
Balances at December 31, 2019	28,092	\$ 28	13,799,812	\$ 13,800	\$ 38,935,790	\$ (30,282,763)	\$ -	\$ 8,666,855
Shares issued for services			2,327,712	2,327	2,984,436			2,986,763
Warrant exercise			47,026	47	37,953			38,000
Warrants issued for services					699,819			699,819
Warrants exercised to reduce debt			16,667	17	14,983			15,000
Warrants issued as debt discount					183,214			183,214
Shares issued for sale of stock			11,007	11	7,914			7,925
Shares issued as debt discount			2,261,768	2,262	2,373,239			2,375,501
Shares issued for interest payments			84,446	84	115,874			115,958
Shares issued in conversion of debt			3,572,870	3,573	4,346,573			4,350,146
Beneficial conversion features as debt discount					1,929,978			1,929,978
Shares issued as payment on debt			2,905,699	2,906	4,107,344			4,110,250
Net income						(14,275,646)	(1,182,952)	(15,458,598)
Balances at September 30, 2020	<u>28,092</u>	<u>\$ 28</u>	<u>25,027,007</u>	<u>\$ 25,027</u>	<u>\$ 55,737,117</u>	<u>\$ (44,558,409)</u>	<u>\$ (1,182,952)</u>	<u>\$ 10,020,811</u>

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

Note 1. Relationship with and Ownership by Camber Energy, Inc.

On December 23, 2020 Camber Energy, Inc. (“Camber”) acquired a 51% interest in Viking Energy Group, Inc. (“Viking” or the “Company”). On January 8, 2021 and July 29, 2021, Camber acquired additional interests in the Company resulting in Camber owning approximately 62% of the outstanding common shares of the Company after the January transaction and approximately 73% of the outstanding common shares of the Company after the July transaction. As a result, since December 23, 2020 Viking has been a majority-owned subsidiary of Camber. The December 2020, January 2021 and July 2021 transactions, along with a new merger agreement executed by Viking and Camber in February 2021 are described further below. References below to the Company’s various debt arrangements are described further in Note 8.

December 23, 2020 Transaction

On December 23, 2020, the Company entered into a Securities Purchase Agreement with Camber, pursuant to which Camber acquired (“Camber’s Acquisition”) 26,274,510 shares of Viking common stock (“Camber’s Viking Shares”), constituting 51% of the common stock of Viking, in consideration of (i) Camber’s payment of \$10,900,000 to Viking (the “Cash Purchase Price”), and (ii) cancellation of \$9,200,000 in promissory notes issued by Viking to Camber (“Camber’s Viking Notes”). Pursuant to the Securities Purchase Agreement, if at any time between December 23, 2020 and July 2, 2022 Viking issues shares of its common stock to one or more persons such that Camber’s percentage ownership of Viking’s common stock is less than 51%, Viking is obligated to issue additional shares to Camber to ensure that Camber owns at least 51% of the common stock of Viking (the “Adjustment Entitlement”). The Adjustment Entitlement expires on July 1, 2022.

In connection with Camber’s Acquisition, the Company and Camber terminated their previous merger agreement, dated August 31, 2020, as amended, and Camber assigned its membership interests in one of Viking’s subsidiaries, Elysium Energy Holdings, LLC, back to Viking. Also in connection with Camber’s Acquisition, effective December 23, 2020, Camber (i) borrowed \$12,000,000 from an institutional investor; (ii) issued the investor a promissory note in the principal amount of \$2,000,000, accruing interest at the rate of 10% per annum and maturing December 11, 2022 (the “First Camber Investor Note”); (iii) granted the Investor a first-priority security interest in Camber’s Viking Shares and Camber’s other assets pursuant to a pledge agreement and a general security agreement, respectively; and (iv) entered into an amendment to Camber’s \$ 6,000,000 promissory note previously issued to the investor dated December 11, 2020 (the “Second Camber Investor Note”), amending the acceleration provision of the note to provide that the note repayment obligations would also not accelerate if Camber has increased its authorized capital stock by March 11, 2021 (and Camber increased its authorized capital stock in February 2021 as required). In order to close Camber’s Acquisition, effective December 23, 2020, Viking entered into a Guaranty Agreement, guaranteeing repayment of the First Camber Investor Note and the Second Camber Investor Note.

On December 23, 2020, the First Camber Investor Note was funded, and Viking and Camber closed Camber’s Acquisition, with Camber paying the Cash Purchase Price to Viking and cancelling Camber’s Viking Notes, and Viking issuing Camber’s Viking Shares. At the closing, James Doris and Frank Barker, Jr., Viking’s CEO and CFO, were appointed the CEO and CFO of Camber, and Mr. Doris was appointed a member of the Board of Directors of Camber.

January 8, 2021 Transactions

On January 8, 2021, the Company entered into another purchase agreement with Camber pursuant to which Camber agreed to acquire an additional 6,153,846 shares of Company common stock (the “Shares”) in consideration of (i) Camber issuing 1,890 shares of Camber’s Series C Redeemable Convertible Preferred Stock to EMC Capital Partners, LLC (“EMC”), one of the Company’s lenders which held a secured promissory note issued by the Company to EMC in the original principal amount of \$20,869,218 in connection with the purchase of oil and gas assets on or about February 3, 2020 (the “EMC Note”); and (ii) EMC considering the EMC Note paid in full and cancelled pursuant to the Cancellation Agreement described below. The fair value of the 1,890 shares of Camber’s Series C Redeemable Convertible Preferred Stock was determined to be \$19,622,000 at the date of the transaction; as a result, the Company recognized a loss on debt settlement in the amount of \$926,531.

Simultaneously, on January 8, 2021, the Company entered into a Cancellation Agreement with EMC (the “Cancellation Agreement”) pursuant to which the Company agreed to pay \$325,000 to EMC, and EMC agreed to cancel and terminate in the EMC Note and all other liabilities, claims, amounts owing and other obligations under the Note. At the same time, Camber entered into a purchase agreement with EMC pursuant to which (i) Camber agreed to issue 1,890 shares of Camber’s Series C Redeemable Convertible Preferred Stock to EMC, and (ii) EMC agreed to enter into the Cancellation Agreement with the Company to cancel the EMC Note.

February 2021 Merger Agreement with Camber

On February 15, 2021, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Camber. The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, a newly-formed wholly-owned subsidiary of Camber (“Merger Sub”) will merge with and into the Company (the “Merger”), with the Company surviving the Merger as a wholly-owned subsidiary of Camber.

Upon the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the “Effective Time”), each share: (i) of common stock, par value \$0.001 per share, of the Company (the “Viking Common Stock”) issued and outstanding immediately prior to the Effective Time, other than shares owned by Camber, the Company and Merger Sub, will be converted into the right to receive one share of common stock of Camber; and (ii) of Series C Convertible Preferred Stock of the Company (the “Viking Preferred Stock”) issued and outstanding immediately prior to the Effective Time will be converted into the right to receive one share of Series A Convertible Preferred Stock of Camber (the “Camber Series A Preferred Stock”). Each share of Camber Series A Preferred Stock will convert into 890 shares of common stock of Camber (subject to a beneficial ownership limitation preventing conversion into Camber common stock if the holder would be deemed to beneficially own more than 9.99% of Camber’s common stock), will be treated equally with Camber’s common stock with respect to dividends and liquidation, and will only have voting rights with respect to voting: (a) on a proposal to increase or reduce Camber’s share capital; (b) on a resolution to approve the terms of a buy-back agreement; (c) on a proposal to wind up Camber; (d) on a proposal for the disposal of all or substantially all of Camber’s property, business and undertaking; (f) during the winding-up of Camber; and/or (g) with respect to a proposed merger or consolidation in which Camber is a party or a subsidiary of Camber is a party. Holders of Viking common stock and Viking Preferred Stock will have any fractional shares of Camber common stock or preferred stock after the Merger rounded up to the nearest whole share.

[Table of Contents](#)

At the Effective Time, each outstanding Company equity award, will be converted into the right to receive the merger consideration in respect of each share of Viking common stock underlying such equity award and, in the case of Company stock options, be converted into vested Camber stock options based on the merger exchange ratio calculated as provided above (the “Exchange Ratio”).

The Merger Agreement provides, among other things, that effective as of the Effective Time, James A. Doris, the current Chief Executive Officer of both the Company and Camber, shall serve as President and Chief Executive Officer of the Combined Company following the Effective Time. The Merger Agreement provides that, as of the Effective Time, the Combined Company will have its headquarters in Houston, Texas.

The Merger Agreement also provides that, during the period from the date of the Merger Agreement until the Effective Time, each of Camber and Company will be subject to certain restrictions on its ability to solicit alternative acquisition proposals from third parties, to provide non-public information to third parties and to engage in discussions with third parties regarding alternative acquisition proposals, subject to customary exceptions. Company is required to hold a meeting of its stockholders to vote upon the adoption of the Merger Agreement and, subject to certain exceptions, to recommend that its stockholders vote to adopt the Merger Agreement. Camber is required to hold a meeting of its stockholders to approve the issuance of Viking Common Stock and Viking Preferred Stock in connection with the Merger (the “Share Issuance”).

The completion of the Merger is subject to customary conditions, including (i) adoption of the Merger Agreement by Camber’s stockholders and approval of the Share Issuance by Camber’s stockholders, (ii) receipt of required regulatory approvals, (iii) effectiveness of a registration statement on Form S-4 for the Camber common stock to be issued in the Merger (the “Form S-4”), and (iv) the absence of any law, order, injunction, decree or other legal restraint preventing the completion of the Merger or making the completion of the Merger illegal. Each party’s obligation to complete the Merger is also subject to certain additional customary conditions, including (i) subject to certain exceptions, the accuracy of the representations and warranties of the other party, (ii) subject to certain exceptions, performance by the other party of its obligations under the Merger Agreement and (iii) the absence of any material adverse effect on the other party, as defined in the Merger Agreement.

Additional closing conditions to the Merger include that in the event the NYSE American determines that the Merger constitutes, or will constitute, a “back-door listing” / “reverse merger”, Camber (and its common stock) is required to qualify for initial listing on the NYSE American, pursuant to the applicable guidance and requirements of the NYSE as of the Effective Time.

The Merger Agreement can be terminated (i) at any time with the mutual consent of the parties; (ii) by either Camber or Company if any governmental consent or approval required for closing is not obtained, or any governmental entity issues a final non-appealable order or similar decree preventing the Merger; (iii) by either Company or Camber if the Merger shall not have been consummated on or before August 1, 2021; (iv) by Camber or Company, upon the breach by the other of a term of the Merger, which is not cured within 30 days of the date of written notice thereof by the other; (v) by Camber if Company is unable to obtain the affirmative vote of its stockholders for approval of the Merger; (vi) by Company if Camber is unable to obtain the affirmative vote of its stockholders required pursuant to the terms of the Merger Agreement; and (vii) by Company or Camber if there is a willful breach of the Merger Agreement by the other party thereto. The Merger Agreement contains customary indemnification obligations of the parties and representations and warranties.

The Merger has not been completed. As of the date of filing this report, neither Viking or Camber has advised of its intention to terminate the Merger Agreement.

April 23, 2021 Transaction

On or about April 23, 2021, Camber (i) borrowed \$2,500,000 from an institutional investor; (ii) issued the investor a promissory note in the principal amount of \$2,500,000, accruing interest at the rate of 10% per annum and maturing December 11, 2022 (the “Third Camber Investor Note”); (iii) granted the Investor a first-priority security interest in Camber’s Viking Shares and Camber’s other assets pursuant to a pledge agreement and a general security agreement, respectively. Viking entered into a Guaranty Agreement, guaranteeing repayment of the Third Camber Investor Note.

July 9, 2021 Transaction:

Effective July 9, 2021, Camber and the institutional investor executed amendments to each of the First Camber Investor Note, the Second Camber Investor Note and the Third Camber Investor Note (collectively, the “Notes”), pursuant to which (i) the Maturity Date of each of the Notes was extended from December 11, 2022, to January 1, 2024; and (ii) the Investor is permitted to convert amounts owing under the Notes into shares of common stock of Camber at a fixed price of \$1.25 per share, subject to beneficial ownership limitations.

July 29, 2021 Transaction:

On July 29, 2021, the Company entered into a Securities Purchase Agreement with Camber, pursuant to which Camber acquired an additional 27,500,00 shares of Viking common stock for an aggregate purchase price of \$11,000,000. As a result, Camber’s ownership increased as of such date to approximately 73% of the issued and outstanding shares of Viking common stock.

Camber’s Series C Preferred Share Designation

The Certificate of Designation(s) (the “COD”) regarding Camber’s Series C Convertible Preferred Shares requires, among other things, Camber to: (i) timely file with the Securities and Exchange Commission all reports required to pursuant to the Exchange Act (the “Reporting Requirement”); and (ii) maintain a sufficient share reserve with respect to the common shares to which the preferred shares may be converted (“Share Reserve Requirement”). Any breach under the COD is also a default under the Notes. Camber is not currently in compliance with the Reporting Requirement or the Share Reserve Requirement. The institutional investor has agreed not to claim against Camber for any breaches or defaults provided the Reporting Requirement and the Share Reserve Requirement are satisfied by November 19, 2021 and December 31, 2021, respectively. If Camber fails to satisfy such requirements Viking may be called upon to honor its obligations under the Guaranty and Security Agreements executed by Viking in favor of the institutional investor with respect to the Notes.

Note 2. Company Overview and Operations

Viking Energy Group, Inc. and subsidiaries is an energy company, targeting opportunities in the power generation, clean energy and resource sectors. Through its 60.5 % majority-owned subsidiary, Simson-Maxwell Ltd. (“Simson-Maxwell”), the Company provides power generation products, services and custom energy solutions to commercial and industrial clients. Through other wholly-owned subsidiaries, the Company is engaged in petroleum exploration and production and the sale of crude oil, natural gas and natural gas liquids. Additionally, the Company recently entered into a license agreement with ESG Clean Energy, LLC (“ESG”), to utilize ESG’s patent rights and know-how related to stationary electric power generation and heat and carbon dioxide capture (the “ESG Clean Energy System”). The Company intends to sell, lease, and sub-license the ESG Clean Energy System to third parties using, among others, Simson-Maxwell’s existing distribution channels, and the Company may also utilize the ESG Clean Energy System for its own account, whether in connection with its petroleum operations, Simson-Maxwell’s power generation operations, or otherwise.

The following overview provides a background related to various operations and acquisition efforts over the last several years:

Oil & Gas Acquisitions

On December 22, 2017, the Company completed an acquisition of 100% of the membership interests of Petrodome Energy, LLC (“Petrodome”), a privately-owned company, with working interests in multiple oil and gas fields across Texas, Louisiana and Mississippi, comprising approximately 11,700 acres.

As a part of this acquisition, the Company retained an operational office and staff in Houston, Texas, which provided the Company the capability of operating many of its own wells internally. This expertise has since been utilized to evaluate potential oil and gas acquisitions, evaluate the management of the Company’s oil and gas assets, and evaluate possible drilling prospects.

On May 10, 2019, Petrodome Louisiana Pipeline LLC (“Petrodome LA”), a subsidiary of Petrodome, acquired a majority working interest in 6 gas wells (including 2 producing gas wells), 1 producing oil well and 1 salt water disposal well located in the East Mud Lake Field in Cameron Parish, Louisiana, with leases to mineral rights (oil and gas) concerning approximately 765 acres.

Viking’s petroleum operations are focused on the acquisition and development of oil and natural gas properties in the Gulf Coast and Mid-Continent regions of the United States, with the Company’s petroleum-focused subsidiaries owning oil and gas leases in Texas, Louisiana, Mississippi and Kansas.

Oil and Gas Acquisitions & Disposals

On December 28, 2018, the Company, through its newly formed Ichor Energy Holdings, LLC subsidiary (“Ichor Energy Holdings”), completed an acquisition of working interests in oil and gas leases in Texas (primarily in Orange and Jefferson Counties) and Louisiana (primarily in Calcasieu Parish), which included 58 producing wells and 31 salt water disposal wells. On October 5, 2021, the Company transferred all of the membership interests of Ichor Energy Holdings to a third party, and the third party assumed all of the rights and obligations associated with such membership interests, including the debt and derivatives associated with Ichor Energy Holdings and all of its entities. The consideration for the conveyance of the membership interests of Ichor Energy Holdings was the assumption by the third party of all of the rights and obligations associated with Ichor Energy Holdings and all of its entities. The assignment agreement contains a right of first refusal, and provides that if the third party 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 the Company, who 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.

[Table of Contents](#)

On February 3, 2020, the Company, through its newly formed majority-owned Elysium Energy Holdings, LLC subsidiary (“Elysium Energy Holdings”), acquired interests in oil and gas properties located in Texas and Louisiana, which included leases, working interests, and over-riding royalty interests in oil and gas properties in Texas (approximately 72 wells in 11 counties) and Louisiana (approximately 55 wells in 6 parishes), along with associated equipment. On October 12, 2021, the Company transferred all of the membership interests of Elysium Energy Holdings to a third party, and the third party assumed all of the rights and obligations associated with such membership interests, including the debt and derivatives associated with Elysium Energy Holdings and all of its entities. The consideration for the conveyance of the membership interests of Elysium Energy Holdings was the assumption by the third party of all of the rights and obligations associated with Elysium Energy Holdings and all of its entities.

The following table provides condensed aggregate financial information as of and for the nine months ended September 30, 2021 and 2020, regarding the entities transferred to third parties during October 2021:

	September 30,	
	2021	2020
Total assets	<u>\$ 91,008,735</u>	<u>\$ 120,501,052</u>
Total liabilities	<u>\$ 110,681,581</u>	<u>\$ 88,917,536</u>
	Nine months ended	
	September 30,	
	2021	2020
Revenue	<u>\$ 27,756,694</u>	<u>\$ 28,555,823</u>
Operating expenses	<u>\$ (21,935,805)</u>	<u>\$ (22,337,966)</u>
Interest expenses	<u>\$ (8,587,349)</u>	<u>\$ (8,456,370)</u>
Amortization of debt discount	<u>\$ (2,138,508)</u>	<u>\$ (1,778,540)</u>
Gain (loss) on change in fair value of derivatives	<u>\$ (16,401,270)</u>	<u>\$ 8,312,386</u>

Simson-Maxwell Acquisition

On August 6, 2021, the Company acquired approximately 60.5% of the issued and outstanding shares of Simson-Maxwell Ltd., a Canadian federal corporation, for \$7,958,159 in cash. Simson-Maxwell is a leading manufacturer and supplier of industrial engines, power generation products, services and custom energy solutions. The company integrates innovative technology with superior products to contribute to global energy sustainability. Operating for over 80 years, Simson-Maxwell’s diverse group of employees at seven branch locations service over 4,000 maintenance contracts and assist with satisfying the energy and power-solution demands of the company’s entire customer-base.

ESG Clean Energy License

On August 18, 2021, the Company entered into a license agreement with ESG, a Delaware limited liability company, pursuant to which the Company received (i) an exclusive license to ESG Clean Energy's patent rights and know-how related to stationary electric power generation (not in connection with vehicles), including methods to utilize heat and capture carbon dioxide in Canada, and (ii) a non-exclusive license to the Intellectual Property in up to 25 sites in the United States that are operated by the Company or its affiliates. See Note 5 for further information regarding this license agreement.

The Company intends to sell, lease, and sub-license the intellectual property to third parties using, among others, Simson-Maxwell's existing distribution channels, and the Company may also utilize the ESG Clean Energy System for its own account, whether in connection with its petroleum operations, Simson-Maxwell's power generation operations, or otherwise.

Note 3. Going Concern

The Company's consolidated financial statements included herein have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company generated a net loss of \$27,983,342 for the nine months ended September 30, 2021, as compared to a net loss of \$14,275,646 for the nine months ended September 30, 2020. The loss for the nine months ended September 30, 2021 was comprised of, among other things, certain non-cash items, including: (i) stock-based compensation of \$470,598; (ii) accretion of asset retirement obligation of \$438,225; (iii) depreciation, depletion & amortization of \$6,844,553; (iv) amortization of debt discount of \$3,406,654; (v) change in fair value of derivatives of \$(16,401,270); and (vi) loss on financing settlements of \$2,774,341.

As of September 30, 2021, the Company has a stockholders' deficit of \$8,115,975 and total long-term debt of \$93,007,847. As of September 30, 2021, the Company has a working capital deficiency of approximately \$60,000,000. The largest components of current liabilities creating this working capital deficiency are (i) notes payable with a face value aggregating approximately \$4.7 million as of September 30, 2021 due in February of 2022; (ii) a revolving credit facility with a balance of \$5,665,000 as of September 30, 2021 due in January of 2022; (iii) a derivative liability of \$16,074,519; and (iv) Elysium Energy Holdings' term loan agreement with a face value of approximately \$30.7 million as of September 30, 2021, with a maturity date of August 3, 2022.

As described in Note 2, in October 2021 the Company transferred its interest in each of Ichor Energy Holdings and Elysium Energy Holdings to third parties. As a result, the Company no longer has the assets and liabilities (including debt and derivatives mentioned in the above paragraph) within such entities.

Further, oil and gas price volatility and the impact of the global COVID-19 pandemic have already had and may continue to have a negative impact on the Company's financial position and results of operations. Negative impacts could include but are not limited to: the Company's ability to sell its products and services, reduction in the selling price of the Company's products and services, possible disruption of production as a result of worker illness or mandated production shutdowns, the Company's ability to maintain compliance with loan covenants and/or refinance existing indebtedness, and access to new capital and financing.

Management believes it will be able to leverage the expertise and relationships of its operational and technical teams to enhance existing assets and identify new development and acquisition opportunities in order to improve operations.

Nonetheless, these conditions raise substantial doubt regarding the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to utilize the resources in place to generate future profitable operations, to develop additional acquisition opportunities, and to obtain the necessary financing to meet its obligations and repay its liabilities arising from business operations when they come due. Management believes the Company may be able to continue to develop new opportunities and may be able to obtain additional funds through debt and / or equity financings to facilitate its business strategy; however, there is no assurance of additional funding being available. These consolidated financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company have to curtail operations or be unable to continue in existence.

Note 4. Restatement of previously issued financial statements

On August 31, 2020, the Company filed an amended Certificate of Designation (the "August Amendment") regarding the rights associated with Viking's shares of Series C Preferred Stock (the "Preferred Shares") in connection with an Agreement and Plan of Merger (the "2020 Merger Agreement") in effect at the time between the Company and Camber Energy, Inc. ("Camber"). The August Amendment modified the conversion and voting entitlements associated with the Preferred Shares in anticipation of a full combination between Viking and Camber. The voting entitlements were reduced from 37,500 votes per share to 4,900 votes per share, and the conversion entitlements were increased from 1 share of common for 1 share of preferred to 4,900 shares of common for 1 share of preferred, increasing the number of common shares issuable upon conversion from 28,092 to 137,650,800. The conversion ratio was modified to give value to the holder in exchange for ceding voting control of Viking.

The modification of preferred stock rights that includes adding a substantive conversion option requires the modification to be treated as a redemption of the preferred shares and any difference between the fair value of the modified preferred shares and the carrying amount of the preferred shares be subtracted (or added) to net income to arrive at income available to common shareholders in accordance with ASC 260-10-S99-2. Consequently, the Company has recognized a deemed dividend in determining net income or loss attributable to common shareholders as reported in the Statement of Operations and utilized in computing earnings or loss per common share for the three and nine months ended September 30, 2020. The recognition of the deemed dividend had no impact on the Company's (i) balance sheet, (ii) reported revenues and expenses, and (iii) statement of cash flows.

The Company is restating the Statement of Operations for the three and nine months ended September 30, 2020 to recognize the fair value of the deemed dividend in the amount of \$14,546,677.

The table below sets forth changes to the statement of operations for the three months ended September 30, 2020:

For the Three Months Ended September 30, 2020	As previously reported	Adjustments	Restated
Revenue			
Oil and gas sales	\$ 10,149,387	\$ -	\$ 10,149,387
Operating expenses			
Lease operating costs	4,991,648		4,991,648
General and administrative	1,190,145		1,190,145
Stock based compensation	3,235,200		3,235,200
Depreciation, depletion and amortization	2,573,183		2,573,183
Impairment of oil and gas properties	2,500,000		2,500,000
Accretion - ARO	119,659		119,659
Total operating expenses	14,609,835		14,609,835
Income from operations	(4,460,448)		(4,460,448)
Other income (expense)			
Interest expense	(5,327,925)		(5,327,925)
Amortization of debt discount	(3,228,124)		(3,228,124)
Change in fair value of derivatives	(5,018,338)		(5,018,338)
Equity in earnings of unconsolidated entity	-		-
Loss on financing settlements	-		-
Interest and other income	28		28
Total other income (expense)	(13,574,359)		(13,574,359)
Net income (loss) before income taxes	(18,034,807)		(18,034,807)
Income tax benefit (expense)	-		-
Net income (loss)	(18,034,807)		(18,034,807)
Net (income) loss attributable to noncontrolling interest	1,028,313		1,028,313
Net income (loss) attributable to Viking Energy Group, Inc.	(17,006,494)		(17,006,494)
Preferred stock deemed dividend	-	(14,546,677)	(14,546,677)
Net income (loss) attributable to common stockholders	\$ (17,006,494)	\$ (14,546,677)	\$ (31,553,171)
Earnings (loss) per common share			
Basic and Diluted	\$ (0.75)	\$ (0.64)	\$ (1.39)
Weighted average number of common shares outstanding			
Basic and Diluted	22,649,319	22,649,319	22,649,319

[Table of Contents](#)

The table below sets forth changes to the statement of operations for the nine months ended September 30, 2020:

For the Nine Months Ended September 30, 2020	As previously reported	Adjustments	Restated
Revenue			
Oil and gas sales	\$ 31,487,202	\$ -	\$ 31,487,202
Operating expenses			
Lease operating costs	13,147,640		13,147,640
General and administrative	3,391,982		3,391,982
Stock based compensation	3,686,582		3,686,582
Depreciation, depletion and amortization	8,671,593		8,671,593
Impairment of oil and gas properties	2,500,000		2,500,000
Accretion - ARO	360,937		360,937
Total operating expenses	31,758,734		31,758,734
Income from operations	(271,532)		(271,532)
Other income (expense)			
Interest expense	(16,821,040)		(16,821,040)
Amortization of debt discount	(6,005,728)		(6,005,728)
Change in fair value of derivatives	8,569,093		8,569,093
Equity in earnings of unconsolidated entity	-		-
Loss on financing settlements	(931,894)		(931,894)
Interest and other income	2,503		2,503
Total other income (expense)	(15,187,066)		(15,187,066)
Net income (loss) before income taxes	(15,458,598)		(15,458,598)
Income tax benefit (expense)	-		-
Net income (loss)	(15,458,598)		(15,458,598)
Net (income) loss attributable to noncontrolling interest	1,182,952		1,182,952
Net income (loss) attributable to Viking Energy Group, Inc.	(14,275,646)		(14,275,646)
Preferred stock deemed dividend	-	(14,546,677)	(14,546,677)
Net income (loss) attributable to common stockholders	\$ (14,275,646)	\$ (14,546,677)	\$ (28,822,323)
Earnings (loss) per common share			
Basic and Diluted	\$ (0.83)	\$ (0.85)	\$ (1.75)
Weighted average number of common shares outstanding			
Basic and Diluted	17,164,033	17,164,033	17,164,033

Note 5. Summary of Significant Accounting Policies

a) Basis of Presentation

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and the interim reporting rules of the Securities and Exchange Commission ("SEC") and should be read in conjunction with the audited financial statements and notes thereto contained in Viking's latest Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments (unless otherwise indicated), necessary for a fair presentation of the financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

b) Basis of Consolidation

The financial statements presented herein reflect the consolidated financial results of the Company, its wholly owned subsidiaries, Mid-Con Petroleum, LLC, Mid-Con Drilling, LLC, and Mid-Con Development, LLC, which were all formed to provide a base of operations for properties in the Central United States, and Petrodome Energy, LLC, Ichor Holdings, LLC, Ichor Energy, LLC, Ichor Energy (TX), LLC, and Ichor Energy (LA), LLC., Elysium Energy Holdings, LLC, and its wholly owned subsidiaries, Elysium Energy, LLC, Elysium Energy TX, LLC, Elysium Energy LA, LLC, Pointe A La Hache, L.L.C., Potash, L.L.C., Ramos Field, L.L.C., and Turtle Bayou, L.L.C., all based in Houston, Texas which provides a base of operations to facilitate property acquisitions in Texas, Louisiana and Mississippi. All significant intercompany transactions and balances have been eliminated.

c) Foreign Currency

Foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Results of operations and cash flows of businesses conducted in foreign currency are translated using the average exchange rates throughout the period. The effect of exchange rate fluctuations on translation of assets and liabilities is included as a component of shareholders' equity in accumulated other comprehensive income (loss). Gains and losses from foreign currency transactions have been insignificant.

d) Use of Estimates in the Preparation of Financial Statements

The preparation of consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts and timing of revenues and expenses, the reported amounts and classification of assets and liabilities, and disclosure of contingent assets and liabilities. Significant areas requiring the use of management estimates relate to impairment of long-lived assets, fair value of commodity derivatives, stock-based compensation, asset retirement obligations, and the determination of expected tax rates for future income tax recoveries.

The estimates of proved, probable and possible oil and gas reserves are used as significant inputs in determining the depletion of oil and gas properties and the impairment of proved and unproved oil and gas properties. There are numerous uncertainties inherent in the estimation of quantities of proved, probable and possible reserves and in the projection of future rates of production and the timing of development expenditures. Similarly, evaluations for impairment of proved and unproved oil and gas properties are subject to numerous uncertainties including, among others, estimates of future recoverable reserves and commodity price outlooks. Actual results could differ from the estimates and assumptions utilized.

e) Financial Instruments

The Company discloses the fair value of its financial instruments under a three-level valuation hierarchy. The carrying amounts reported in the consolidated balance sheets for deposits, accrued expenses and other current liabilities, accounts payable, derivative liabilities, amount due to director, and convertible notes each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets and liabilities measured at fair value as of September 30, 2021 are classified below based on the three fair value hierarchy described above:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses)
Financial Assets				
Commodity Derivative	-	-	-	-
Financial liabilities				
Commodity Derivative	-	16,074,519	-	(16,401,270)
	<u>\$ -</u>	<u>\$ 16,074,519</u>	<u>\$ -</u>	<u>\$ (16,401,270)</u>

Assets and liabilities measured at fair value as of and for the year ended December 31, 2020 are classified below based on the three fair value hierarchy described above:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses)
Financial Assets				
Commodity Derivative	-	1,220,209	-	6,227,390
	<u>\$ -</u>	<u>\$ 1,220,209</u>	<u>\$ -</u>	<u>\$ 6,227,390</u>
Financial liabilities				
Commodity Derivative		893,458	-	(741,818)
		<u>\$ 893,458</u>	<u>\$ -</u>	<u>\$ (741,818)</u>

The Company has entered into certain commodity derivative instruments containing swaps and collars, which management believes are effective in mitigating commodity price risk associated with a portion of its future monthly natural gas and crude oil production and related cash flows. The Company does not designate its commodities derivative instruments as hedges and therefore does not apply hedge accounting. Changes in fair value of derivative instruments subsequent to the initial measurement are recorded as change in fair value on derivative liability, in other income (expense). The estimated fair value amounts of the Company's commodity derivative instruments have been determined at discrete points in time based on relevant market information which resulted in the Company classifying such derivatives as Level 2. Although the Company's commodity derivative instruments are valued using public indices, as well as the Black-Sholes model, the instruments themselves are traded with unrelated counterparties and are not openly traded on an exchange.

In a commodities swap agreement, the Company trades the fluctuating market prices of oil or natural gas at specific delivery points over a specified period, for fixed prices. As a producer of oil and natural gas, the Company holds these commodity derivatives to protect the operating revenues and cash flows related to a portion of its future natural gas and crude oil sales from the risk of significant declines in commodity prices, which helps reduce exposure to price risk and improves the likelihood of funding its capital budget. If the price of a commodity rises above what the Company has agreed to receive in the swap agreement, the amount that it agreed to pay the counterparty is expected to be offset by the increased amount it received for its production.

The Company has also entered into collar agreements related to oil and gas production with established floors and ceilings. Upon settlement, if the current market price of the commodity is below the floor, the Company receives the difference. Conversely, if the current market price of the commodity is above the ceiling at settlement, the Company pays the excess over the ceiling price.

[Table of Contents](#)

Although the Company is exposed to credit risk to the extent of nonperformance by the counterparties to these derivative contracts, the Company does not anticipate such nonperformance and monitors the credit worthiness of its counterparties on an ongoing basis.

The derivative assets were \$0 and \$1,220,209 as of September 30, 2021 and December 31, 2020, respectively, and the derivative liabilities were \$16,074,519 and \$893,458 as of September 30, 2021 and December 31, 2020, respectively. The change in the fair value of the derivative liabilities for the nine months ended September 30, 2021 consisted of an increase of \$12,976,173 associated with commodity derivatives existing at the beginning of 2021.

The table below is a summary of the Company's commodity derivatives as of September 30, 2021:

Natural Gas	Period	Average MMBTU per Month	Fixed Price per MMBTU
Swap	Dec-18 to Dec-22	118,936	\$ 2.715
Collar	Mar 20 / Aug 22	196,078	\$2.00 / \$2.43
Crude Oil	Period	Average BBL per Month	Price per BBL
Swap	Dec-18 to Dec- 22	24,600	\$ 50.85
Collar	Jan 21 to Dec 21	10,135	\$45.00 / \$56.00
Collar	Jan 22 to July 22	6,934	\$45.00 / \$52.70

The derivatives above were all held by Ichor Energy Holdings and Elysium Energy Holdings. As described in Note 2, in October 2021 these derivative contracts were assumed by third parties

f) Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and highly liquid investment securities that have original maturities of three months or less. At September 30, 2021 and December 31, 2020, the Company has cash deposits in excess of FDIC insured limits in the amounts of \$5,343,503 and \$3,726,783, respectively.

Restricted cash in the amount of \$3,721,993 as of September 30, 2021 consists of \$2,145,796 held by Ichor Energy, LLC and/or its subsidiaries and \$1,576,197 held Elysium Energy, LLC and/or its subsidiaries.

Pursuant to the Term Loan Credit Agreement to which Ichor Energy, LLC, and its subsidiaries are parties, following March 31, 2019 the company is required at all times to maintain a minimum cash balance of \$2,000,000 (the "MLR"). Within 30 days of the end of each quarter, commencing with the quarter ended June 30, 2019, the company is required to pay the lenders, as an additional principal payment on the debt, any cash in excess of (i) the MLR and (ii) any funds necessary for the capital expenditures contemplated to be expended in the next six-month period by an approved plan of development ("APOD Capex Amount"). At September 30, 2021, the restricted cash did not exceed the MLR and the APOD Capex Amount.

[Table of Contents](#)

Pursuant to the Term Loan Credit Agreement to which Elysium Energy, LLC and its subsidiaries are parties, all receipts are to be deposited to a lockbox account under the control of the administrative agent, and then subsequently transferred for operations to the company's bank accounts, all of which are subject to deposit account control agreements. The aggregate amount of unencumbered cash held in any Operating Account is not to be less than \$2,500,000 for the period commencing June 30, 2021 through and including the Maturity Date. Commencing with the quarter ended September 30, 2020, the company is required to make mandatory prepayments of principal equal to 75% of Excess Cash Flow as defined in the agreement.

g) Accounts receivable

Accounts receivable consist of oil and gas receivables. The Company evaluates these accounts receivable for collectability and, when necessary, records allowances for expected unrecoverable amounts. The Company has recorded an allowance for doubtful accounts of \$217,057 at September 30, 2021 and December 31, 2020.

h) Prepaid expenses

Prepaid expenses represent amounts paid in advance through the issuance of restricted shares of stock for future contractual benefits to be received. These advances are amortized over the life of the contract using the straight-line method.

i) Oil and Gas Properties

The Company uses the full cost method of accounting for its investment in oil and natural gas properties. Under this method of accounting, all costs associated with acquisition, exploration and development of oil and gas reserves, including directly related overhead costs, are capitalized. General and administrative costs related to production and general overhead are expensed as incurred.

All capitalized costs of oil and gas properties, including the estimated future costs to develop proved reserves, are amortized on the unit of production method using estimates of proved reserves. Disposition of oil and gas properties are accounted for as a reduction of capitalized costs, with no gain or loss recognized unless such adjustment would significantly alter the relationship between capitalized costs and proved reserves of oil and gas, in which case the gain or loss is recognized in operations. Unproved properties and major development projects are not amortized until proved reserves associated with the projects can be determined or until impairment occurs. If the results of an assessment indicate that the properties are impaired, the amount of the impairment is included in loss from operations before income taxes.

j) Limitation on Capitalized Costs

Under the full-cost method of accounting, we are required, at the end of each reporting date, to perform a test to determine the limit on the book value of our oil and natural gas properties (the "Ceiling" test). If the capitalized costs of our oil and natural gas properties, net of accumulated amortization and related deferred income taxes, exceed the Ceiling, this excess or impairment is charged to expense. The expense may not be reversed in future periods, even though higher oil and natural gas prices may subsequently increase the Ceiling. The Ceiling is defined as the sum of:

- (a) the present value, discounted at 10 percent, and assuming continuation of existing economic conditions, of 1) estimated future gross revenues from proved reserves, which is computed using oil and natural gas prices determined as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month hedging arrangements pursuant to SAB 103, less 2) estimated future expenditures (based on current costs) to be incurred in developing and producing the proved reserves, plus

- (b) the cost of properties not being amortized; plus
- (c) the lower of cost or estimated fair value of unproven properties included in the costs being amortized, net of
- (d) the related tax effects related to the difference between the book and tax basis of our oil and natural gas properties.

k) Oil and Gas Reserves

Reserve engineering is a subjective process that is dependent upon the quality of available data and the interpretation thereof, including evaluations and extrapolations of well flow rates and reservoir pressure. Estimates by different engineers often vary sometimes significantly. In addition, physical factors such as the results of drilling, testing and production subsequent to the date of an estimate, as well as economic factors such as changes in product prices, may justify revision of such estimates. Because proved reserves are required to be estimated using recent prices of the evaluation, estimated reserve quantities can be significantly impacted by changes in product prices.

l) Investment in Unconsolidated Entity

The Company accounts for its investment in unconsolidated entities under the equity method of accounting when it (i) owns less than 51% of a controlling interest in the entity or (ii) has the ability to exercise significant influence over the operating and financial policies of the entity. As described in Note 2, during August 2021 the Company acquired a 60.5% interest in Simson-Maxwell. Pursuant to a shareholder agreement in effect as of September 30, 2021, the Company did not have the ability to control the operating and financial policies of the entity as of such date, and as such has accounted for such ownership under the equity method of accounting. The investment is adjusted for its proportionate share of earnings or losses of the entity.

For the period from August 6, 2021 (the date acquired) through September 30, 2021 Simson-Maxwell had total revenues of approximately \$5 million and net income of \$78,961. The table below shows the changes in the Investment in Unconsolidated Entities for the nine months ended September 30, 2021:

Carrying amount - December 31, 2020	\$ -
Investment in Simson-Maxwell	8,058,771
Proportionate share of Simson-Maxwell earnings	<u>47,772</u>
Carrying amount - September 30, 2021	<u>\$ 8,106,543</u>

On October 18, 2021, the shareholder agreement was amended, resulting in Viking having control over Simson-Maxwell. As a result, commencing with the date of the amendment, the Company will include Simson-Maxwell in its consolidation.

m) Intangible assets

Intangible assets represent amounts capitalized for the Company's license agreement with ESG Clean Energy, LLC as described in Notes 2 and 5. This asset is amortized on a straight-line basis over the remaining life of the related patents being licensed, which is approximately 16 years.

The Company reviews these intangible assets for possible impairment when events or changes in circumstances that the assets carrying amount may not be recoverable. In evaluating the future benefit of its intangible assets, the Company estimates the anticipated undiscounted future net cash flows of the intangible assets over the remaining estimated useful life. If the carrying amount is not recoverable, an impairment loss is recorded for the excess of the carrying value of the asset over its fair value.

n) Income (loss) per Share

Basic net income (loss) per share is computed by dividing the net income (loss) by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) by the weighted-average number of common shares outstanding and adjusted by any effects of warrants and options outstanding during the period, if dilutive. For the nine months ended September 30, 2021 there were approximately 48,182,727 common stock equivalents that were omitted from the calculation of diluted income per share as they were not dilutive

o) Revenue Recognition

Sales of crude oil, natural gas, and natural gas liquids (NGLs) are included in revenue when production is sold to a customer in fulfillment of performance obligations under the terms of agreed contracts. Performance obligations primarily comprise delivery of oil, gas, or NGLs at a delivery point, as negotiated within each contract. Each barrel of oil, million BTU (MMBtu) of natural gas, or other unit of measure is separately identifiable and represents a distinct performance obligation to which the transaction price is allocated. Performance obligations are satisfied at a point in time once control of the product has been transferred to the customer. The Company considers a variety of facts and circumstances in assessing the point of control transfer, including but not limited to: whether the purchaser can direct the use of the hydrocarbons, the transfer of significant risks and rewards, the Company's right to payment, and transfer of legal title. In each case, the time between delivery and when payments are due is not significant.

The following table disaggregates the Company's revenue by source for the three and nine months ended September 30, 2021 and 2020:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Oil	\$ 9,518,232	\$ 6,372,765	\$ 24,460,736	\$ 18,837,695
Natural gas and natural gas liquids	4,206,625	2,107,471	12,929,513	6,378,731
Settlement on Hedge Contracts	(3,819,148)	1,134,927	(6,896,901)	5,547,192
Other	(225,048)	534,224	378,025	723,584
	<u>\$ 9,680,661</u>	<u>\$ 10,149,387</u>	<u>\$ 30,871,373</u>	<u>\$ 31,487,202</u>

p) Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the consolidated financial statements and the tax basis of assets and liabilities by using estimated tax rates for the year in which the differences are expected to reverse.

The Company recognizes deferred tax assets and liabilities to the extent that we believe that these assets and/or liabilities are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and results of recent operations. If we determine that the Company would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

In assessing the realizability of its deferred tax assets, management evaluated whether it is more likely than not that some portion, or all of its deferred tax assets, will be realized. The realization of its deferred tax assets relates directly to the Company's ability to generate taxable income. The valuation allowance is then adjusted accordingly.

In assessing the realizability of its deferred tax assets, management evaluated whether it is more likely than not that some portion, or all of its deferred tax assets, will be realized. The realization of its deferred tax assets relates directly to the Company's ability to generate taxable income. The valuation allowance is then adjusted.

q) Stock-Based Compensation

The Company may issue stock options to employees and stock options or warrants to non-employees in non-capital raising transactions for services and for financing costs. The cost of stock options and warrants issued to employees and non-employees is measured on the grant date based on the fair value. The fair value is determined using the Black-Scholes option pricing model. The resulting amount is charged to expense on the straight-line basis over the period in which the Company expects to receive the benefit, which is generally the vesting period.

The fair value of stock options and warrants is determined at the date of grant using the Black-Scholes option pricing model. The Black-Scholes option model requires management to make various estimates and assumptions, including expected term, expected volatility, risk-free rate, and dividend yield. The expected term represents the period of time that stock-based compensation awards granted are expected to be outstanding and is estimated based on considerations including the vesting period, contractual term and anticipated employee exercise patterns. Expected volatility is based on the historical volatility of the Company's stock. The risk-free rate is based on the U.S. Treasury yield curve in relation to the contractual life of stock-based compensation instrument. The dividend yield assumption is based on historical patterns and future expectations for the Company dividends.

[Table of Contents](#)

The following table represents stock warrant activity as of and for the nine months ended September 30, 2021:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Warrants Outstanding - December 31, 2020	7,111,021	0.99	5.22 years	-
Granted	100,000	.57	.57 years	-
Exercised	-	-	-	-
Forfeited/expired/cancelled	(104,167)	-	-	-
Warrants Outstanding - September 30, 2021	<u>7,106,854</u>	<u>\$ 0.76</u>	<u>4.99 years</u>	<u>\$ -</u>
Outstanding Exercisable - September 30, 2021	<u>7,106,854</u>	<u>\$ 0.76</u>	<u>5.22 years</u>	<u>\$ -</u>

r) Impairment of long-lived assets

The Company is required to review its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted cash flows expected to result from the use and eventual disposition of the assets. Whenever any such impairment exists, an impairment loss will be recognized for the amount by which the carrying value exceeds the fair value.

Assets are grouped and evaluated at the lowest level for their identifiable cash flows that are largely independent of the cash flows of other groups of assets. The Company considers historical performance and future estimated results in its evaluation of potential impairment and then compares the carrying amount of the asset to the future estimated cash flows expected to result from the use of the asset. If the carrying amount of the asset exceeds estimated expected undiscounted future cash flows, the Company measures the amount of impairment by comparing the carrying amount of the asset to its fair value. The estimation of fair value is generally determined by using the asset's expected future discounted cash flows or market value. The Company estimates fair value of the assets based on certain assumptions such as budgets, internal projections, and other available information as considered necessary. There is no impairment of long-lived assets during the nine months ended September 30, 2021 and 2020.

s) Accounting for Asset Retirement Obligations

Asset retirement obligations ("ARO") primarily represent the estimated present value of the amount the Company will incur to plug, abandon and remediate its producing properties at the projected end of their productive lives, in accordance with applicable federal, state and local laws. The Company determined its ARO by calculating the present value of estimated cash flows related to the obligation. The retirement obligation is recorded as a liability at its estimated present value as of the obligation's inception, with an offsetting increase to proved properties.

The following table describes the changes in the Company's asset retirement obligations for the nine months ended September 30, 2021:

	Nine months ended September 30, 2021
Asset retirement obligation - beginning	\$ 6,164,231
Oil and gas purchases	-
Revisions	1,800
ARO settlements	(130,228)
Accretion expense	<u>438,225</u>
Asset retirement obligation - ending	<u>\$ 6,474,028</u>

t) Undistributed Revenues and Royalties

The Company records a liability for cash collected from oil and gas sales that have not been distributed. The amounts get distributed in accordance with the working interests of the respective owners.

u) Subsequent events

The Company has evaluated all subsequent events from September 30, 2021 through the date of filing of this report.

Note 6. Oil and Gas Properties

The following table summarizes the Company's oil and gas activities by classification and geographical cost center for the nine months ended September 30, 2021:

	<u>December 31,</u> <u>2020</u>	<u>Adjustments</u>	<u>Impairments</u>	<u>September 30,</u> <u>2021</u>
Proved developed producing oil and gas properties				
United States cost center	\$ 81,352,074	\$ 363,833	\$ -	\$ 81,715,907
Accumulated depreciation, depletion and amortization	<u>(16,648,321)</u>	<u>(4,318,558)</u>	-	<u>(20,966,879)</u>
Proved developed producing oil and gas properties, net	\$ 64,703,753	\$ (3,954,725)	\$ -	\$ 60,749,028
Undeveloped and non-producing oil and gas properties				
United States cost center	\$ 47,209,269	\$ 310,379	\$ -	\$ 47,519,648
Accumulated depreciation, depletion and amortization	<u>(9,756,586)</u>	<u>(2,431,837)</u>	-	<u>(12,188,423)</u>
Undeveloped and non-producing oil and gas properties, net	\$ 37,452,683	\$ (2,121,458)	\$ -	\$ 35,331,225
Total Oil and Gas Properties, Net	<u>\$ 102,156,436</u>	<u>\$ (6,076,183)</u>	<u>\$ -</u>	<u>\$ 96,080,253</u>

Note 7. Intangible Assets

The Company's intangible asset consists of costs associated with securing in August 2021 an Exclusive Intellectual Property License Agreement with ESG Clean Energy, LLC ("ESG"), pursuant to which the Company received (i) an exclusive license to ESG's patent rights and know-how related to stationary electric power generation (not in connection with vehicles), including methods to utilize heat and capture carbon dioxide in Canada, and (ii) a non-exclusive license to the intellectual property in up to 25 sites in the United States that are operated by the Company or its affiliates.

[Table of Contents](#)

In consideration of the licenses, the Company paid an up-front royalty of \$1,500,000 and the Company is obligated to make additional royalty payments as follows: (i) an additional \$1,500,000 on or before January 31, 2022, which may be paid in whole or in part in the form of Viking's common stock based on the price of Viking's common stock on August 18, 2021, at ESG's election; (ii) an additional \$ 2,000,000 on or before April 20, 2022, which may be paid in whole or in part in the form of Viking's common stock based on the price of Viking's common stock on August 18, 2021, at ESG's election; and (iii) continuing royalties of not more than 15% of the net revenues of Viking generated using the intellectual property, with the continuing royalty percentage to be jointly determined by the parties collaboratively based on the parties' development of realistic cashflow models resulting from initial projects utilizing the intellectual property, and with the parties utilizing mediation if they cannot jointly agree to the continuing royalty percentage.

Viking's exclusivity with respect to Canada shall terminate if minimum continuing royalty payments to ESG are not at least equal to the following minimum payments based on the date that ESG first begins capturing carbon dioxide and selling for commercial purposes one or more commodities from a system installed and operated by ESG using the Intellectual Property (the "Trigger Date"):

Years from the Trigger Date:	Minimum Payments for that Year
Year two	\$ 500,000
Year three	\$ 750,000
Year four	\$ 1,250,000
Year five	\$ 1,750,000
Year six	\$ 2,250,000
Year seven	\$ 2,750,000
Year eight	\$ 3,250,000
Year nine and after	\$ 3,250,000

If the continuing royalty percentage is adjusted jointly by the parties downward from the maximum of 15%, then the minimum continuing royalty payments for any given year from the Trigger Date shall also be adjusted downward proportionally.

The Company's intangible assets consisted of the following at September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
ESG Clean Energy License	\$ 5,000,000	\$ -
Accumulated amortization	(36,367)	-
	<u>\$ 4,963,633</u>	<u>\$ -</u>

The Company recognized amortization expense of \$36,367 for the three and nine months ended September 30, 2021.

The estimated future amortization expense for each of the next five years is \$304,465 per year.

Note 8. Related Party Transactions

The Company's CEO and director, James Doris, renders professional services to the Company through AGD Advisory Group, Inc., an affiliate of Mr. Doris's. As of September 30, 2021, the total amount due to AGD Advisory Group, Inc. is \$180,000 and is included in accounts payable. Additionally, Mr. Doris has made several loans through promissory notes to the Company, all accruing interest at 12%, and payable on demand. During the nine months ended September 30, 2021, the Company made payments totaling \$63,319 toward principal and interest associated with these loans, and Mr. Doris in separate transactions sold \$506,000 of his loans to independent third parties. As of September 30, 2021, there are no remaining balances due to Mr. Doris for these loans.

The Company's CFO, Frank W. Barker, Jr., renders professional services to the Company through FWB Consulting, Inc., an affiliate of Mr. Barker's. As of September 30, 2021, the total amount due to FWB Consulting, Inc. is \$281,968 and is included in accounts payable.

Note 9. Equity

(a) Preferred Stock

The Company is authorized to issue 5,000,000 shares of Preferred Stock, par value \$0.001 per share (the "Preferred Stock"), of which 50,000 have been designated as Series C Preferred Stock (the "Series C Preferred Stock"). As of September 30, 2021 there were 28,092 shares of Series C Preferred Stock issued and outstanding. Pursuant to the amended Certification of Designation of the Series C Preferred Stock filed on December 22, 2020, each share of Series C Preferred Stock entitles the holder thereof to 4,167 votes on all matters submitted to the vote of the stockholders of the Company. Notwithstanding, so long as Camber Energy, Inc. owns or is entitled to own at least 51% of the outstanding shares of common stock of the Company and James Doris remains a director and Chief Executive Officer of Camber, each share of Preferred Stock shall not be entitled to any votes on matters submitted to a vote of the stockholders of the Company. Each share of Series C Preferred Stock is convertible, at the option of the holder, at any time after the date of issuance of such share, at the office of the Company or any transfer agent for such stock, into 4,167 shares of fully paid and non-assessable common stock. However, upon any business combination or merger between Camber and Viking such that Camber acquires substantially all of the outstanding common stock or substantially all of Viking's assets, the Company shall ensure that the Preferred Stock is convertible into the greater of: (i) 25,000,000 common shares of Camber (or a number of preferred shares of Camber convertible into such number of common shares of Camber); or (ii) that number of common shares of Camber that 25,000,000 shares of common stock would be convertible or exchange into in the Combination (or a number of preferred shares of Camber convertible into such number of common shares of Camber).

(b) Common Stock

On January 5, 2021 the Company filed a Certificate of Amendment with the Secretary of State of the State of Nevada to effect a reverse split of our common stock at a ratio of 1-for-9 (the "Reverse Stock Split"). As a result of the Reverse Stock Split, each nine (9) pre-split shares of common stock outstanding were automatically combined into one (1) new share of common stock. All share and per shares numbers have been adjusted to reflect the Reverse Stock Split.

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

- 490,689 shares of common stock issued for services valued at fair value on the date of the transactions, totaling \$88,662.
- 169,336 shares of common stock issued as discount on debt valued at fair value on the date of the transaction totaling \$41,321.
- 16,153,846 shares of common stock issued pursuant to a subscription agreement for \$8,900,000 (see Note 1)
- 27,500,000 shares of common stock issued pursuant to a Securities Purchase Agreement for \$1,000,000 (see Note 1)
- 2,603,139 shares of common stock issued in settlement of debt and short-term borrowings, valued at fair value on the date of the transaction totaling \$800,164, and resulting in a loss on financing settlements of \$1,847,810.
- 950,000 shares of common stock issued as prepaid equity-based compensation, totaling \$1,187,500.

During the nine months ended September 30, 2020, the Company issued shares of its common stock as follows:

- 2,327,712 shares of common stock issued for services valued at fair value on the date of the transactions, totaling \$986,763
- 47,026 shares of common stock pursuant to the exercise of 703,000 warrants.
- 16,667 shares of common stock issued for exercise of warrants as a reduction of debt valued at fair value on the date of the transaction totaling \$5,000.
- 11,007 shares of common stock issued pursuant to a subscription agreement for \$925.
- 2,261,768 shares of common stock issued as discount on debt valued at fair value on the date of the transaction totaling \$375,501.
- 84,446 shares of common stock issued for payment of interest, totaling \$15,958
- 3,572,870 shares of common stock issued for various debt conversions totaling \$350,146.
- 2,905,699 shares of common stock issued in settlement of debt and short-term borrowings, valued at fair value on the date of the transaction totaling \$110,250 and resulting in a loss on financing settlements of \$931,894.

Note 10. Long-Term Debt

Long term debt consisted of the following at September 30, 2021 and December 31, 2020:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Long-term debt:		
On June 13, 2018, the Company borrowed \$12,400,000 pursuant to a revolving line of credit facility with a maximum principal amount of \$30,000,000 from Crossfirst Bank, bearing interest 1.5% above a base rate equal to the prime rate of interest published by the Wall Street Journal. Principal is payable at \$100,000 monthly through the maturity date of January 5, 2022, at which time all remaining unpaid principal and accrued interest is due. The loan is secured by a mortgage on all of the oil and gas leases of Petrodome Energy, LLC and its subsidiaries, a security agreement covering all of Petrodome Energy, LLC's assets and a guaranty by Viking Energy Group, Inc. The balance shown is net of unamortized discount of \$0 at September 30, 2021 and at December 31, 2020	5,665,000	6,490,000
On December 28, 2018, to facilitate the acquisition of certain oil and gas assets, the Company, through its subsidiary, Ichor Energy LLC, entered into a Term Loan Credit Agreement with various lenders represented by ABC Funding, LLC as administrative agent. The agreement provided for a total loan amount of \$63,592,000, bearing interest at a rate per annum equal to the greater of (i) a floating rate of interest equal to 10% plus LIBOR, and (ii) a fixed rate of interest equal to 12%, payable monthly on the last day of each calendar month, commencing January 31, 2019. Principal payments are made quarterly at 1.25% of the initial loan amount, commencing on the last business day of the fiscal quarter ending June 30, 2019. On June 3, 2020, the Term Loan Credit Agreement was amended to reduce the permitted Asset Coverage Ratio for the fiscal quarters ending March 31, 2020, June 30, 2020 and September 30, 2020 from 1.35:1.00 to 1.15:1.00. Additionally, the First Amendment revises the interest rate under the Term Loan for the period from May 16, 2020 a per annum interest rate (i) if, as of the last day of the immediately preceding fiscal quarter, the Asset Coverage Ratio is less than 1.50:1.00, then the interest rate is the greater of (x) a floating rate of interest equal to 11.00% plus LIBOR, and (y) a fixed rate of interest equal to 13.00%, or (ii) if, as of the last day of the immediately preceding fiscal quarter, the Asset Coverage Ratio is greater than or equal to 1.50:1.00, then the interest rate is the greater of (x) a floating rate of interest equal to 10.50% plus LIBOR and (y) a fixed rate of interest equal to 12.50%. Cash generated from the operation of these assets is restricted to lease operating expenses, the payment of debt service on the Term Loan, approximately \$12,000,000 of oil and gas development projects approved by the lender, and distributions to the Company of \$65,000 per month for general and administrative expenses, and a quarterly tax distribution at the current statutory rates. Within 30 days of the end of each quarter, commencing with the quarter ended June 30, 2019, Ichor Energy, LLC is required to pay, as an additional principal payment on the debt, any cash in excess of the MLR and the APOD Capex Amount. To the extent not previously paid, all loans under the Loan Agreement shall be due and payable on the December 28, 2023 (the Maturity Date). The loan agreement contains prepayment penalties through December 28, 2021 and "make-whole" obligations through December 28, 2020. In addition, at maturity (or sooner under certain circumstances which include prepayment of the loan or sale of Ichor Energy, LLC) the lenders will receive a payment approximating 7% of the fair value of Ichor Energy, LLC at that time; such amount is not estimable. Obligations under the loan agreement are secured by mortgages on the oil and gas leases of Ichor Energy, LLC and all of its subsidiaries, a security agreement covering all assets of Ichor Energy, LLC, and a pledge by Ichor Holdings of all if the membership interests in Ichor Energy LLC. The balance shown is net of unamortized discount of \$1,970,186 at September 30, 2021 and \$2,626,915 at December 31, 2020. On October 5, 2021 this debt was transferred to a third party as discussed in Note 2.	50,467,725	51,400,794

[Table of Contents](#)

On February 14, 2019, the Company executed a promissory note payable to CrossFirst Bank in the amount of \$56,760 for the purchase of transportation equipment, bearing interest at 7.15%, payable in 60 installments of \$1,130, secured by a vehicle, with a maturity date of February 14, 2024.	29,999	38,397
On July 24, 2019, the Company through its wholly owned subsidiary, Mid-Con Petroleum, LLC, executed a promissory note payable to Cornerstone Bank in the amount of \$2,241,758, bearing interest at 6%, payable interest only through July 24, 2021, then on August 24, 2021, payable in monthly installments of \$43,438, with a final payment due on a maturity date of July 24, 2025. The note is secured by a first mortgage on all of the assets of Mid-Con Petroleum, LLC and a guarantee of payment by Viking Energy Group, Inc. The balance shown is net of unamortized discount of \$18,192 at September 30, 2021 and \$21,758 at December 31, 2020.	2,223,566	2,220,001
On July 24, 2019, the Company through its wholly owned subsidiary, Mid-Con Drilling, LLC, executed a promissory note payable to Cornerstone Bank in the amount of \$1,109,341, bearing interest at 6%, payable interest only through July 24, 2021, then on August 24, 2021, payable in monthly installments of \$21,495, with a final payment due on a maturity date of July 24, 2025. The note is secured by a first mortgage on all of the assets of Mid-Con Drilling, LLC and a guarantee of payment by Viking Energy Group, Inc. The balance shown is net of unamortized discount of \$18,142 at September 30, 2021 and \$21,697 at December 31, 2020.	1,040,537	1,036,982
On February 3, 2020, in connection with an acquisition of oil and gas interests, the Company executed a secured promissory note in the amount of \$20,869,218, payable to EMC Capital Partners, LLC, subject to revision to the extent of any post-closing adjustment payments in connection with the acquisition. Such payments were to be applied to reduce the balance owing under the promissory note. During April 2020 the Company received post-closing adjustment payments in the amount of \$5,277,589 which were applied to the note balance. This note replaced the secured promissory dated December 18, 2018 in favor of RPM Investments. This note bears interest at 10% and is payable along with the full amount of principal on June 11, 2021 and is secured by a pledge of all of the membership interests of Viking's wholly-owned subsidiary, Ichor Energy Holdings, LLC. On January 8, 2021, as discussed in Note 1, this debt was extinguished by the issuance of equity and was therefore classified as noncurrent on the consolidated balance sheet at December 31, 2020.	-	15,591,629
On February 3, 2020, to facilitate the acquisition of certain oil and gas assets, the Company, through one of its subsidiaries, Elysium Energy LLC, entered into a Term Loan Credit Agreement with various lenders represented by 405 Woodbine, LLC as administrative agent. The agreement provides for a total loan amount of \$35,000,000 at a 4.0% original issue discount, bearing interest at the prime rate plus seven and three quarters percent (7.75%) payable monthly. Principal payments are due beginning on May 1, 2020, and on each month thereafter at one percent (1%) of the then-outstanding balance, and to the extent not paid on the maturity date of August 3, 2022. Cash generated from the operation of these assets is restricted to lease operating expenses, the payment of debt service on the Term Loan, oil and gas development projects approved by the lender, and a cost allocation of \$150,000 per month for general and administrative expenses of the Company. The Borrower shall have the right at any time to prepay all or a portion of the Loan Balance. The loan agreement contains a prepayment penalty of 5% of any voluntary prepayment of principal through February 3, 2021 and 3% of any voluntary prepayment of principal on or between February 3, 2021 and February 3, 2022. Commencing with the quarter ended September 30, 2020 the Borrower is required to make mandatory prepayments of principal equal to 75% of Excess Cash Flow as defined in the agreement without any prepayment penalty fees. The loans are secured by mortgages on the oil and gas leases of Elysium Energy LLC and its subsidiaries, a security agreement covering all assets of Elysium and its subsidiaries, and a pledge of all of Elysium's membership interests. The balance shown is net of unamortized discount of \$1,666,324 at September 30, 2021 and \$3,148,104 at December 31, 2020. On October 12, 2021 this debt was transferred to a third party as discussed in Note 2.	29,065,540	30,493,630
On or about February 18, 2020, the Company commenced an offering of securities consisting of a subordinated, secured, convertible debt instrument with equity features. The notes bear interest at 12%, payable quarterly, contain a conversion entitlement to convert all or a portion of the amount outstanding into common shares of the Company at \$1.35 per share, and provide for the issuance of 16,667 common shares of the Company for every \$100,000 exchanged or advanced. As security, the holders received, pari passu with all other holders, a pledge of the Company's membership interest in Elysium Energy Holdings, LLC, and, as soon as the Company's obligations to EMC Capital Partners, LLC were satisfied, a pledge of the Company's membership interest in Ichor Energy Holdings, LLC. These security interests were released by the collateral agent at the time of the transfer of the membership interests as described in Note 2. Any unpaid principal and interest are due on the maturity date of February 11, 2022. During September 2021, the Company offered the noteholders an amended conversion price under these notes of \$0.75 per share for conversions prior to October 31, 2021; \$1.00 per share for conversions prior to November 30, 2021; \$1.10 per share for conversions prior to December 31, 2021; \$1.20 per share for conversions prior to January 31, 2022; and back to \$1.35 for any conversions thereafter. During September 2021, noteholders converted debt aggregating \$1,952,354 into 2,603,139 shares of common stock valued at \$3,800,164 pursuant to the amended conversion prices. The balance shown is net of unamortized discount of \$385,170 as of September 30, 2021 and \$1,504,868 as of December 31, 2020.	4,365,480	4,182,136
On April 18, 2020, the Company entered into an unsecured promissory note with Crossfirst Bank in the principal amount of \$149,600 related to the CARES Act Payroll Protection Program. This note is fully guaranteed by the Small Business Administration and may be forgivable provided that certain criteria are met. The interest rate on the loan is 1%, and the note has a two-year maturity. The loan was forgiven on August 23, 2021.	-	149,600
On July 1, 2020 the Company received a loan of \$150,000 from the U.S. Small Business Administration. The loan bears interest at 3.75%, and is payable in monthly installments of at \$731 monthly beginning 12 months from the date of the note, with the remaining principal and accrued interest due 30 years from the date of the note.	150,000	150,000
Total long-term debt and other short-term borrowings	93,007,847	111,753,164
Less current portion	(41,945,548)	(32,977,368)
	<u>\$ 51,062,299</u>	<u>\$ 78,775,796</u>

[Table of Contents](#)

Principal maturities of long-term debt for the next five years and thereafter are as follows:

Twelve-month period ended September 30,

	Principal	Unamortized Discount	Net
2022	\$ 44,885,099	\$ 2,939,551	\$ 41,945,548
2023	3,825,075	888,057	2,937,018
2024	46,757,517	222,659	46,534,858
2025	1,456,504	7,747	1,448,757
2026	3,520	-	3,520
Thereafter	138,146	-	138,146
	<u>\$ 97,065,861</u>	<u>\$ 4,058,014</u>	<u>\$ 93,007,847</u>

Loan Covenants

Pursuant to the terms of the Revolving Line of Credit Facility executed on June 13, 2018 with CrossFirst Bank for a maximum principal amount of \$0,000,000, the Company is required to provide on a quarterly basis, certain information to the Bank relative to operational performance of the Borrowers, to include internally prepared consolidated financial statements, hedge reports, and a compliance certificate. At September 30, 2021, the Company is in compliance with these loan covenants.

Pursuant to the terms of the Term Loan Credit Agreement executed on December 28, 2018 with various lenders in the initial amount of \$3,592,000 (and as amended in June 2020), the Company is required to provide, periodically to the lenders, certain information (including restrictive financial ratios) regarding the financial and operational performance of the related assets, accompanied by a compliance certificate. At September 30, 2021, the Company is in compliance with these loan covenants.

Pursuant to the terms of the Term Loan Credit Agreement executed on February 3, 2020 with various lenders in the initial amount of \$6,458,333, the Company is required to periodically provide the lenders certain information (including restrictive financial ratios) regarding the financial and operational performance of the related assets, accompanied by a compliance certificate. The Company is in compliance with applicable covenants in the agreement at September 30, 2021 except for a default in meeting the maximum leverage ratio. The Company has classified this debt as a current liability in the accompanying Consolidated Balance Sheets (i) due to this default at September 30, 2021 and (ii) its maturity in August 2022.

Note 11. Other Commitments and Contingencies

Office lease

In April 2018, the Company's subsidiary, Petrodome Energy, LLC entered into a 66-month lease for 4,147 square feet of office space for the Company's corporate office in Houston, Texas. The annual base rent commenced at \$22.00 per square foot, and escalates at \$0.50 per foot each year through expiration of the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. Operating lease expense was \$72,288 for the nine months ended September 30, 2021 and 2020.

Legal matters

From time to time the Company may be a party to litigation involving commercial claims against the Company. Management believes that the ultimate resolution of these matters will not have a material effect on the Company's financial position or results of operations.

In April of 2019, the staff (the "Staff") of the SEC's Division of Enforcement notified the Company that the Staff had made a preliminary determination to recommend that the SEC file an enforcement action against the Company, as well as against its CEO and its CFO, for alleged violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder during the period from early 2014 through late 2016. The Staff's notice is not a formal allegation or a finding of wrongdoing by the Company, and the Company has communicated with the Staff regarding its preliminary determination. The Company believes it has adequate defenses and intends to vigorously defend any enforcement action that may be initiated by the SEC.

Note 12. Other Subsequent Events

Equity Issuances:

During October 2021, the Company issued 5,495 shares of common stock in exchange for services.

During October 2021, holders of convertible promissory notes aggregating \$1,901,750 converted the entire principal amount into 2,535,665 shares of common stock.

During October 2021, a holder of a convertible promissory note in the amount of \$75,000 converted \$50,000 of the principal into 66,667 shares of common stock.

During October 2021, the Company issued a warrant agreement entitling the holder to purchase up to 200,000 shares of its common stock at a fixed conversion price of \$1.00 per share. The warrant agreement has a term of 2 years.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in conjunction with the financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q. In preparing the management's discussion and analysis, the registrant presumes that you have read or have access to the discussion and analysis for the preceding fiscal year.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 or the Reform Act. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to, any projections of earning, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions of performance; and statements of belief; and any statements of assumptions underlying any of the foregoing. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: our ability to raise capital and the terms thereof; ability to gain an adequate player base to generate the expected revenue; competition with established gaming websites; adverse changes in government regulations or policies; and other factors referenced in this Form 10-Q.

The use in this Form 10-Q of such words as "believes", "plans", "anticipates", "expects", "intends", and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. These forward-looking statements present the Company's estimates and assumptions only as of the date of this Report. Except for the Company's ongoing obligation to disclose material information as required by the federal securities laws, the Company does not intend, and undertakes no obligation, to update any forward-looking statements.

Although the Company believes that the expectations reflected in any of the forward-looking statements are reasonable, actual results could differ materially from those projected or assumed or any of the Company's forward-looking statements. The Company's future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties.

PLAN OF OPERATIONS

Company Overview

Viking Energy Group, Inc. (the "Company," "we," "us" or "our") is an energy company, currently targeting opportunities in the following sectors:

- (i) Power Generation & Solutions;
- (ii) Clean Energy; and
- (iii) Natural Resources.

Power Generation & Solutions:

Through its approximately 60.5% majority-owned subsidiary, Simson-Maxwell Ltd. ("Simson-Maxwell"), the Company provides power generation products, services and custom energy solutions to commercial and industrial clients.

Clean Energy:

The Company recently entered into a license agreement with ESG Clean Energy, LLC (“ESG”), to utilize ESG’s patent rights and know-how related to stationary electric power generation and heat and carbon dioxide capture (the “ESG Clean Energy System”). The Company intends to sell, lease, sub-license the ESG Clean Energy System to third parties using, among others, Simson-Maxwell’s existing distribution channels, and the Company may also utilize the ESG Clean Energy System for its own account, whether in connection with its petroleum operations, Simson-Maxwell’s power generation operations, or otherwise.

The Company is also exploring other renewable energy-related opportunities and/or technologies, which are currently generating revenue, or have a reasonable prospect of generating revenue within a reasonable period of time.

Natural Resources:

Through wholly-owned subsidiaries, Viking owns interests in oil and gas properties the Gulf Coast and Mid-Continent regions of the United States, specifically in Texas, Louisiana and Kansas, and the Company sells oil and gas produced from such properties. Within the oil & gas sector, the Company targets assets with existing hydrocarbon production and with realistic appreciation potential.

The following overview provides a background related to various operations and acquisition efforts over the last several years:

Oil & Gas Activity

Previous Acquisitions:

The Company’s previous acquisitions in the oil & gas sector include the following:

- On December 22, 2017, the Company completed an acquisition of 100% of the membership interests of Petrodome Energy, LLC (“Petrodome”), a privately-owned company, with working interests in multiple oil and gas fields across Texas, Louisiana and Mississippi, comprising approximately 11,700 acres. As a part of this acquisition, the Company retained an operational office and staff in Houston, Texas, which provided the Company the capability of operating many of its own wells internally. This expertise has since been utilized to evaluate potential oil and gas acquisitions, evaluate the management of the Company’s oil and gas assets, and evaluate and develop new drilling prospects.
- On December 28, 2018, the Company, through its then newly formed Ichor Energy Holdings, LLC subsidiary (“Ichor Energy Holdings”), completed an acquisition of working interests in oil and gas leases in Texas (primarily in Orange and Jefferson Counties) and Louisiana (primarily in Calcasieu Parish), which included 58 producing wells and 31 salt water disposal wells.
- On May 10, 2019, Petrodome Louisiana Pipeline LLC (“Petrodome LA”), a subsidiary of Petrodome, acquired a majority working interest in 6 gas wells (including 2 producing gas wells), 1 producing oil well and 1 salt water disposal well located in the East Mud Lake Field in Cameron Parish, Louisiana, with leases to mineral rights (oil and gas) concerning approximately 765 acres.
- On February 3, 2020, the Company, through its then newly formed majority-owned Elysium Energy Holdings, LLC subsidiary (“Elysium Energy Holdings”), acquired interests in oil and gas properties located in Texas and Louisiana, which included leases, working interests, and over-riding royalty interests in oil and gas properties in Texas (approximately 72 wells in 11 counties) and Louisiana (approximately 55 wells in 6 parishes), along with associated equipment.

Disposals of Oil & Gas Properties

On October 5, 2021, the Company transferred all of membership interests of Ichor Energy Holdings to a third party, and the third party assumed all of the rights and obligations associated with such membership interests, including the debt associated with Ichor Energy Holdings.

On October 12, 2021, the Company transferred all of the membership interests of Elysium Energy Holdings to a third party, and the third party assumed all of the rights and obligations associated with such membership interests, including the debt associated with Elysium Energy Holdings.

Other Acquisitions

Simson-Maxwell Acquisition

On August 6, 2021, the Company acquired approximately 60.5% of the issued and outstanding shares of Simson-Maxwell, a Canadian federal corporation. Simson-Maxwell is a leading manufacturer and supplier of industrial engines, power generation products, services and custom energy solutions. The company integrates innovative technology with superior products to contribute to global energy sustainability. Operating for over 80 years, Simson-Maxwell's diverse group of employees at seven branch locations service over 4,000 maintenance contracts and assist with satisfying the energy and power-solution demands of the company's entire customer-base.

ESG Clean Energy License

On August 18, 2021, the Company entered into a license agreement with ESG, a Delaware limited liability company, pursuant to which Viking received (i) an exclusive license to ESG Clean Energy's patent rights and know-how related to stationary electric power generation (not in connection with vehicles), including methods to utilize heat and capture carbon dioxide (the "**Intellectual Property**") in Canada, and (ii) a non-exclusive license to the Intellectual Property in up to 25 sites in the United States that are operated by Viking or its affiliates.

The Company intends to sell, lease, sub-license the Intellectual Property to third parties using, among others, Simson-Maxwell's existing distribution channels, and the Company may also utilize the ESG Clean Energy System for its own account, whether in connection with its petroleum operations, Simson-Maxwell's power generation operations, or otherwise.

Potential Merger with Camber Energy, Inc.

On February 15, 2021, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Camber Energy, Inc. (“Camber” or “Camber Energy”), the majority owner of the Company’s common stock. The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, a newly-formed wholly-owned subsidiary of Camber (“Merger Sub”) will merge with and into the Company (the “Merger”), with the Company surviving the Merger as a wholly-owned subsidiary of Camber.

Upon the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the “Effective Time”), each share: (i) of common stock, par value \$0.001 per share, of the Company (the “Viking Common Stock”) issued and outstanding immediately prior to the Effective Time, other than shares owned by Camber, the Company and Merger Sub, will be converted into the right to receive one share of common stock of Camber; and (ii) of Series C Convertible Preferred Stock of the Company (the “Viking Preferred Stock”) issued and outstanding immediately prior to the Effective Time will be converted into the right to receive one share of Series A Convertible Preferred Stock of Camber (the “Camber Series A Preferred Stock”). Each share of Camber Series A Preferred Stock will convert into 890 shares of common stock of Camber (subject to a beneficial ownership limitation preventing conversion into Camber common stock if the holder would be deemed to beneficially own more than 9.99% of Camber’s common stock), will be treated equally with Camber’s common stock with respect to dividends and liquidation, and will only have voting rights with respect to voting: (a) on a proposal to increase or reduce Camber’s share capital; (b) on a resolution to approve the terms of a buy-back agreement; (c) on a proposal to wind up Camber; (d) on a proposal for the disposal of all or substantially all of Camber’s property, business and undertaking; (f) during the winding-up of Camber; and/or (g) with respect to a proposed merger or consolidation in which Camber is a party or a subsidiary of Camber is a party. Holders of Viking Common Stock and Viking Preferred Stock will have any fractional shares of Camber common stock or preferred stock after the Merger rounded up to the nearest whole share.

At the Effective Time, each outstanding Company equity award, will be converted into the right to receive the merger consideration in respect of each share of Viking Common Stock underlying such equity award and, in the case of Company stock options, be converted into vested Camber stock options based on the merger exchange ratio calculated as provided above (the “Exchange Ratio”).

The Merger Agreement provides, among other things, that effective as of the Effective Time, James A. Doris, the current Chief Executive Officer of both the Company and Camber, shall serve as President and Chief Executive Officer of the Combined Company following the Effective Time. The Merger Agreement provides that, as of the Effective Time, the Combined Company will have its headquarters in Houston, Texas.

The Merger Agreement also provides that, during the period from the date of the Merger Agreement until the Effective Time, each of Camber and Company will be subject to certain restrictions on its ability to solicit alternative acquisition proposals from third parties, to provide non-public information to third parties and to engage in discussions with third parties regarding alternative acquisition proposals, subject to customary exceptions. Company is required to hold a meeting of its stockholders to vote upon the adoption of the Merger Agreement and, subject to certain exceptions, to recommend that its stockholders vote to adopt the Merger Agreement. Camber is required to hold a meeting of its stockholders to approve the issuance of Viking Common Stock and Viking Preferred Stock in connection with the Merger (the “Share Issuance”).

The completion of the Merger is subject to customary conditions, including (i) adoption of the Merger Agreement by Camber's stockholders and approval of the Share Issuance by Camber's stockholders, (ii) receipt of required regulatory approvals, (iii) effectiveness of a registration statement on Form S-4 for the Camber common stock to be issued in the Merger (the "Form S-4"), and (iv) the absence of any law, order, injunction, decree or other legal restraint preventing the completion of the Merger or making the completion of the Merger illegal. Each party's obligation to complete the Merger is also subject to certain additional customary conditions, including (i) subject to certain exceptions, the accuracy of the representations and warranties of the other party, (ii) subject to certain exceptions, performance by the other party of its obligations under the Merger Agreement and (iii) the absence of any material adverse effect on the other party, as defined in the Merger Agreement.

Additional closing conditions to the Merger include that in the event the NYSE American determines that the Merger constitutes, or will constitute, a "back-door listing" / "reverse merger", Camber (and its common stock) is required to qualify for initial listing on the NYSE American, pursuant to the applicable guidance and requirements of the NYSE as of the Effective Time.

The Merger Agreement can be terminated (i) at any time with the mutual consent of the parties; (ii) by either Camber or Company if any governmental consent or approval required for closing is not obtained, or any governmental entity issues a final non-appealable order or similar decree preventing the Merger; (iii) by either Company or Camber if the Merger shall not have been consummated on or before August 1, 2021; (iv) by Camber or Company, upon the breach by the other of a term of the Merger, which is not cured within 30 days of the date of written notice thereof by the other; (v) by Camber if Company is unable to obtain the affirmative vote of its stockholders for approval of the Merger; (vi) by Company if Camber is unable to obtain the affirmative vote of its stockholders required pursuant to the terms of the Merger Agreement; and (vii) by Company or Camber if there is a willful breach of the Merger Agreement by the other party thereto.

The Merger deadline of August 1, 2021, has passed, but the Merger Agreement has not been terminated by either party.

Going Concern Qualification

The Company's consolidated financial statements included herein have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company generated a net loss of \$27,983,342 for the nine months ended September 30, 2021, as compared to a net loss of \$14,275,646 for the nine months ended September 30, 2020. The loss for the nine months ended September 30, 2021 was comprised of, among other things, certain non-cash items, including: (i) stock-based compensation of \$470,598; (ii) accretion of asset retirement obligation of \$438,225; (iii) depreciation, depletion & amortization of \$6,844,553; (iv) amortization of debt discount of \$3,406,654; (v) change in fair value of derivatives of \$(16,401,270); and (vi) loss on financing settlements of \$2,774,341.

As of September 30, 2021, the Company has a stockholders' deficit of \$8,115,975 and total long-term debt of \$93,007,847. As of September 30, 2021, the Company has a working capital deficiency of approximately \$60,000,000. The largest components of current liabilities creating this working capital deficiency are (i) notes payable with a face value aggregating approximately \$4.7 million as of September 30, 2021 due in February of 2022; (ii) a revolving credit facility with a balance of \$5,665,000 as of September 30, 2021 due in January of 2022; (iii) a derivative liability of \$16,074,519; and (iv) Elysium Energy Holdings' term loan agreement with a face value of approximately \$30.7 million as of September 30, 2021, with a maturity date of August 3, 2022.

[Table of Contents](#)

As described in Note 2, in October 2021 the Company transferred its interest in each of Ichor Energy Holdings and Elysium Energy Holdings to third parties. As a result, the Company no longer has the assets and liabilities (including debt and derivatives mentioned in the above paragraph) within such entities.

Further, oil and gas price volatility and the impact of the global COVID-19 pandemic have already had and may continue to have a negative impact on the Company's financial position and results of operations. Negative impacts could include but are not limited to: the Company's ability to sell its products and services, reduction in the selling price of the Company's products and services, possible disruption of production as a result of worker illness or mandated production shutdowns, the Company's ability to maintain compliance with loan covenants and/or refinance existing indebtedness, and access to new capital and financing.

Management believes it will be able to leverage the expertise and relationships of its operational and technical teams to enhance existing assets and identify new development and acquisition opportunities in order to improve operations.

Nonetheless, these conditions raise substantial doubt regarding the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to utilize the resources in place to generate future profitable operations, to develop additional acquisition opportunities, and to obtain the necessary financing to meet its obligations and repay its liabilities arising from business operations when they come due. Management believes the Company may be able to continue to develop new opportunities and may be able to obtain additional funds through debt and / or equity financings to facilitate its business strategy; however, there is no assurance of additional funding being available. These consolidated financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company have to curtail operations or be unable to continue in existence.

RESULTS OF CONTINUING OPERATIONS

The following discussion of the financial condition and results of operation of the Company for the three and nine months ended September 30, 2021 and 2020, should be read in conjunction with the audited consolidated financial statements and the notes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on March 25, 2021.

Liquidity and Capital Resources

As of September 30, 2021, and December 31, 2020, the Company had \$6,615,870 (of which \$3,721,993 is restricted) and \$7,839,539 (of which \$3,862,756 is restricted) in cash holdings, respectively.

Restricted cash in the amount of \$3,721,993 as of September 30, 2021, consists of \$2,145,796 held by Ichor Energy, LLC and/or its subsidiaries and \$1,576,197 held Elysium Energy, LLC, and/or its subsidiaries.

Pursuant to the Term Loan Credit Agreement to which Ichor Energy LLC and its subsidiaries are parties, following March 31, 2019 the company is required at all times to maintain a minimum cash balance of \$2,000,000 (the "MLR"). Within 30 days of the end of each quarter, commencing with the quarter ended June 30, 2019, the company is required to pay the lenders, as an additional principal payment on the debt, any cash in excess of (i) the MLR and (ii) any funds necessary for the capital expenditures contemplated to be expended in the next six-month period by an approved plan of development ("APOD Capex Amount"). At September 30, 2021, the restricted cash did not exceed the MLR and the APOD Capex Amount.

Pursuant to the Term Loan Credit Agreement to which Elysium Energy, LLC and its subsidiaries are parties, all receipts are to be deposited to a lockbox account under the control of the administrative agent, and then subsequently transferred for operations to the company's bank accounts, all of which are subject to deposit account control agreements. The aggregate amount of unencumbered cash held in any Operating Account is not to be less than (a) \$1,000,000 for the period commencing on December 31, 2020 through and including April 29, 2020, (b) \$1,750,000 for the period commencing on April 30, 2021 through and including June 29, 2021, and (c) \$2,500,000 for the period commencing June 30, 2021 through and including the Maturity Date. Commencing with the quarter ended September 30, 2020, the company is required to make mandatory prepayments of principal equal to 75% of Excess Cash Flow as defined in the agreement.

On July 29, 2021, the Company issued 27.5 million shares of common stock to Camber for \$11 million in cash. Subsequently, on August 6, 2021, the Company acquired a 60.5% interest in Simson-Maxwell Ltd. For approximately \$8 million in cash. Simson-Maxwell Ltd. is a leading manufacturer and supplier of industrial engines, power generation products, services and custom energy solutions with seven branches and over 4,000 maintenance contracts in Canada.

Three months ended September 30, 2021 compared to the three months ended September 30, 2020

Revenue

The Company had gross revenues of \$9,680,661 for the three months ended September 30, 2021, as compared to \$10,149,387 for the three months ended September 30, 2020, reflecting a decrease of 4.6% or \$468,726. This decrease in revenue is primarily a result of recovering oil and gas market prices as compared to the sharp decline that occurred in 2020 during the same period, and the increased cost of our hedging contracts.

Expenses

The Company's operating expenses decreased by \$5,342,838 to \$9,266,997 for the three-month period ended September 30, 2021, from \$14,609,835 in the corresponding prior period. Lease operating costs decreased by \$103,102 to \$4,888,546 for the three-month period ended September 30, 2021 as compared to \$4,991,648 for the three-month period ended September 30, 2020, due to cost saving initiatives being implemented. DD&A expense decreased by \$428,224 to \$2,181,326 for the three-month period ended September 30, 2021 as compared to \$2,573,183 for the period ended September 30, 2020 primarily as a result of the impairment charge for the year ended December 31, 2020 decreasing the amortization base used for the calculation. General and administrative expenses reflected an increase of \$776,374 to \$1,966,519, when compared to \$1,190,145 in the corresponding prior period.

Income (Loss) from Operations

The Company generated an income from operations for the three months ended September 30, 2021 of \$413,664, when compared to loss from operations of \$(4,460,448) for the three months ended September 30, 2020.

Other Income (Expense)

The Company had other expense of \$(9,492,979) for the three months ended September 30, 2021, as compared to other expense of \$(13,574,359) for the three months ended September 30, 2020. Interest expense decreased by \$2,147,465 to \$3,180,460 for the three-month period ended September 30, 2021 as compared to \$5,327,925 for the three months ended September 30, 2020 due to a reduction in long term debt resulting from the transactions with Camber and EMC Capital Partners, LLC, described in Note 1 to the Company's consolidated financial statements. As a result of the fluctuating commodities markets, changes in the fair value of our commodity derivatives reflected a loss to the consolidated financial statements of \$(3,425,097) for the three-month period ended September 30, 2021 as compared to a loss of \$(5,018,338) for the three month-period ended September 30, 2020.

[Table of Contents](#)

Net Income (Loss)

The Company had a net loss of \$(9,079,315) during the three-month period ended September 30, 2021, compared with a net loss of \$(17,006,494) for the three-month period ended September 30, 2020, a \$7,927,179 difference primarily as a result of the items discussed above.

Nine months ended September 30, 2021 compared to the Nine months ended September 30, 2020

Revenue

The Company had gross revenues of \$30,871,373 for the nine months ended September 30, 2021, as compared to \$31,487,202 for the nine months ended September 30, 2020. This consistency of revenue when comparing the two periods is primarily a result of the protection provided by the Company's hedge contracts on oil and gas production as well as recovering oil and gas market prices as compared to the sharp decline that occurred in 2020 during the same period.

Expenses

The Company's operating expenses decreased by \$4,854,611 to \$26,904,123 for the nine-month period ended September 30, 2021, from \$31,758,734 in the corresponding prior period. Lease operating costs increased by \$1,715,654 to \$14,863,294 for the nine-month period ended September 30, 2021 as compared to \$13,147,640 for the nine-month period ended September 30, 2020, due to additional wells purchased by the Company in February 2020 and increased workover costs associated with underperforming and shut-in wells. DD&A expense decreased by \$1,827,040 to \$6,844,553 for the nine-month period ended September 30, 2021 as compared to \$8,671,593 for the period ended September 30, 2020 primarily as a result of the impairment charge for the year ended December 31, 2020 decreasing the amortization base used for the calculation. General and administrative expenses reflected an increase of \$895,471 to 4,287,453, when compared to \$3,391,982 in the corresponding prior period.

Income (loss) from Operations

The Company generated an income from operations for the nine months ended September 30, 2021 of \$3,967,250, when compared to loss from operations of \$(271,532) for the nine months ended September 30, 2020.

Other Income (Expense)

The Company had other expense of \$31,950,592 for the nine months ended September 30, 2021, as compared to other expense of \$(15,187,066) for the nine months ended September 30, 2020. Interest expense decreased by \$7,208,705 to \$9,612,335 for the nine-month period ended September 30, 2021 as compared to \$16,821,040 for the nine months ended September 30, 2020 due to a reduction in long term debt resultant from the transactions with Camber and EMC Capital Partners, LLC, described in Note 1 to the Company's consolidated financial statements. As a result of the fluctuating commodities markets, changes in the fair value of our commodity derivatives reflected a loss to the consolidated financial statements of \$16,401,270 for the nine-month period ended September 30, 2021 as compared to a gain of \$8,569,093 for the nine month-period ended September 30, 2020.

Net Income (Loss)

The Company had a net loss of \$(27,983,342) during the nine-month period ended September 30, 2021, compared with a net loss of \$(14,275,646) for the nine-month period ended September 30, 2020, a \$13,707,696 difference primarily as a result of the items discussed above.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We prepare our financial statements in conformity with GAAP, which requires management to make certain estimates and assumptions and apply judgments. We base our estimates and judgments on historical experience, current trends and other factors that management believes to be important at the time the financial statements are prepared and actual results could differ from our estimates and such differences could be material. Due to the need to make estimates about the effect of matters that are inherently uncertain, materially different amounts could be reported under different conditions or using different assumptions. On a regular basis, we review our critical accounting policies and how they are applied in the preparation of our financial statements, as well as the sufficiency of the disclosures pertaining to our accounting policies in the footnotes accompanying our financial statements. Described below are the most significant policies we apply in preparing our consolidated financial statements, some of which are subject to alternative treatments under GAAP. We also describe the most significant estimates and assumptions we make in applying these policies. See “Note 2 - Summary of Significant Accounting Policies” to our consolidated financial statements.

Oil and Gas Property Accounting

The Company uses the full cost method of accounting for its investment in oil and natural gas properties. Under this method of accounting, all costs of acquisition, exploration and development of oil and natural gas properties (including such costs as leasehold acquisition costs, geological expenditures, dry hole costs, tangible and intangible development costs and direct internal costs) are capitalized as the cost of oil and natural gas properties when incurred.

The full cost method requires the Company to calculate quarterly, by cost center, a “ceiling,” or limitation on the amount of properties that can be capitalized on the balance sheet. To the extent capitalized costs of oil and natural gas properties, less accumulated depletion and related deferred taxes, exceed the sum of the discounted future net revenues of proved oil and natural gas reserves, the lower of cost or estimated fair value of unproved not properties subject to amortization, the cost of properties not being amortized, and the related tax amounts, such excess capitalized costs are charged to expense.

Proved Reserves

Estimates of our proved reserves included in this report are prepared in accordance with U.S. SEC guidelines for reporting corporate reserves and future net revenue. The accuracy of a reserve estimate is a function of:

- i. the quality and quantity of available data;
- ii. the interpretation of that data;
- iii. the accuracy of various mandated economic assumptions; and
- iv. the judgment of the persons preparing the estimate.

Our proved reserve information included in this report was predominately based on estimates. Because these estimates depend on many assumptions, all of which may substantially differ from future actual results, reserve estimates will be different from the quantities of oil and gas that are ultimately recovered. In addition, results of drilling, testing and production after the date of an estimate may justify material revisions to the estimate.

In accordance with SEC requirements, we based the estimated discounted future net cash flows from proved reserves on the unweighted arithmetic average of the prior 12-month commodity prices as of the first day of each of the months constituting the period and costs on the date of the estimate.

[Table of Contents](#)

The estimates of proved reserves materially impact depreciation, depletion, amortization and accretion (“DD&A”) expense. If the estimates of proved reserves decline, the rate at which we record DD&A expense will increase, reducing future net income. Such a decline may result from lower market prices, which may make it uneconomic to drill for and produce from higher-cost fields.

Asset Retirement Obligation

Asset retirement obligations (“ARO”) primarily represent the estimated present value of the amount we will incur to plug, abandon and remediate our producing properties at the projected end of their productive lives, in accordance with applicable federal, state and local laws. We determined our ARO by calculating the present value of estimated cash flows related to the obligation. The retirement obligation is recorded as a liability at its estimated present value as of the obligation’s inception, with an offsetting increase to proved properties. Periodic accretion of discount of the estimated liability is recorded as accretion expense in the accompanying consolidated statements of operations.

ARO liability is determined using significant assumptions, including current estimates of plugging and abandonment costs, annual inflation of these costs, the productive lives of wells and a risk-adjusted interest rate. Changes in any of these assumptions can result in significant revisions to the estimated ARO.

Commodity derivatives

The Company does not designate its commodities derivative instruments as hedges and therefore does not apply hedge accounting. Changes in fair value of derivative instruments subsequent to the initial measurement are recorded as change in fair value on derivative liability, in other income (expense). The estimated fair value amounts of the Company’s commodity derivative instruments have been determined at discrete points in time based on relevant market information which resulted in the Company classifying such derivatives as Level 2. Although the Company’s commodity derivative instruments are valued using public indices, as well as the Black-Sholes model, the instruments themselves are traded with unrelated counterparties and are not openly traded on an exchange.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, the Company is not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company does not currently maintain controls and procedures that are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act are recorded, processed, summarized, and reported within the time periods specified by the Commission's rules and forms. Disclosure controls and procedures would include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of management, including the Company's Chief Executive Officer, the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2021, have been evaluated, and, based upon this evaluation, the Company's Chief Executive Officer has concluded that these controls and procedures are not effective in providing reasonable assurance of compliance.

Changes in Internal Control over Financial Reporting

Management will continue to monitor and evaluate the effectiveness of the Company's internal controls and procedures and the Company's internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow. There were no changes in Internal Control Over Financial Reporting during the quarter ended September 30, 2021.

Management will continue to monitor and evaluate the effectiveness of the Company's internal controls and procedures and the Company's internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow. Other than the material weakness described below, there were no changes in Internal Control Over Financial Reporting during the quarter ended September 30, 2021.

Material Weakness in Internal Control over Financial Reporting

Due to the events that led to the restatement of our financial statements for the three and nine month periods ended September 30, 2020, management has identified a material weakness in our internal controls related to the accounting for preferred stock and changes in preferred stock certificates of designation, as described in note 4 to the accompanying condensed financial statements.

Management has engaged a consulting firm to assist management in assessing and determining the proper accounting for complex transactions. The Company believes the foregoing efforts will effectively remediate the material weakness. Because the reliability of the internal control process requires repeatable execution, the successful on-going remediation of the material weakness will require on-going review and evidence of effectiveness prior to concluding that the controls are effective. The Company's remediation efforts are underway; however, there is no assurance that the remediation efforts will be effective in the future or that additional material weaknesses will not develop or be identified.

PART II-OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company may be involved in litigation relating to claims arising out of commercial operations in the normal course of business. As of September 30, 2021, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of operations.

In April of 2019, the staff (the “Staff”) of the SEC’s Division of Enforcement notified the Company that the Staff had made a preliminary determination to recommend that the SEC file an enforcement action against the Company, as well as against its CEO and its CFO, for alleged violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder during the period from early 2014 through late 2016. The Staff’s notice is not a formal allegation or a finding of wrongdoing by the Company, and the Company communicated with the Staff regarding its preliminary determination. The Company believes it has adequate defenses and intends to defend any enforcement action that may be initiated by the SEC.

ITEM 1A. RISK FACTORS

As a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, the Company is not required to provide the information under this item.

Investing in our securities involves a high degree of risk. You should carefully consider the risk factors described below before deciding whether to purchase any of the securities being registered pursuant to the registration statement of which this prospectus is a part. Each of the risk factors described below could adversely affect our business, operating results and financial condition, as well as adversely affect the value of an investment in our securities. The occurrence of any of these risks might cause you to lose all or part of your investment. Moreover, the risks described below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, and results of operations. If any of these risks actually occurs, our business, financial condition and results of operations could suffer. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Industry and Our Company

Readers should carefully consider the risks and uncertainties described below.

Our failure to successfully address the risks and uncertainties described below would have a material adverse effect on our business, financial condition and/or results of operations, and the trading price of our common stock may decline and investors may lose all or part of their investment. We cannot assure you that we will successfully address these risks or other unknown risks that may affect our business.

As an enterprise engaged oil and gas exploration and production, power generation, and the development of new technology, our business is inherently risky. Our common shares are considered speculative during the development of our business operations. Prospective investors should carefully consider the risk factors set out below.

We need to continue as a going concern if our business is to succeed.

Our independent registered public accounting firm reports on our audited financial statements for the years ended December 31, 2020, and 2019, indicate that there are a number of factors that raise substantial risks about our ability to continue as a going concern. Such factors identified in the report are our recurring losses from operations since inception and our working capital deficiency. If we are not able to continue as a going concern, investors could lose their investments.

If we lose the services of our Chief Executive Officer, our operations could be disrupted, and our business could be harmed.

We rely heavily on the day-to-day involvement of our CEO, James Doris, in managing the Company's affairs. Mr. Doris is an integral part of all material elements of our existing operations and immediate growth initiatives. We do not have a long-term employment or other agreement with Mr. Doris. If he ceases to be involved with us for any reason, our operations would likely be disrupted, and our business would likely be harmed.

We only own approximately 60.5% of Simson-Maxwell, and other Simson-Maxwell stakeholders are able to exercise some control over its operations.

We do not own 100% of Simson-Maxwell, but rather we own approximately 60.5% of Simson-Maxwell's issued and outstanding shares. We are a party to a Shareholders' Agreement regarding the ownership and governance of Simson-Maxwell, and although we are entitled to elect the majority of the directors of Simson-Maxwell, we have to obtain approval from at least one other shareholder of Simson-Maxwell in connection with the following matters:

- any fundamental change to the corporate structure of the Simson-Maxwell and/or any subsidiary of Simson-Maxwell if such fundamental change is dilutive to the existing shareholders, including without limitation, in respect of each such entity: any amendment, modification, repeal or other variation to its articles, any amendment to its authorized share capital, or any proposal to create, reclassify, re-designate, subdivide, consolidate, or otherwise change any shares (whether issued or unissued) or partnership units, as the case may be;

Table of Contents

- the issuance of any shares in the capital of the Simson-Maxwell and/or any subsidiary of Simson-Maxwell or any securities, warrants, options or rights convertible into, exchangeable for, or carrying the right to subscribe for or purchase, shares in the capital of the Simson-Maxwell and/or any subsidiary of Simson-Maxwell, as the case may be, if such issuance is dilutive to the existing shareholders;
- the redemption or purchase for cancellation of any shares in the capital of the Simson-Maxwell and/or any subsidiary of Simson-Maxwell, or any other return of capital by the Simson-Maxwell and/or any subsidiary of Simson-Maxwell, other than any purchase of shares in accordance with the Shareholders' Agreement;
- the conversion, exchange, reclassification, re-designation, subdivision, consolidation, or other change of or to any shares in the capital of the Simson-Maxwell and/or any subsidiary of Simson-Maxwell if any such action is dilutive to the existing shareholders;
- the acquisition or commencement of any business other than Simson-Maxwell's current business or the entering into of any amalgamation, merger, partnership, joint venture, or other combination, or any agreement with respect to any of the foregoing, with any person or business by the Simson-Maxwell and/or any subsidiary of Simson-Maxwell if any such action is dilutive to the existing shareholders;
- any dissolution, liquidation, or winding-up of the Simson-Maxwell and/or any subsidiary of Simson-Maxwell or other distribution of the assets of the Simson-Maxwell and/or any subsidiary of Simson-Maxwell for the purpose of winding-up its affairs, whether voluntary or involuntary, except where such dissolution, liquidation, or winding-up or other distribution is done voluntarily by the Simson-Maxwell and/or any subsidiary of Simson-Maxwell in order to reorganize its corporate structure, provided that the board of directors of Simson-Maxwell determines (without inquiring into or giving effect to the personal circumstances of any individual shareholder) that the interests of no one shareholder shall be disproportionately adversely affected vis-à-vis the interests of any other shareholder by such reorganization;
- any declaration or payment of dividends by the Simson-Maxwell or other similar payment or distribution by the Simson-Maxwell to all of the shareholders, except for payment or distribution to all common shareholders or the payment of dividends on any issued preferred shares as required under their terms;
- any sale, proposed sale, lease, exchange, or other disposition of all or a substantial portion of the property, assets, or business of the Simson-Maxwell and/or any subsidiary of Simson-Maxwell, other than in the ordinary course of business;
- any provision of any guarantee, indemnity, or other financial support by the Simson-Maxwell and/or any subsidiary of Simson-Maxwell;
- any transaction not in the ordinary course of business between the Simson-Maxwell and/or any subsidiary of Simson-Maxwell and any person not dealing at arm's length with the Simson-Maxwell and/or any subsidiary of Simson-Maxwell or any of the shareholders. For the avoidance of doubt, entering into employment agreements with employees, hiring decisions, and compensation arrangements are excluded from this provision; or
- any change in the registered office of the Simson-Maxwell and/or any subsidiary of Simson-Maxwell.

Profitability & Expansion initiatives at Simson-Maxwell are not guaranteed.

The Company's majority-owned subsidiary, Simson-Maxwell, provides power generation products, services and custom energy solutions to commercial and industrial clients, primarily in Canada. Simson-Maxwell is not currently operating at a profit and the Company's objective is to assist Simson-Maxwell with becoming profitable and expanding Simson-Maxwell's business throughout North America. There can be no assurance either will occur as both initiatives are subject to a number of risks and influences, including several beyond the Company's control.

[Table of Contents](#)

The Camber Energy merger may not ever be consummated.

There is no guaranty we will complete the Merger with Camber Energy. If the Merger is not consummated, we intend to up-list directly to a national stock exchange, but there is no guaranty any such up-listing will occur.

As at the date hereof, Camber Energy owns approximately 70% of our outstanding shares of common stock, and as such has significant influence over matters requiring the approval of our stockholders. Further, pursuant to an existing agreement between the Company and Camber Energy, if at any time until July 1, 2022, the Company issues shares of its common stock to one or more persons such that Camber Energy's percentage ownership of the Company's issued and outstanding common stock is less than 51%, the Company is obligated to issue additional shares of common stock to Camber Energy to ensure that Camber Energy owns at least 51% of the issued and outstanding common stock of the Company. This adjustment entitlement, which expires on July 1, 2022, may, among other things, limit the Company's ability to raise capital.

Changes to the management, ownership and/or capitalization of Camber Energy may influence how Camber Energy manages or otherwise deals with its ownership of shares of common stock of the Company. Camber Energy's interests may not always be aligned with the interests of the Company.

We have guaranteed Camber Energy's indebtedness to Camber Energy's senior secured lender, and we have executed security agreements to secure such guaranty. If there is a default under any of the promissory notes issued by Camber Energy in favor of its senior secured lender, we may be forced to pay amounts due to the lender pursuant to those Camber Energy promissory notes, and we may not have sufficient resources on hand to satisfy those obligations.

Oil and gas price fluctuations in the market may adversely affect the results of our operations.

Our profitability, cash flows and the carrying value of our oil and natural gas properties are highly dependent upon the market prices of oil and natural gas. A significant portion of our sales of oil and natural gas, if any, are made in the spot market, or pursuant to contracts based on spot market prices, and not pursuant to long-term, fixed-price contracts. Accordingly, the prices received for our oil and natural gas production are dependent upon numerous factors beyond our control. These factors include the level of consumer product demand, governmental regulations and taxes, the price and availability of alternative fuels, the level of foreign imports of oil and natural gas and the overall economic environment.

Historically, the oil and natural gas markets have proven cyclical and volatile as a result of factors that are beyond our control. Any additional declines in oil and natural gas prices or any other unfavorable market conditions could have a material adverse effect on our financial condition.

Actual quantities of recoverable oil and gas reserves and future cash flows from those reserves most likely will vary from our estimates.

Estimating accumulations of oil and gas is complex. The process relies on interpretations of available geological, geophysical, engineering and production data. The extent, quality and reliability of this data can vary. The process also requires certain economic assumptions, some of which are mandated by the SEC, such as oil and gas prices, drilling and operating expenses, capital expenditures, taxes and availability of funds. The accuracy of a reserve estimate is a function of:

- the quality and quantity of available data;
- the interpretation of that data;
- the accuracy of various mandated economic assumptions; and
- the judgment of the persons preparing the estimate.

Estimates of proved reserves prepared by others might differ materially from our estimates. Actual quantities of recoverable oil and gas reserves, future production, oil and gas prices, revenues, taxes, development expenditures and operating expenses most likely will vary from our estimates. Any significant variance could materially affect the quantities and net present value of our reserves. In addition, we may adjust estimates of proved reserves to reflect production history, results of exploration and development and prevailing oil and gas prices. Our reserves also may be susceptible to drainage by operators on adjacent properties.

Our operations may require significant expenditures of capital that may not be recovered.

We may require significant expenditures of capital to locate and develop producing properties and to drill new oil and gas wells. In conducting exploration, exploitation and development activities for a particular well, the presence of unanticipated pressure or irregularities in formations, miscalculations or accidents may cause our exploration, exploitation, development and production activities to be unsuccessful, potentially resulting in abandonment of the well. This could result in a total loss of our investment. In addition, the cost and timing of drilling, completing and operating wells is difficult to predict.

Compliance with, or breach of, environmental laws can be costly and could limit our operations.

Our operations will be subject to numerous and frequently changing laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection. Any properties we might own for the exploration and production of oil and gas and the wastes disposed on these properties may be subject to the Comprehensive Environmental Response, Compensation and Liability Act, the Oil Pollution Act of 1990, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, similar state laws, and similar Canadian laws. Under such laws, we could be required to remove or remediate previously released wastes or property contamination. Laws and regulations protecting the environment have generally become more stringent and may, in some cases, impose “strict liability” for environmental damage. Strict liability means that we may be held liable for damage without regard to whether we were negligent or otherwise at fault. Environmental laws and regulations may expose us to liability for the conduct of or conditions caused by others or for acts that were in compliance with all applicable laws at the time they were performed. Failure to comply with these laws and regulations may result in the imposition of administrative, civil and criminal penalties.

[Table of Contents](#)

Although we believe that our operations are in substantial compliance with existing requirements of governmental bodies, our ability to conduct continued operations is subject to satisfying applicable regulatory and permitting controls. Our current permits and authorizations and ability to get future permits and authorizations may be susceptible on a going forward basis, to increased scrutiny, greater complexity resulting in increased costs, or delays in receiving appropriate authorizations.

The oil and gas we produce may not be readily marketable at the time of production.

Crude oil, natural gas, condensate and other oil and gas products are generally sold to other oil and gas companies, government agencies and other industries. The availability of ready markets for oil and gas that we might discover and the prices obtained for such oil and gas depend on many factors beyond our control, including:

- the extent of local production and imports of oil and gas;
- the proximity and capacity of pipelines and other transportation facilities;
- fluctuating demand for oil and gas;
- the marketing of competitive fuels; and
- the effects of governmental regulation of oil and gas production and sales.

Natural gas associated with oil production is often not marketable due to demand or transportation limitations and is often flared at the producing well site. Pipeline facilities do not exist in certain areas of exploration and, therefore, we intend on utilizing trucks to transport any oil that is discovered.

The price of oil and natural gas has historically been volatile. If it were to decrease substantially, our projections, budgets and revenues would be adversely affected, potentially forcing us to make changes in our operations.

Our future financial condition, results of operations and the carrying value of any oil and natural gas interests we acquire will depend primarily upon the prices paid for oil and natural gas production. Oil and natural gas prices historically have been volatile, during calendar 2020 significantly decreased, and likely will continue to be volatile in the future, especially given current world geopolitical conditions. Our cash flows from operations are highly dependent on the prices that we receive for oil and natural gas. This price volatility also affects the amount of our cash flows available for capital expenditures and our ability to borrow money or raise additional capital. The prices for oil and natural gas are subject to a variety of additional factors that are beyond our control. These factors include:

- the level of consumer demand for oil and natural gas;
- the domestic and foreign supply of oil and natural gas;
- the ability of the members of the Organization of Petroleum Exporting Countries (“OPEC”) to agree to and maintain oil price and production controls;
- the price of foreign oil and natural gas;
- domestic governmental regulations and taxes;
- the price and availability of alternative fuel sources;
- weather conditions;
- market uncertainty due to political conditions in oil and natural gas producing regions, including the Middle East; and
- worldwide economic conditions.

Table of Contents

These factors as well as the volatility of the energy markets generally make it extremely difficult to predict future oil and natural gas price movements with any certainty. Declines in oil and natural gas prices affect our revenues and could reduce the amount of oil and natural gas that we can produce economically. Accordingly, such declines could have a material adverse effect on our financial condition, results of operations, oil and natural gas reserves and the carrying values of our oil and natural gas properties. If the oil and natural gas industry experiences significant price declines, we may be unable to make planned expenditures, among other things. If this were to happen, we may be forced to abandon or curtail our business operations, which would cause the value of an investment in us to decline in value or become worthless.

Downturns and volatility in global economies and commodity and credit markets may materially adversely affect our business, results of operations and financial condition.

Viking's results of operations are materially adversely affected by the conditions of the global economies and the credit, commodities and stock markets. Among other things, Viking has recently been adversely impacted, and anticipates continuing to be adversely impacted, due to a global reduction in consumer demand for oil and gas, and consumer lack of access to sufficient capital to continue to operate their businesses or to operate them at prior levels. In addition, a decline in consumer confidence or changing patterns in the availability and use of disposable income by consumers can negatively affect the demand for oil and gas and as a result Viking's results of operations.

We may be forced to write-down material portions of our assets if oil prices decline.

The COVID-19 outbreak and other geopolitical conditions in 2020 led to a rapid decline in oil prices. A decline of oil prices in the future and/or a continued period of low oil and gas prices in the future may force us to incur material write-downs of our oil and natural gas properties, which could have a material effect on the value of our properties and cause the value of our securities to decline in value.

If oil or natural gas prices decrease or drilling efforts are unsuccessful, we may be required to record write-downs of our oil and natural gas properties.

We could be required to write down the carrying value of certain of our oil and natural gas properties. Write-downs may occur when oil and natural gas prices are low, or if we have downward adjustments to our estimated proved reserves, increases in our estimates of operating or development costs, deterioration in drilling results or mechanical problems with wells where the cost to re-drill or repair is not supported by the expected economics.

Accounting rules require that the carrying value of oil and natural gas properties be periodically reviewed for possible impairment. Under the full cost method of accounting, capitalized oil and natural gas property costs less accumulated depletion, net of deferred income taxes, may not exceed a ceiling amount equal to the present value, discounted at 10%, of estimated future net revenues from proved oil and natural gas reserves plus the cost of unproved properties not subject to amortization (without regard to estimates of fair value), or estimated fair value, if lower, of unproved properties that are subject to amortization. Should capitalized costs exceed this ceiling, which is tested on a quarterly basis, an impairment is recognized. While an impairment charge reflects our long-term ability to recover an investment, reduces our reported earnings and increases our leverage ratios, it does not impact cash or cash flow from operating activities.

Because of the inherent dangers involved in oil and gas operations, there is a risk that we may incur liability or damages as we conduct our business operations, which could force us to expend a substantial amount of money in connection with litigation and/or a settlement.

The oil and natural gas business involve a variety of operating hazards and risks such as well blowouts, pipe failures, casing collapse, explosions, uncontrollable flows of oil, natural gas or well fluids, fires, spills, pollution, releases of toxic gas and other environmental hazards and risks. These hazards and risks could result in substantial losses to us from, among other things, injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation and penalties and suspension of operations. In addition, we may be liable for environmental damages caused by previous owners of property purchased and leased by us. As a result, substantial liabilities to third parties or governmental entities may be incurred, the payment of which could reduce or eliminate the funds available for exploration, development or acquisitions or result in the loss of our properties and/or force us to expend substantial monies in connection with litigation or settlements. We currently have no insurance to cover such losses and liabilities, and even if insurance is obtained, there can be no assurance that it will be adequate to cover any losses or liabilities. We cannot predict the availability of insurance or the availability of insurance at premium levels that justify our purchase. The occurrence of a significant event not fully insured or indemnified against could materially and adversely affect our financial condition and operations. We may elect to self-insure if management believes that the cost of insurance, although available, is excessive relative to the risks presented. In addition, pollution and environmental risks generally are not fully insurable. The occurrence of an event not fully covered by insurance could have a material adverse effect on our financial condition and results of operations, which could lead to any investment in us becoming worthless.

We may encounter operating hazards that may result in substantial losses.

We will be subject to operating hazards normally associated with the exploration and production of oil and gas, including hurricanes, blowouts, explosions, oil spills, cratering, pollution, earthquakes, labor disruptions and fires. The occurrence of any such operating hazards could result in substantial losses to us due to injury or loss of life and damage to or destruction of oil and gas wells, formations, production facilities or other properties. We do not maintain insurance coverage for matters that may adversely affect our operations, including war, terrorism, nuclear reactions, government fines, treatment of waste, blowout expenses, wind damage and business interruptions. Losses and liabilities arising from uninsured or underinsured events could reduce our revenues or increase our costs. There can be no assurance that any insurance we do obtain will be adequate to cover losses or liabilities associated with operational hazards. We cannot predict the continued availability of insurance, or its availability at premium levels that justify its purchase.

We face strong competition from larger oil and gas and power companies, which could result in adverse effects on our business.

The petroleum exploration and production and power business is highly competitive. Many of our competitors have substantially larger financial resources, staffs and facilities. Our competitors include numerous major oil and gas exploration and production companies, as well as large power generation and industrial engine manufacturing companies and conglomerates such as General Electric. Additionally, other companies engaged in our line of business may compete with us from time to time in obtaining capital from investors. Competitors include larger companies which, in particular, may have access to greater resources, may be more successful in the recruitment and retention of qualified employees and may conduct their own refining and petroleum marketing operations, which may give them a competitive advantage. Actual or potential competitors may be strengthened through the acquisition of additional assets and interests. Additionally, there are numerous companies focusing their resources on creating fuels and/or materials which serve the same purpose as oil and gas but are manufactured from renewable resources.

[Table of Contents](#)

Our estimates of the volume of petroleum reserves could have flaws, or such reserves could turn out not to be commercially extractable. as a result, our future revenues and projections could be incorrect.

Estimates of petroleum reserves and of future net revenues prepared by different petroleum engineers may vary substantially depending, in part, on the assumptions made and may be subject to adjustment either up or down in the future. Our actual amounts of production, revenue, taxes, development expenditures, operating expenses, and quantities of recoverable oil and gas reserves may vary substantially from the estimates. Oil and gas reserve estimates are necessarily inexact and involve matters of subjective engineering judgment. In addition, any estimates of our future net revenues and the present value thereof are based on assumptions derived in part from historical price and cost information, which may not reflect current and future values, and/or other assumptions made by us that only represent our best estimates. If these estimates of quantities, prices and costs prove inaccurate, we may be unsuccessful in expanding our oil and gas reserves base with our acquisitions. Additionally, if declines in and instability of oil and gas prices occur, then write downs in the capitalized costs associated with any oil and gas assets we obtain may be required. Because of the nature of the estimates of our reserves and estimates in general, we can provide no assurance that reductions to our estimated proved oil and gas reserves and estimated future net revenues will not be required in the future, and/or that our estimated reserves will be present and/or commercially extractable. If our reserve estimates are incorrect, the value of our common stock could decrease, and we may be forced to write down the capitalized costs of our oil and gas properties.

Our business will suffer if we cannot obtain or maintain necessary licenses.

Our operations will require licenses, permits and in some cases renewals of licenses and permits from various governmental authorities. Our, or our partners', ability to obtain, sustain or renew such licenses and permits on acceptable terms is subject to change in regulations and policies and to the discretion of the applicable governments, among other factors. Our inability to obtain, or our loss of or denial of extension of, any of these licenses or permits could hamper our ability to produce revenues from our operations.

Our operations may be subject to various litigation matters in the future that could have an adverse effect on our business.

From time to time, we may become a defendant in various litigation matters. The nature of our operations exposes us to further possible litigation claims, including litigation relating to climate change in the future. There is risk that any matter in litigation could be adversely decided against us regardless of our belief, opinion and position, which could have a material adverse effect on our financial condition and results of operations. Litigation is highly costly and the costs associated with defending litigation could also have a material adverse effect on our financial condition.

We may be affected by global climate change or be legal, regulatory, or market responses to such change.

The growing political and scientific sentiment is that increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere are influencing global weather patterns. Changing weather patterns, along with the increased frequency or duration of extreme weather conditions, could impact the availability or increase the cost to produce our products. Additionally, the sale of our products can be impacted by weather conditions.

Concern over climate change, including global warming, has led to legislative and regulatory initiatives directed at limiting greenhouse gas emissions. For example, proposals that would impose mandatory requirements on greenhouse gas emissions continue to be considered by policy makers in the provinces, states or territories where we operate. Laws enacted that directly or indirectly affect our oil and gas production could impact our business and financial results.

Our future success depends on our ability to replace reserves that are produced.

Because the rate of production from oil and natural gas properties generally declines as reserves are depleted, our future success depends upon our ability to economically find or acquire and produce additional oil and natural gas reserves. Except to the extent that we acquire additional properties containing proved reserves, conduct successful exploration and development activities, or, through engineering studies, identify additional behind-pipe zones or secondary recovery reserves, our proved reserves will decline as our reserves are produced. Future oil and natural gas production, therefore, is highly dependent upon our level of success in acquiring or finding additional reserves that are economically recoverable. We cannot assure you that we will be able to find or acquire and develop additional reserves at an acceptable cost.

We may acquire significant amounts of unproved property to further our development efforts. Development and exploratory drilling and production activities are subject to many risks, including the risk that no commercially productive reservoirs will be discovered. We may acquire both proved and producing properties as well as undeveloped acreage that we believe will enhance growth potential and increase our earnings over time. However, we cannot assure you that all of these properties will contain economically viable reserves or that we will not abandon our initial investments. Additionally, we cannot assure you that unproved reserves or undeveloped acreage that we acquire will be profitably developed, that new wells drilled on our properties will be productive or that we will recover all or any portion of our investments in our properties and reserves.

Our lack of industry and geographical diversification may increase the risk of an investment in our company.

Our oil and gas leases are located in North America, primarily in the Texas and Louisiana region. This lack of geographic diversification may make our holdings more sensitive to economic developments within a regional area, which may result in reduced rates of return or higher rates of default than might be incurred with a company that is more geographically diverse.

Our business depends on oil and natural gas transportation and processing facilities and other assets that are owned by third parties.

The marketability of our oil and natural gas depends in part on the availability, proximity and capacity of pipeline systems, processing facilities, oil trucking fleets and rail transportation assets owned by third parties. The lack of available capacity on these systems and facilities, whether as a result of proration, physical damage, scheduled maintenance or other reasons, could result in the delay or discontinuance of development plans for our properties. The curtailments arising from these and similar circumstances may last from a few days to several months.

Our leasehold acreage is subject to leases that will expire over the next several years unless production is established or maintained or the leases are extended.

Some of our acreage is currently held by production or held by operations, but some is not. Unless production in paying quantities is established or operations are commenced on units containing these latter leases during their terms, those leases may expire. Likewise, if we are unable to maintain production on acreage held by production or operations, those leases may expire. If our leases expire and we are unable to renew the leases, we will lose our right to develop or utilize the related properties.

Deficiencies of title to our leased interests could significantly affect our financial condition.

We, or our partners, often incur the expense of a title examination prior to acquiring oil and natural gas leases or undivided interests in oil and natural gas leases or other developed rights. If an examination of the title history of a property reveals that an oil or natural gas lease or other developed rights have been purchased in error from a person who is not the owner of the mineral interest desired, our interest would substantially decline in value or be eliminated. In such cases, the amount paid for such oil or natural gas lease or leases or other developed rights may be lost.

We have not established an effective system of internal control over our financing reporting, and if we fail to maintain such internal control, we may not be able to accurately report our financial results, and current and potential stockholders may lose confidence in our financial reporting.

We have not established and maintained adequate and effective internal control over financial reporting that would provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. We are, however, required to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses in those internal controls.

Any failure to maintain adequate internal controls could adversely impact our ability to report our financial results on a timely and accurate basis. If our financial statements are not accurate, investors may not have a complete understanding of our operations. Likewise, if our financial statements are not filed on a timely basis as required by the SEC, we could face severe consequences from those authorities. In either case, there could result a material adverse effect on our business. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock.

[Table of Contents](#)

Because of the unique difficulties and uncertainties inherent in technology development, we face a risk of not being able to capitalize on our license of intellectual property from ESG Clean Energy.

Potential investors should be aware of the difficulties normally encountered by companies developing new technology and the high rate of failure of such enterprises. The likelihood of our successful ability to commercialize intellectual property we have licensed from ESG Clean Energy must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the development of new technology with limited personnel and financial means. These potential problems include, but are not limited to, unanticipated technical problems that extend the time and cost of product development, or unanticipated problems with the operation of the licensed technology.

Technology development involves significant time and expense and can be uncertain.

The development of technology associated with our licensed ESG Clean Energy intellectual property will be costly, complex and time-consuming. Any investment into technology development and commercialization often involves a long wait until a return, if any, is achieved on such investment. We plan to make investments in research and development relating to our licensed intellectual property and technology. Investments in new technology and processes are inherently speculative.

Successful technical development of technologies associated with intellectual property licensed from ESG Clean Energy does not guarantee successful commercialization.

We may successfully complete the technical development of technologies associated with intellectual property licensed from ESG Clean Energy, but we may still fail to commercialize that technology at scale or at a cost attractive to the power generation industry. Our success will depend largely on our ability to prove the capabilities and cost-effectiveness of the developed technology. Upon demonstration, the technology may not have the capabilities they were designed to have or that we believed they would have, or they may be more expensive than anticipated. Furthermore, even if we do successfully demonstrate the technology's capabilities, potential customers may be more comfortable doing business with a larger, more established, more proven company than us. Moreover, competing technologies may prevent us from gaining wide market acceptance of the technology. Significant revenue from new technology investments may not be achieved for a number of years, if at all.

If we fail to protect our intellectual property rights, we could lose our ability to compete in the market.

Our intellectual property and proprietary rights are important to our ability to remain competitive and for the success of our products and our business. Our intellectual property rights may be challenged, invalidated or circumvented by third parties. We may not be able to prevent the unauthorized disclosure or use of our technical knowledge or other trade secrets by employees or competitors. Furthermore, our competitors may independently develop technologies and products that are substantially equivalent or superior to our technologies and/or products, which could result in decreased revenues. Moreover, the laws of foreign countries may not protect our intellectual property rights to the same extent as the laws of the U.S. Litigation may be necessary to enforce our intellectual property rights which could result in substantial costs to us and substantial diversion of management attention. If we do not adequately protect our intellectual property, our competitors could use it to enhance their products. Our inability to adequately protect our intellectual property rights could adversely affect our business and financial condition, and the value of our brand and other intangible assets.

Other companies may claim that we infringe their intellectual property, which could materially increase our costs and harm our ability to generate future revenue and profit.

We do not believe that we infringe the proprietary rights of any third party, but claims of infringement are becoming increasingly common, and third parties may assert infringement claims against us. It may be difficult or impossible to identify, prior to receipt of notice from a third party, the trade secrets, patent position or other intellectual property rights of a third party, either in the United States or in foreign jurisdictions. Any such assertion may result in litigation or may require us to obtain a license for the intellectual property rights of third parties. If we are required to obtain licenses to use any third-party technology, we would have to pay royalties, which may significantly reduce any profit on our products. In addition, any such litigation could be expensive and disruptive to our ability to generate revenue or enter into new market opportunities. If any of our products were found to infringe other parties' proprietary rights and we are unable to come to terms regarding a license with such parties, we may be forced to modify our products to make them non-infringing or to cease production of such products altogether.

Renewable energy investments may be linked to government subsidies.

Profitability of any investments we make in renewable and/or clean energy opportunities may depend on the availability of government subsidies, tax credits or other types of incentives, and there is no guaranty such subsidies, tax credits or incentives will be available in the future.

Risks Related to Our Securities

An investment in our securities is extremely speculative, and there can be no assurance of any return on the investment.

An investment in our securities is extremely speculative, and there is no assurance that investors will obtain any return on their investment. Investors will be subject to substantial risks, including the risk of losing their entire investment in our securities. For example, the market price of our common stock is subject to significant fluctuations in response to variations in our quarterly operating results, general trends in the market and other factors, many of which we have little or no control over. In addition, broad market fluctuations, as well as general economic, business and political conditions, may adversely affect the market for our common stock, regardless of our actual or projected performance.

Because the Company is a "smaller reporting company," we may take advantage of certain scaled disclosures available to us, resulting in holders of our securities receiving less Company information than they would receive from a public company that is not a smaller reporting company.

We are a "smaller reporting company" as defined in the Exchange Act. As a smaller reporting company, we may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as (i) our voting and non-voting common stock held by non-affiliates is less than \$250 million measured on the last business day of our second fiscal quarter, or (ii) our annual revenue is less than \$100 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than \$700 million measured on the last business day of our second fiscal quarter. To the extent we take advantage of any reduced disclosure obligations, it may make it harder for investors to analyze the Company's results of operations and financial prospectus in comparison with other public companies.

To fund its operations, the Company may conduct further securities offerings in the future, in which case our common stock will be diluted.

To fund its business operations, the Company anticipates continuing to rely on sales of its securities, which may include common stock, preferred stock, convertible debt and/or warrants convertible or exercisable into shares of common stock. Common stock may be issued in return for additional funds or upon conversion or exercise of outstanding convertible debentures or warrants. If additional common stock is issued, the price per share of the common stock could be lower than the price paid by existing holders of common stock, and the percentage interest in the Company of those shareholders will be lower. This result is referred to as “dilution,” which could result in a reduction in the per share value of your shares of common stock. The Company’s failure or inability to raise capital when needed or on terms acceptable to the Company and our shareholders could have a material adverse effect on the Company’s business, financial condition and results of operations and would also have a negative adverse effect on the price of our common stock.

The Company may utilize debt financing to fund its operations.

If the Company undertakes debt financing to fund its operations, the financing may involve significant restrictive covenants. In addition, there can be no assurance that such financing will be available on terms satisfactory to the Company, if at all. The Company’s failure or inability to obtain financing when needed or on terms acceptable to the Company and our shareholders could have a material adverse effect on the Company’s business, financial condition and results of operations and would also have a negative adverse effect on the price of our common stock.

The trading price of our common stock may fluctuate significantly.

Volatility in the trading price of shares of our common stock may prevent shareholders from being able to sell shares of common stock at prices equal to or greater than their purchase price. The trading price of our common stock could fluctuate significantly for various reasons, including:

- our operating and financial performance and prospects;
- our quarterly or annual earnings or those of other companies in the same industry;
- sales of our common stock by management of the Company;
- public reaction to our press releases, public announcements and filing with the SEC;
- changes in earnings estimates or recommendations by research analysts who track the Company’s common stock or the stock of other companies in the same industry;
- strategic actions by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidance, interpretations or principles; and
- changes in general economic conditions in the U.S. and in global economies and financial markets, including changes resulting from war or terrorist incidents.

In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a substantial impact on the trading price of securities issued by many companies. The changes frequently occur irrespective of the operating performance of the affected companies. As a result, the trading price of our common stock could fluctuate based upon factors that have little or nothing to do with our business.

Because we are a small company with a limited operating history, holders of common stock may find it difficult to sell their stock in the public markets.

The number of persons interested in purchasing our common stock at any given time may be relatively small. This situation is attributable to a number of factors. One factor is that we are a small company that is still relatively unknown to stock analysts, stock brokers, institutional investors, and others in the investment community that generate or influence sales volume. Another factor is that, even if the Company came to the attention of these persons, they tend to be risk-averse and would likely be reluctant to follow an unproven company such as ours. Furthermore, many brokerage firms may not be willing to effect transactions in our securities, including our common stock. As a consequence, there may be periods when trading activity in our common stock is minimal or even non-existent, as compared to trading activity in the securities of a seasoned issuer with a large and steady volume of trading activity. We cannot give you any assurance that an active public trading market for our common stock or other securities will develop or be sustained, or that, if developed, the trading levels will be sustained.

Our shares of common stock are subject to the SEC's "penny stock" rules that limit trading activity in the market, which may make it more difficult for holders of common stock to sell their shares.

Penny stocks are generally defined as equity securities with a price of less than \$5.00. Because our common stock trades at less than \$5.00 per share, we are subject to the SEC's penny stock rules that require a broker-dealer to deliver extensive disclosure to its customers before executing trades in penny stocks not otherwise exempt from the rules. The broker-dealer must also provide its customers with current bid and offer quotations for the penny stock, disclose the compensation of the broker-dealer and its salesperson in the transaction, and provide monthly account statements showing the market value of each penny stock held by the customer. Under the penny stock regulations, unless the broker-dealer is otherwise exempt, a broker-dealer selling a penny stock to anyone other than an established customer or accredited investor must make a special suitability determination regarding the purchaser and must receive the purchaser's written consent to the transaction before the sale. As a general rule, an individual with a net worth over \$1,000,000 or an annual income over \$200,000 individually or \$300,000 together with his or her spouse, is considered an accredited investor. The additional burdens from the penny stock requirements may deter broker-dealers from effecting transactions in our securities, which could limit the liquidity and market price of shares of our common stock. These disclosure requirements may reduce the trading activity of our common stock, which may make it more difficult for shareholders of our common stock to resell their securities.

FINRA sales practice requirements may also limit a shareholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, FINRA has adopted Rule 2111 that requires a broker-dealer to have reasonable grounds for believing that an investment is suitable for a customer before recommending the investment. Before recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell shares of common stock and may have an adverse effect on the market for our securities.

The Company does not anticipate paying dividends in the future.

We have never declared or paid any cash dividends on our common stock. Our current policy is to retain earnings to reinvest in our business. Therefore, we do not anticipate paying cash dividends in the foreseeable future. The Company's dividend policy will be reviewed from time to time by the Board of Directors in the context of its earnings, financial condition and other relevant factors. Until the Company pays dividends, which it may never do, the holders of shares of common stock will not receive a return on those shares unless they are able to sell those shares at the desired price, if at all, of which there can be no assurance. In addition, there is no guarantee that our common stock will appreciate in value or even maintain the price at which holders purchased their common stock.

We will continue to incur significant costs to ensure compliance with United States securities and corporate governance and accounting requirements.

We will continue to incur significant costs associated with our public company reporting requirements, including costs associated with applicable securities and corporate governance requirements, such as those required by the Securities Exchange Act of 1934, as amended, and the Sarbanes-Oxley Act of 2002, and with other rules issued or implemented by the SEC. We expect all of these applicable rules and regulations will result in significant legal and financial compliance costs and to make some activities more time consuming and costly. We are currently evaluating and monitoring developments with respect to these rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

During the three months ended September 30, 2021, the Company issued unregistered equity securities as described below:

On July 20, 2021, the Company issued 15,772 shares of the Company's common stock to a consultant for \$10,000 of consulting services rendered to the Company.

On July 29, 2021, the Company issued 27,500,000 shares of the Company's common stock to Camber Energy, Inc. pursuant to a subscription agreement for \$11,000,000.

On September 16, 2021, the Company issued 23,041 shares of the Company's common stock to a consultant for \$10,000 of consulting services rendered to the Company.

On September 21, 2021, the Company issued 23,809 shares of the Company's common stock to a consultant for \$10,000 of consulting services rendered to the Company.

The issuances of the foregoing securities were made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, as there was no general solicitation and the transactions with the shareholders did not involve a public offering.

On September 21, 2021, the Company issued 13,500 shares of the Company's common stock with a fair value of \$13,635 to a third-party investor pursuant to a conversion of debt in the amount of \$10,125.

On September 22, 2021, the Company issued 169,334 shares of the Company's common stock with a fair value of \$169,334 to a third-party investor pursuant to a conversion of debt in the amount of \$127,000.

[Table of Contents](#)

On September 24, 2021, the Company issued 378,000 shares of the Company's common stock with a fair value of \$502,740 to a third-party investor pursuant to a conversion of debt in the amount of \$283,500.

On September 23, 2021, the Company issued 200,000 shares of the Company's common stock with a fair value of \$250,000 to a third-party investor pursuant to a conversion of debt in the amount of \$150,000.

On September 23, 2021, the Company issued 133,333 shares of the Company's common stock with a fair value of \$166,666 to a third-party investor pursuant to a conversion of debt in the amount of \$100,000.

On September 23, 2021, the Company issued 54,000 shares of the Company's common stock with a fair value of \$67,500 to a third-party investor pursuant to a conversion of debt in the amount of \$40,500.

On September 23, 2021, the Company issued 13,333 shares of the Company's common stock with a fair value of \$16,666 to a third-party investor pursuant to a conversion of debt in the amount of \$10,000.

On September 23, 2021, the Company issued 66,667 shares of the Company's common stock with a fair value of \$83,334 to a third-party investor pursuant to a conversion of debt in the amount of \$50,000.

On September 23, 2021, the Company issued 16,000 shares of the Company's common stock with a fair value of \$20,000 to a third-party investor pursuant to a conversion of debt in the amount of \$12,000.

On September 23, 2021, the Company issued 57,639 shares of the Company's common stock with a fair value of \$72,049 to a third-party investor pursuant to a conversion of debt in the amount of \$43,229.

On September 24, 2021, the Company issued 8,000 shares of the Company's common stock with a fair value of \$10,640 to a third-party investor pursuant to a conversion of debt in the amount of \$6,000.

On September 25, 2021, the Company issued 133,333 shares of the Company's common stock with a fair value of \$177,333 to a third-party investor pursuant to a conversion of debt in the amount of \$100,000.

On September 25, 2021, the Company issued 133,333 shares of the Company's common stock with a fair value of \$177,333 to a third-party investor pursuant to a conversion of debt in the amount of \$100,000.

On September 25, 2021, the Company issued 133,333 shares of the Company's common stock with a fair value of \$177,333 to a third-party investor pursuant to a conversion of debt in the amount of \$100,000.

On September 25, 2021, the Company issued 200,000 shares of the Company's common stock with a fair value of \$266,000 to a third-party investor pursuant to a conversion of debt in the amount of \$150,000.

On September 25, 2021, the Company issued 266,667 shares of the Company's common stock with a fair value of \$354,667 to a third-party investor pursuant to a conversion of debt in the amount of \$200,000.

On September 27, 2021, the Company issued 266,667 shares of the Company's common stock with a fair value of \$397,334 to a third-party investor pursuant to a conversion of debt in the amount of \$200,000.

On September 29, 2021, the Company issued 100,000 shares of the Company's common stock with a fair value of \$246,000 to a third-party investor pursuant to a conversion of debt in the amount of \$75,000.

On September 29, 2021, the Company issued 20,000 shares of the Company's common stock with a fair value of \$49,200 to a third-party investor pursuant to a conversion of debt in the amount of \$15,000.

On September 29, 2021, the Company issued 40,000 shares of the Company's common stock with a fair value of \$98,400 to a third-party investor pursuant to a conversion of debt in the amount of \$30,000.

[Table of Contents](#)

On September 30, 2021, the Company issued 66,667 shares of the Company's common stock with a fair value of \$161,334 to a third-party investor pursuant to a conversion of debt in the amount of \$50,000.

On September 30, 2021, the Company issued 133,333 shares of the Company's common stock with a fair value of \$322,666 to a third-party investor pursuant to a conversion of debt in the amount of \$100,000.

The issuances of the foregoing securities were made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, as there was no general solicitation and the transactions with the shareholders did not involve a public offering, as well as Section 3(a)(9) of the Securities Act of 1933, as amended, as the shares were issued in exchange for debt securities held by the shareholders, there was no additional consideration for the exchanges, and there was no remuneration for the solicitation of the exchanges.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

On October 18, 2021, the Company's shareholders agreement with the other shareholders of Simson-Maxwell was amended to (i) increase the number of Simson-Maxwell directors the Company can nominate from two to three (of five total directors), and (ii) reduce the number of and revise the types of events requiring 66.67% supermajority approval of Simson-Maxwell's shareholders as follows:

(a) eliminate the supermajority approval requirement for the following events; material business changes; material operating budget changes including capital expenditure plans; changes to dividend policies; the creation of subsidiaries; payment of bonuses, profit sharing, retirement allowances or similar distributions to officers, directors or employees; hiring or dismissing certain officers; capital expenditures in excess of \$250,000; borrowing transactions; granting security interests; and changing auditors or accountants;

(b) revise the supermajority approval requirement for the following events to only require supermajority approval if such events are dilutive to the shareholders: fundamental changes to the company's corporate structure; issuing shares of stock or other securities exchangeable for stock; converting or exchanging existing shares for other shares; and acquiring a new business or entering into a merger or other combination;

(c) revise the supermajority approval requirement in connection with the declaration or payment of dividends to clarify that dividends to all common shareholders or issued preferred shares would not require supermajority approval, but other dividends to all shareholders would require supermajority approval; and

(d) eliminate the additional requirement that Simmax Corp. consent to fundamental changes to the company's structure; issuing shares of stock or other securities exchangeable for stock; the redemption of stock; or converting or exchanging existing shares for other shares.

The foregoing description of the amendment to the shareholders agreement does not purport to be complete and is subject to, and qualified by, the full text of the amendment, which is filed as Exhibit 10.32 to this Quarterly Report on Form 10-Q and incorporated herein by reference.

ITEM 6. EXHIBITS

Number	Description
2.1	Agreement and Plan of Merger, dated as of February 15, 2021, by and between Viking Energy Group, Inc. and Camber Energy, Inc. (incorporated by reference to our Current Report on Form 8-K filed on February 18, 2021)
3.1	Articles of Incorporation (incorporated by reference to our Definitive Information Statement on Schedule 14C filed on October 14, 2008)
3.2	Bylaws (incorporated by reference to our Definitive Information Statement on Schedule 14C filed on October 14, 2008)
3.3	Certificate of Amendment to Articles of Incorporation (incorporated by reference to our Annual Report on Form 10-K filed on March 25, 2021)
3.4	Certificate of Correction to Designation - After Issuance of Class or Series (incorporated by reference to our Current Report on Form 8-K filed on January 21, 2022)
10.1	Term Loan Agreement, dated December 22, 2017, by the Borrowers listed therein, 405 Petrodome LLC, as Administrative Agent, and 405 Petrodome LLC and Cargill, Incorporated, as Lenders (incorporated by reference to our Current Report on Form 8-K filed on December 29, 2017)
10.2	Purchase and Sale Agreement, executed as of September 1, 2018, by and among Viking Energy Group, Inc. and Bodel Holdings, L.L.C., Cleveland Holdings, L.L.C., Delbo Holdings, L.L.C., DeQuincy Holdings, L.L.C., Gulf Coast Working Partners, L.L.C., Oakley Holdings, L.L.C., SamJam Energy, L.L.C., and Perry Point Holdings, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on September 5, 2018)
10.3	First Amendment to Purchase and Sale Agreement, executed as of November 1, 2018, by and among Viking Energy Group, Inc. and Bodel Holdings, L.L.C., Cleveland Holdings, L.L.C., Delbo Holdings, L.L.C., DeQuincy Holdings, L.L.C., Gulf Coast Working Partners, L.L.C., Oakley Holdings, L.L.C., SamJam Energy, L.L.C., and Perry Point Holdings, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on November 5, 2018)
10.4	Second Amendment to Purchase and Sale Agreement, executed as of November 1, 2018, by and among Viking Energy Group, Inc. and Bodel Holdings, L.L.C., Cleveland Holdings, L.L.C., Delbo Holdings, L.L.C., DeQuincy Holdings, L.L.C., Gulf Coast Working Partners, L.L.C., Oakley Holdings, L.L.C., SamJam Energy, L.L.C., and Perry Point Holdings, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on December 31, 2018)
10.5	Collateral Agreement to Purchase and Sale Agreement, executed as of December 26, 2018, by and among Viking Energy Group, Inc. and Bodel Holdings, L.L.C., Cleveland Holdings, L.L.C., Delbo Holdings, L.L.C., DeQuincy Holdings, L.L.C., Gulf Coast Working Partners, L.L.C., Oakley Holdings, L.L.C., SamJam Energy, L.L.C., and Perry Point Holdings, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on December 31, 2018)
10.6	Term Loan Credit Agreement, dated as of December 28, 2018, by and among Ichor Energy Holdings, LLC, Ichor Energy, LLC, ABC Funding, LLC, as Administrative Agent, and the Lender Parties (incorporated by reference to our Current Report on Form 8-K filed on December 31, 2018)
10.7	10% Secured Promissory Note, dated December 27, 2018, issued by Viking Energy Group, Inc. to RPM Investments, a Division of Opus Bank, in favor of Sellers (incorporated by reference to our Current Report on Form 8-K filed on December 31, 2018)
10.8	Security and Pledge Agreement, executed as of December 27, 2018, by and among Viking Energy Group, Inc. and Bodel Holdings, L.L.C., Cleveland Holdings, L.L.C., Delbo Holdings, L.L.C., DeQuincy Holdings, L.L.C., Gulf Coast Working Partners, L.L.C., Oakley Holdings, L.L.C., SamJam Energy, L.L.C., and Perry Point Holdings, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on December 31, 2018)
10.9	Purchase and Sale Agreement, dated as of October 10, 2019, by and among Elysium Energy, LLC, 5Jabor, LLC, Bass Petroleum, L.L.C., Bodel Holdings, LLC, Delbo Holdings, L.L.C., James III Investments, L.L.C., JamSam Energy, LLC, Lake Boeuf Investments, LLC, Oakley Holdings, L.L.C., and Plaquemines Holdings, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on October 11, 2019)
10.10	First Amendment to Purchase and Sale Agreement, effective as of December 23, 2019, by and among 5Jabor, LLC; Bass Petroleum, L.L.C.; Bodel Holdings, LLC; Delbo Holdings, L.L.C.; James III Investments, LLC; JamSam Energy, L.L.C.; Lake Boeuf Investments, LLC; Oakley Holdings, L.L.C.; Plaquemines Holdings, L.L.C.; Elysium Energy, LLC; Viking Energy Group, Inc. and Five JAB, Inc. (incorporated by reference to our Current Report on Form 8-K filed on December 30, 2019)
10.11	Second Amendment to Purchase and Sale Agreement and Waiver, effective as of February 2, 2020, by and among 5Jabor, LLC; Bass Petroleum, L.L.C.; Bodel Holdings, LLC; Delbo Holdings, L.L.C.; James III Investments, LLC; JamSam Energy, L.L.C.; Lake Boeuf Investments, LLC; Oakley Holdings, L.L.C.; Plaquemines Holdings, L.L.C. and Elysium Energy, LLC (incorporated by reference to our Current Report on Form 8-K filed on February 6, 2020)

Table of Contents

10.12	Term Loan Agreement, dated as of February 3, 2020, by and among Elysium Energy Holdings, LLC; Elysium Energy, LLC; Elysium Energy LA, LLC; Elysium Energy TX, LLC; Pointe a la Hache, L.L.C.; Turtle Bayou, L.L.C.; Potash, L.L.C.; Ramos Field, L.L.C.; 405 Woodbine LLC, as Administrative Agent, and the Lenders signatory thereto. (incorporated by reference to our Current Report on Form 8-K filed on February 6, 2020)
10.13	First Amendment to Term Loan Agreement, effective as of September 1, 2020, by and among Viking Energy Group, Inc.; Elysium Energy, LLC; Elysium Energy Holdings, LLC; Elysium Energy LA, LLC; Elysium Energy TX, LLC; Pointe a La Hache, L.L.C.; Turtle Bayou, L.L.C.; Potash, L.L.C.; Ramos Field, L.L.C.; 405 Woodbine LLC, as Agent, and the Lenders (incorporated by reference to our Current Report on Form 8-K filed on September 4, 2020)
10.14	Security Agreement, dated as of February 3, 2020, by and among Elysium Energy, LLC; Elysium Energy LA, LLC; Elysium Energy TX, LLC; Pointe a la Hache, L.L.C.; Turtle Bayou, L.L.C.; Potash, L.L.C.; Ramos Field, L.L.C. and 405 Woodbine LLC (incorporated by reference to our Current Report on Form 8-K filed on February 6, 2020)
10.15	Guarantee and Pledge Agreement, dated as of February 3, 2020, by Elysium Energy Holdings, LLC and 405 Woodbine LLC (incorporated by reference to our Current Report on Form 8-K filed on February 6, 2020)
10.16	Securities Purchase Agreement, dated as of February 3, 2020, Issued by Viking Energy Group, Inc. and Camber Energy, Inc. (incorporated by reference to our Current Report on Form 8-K filed on February 5, 2020)
10.17	\$5,000,000 10.5% Secured Promissory Note, dated as of February 3, 2020, Issued by Viking Energy Group, Inc. to Camber Energy, Inc. (incorporated by reference to our Current Report on Form 8-K filed on February 5, 2020)
10.18	Security and Pledge Agreement, dated as of February 3, 2020, by and between Viking Energy Group, Inc. and Camber Energy, Inc. (incorporated by reference to our Current Report on Form 8-K filed on February 5, 2020)
10.19	Security and Pledge Agreement, dated as of February 3, 2020, by and between Viking Energy Group, Inc. and Camber Energy, Inc. (incorporated by reference to our Current Report on Form 8-K filed on February 5, 2020)
10.20	Assignment of Membership Interests by Viking Energy Group, Inc. in favor of Camber Energy, Inc. dated February 3, 2020 (incorporated by reference to our Current Report on Form 8-K filed on February 5, 2020)
10.21	Mutual Termination Agreement, by and between Viking Energy Group, Inc. and Camber Energy, Inc., dated December 22, 2020 (incorporated by reference to Current Report on Form 8-K filed on December 28, 2020)
10.22	Assignment of Membership Interests, by Camber Energy, Inc. in favor of Viking Energy Group, Inc., dated December 22, 2020 (incorporated by reference to Current Report on Form 8-K filed on December 28, 2020)
10.23	Securities Purchase Agreement (with Cancellation Agreement), by and between Camber Energy, Inc. and Viking Energy Group, Inc., dated December 22, 2020 (incorporated by reference to our Current Report on Form 8-K filed on December 28, 2020)
10.24	Form of Guaranty, issued by Viking Energy Group, Inc., dated December 22, 2020 (incorporated by reference to our Current Report on Form 8-K filed on December 28, 2020)
10.25	Securities Purchase Agreement, by and between Camber Energy, Inc. and Viking Energy Group, Inc., dated December 31, 2020 (incorporated by reference to our Current Report on Form 8-K filed on January 13, 2021)
10.26	Cancellation Agreement, by and between Viking Energy Group, Inc. and EMC Capital Partners, LLC, dated December 31, 2020 (incorporated by reference to our Current Report on Form 8-K filed on January 13, 2021)
10.27	Form of Guaranty, issued by Viking Energy Group, Inc., dated April 23, 2021 (incorporated by reference to our Current Report on Form 8-K filed on April 27, 2021)

Table of Contents

10.28	Securities Purchase Agreement, by and between Camber Energy, Inc. and Viking Energy Group, Inc., dated July 29, 2021 (incorporated by reference to our Current Report on Form 8-K filed on July 30, 2021)
10.29	Share Purchase Agreement, by and between Viking Energy Group, Inc., Simmax Corp., Remora EQ LP and Simson-Maxwell Ltd., dated August 6, 2021 (incorporated by reference to our Current Report on Form 8-K filed on August 9, 2021)
10.30	Subscription Agreement between Viking Energy Group, Inc. and Simson-Maxwell Ltd., dated August 6, 2021 (incorporated by reference to our Current Report on Form 8-K filed on August 9, 2021)
10.31	Unanimous Shareholders Agreement, by and between Viking Energy Group, Inc., Simmax Corp., Remora EQ LP and Simson-Maxwell Ltd., dated August 6, 2021 (incorporated by reference to our Current Report on Form 8-K filed on August 9, 2021)
10.32	First Amendment to Unanimous Shareholders Agreement, by and between Viking Energy Group, Inc., Simmax Corp., Remora EQ LP and Simson-Maxwell Ltd., dated October 18, 2021 (incorporated by reference to our Quarterly Report on Form 10-Q filed on November 15, 2021)
10.33	Exclusive Intellectual Property License Agreement between ESG Clean Energy, LLC and Viking Energy Group, Inc., dated August 18, 2021 (incorporated by reference to our Current Report on Form 8-K filed on August 23, 2021)
10.34	Assignment of Membership Interests, by and between Viking Energy Group, Inc. and TO Ichor 2021, L.L.C., dated October 5, 2021 (incorporated by reference to our Current Report on Form 8-K filed on October 12, 2021)
10.35	Assignment of Membership Interests, by and between Viking Energy Group, Inc. and Elysium 2021, L.L.C., dated October 12, 2021 (incorporated by reference to our Current Report on Form 8-K filed on October 18, 2021)
31.1*	Certification of Principal Executive Officer required by Rule 13a-14(1) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial and Accounting Officer required by Rule 13a-14(1) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of 18 U.S.C. 63
32.2*	Certification of Principal Financial and Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of 18 U.S.C. 63
101.INS**	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH**	Inline XBRL Taxonomy Extension Schema Document.
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed herewith

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

ITEM 7. OFF BALANCE-SHEET ARRANGEMENTS

None.

SIGNATURES

In accordance with the requirements of Section 13 or 15(d) of the Securities Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VIKING ENERGY GROUP, INC.
(Registrant)

/s/ James Doris Date: April 15, 2022
Principal Executive Officer

/s/ Frank W. Barker, Jr. Date: April 15, 2022
Principal Financial and Accounting Officer

VIKING ENERGY GROUP, INC.
Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, James Doris, Principal Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Viking Energy Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that was materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 15, 2022

/s/ James Doris

James Doris
Principal Executive Officer

VIKING ENERGY GROUP, INC.
Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Frank W. Barker, Jr., Principal Financial and Accounting Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Viking Energy Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that was materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 15, 2022

/s/ Frank W. Barker, Jr.

Frank W. Barker, Jr.
Principal Financial and Accounting Officer

VIKING ENERGY GROUP, INC.
Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Viking Energy Group, Inc. (the Company) on Form 10-Q/A for the quarterly period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, James Doris, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James Doris

James Doris
Principal Executive Officer
April 15, 2022

VIKING ENERGY GROUP, INC.
Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Viking Energy Group, Inc. (the Company) on Form 10-Q/A for the quarterly period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Frank W. Barker, Jr., Principal Financial and Accounting Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Frank W. Barker, Jr.

Frank W. Barker, Jr.
Principal Financial and Accounting Officer
April 15, 2022