



RECONNAISSANCE ENERGY AFRICA LTD.

**ANNUAL INFORMATION FORM
For the Financial Year Ended December 31, 2019**

July 27, 2020

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this annual information form (“AIF”) of Reconnaissance Energy Africa Ltd. (“**ReconAfrica**” or the “**Company**”) constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable Canadian securities legislation (collectively, “**forward-looking statements**”). In some cases, forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “guidance”, “intend”, “may”, “plan”, “predict”, “project”, “should”, “target”, “will”, or similar words suggesting future outcomes or language suggesting an outlook. These statements represent management’s expectations or beliefs concerning, among other things, future operating results and various components thereof or the economic performance of the Company, future production and grades, the economic limit or viability of assets, projections for sales growth, estimated revenues, reserves and resources, targets for cost savings, the construction cost of new projects, the timing and outcome of exploration projects and drilling programs, projected capital expenditures, transportation costs, the timing of new projects, the outcome of legal proceedings, the integration of acquisitions, future debt levels, fiscal regimes, the outlook for the prices of hydrocarbons, the outlook for economic recovery and trends in the trading environment, statements about strategies, cost synergies, revenue benefits or integration costs and production capacity of the Company and the industry and countries in which the Company operates. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks and uncertainties which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Operating conditions can have a significant effect on the timing of events. Accordingly, investors are cautioned that events or circumstances could cause results to differ materially from those predicted. Management of the Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon.

In particular, this AIF contains forward-looking information and statements pertaining to the following:

- the Company’s business strategy, strength and focus;
- expectations to add reserves through acquisitions and development of the Company’s existing assets;
- expectations regarding converting exploration successes into appraisal and development operations;
- expectations regarding the amount of expenditures to be incurred or spent on the Company’s assets;
- expectations regarding the Company’s interpretation of data and models relating to its assets;
- operating results and future performance of the Company;
- information in respect of, or relating to, prospective resources and unrisks undiscovered petroleum initially-in-place the Company may have, including the disclosure of the Sproule Report (as defined herein);
- the size, characteristic and features of the Company’s oil and gas properties, future oil, natural gas and natural gas liquids reserves and the ability to commercially exploit them;
- the Company’s proposed exploration, drilling and exploitation activities and timelines;
- expectations regarding the future development of the Company’s assets and the byproducts of such development;

- the potential reward for undiscovered oil and gas deposits in the Kavango Basin;
- the Company's future oil and natural gas production levels;
- ongoing activities by major industry competitors in Namibia and Botswana;
- the continuing competitiveness of the fiscal regimes in the jurisdictions in which the Company operates;
- expectations regarding the production of hydrocarbons from the Kavango Basin;
- the Company working with Sproule to quantify potential conventional resources in the Kavango Basin;
- the Company seeking potential partnering opportunities to assist in its exploration and development of hydrocarbons in the Kavango Basin;
- anticipated cost savings as a result of the Company's acquisition of the Crown 750 drilling rig on February 10, 2020;
- expectations on the completion of upgrades to the Crown 750 drilling rig and the timing of the shipment of the Crown 750 drilling rig to Namibia;
- projections of market prices, including market prices for oil and natural gas, and costs;
- supply and demand for oil and natural gas;
- expectations regarding the infrastructure and transportation facilities that will be available to the Company for the storage and shipment of any products it produces;
- expectations regarding the exercise of the Farmout Option (as defined herein) and the approval of the MMR (as defined herein) to the Transfer (as defined herein);
- expectations regarding the entering into a joint operating agreement with respect to the Botswana Licence upon exercise of the Farmout Option;
- the Company's intention in respect of maintaining sufficient insurance;
- expectations regarding the development of environmental laws and regulations, including as a result of the implementation of the Paris Agreement by various countries, and the future costs to the Company associated with compliance with such laws and regulations; and
- the dividend policy of the Company.

Currently, the Company has no oil and gas reserves. Statements relating to "resources" (including "Undiscovered Petroleum Initially-in-Place" and prospective resources, as such terms are defined herein) and "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future. See "*Statement of Reserves Data and Other Oil and Gas Information*".

Forward-looking statements are based on the Company's current beliefs as well as assumptions made by, and information currently available to, the Company concerning future oil and natural gas production levels, future commodity prices, the ability to add oil and natural gas reserves through farm-in, acquisition and/or drilling at competitive prices, future exchange rates, the cost and availability of equipment and services in the field, the impact of increasing competition and the ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and discussed more extensively elsewhere in this AIF:

- risks related to the nature of the business of the Company;
- exploration and production risks inherent in the oil and natural gas industry;
- volatility of crude oil and natural gas prices;
- risks related to the Company anticipating having substantial capital requirements;
- risks related to the Company's operations being dependent on the acquisition and maintenance of certain permits, licences, approvals and authorizations;
- negative impact of COVID-19 pandemic;
- risks related to the Company currently having a negative operating cash flow;
- possible failure of the Company to realize anticipated benefits of its acquisitions;
- risks relating to the Company's interests in Namibia and Botswana being dependent on the terms of the Namibia Licence (as defined herein) and the Petroleum Agreement (as defined herein), and the Botswana Licence (as defined herein), respectively;
- risks related to the Company's reliance on certain key individuals;
- risks inherent with the marketability of crude oil and natural gas;
- project risks;
- global financial instability;
- risks of foreign operations;
- the Company's business being in jurisdictions with inherent risks relating to fraud, bribery and corruption;
- risks related to changes in government policy that could have a negative impact on the Company's business;
- risks related to changes in the royalty regimes of the jurisdictions in which the Company operates;
- risks related to the Company only, at this time, having "resources" instead of "reserves", resources, including estimates of resources, are subject to significantly more uncertainty and risk, as discussed further under "*Risk Factors – Estimates of Resources*";
- risks related to the status and stage of development of the Company, including that the Company currently does not have any production;
- the risk that the Company's may not have sufficient insurance to cover all liabilities to which it could be subject;
- risks related to the limited availability of equipment and access restrictions;
- risks related to the nature of reserves and additional funding requirements;
- third party credit risk;

- operating hazards and other uncertainties;
- risks related to competition;
- joint property ownership and joint venture risks;
- risks related to alternatives to and changing demand for petroleum products;
- risks related to geo-political change that could negatively impact the Company and its operations;
- cybersecurity and terrorism;
- opposition from non-governmental organizations and risks related to eco-terrorism;
- risks related to TSXV-listed companies not being required to provide representations relating to the establishment and maintenance of disclosure controls and procedures;
- risks related to environmental regulations;
- risks related to climate change;
- market access constraints and risk related to transporting its products to market;
- conflicts of interests that may arise as a result of the directors of the Company being directors or officers of other companies against which the Company competes;
- risks inherent with operating in African countries;
- tax regimes in certain jurisdictions are subject to differing interpretations and are subject to change;
- foreign currency exchange risk;
- risks related to governmental regulation;
- risks related to the growth of the Company;
- litigation that the Company may become involved in;
- Canada's Extractive Sector Transparency Measures Act;
- discretion in the Company's use of proceeds;
- share price volatility;
- liquidity of the Common Shares (as defined herein) and realization of investment in Common Shares;
- dilution and further sales of Common Shares;
- the Company has never declared or paid a dividend on the Common Shares and intends to retain all future earnings; and
- the risk factors set forth in "Risk Factors".

With respect to forward-looking statements contained in this AIF, ReconAfrica has also made assumptions regarding, among other things, the willingness of operators to conduct operations on

certain properties in foreign jurisdictions; future oil and gas prices or cost of products sold; ability to obtain required capital to finance exploration, development and operations; the ability to maintain sufficient funds to continue the operations of the Company; the timely receipt of any required regulatory approvals; ability to obtain drilling success consistent with expectations; the ability of Company to secure adequate product transportation; no material variations in the current tax and regulatory environments; and the ability to obtain equipment, services, supplies and personnel in a timely manner to carry out its activities. Forward-looking statements and other information contained herein concerning the oil and gas industry and ReconAfrica's general expectations concerning this industry are based on estimates prepared by management of ReconAfrica, using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry, which ReconAfrica believes to be reasonable. Although this data is generally indicative of relative market positions, market shares and performance characteristics, it is inherently imprecise. While ReconAfrica is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

The above summary of major risks and assumptions related to forward-looking information and statements included or incorporated by reference in this AIF has been provided for readers to gain a more complete perspective on the Company's future operations. However, readers should be cautioned that the above list of factors is not exhaustive and that this information may not be appropriate for other purposes. Forward-looking statements included or incorporated by reference in this AIF are valid only as at the date of this AIF, and the Company does not intend to update or revise these forward-looking statements except as required by applicable securities laws. The forward-looking statements contained in this AIF are expressly qualified by this cautionary statement.

See also the section entitled "*Caution Regarding Forward-Looking Information*" in the Statement of Reserves Data and Other Oil and Gas Information of ReconAfrica dated April 28, 2020 and incorporated by referenced herein.

NOTE REGARDING INDUSTRY INFORMATION

In certain sections of this AIF, the Company provides certain historical, market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information, as well as industry data prepared by management on the basis of its knowledge of the areas in which the Company operates. This third-party source information is derived from publicly available information sources that the Company believes are predominantly independent in nature. Historical, market and industry data and forecasts generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. The Company believes that the provision of this third-party source information is relevant to understanding the environment in which the Company's activities, business and operations are carried out, however, readers are cautioned that there is no certainty that any of the Company's activities in these areas will be successful to the extent in which operations in the areas in which the third-party source information is derived from were successful, or at all.

ANALOGOUS INFORMATION

In certain sections of this AIF, including without limitation "Properties of the Company", the Company provides certain historical information concerning reserves or resources, estimates of the volume of reserves or resources, production estimates, historical production amounts, well tests and other information relating to areas in geographical proximity to the Company's property interest, which may be "analogous information" as defined by applicable securities laws. This analogous information is derived from publicly available information sources that the Company believes are predominantly independent in nature and for which references to such information sources have been provided in such sections. Some of this data may not have been prepared by qualified reserves evaluators or auditors and the preparation of any estimates may not be in strict accordance with the Canadian Oil & Gas Evaluation Handbook prepared jointly by the Society of Petroleum and Engineers (Calgary Chapter) (the "**COGE Handbook**"). In addition, estimates by engineering and geo-technical

practitioners may vary and the differences may be significant. The Company believes that the provision of this analogous information is relevant to the Company's activities, given its ownership interests and operations (either ongoing or planned) in the areas in question, however, readers are cautioned that there is no certainty that any of the Company's activities in these areas will be successful to the extent in which operations in the areas in which the analogous information is derived from were successful, or at all. Such information is not an estimate of the reserves or resources attributable to the lands held or to be held by the Company and there is no certainty that the reserves and resource data and economics information for the lands held or to be held by the Company will be similar to the information presented herein.

INTRODUCTION

Currency

All dollar amounts are expressed in Canadian dollars unless otherwise indicated. All references to “\$” or “C\$” in this AIF are to Canadian dollars. All references to “US\$” in this AIF are to US dollars. All references to “NAD\$” in this AIF are to Namibian dollars. The Namibian dollar is currently fixed at a rate of 1 NAD per South African rand (“SAR\$”). Namibia is part of the Common Monetary Area of Southern Africa.

On July 24, 2020, the Bank of Canada daily average rate of exchange was US\$1.00=\$1.3421.

The following table sets out the exchange rates, based on the daily rates in Canada as published by the Bank of Canada for the conversion of Canadian dollars into one U.S. dollar.

	Year Ended December 31	
	2019	2018
High for period.....	\$1.2988	\$1.2288
Low for period.....	\$1.3600	\$1.3642
Rate at end of period	\$1.2988	\$1.3642

On July 24, 2020, the Bank of Canada daily average rate of exchange was SAR\$1.00=\$0.8043.

The following table sets out the exchange rates, based on the daily rates in Canada as published by the Bank of Canada for the conversion of Canadian dollars into one South African rand.

	Year Ended December 31	
	2019	2018
High for period.....	\$0.08627	\$0.08535
Low for period.....	\$0.09898	\$0.1106
Rate at end of period	\$0.09271	\$0.09480

Abbreviations and Conversion

“bbl” means barrel or barrels

“Bcf” billion cubic feet

“Bo” means oil formation volume factor

“Bg” means gas formation volume factor

“km” means kilometre

“m” means metre

“MMbbl” means million barrels

“psi” means pounds per square inch

“scf” means standard cubic feet

“STB” means stock tank barrel

Conversion

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Mcf	Cubic metres	28.328
Cubic metres	Cubic feet	35.01
Bbl	Cubic metres	0.159
Cubic metres	Bbl oil	6.292
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.406
Hectares	Acres	2.471

CORPORATE STRUCTURE

Name, Address and Incorporation

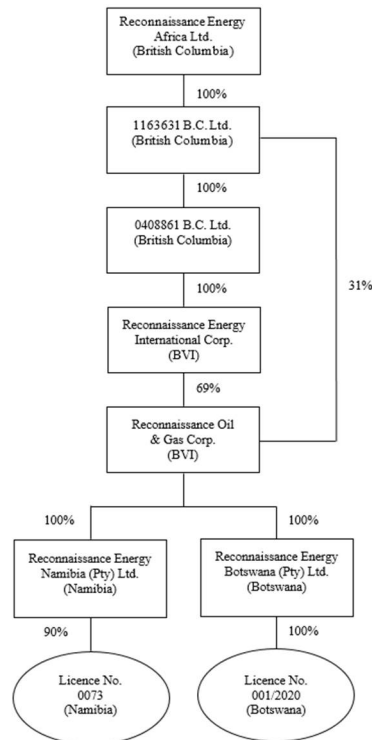
ReconAfrica was incorporated under the *Company Act* (British Columbia) on June 23, 1978 under the name “Lund Enterprises Corp.” On August 30, 2019, the Company completed a reverse takeover transaction (the “**RTO Transaction**”) with 1163631 B.C. Ltd. (“**1163631**”), a company incorporated under the *Business Corporations Act* (British Columbia), whereby the Company acquired all of issued and outstanding shares of 1163631 in exchange for common shares of the Company (the “**Common Shares**”) on the basis of one Common Shares for each common share of 1163631, resulting in the reverse takeover of the Company by former shareholders of 1163631. The RTO Transaction constituted a reverse takeover under the policies of the TSX Venture Exchange (the “**TSXV**”). In connection with the completion of the RTO Transaction, the Company changed its name from “Lund Enterprises Corp.” to “Reconnaissance Energy Africa Ltd.” and completed a consolidation of its Common Shares on a 2:1 basis (the “**Consolidation**”).

Prior to the RTO Transaction, the Company had a financial year-end of June 30. Following the RTO Transaction, the Company changed its financial year-end to December 31, being the financial year-end of 1163631.

The Company’s head office is located at 1500 – 999 West Hastings Street, Vancouver, BC, V6C 2W2. The registered address and records office of the Company is located at 20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8.

Intercorporate Relationships

The following diagram sets out all of the Company's subsidiaries as of the date of this AIF, their respective jurisdiction of incorporation and the Company's direct or indirect voting interest in each subsidiary.



Unless otherwise noted or inconsistent with the context, references to ReconAfrica or the Company in this AIF are references to Reconnaissance Energy Africa Ltd. and its subsidiaries on a consolidated basis, subsequent to the completion of the RTO Transaction on August 30, 2019.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

ReconAfrica is a junior oil and gas company currently engaged in the identification, and the exploration and development of oil and gas assets via drilling and/or acquisition with a focus on Namibia and Botswana. Pursuant to the terms of a petroleum agreement among the Government of the Republic of Namibia, the National Petroleum Corporation of Namibia ("**NAMCOR**"), and Reconnaissance Energy Namibia Pty Ltd. ("**REN**"), a wholly-owned subsidiary of ReconAfrica, dated January 26, 2015 and as adjusted on February 25, 2019 (the "**Petroleum Agreement**"), the Company holds a 90% interest in a petroleum exploration licence no. 0073 in respect of approximately 6.3 million acres (25,341.33 km²) of oil and gas exploration properties comprising Blocks 1719, 1720, 1721, 1819, 1820 and 1821 situated in the Kavango Basin of northeast Namibia (the "**Namibia Licensed Property**"), granted by the Government of the Republic of Namibia to REN and NAMCOR pursuant to the *Petroleum (Exploration and Production) Act, 1991* (Namibia) and governed by the Petroleum Agreement (the "**Namibia Licence**"). The Namibia Licence, which entitles ReconAfrica to apply for and receive, subject to Namibian government approval, a 25-year production licence upon successful discovery of an economically viable resource at the Namibia Licensed Property, and the Petroleum Agreement are ReconAfrica's main assets.

On June 9, 2020, the Company, through its wholly-owned subsidiary, Reconnaissance Energy Botswana (Pty) Ltd. ("**ReconBotswana**"), was granted a petroleum licence in northwestern Botswana (the "**Botswana Licence**") for 2.45 million acres (9,921 km²) (the "**Botswana Licensed Property**"). The lands subject to the Botswana Licence are contiguous to the Namibia Licensed Property. Together, the Namibia Licensed Property and the Botswana Licensed Property comprise an area comparable to the Eagle Ford Shale in Texas, USA and provide ReconAfrica with control of the entire Kavango Basin, which is potentially one of the largest onshore undeveloped hydrocarbon basins in the world.

Three Year History of the Company

Prior to the completion of the RTO Transaction, the Company was a junior mineral exploration and development company engaged in the acquisition and the exploration and development of mineral resource properties. The Company had pursued this business since its incorporation and had acquired numerous mineral properties since that time, of which all exploration costs have in due course been written down to zero. Its most recent exploration project, held since fiscal 2008-2009, was the Black Fox Project in the Thunder Bay Mining Division of the Province of Ontario (the "**Black Fox Project**"). The Black Fox Project was acquired pursuant to an option agreement. Under the terms of the option agreement, all option payments had been fully made with the exception of the requirement of the Company to issue an aggregate of 10,000 Common Shares to the optionors upon completion of a positive feasibility study. In addition, the optionors retained a 2.5% net smelter royalty interest, of which 40% could be purchased by the Company at any time for \$1,000,000. In June 2012, the Company wrote off the carrying value of its investments in the Black Fox Project.

Financial Year Ended June 30, 2018

On May 14, 2018, the Company completed a portion of a non-brokered private placement of 1,391,666 Common Shares at a price of \$0.12 per share for aggregate gross proceeds of approximately \$167,000 (the "**May 2018 Private Placement**").

Financial Year Ended June 30, 2019

On August 7, 2018, the Company completed the balance of the May 2018 Private Placement by issuing an additional 416,666 Common Shares at a price of \$0.12 per share for additional aggregate gross proceeds of approximately \$50,000.

In the summer of 2018, the Company carried out a minor program of general prospecting on the Black Fox Project, principally to comply with new mineral tenure regulations in the Province of Ontario. The total cost of this program was \$20,000.

On November 7, 2018, the Company announced that it had entered into a non-binding letter of intent with 1163631 in connection with the RTO Transaction (the "**LOI**"). In connection with the announcement of the LOI, the trading of the Common Shares on the TSXV was halted.

On February 28, 2019, the Company entered into a share exchange agreement with 1163631, Reconnaissance Oil & Gas Corp. ("**ROG**") and certain vendors (the "**Exchange Agreement**") to formalize the terms of the LOI.

Pursuant to the Exchange Agreement, the Company acquired all of the issued and outstanding shares of 1163631. All of the common shares of 1163631 were acquired by the Company at a rate of one Common Share for each common share of 1163631 outstanding, such that, upon completion of the transaction, 1163631 became a wholly-owned subsidiary of the Company. Upon completion of the RTO Transaction, the Company agreed to change its name to Reconnaissance Energy Africa Ltd. (the "**Name Change**").

Prior to the effective time of the RTO Transaction, the Company agreed to complete the Consolidation.

In connection with, and as condition to, completion of the RTO Transaction, 1163631 agreed to undertake the ROG Corporate Reorganization (as defined herein).

The Exchange Agreement also contemplated that, following the Consolidation and in conjunction with the RTO Transaction, the Company would complete a non-brokered private placement of units (the “**Concurrent Financing Units**”) at a price of \$0.20 per Concurrent Financing Unit for aggregate gross proceeds of \$3,300,000 (the “**Concurrent Financing**”). Each Concurrent Financing Unit consisted of one Common Share and one common share purchase warrant (each whole warrant, a “**Concurrent Financing Warrant**”). Each Concurrent Financing Warrant was exercisable into one Common Share at an exercise price of \$0.50 for a period of 60 months following completion of the RTO Transaction and the Concurrent Financing.

On March 29, 2019, the Company announced that the shareholders of the Company voted in favour of, among other things, the RTO Transaction, the Consolidation and the Name Change at its annual general and special meeting held on March 29, 2019.

Financial Year Ended December 31, 2019

On August 2, 2019, the Company, 1163631 and ROG entered into an amending agreement to the Exchange Agreement to extend the completion date of the RTO Transaction to August 30, 2019.

On August 30, 2019, the Company completed the RTO Transaction, the Consolidation and the Name Change. In addition, the Company announced that it had completed the Concurrent Financing of 17,053,280 Concurrent Financing Units at a price of \$0.20 per Concurrent Financing Units for aggregate gross proceeds of \$3,410,656. In connection with the Concurrent Financing, the Company paid finders’ fees to certain finders, which consisted of cash payments in the aggregate amount of \$80,670 and the issuance of 403,350 common share purchase warrants (the “**Broker Warrants**”), with each Broker Warrant being exercisable into one Common Share at an exercise price of \$0.20 until August 30, 2021.

Following completion of the RTO Transaction, the Company changed its financial year-end from June 30 to December 31, being the financial year-end of 1163631. In addition, following completion of the RTO Transaction, J. Jay Park, QC was appointed as a director and chief executive officer (“**CEO**”) of the Company and James Granath was appointed as a director of the Company. Derek Bartlett and Vivian Daniel resigned as directors of the Company. Chet Idziszek resigned as CEO of the Company but remained as a director.

On September 6, 2019, the Common Shares resumed trading on the TSXV under the symbol “RECO”.

On September 27, 2019, the Company announced that its former auditor, Ernst & Young LLP, had resigned at its own initiative, effective as of the same date, and that it had appointed Davidson & Company LLP to fill the resulting vacancy in the interim and to complete the audit of the annual financial statements of Lund Enterprises Corp. for the year ended June 30, 2019. Upon completing such audit, the Company announced that it anticipated that it would request Davidson & Company LLP to resign as auditor and that the Company would appointed Deloitte LLP to act as auditor of the Company until the next annual meeting of shareholders of the Company.

On October 7, 2019, the Company received its Environmental Clearance Certificate (the “**Drilling Permit**”) from the Office of the Environmental Commissioner, Namibia Ministry of Environment and Tourism, covering the entire Namibia Licensed Property. The Drilling Permit authorized ReconAfrica to commence drilling of numerous wells, to unrestricted depths, in the Kavango Basin, until August 26, 2022.

On December 9, 2019, the Company completed the first tranche of a non-brokered private placement of 2,600,000 units (the “**December 2019 Units**”) at a price of \$0.34 per December 2019 Unit for aggregate gross proceeds of \$884,000 (the “**December 2019 Private Placement**”). Each December 2019 Unit consisted of one Common Share and one common share purchase warrant (each whole warrant, a “**December 2019 Warrant**”). Each December 2019 Warrant is exercisable into one Common Share at an exercise price of \$0.50 until five years after the date of issuance. In addition, the Company

engaged Seidel Technologies, Inc. to assist the Company with its drilling program in the Kavango Basin, Namibia.

On December 17, 2019, the Company's former auditor, Davidson & Company LLP, resigned at the request of the Company. Effective the same date, the Company appointed Deloitte LLP to act as auditor of the Company until the next annual meeting of shareholders of the Company.

On December 20, 2019, the Company completed the second tranche of the December 2019 Private Placement, issuing 2,002,646 December 2019 Units for aggregate gross proceeds of approximately \$680,900.

On December 24, 2019, the Company announced that Namibia's Minister of Energy and Mines had confirmed that the Namibia Licence had been approved for its First Renewal Exploration Period, and accordingly the exploration phase of the Namibia Licence was renewed and continued until January 25, 2022.

Subsequent to Financial Year Ended December 31, 2019

On January 15, 2020, the Company appointed Carlos Escribano as Chief Financial Officer of the Company, replacing Ian Brown, the former Chief Financial Officer of the Company. In addition, the Company also appointed Anna Tudela as Corporate Secretary of the Company following the resignation of Liz Anderson, the former Corporate Secretary of the Company.

On February 4, 2020, the Company completed a non-brokered private placement of 5,000,000 units (the "**February 2020 Units**") at a price of \$0.68 per February 2020 Unit for aggregate gross proceeds of \$3,400,000 (the "**February 2020 Private Placement**"). Each February 2020 Unit consisted of one Common Share and one common share purchase warrant (each whole warrant, a "**February 2020 Warrant**"). Each February 2020 Warrant is exercisable into one Common Share at an exercise price of \$1.00 until February 4, 2025. The Company also announced that it had entered into a binding purchase agreement with Henderson Oilfield Products, LLC for the acquisition of a Crown 750 drilling rig. The all-in costs for the rig was approximately US\$3 million.

On February 18, 2020, the Board of Directors of the Company (the "**Board**") appointed Shiraz Dhanani as a director of the Company following the retirement of Chet Idziszek as a director of the Company.

On April 29, 2020, the Company appointed Scot Evans as Chief Operating Officer of the Company.

On April 30, 2020, the Company announced that it had postponed the spudding of the first well of its initial three well drilling program, originally scheduled for June 30, 2020 due to travel and logistical restrictions arising from the COVID-19 pandemic preventing the movement of personnel and materials to Namibia.

On May 26, 2020, the Company announced that following the Namibian government's announcement on May 5, 2020 that the country would begin to gradually reopen, domestic travel was now permitted within the country and that ReconAfrica local personnel had returned to the Kavango Basin region for site preparation at two of the Company's selected drilling locations.

On June 9, 2020, ReconBotswana was granted the Botswana Licence.

On June 10, 2020, ReconBotswana entered into a farmout option agreement (the "**Farmout Option Agreement**") with Reconnaissance Energy Corp., a company wholly-owned by Mr. Craig Steinke (the "**Farmee**") who has beneficial ownership of more than 10% of the Company's outstanding Common Shares, whereby ReconBotswana has granted the Farmee an option (the "**Farmout Option**") to acquire a 50% participating interest (the "**Farmout Interest**") in the Botswana Licence.

In consideration for the grant of the Farmout Option, the Farmee agreed to pay ReconBotswana C\$100,000 on or before the 10th business day following the date the Botswana Licence was awarded

to ReconBotswana (the “**Farmout Option Fee**”), such payment due date having been extended by agreement of the parties until July 15, 2020.

Under the terms of the Farmout Option Agreement, the Farmee may exercise the Farmout Option by providing written notice to ReconBotswana on or before the third anniversary of the date the Botswana Licence is awarded to ReconBotswana. Upon ReconBotswana’s receipt of such written notice, ReconBotswana and the Farmee will apply to Botswana’s Department of Mines, Ministry of Mineral Resources, Green Technology and Energy Security (“**MMR**”) for approval to transfer the Farmout Interest to the Farmee (the “**Transfer**”). If the Farmout Option is exercised on or before the 18 month anniversary of the date the Botswana Licence was awarded to ReconBotswana, the Farmee will pay ReconBotswana C\$1,000,000. If the Farmout Option is exercised after the 18 month anniversary of the date the Botswana Licence was awarded to ReconBotswana, the Farmee will pay ReconBotswana C\$1,500,000. Such cash payments will be payable on the 10th business day following the date that MMR provides its approval to the Transfer.

Upon the exercise of the Farmout Option, ReconBotswana and the Farmee will negotiate in good faith to enter into a joint operating agreement to govern the joint venture between ReconBotswana and the Farmee, which will be based on the AIPN 2012 Model International Operating Agreement. The Company will be the operator upon formation of the joint venture and all costs related to the joint venture will be borne in proportion to the parties’ participating interests.

The Farmout Option Agreement may be terminated if the Transfer is not completed within six months following the exercise of the Farmout Option, if the MMR does not provide its approval to the Transfer, or by mutual agreement.

The Farmout Option Agreement constitutes a “related party transaction”, as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). In respect of the requirements of MI 61-101, the Company relied on the exemptions from the formal valuation and minority shareholder approval requirements under MI 61-101. The Company was exempt from the formal valuation requirements of MI 61-101 as no securities of the Company are listed on the specified markets outlined therein. Additionally, the Company was exempt from the minority shareholder approval requirements of MI 61-101 as the fair market value of the transaction is less than 25% of the Company’s market capitalization.

On June 25, 2020, the Company appointed Nick Steinsberger as Senior Vice President, Drilling and Completions of the Company.

On July 7, 2020, the Company announced the completion of a further comprehensive subsurface evaluation delineating large scale, prospective conventional hydrocarbon bearing structures, throughout the Kavango Basin. The primary objective of ReconAfrica’s initial three well drilling program, scheduled for the fourth quarter of 2020, is to confirm a thick, active, petroleum system throughout the Kavango Basin. Specifically, the wells will be designed to test organic rich shales and more shallow conventional structures through the sedimentary basin.

On July 8, 2020, the Company appointed Doug Allen as Senior Vice President, Investor Relations of the Company.

Three Year History of 1163631

In addition to the events described above under “*General Development of the Business – Three Year History of the Company*”, the following events with respect to 1163631 have occurred:

The Petroleum Agreement and Namibia Licence were granted in January 2015 to REN, then a wholly owned subsidiary of ROG, a corporation incorporated under the laws of the British Virgin Islands. During the balance of 2015, ROG acquired a high resolution geomagnetic survey of the Namibia Licensed Property and conducted a detailed analysis of the resulting data and other available data related to the Namibia Licensed Property, including reprocessing and reinterpretation of all existing geological and

geophysical data. This led to the identification of the Namibia Licensed Property of the Kavango Basin, as a sub-basin of the Greater Owambo Basin in northeastern Namibia.

Further activities on the Namibia Licensed Property were deferred during 2016 and 2017, owing to low oil prices and the perceived lack of available financing to support drilling operations. Based on its assessment of expected international oil and gas prices, ROG reactivated operations in 2018 with the commencement of an environmental impact assessment to support the granting of permits and approvals required to allow for exploration drilling to commence.

In connection with, and as a condition to, completing the RTO Transaction, 1163631 completed a corporate restructuring (the “**ROG Corporate Reorganization**”) with a group of related companies – being (i) 0408861 B.C. Ltd. (formerly, Reconnaissance Energy Corp.) (“**Recon**”), a company incorporated under the *Business Corporations Act* (British Columbia); (ii) Reconnaissance Energy International Corp. (“**REI**”), a corporation incorporated under the laws of the British Virgin Islands; (iii) ROG, a corporation incorporated under the laws of the British Virgin Islands; and (iv) REN, a company incorporated under the laws of the Republic of Namibia. Upon completion of the ROG Corporate Reorganization and the RTO Transaction, 1163631, Recon, REI, ROG and REN became wholly-owned subsidiaries of the Company. Upon completion of the ROG Corporation Reorganization, REN became a wholly owned subsidiary of 1163631. Through 1163631’s control of REN, 1163631 held an indirect 90% interest in the Namibia Licence, with the remaining 10% carried interest held by NAMCOR.

Significant Acquisitions

The Company did not complete any significant acquisition during its most recently completed financial year for which disclosure is required under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

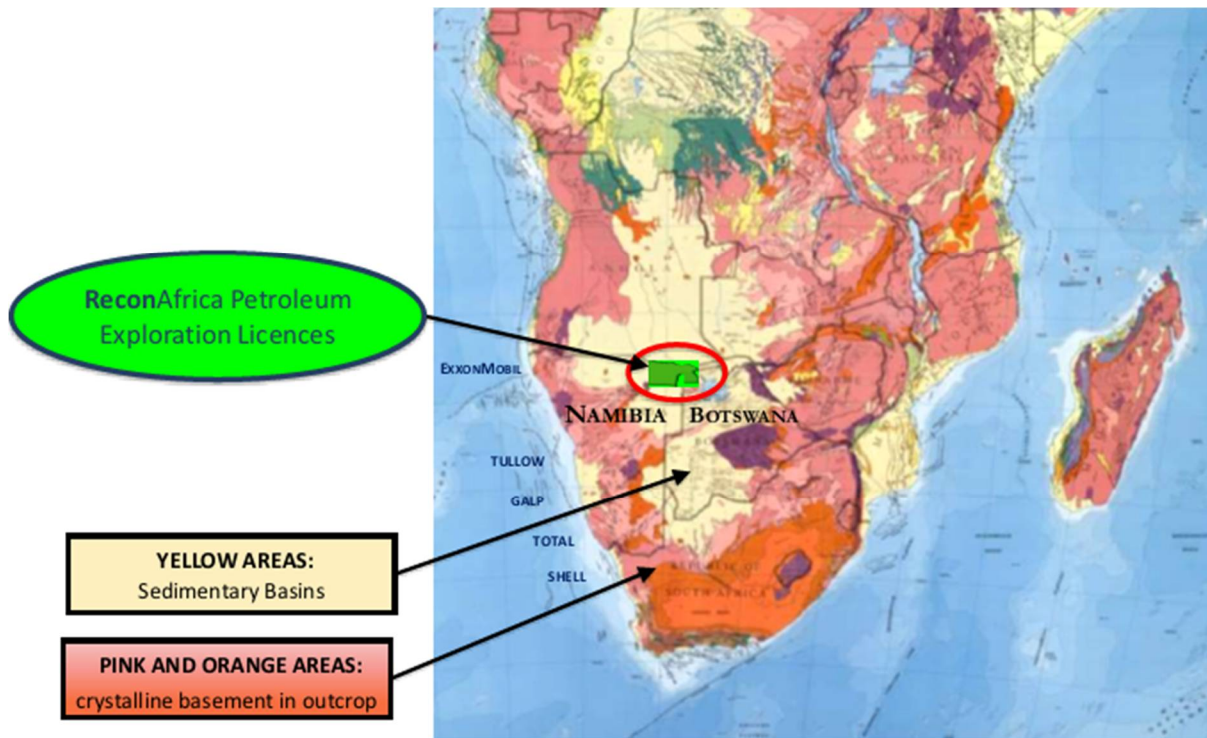
DESCRIPTION OF THE BUSINESS

As described above under “*General Development of the Business*”, the principal business of the Company is the identification, and the exploration and development of oil and gas assets via drilling and/or acquisition with a focus on Namibia and Botswana, two stable democracies located in Africa with a strong adherence to the rule of law.

Namibia, a former colony of Germany which gained independence from South Africa in 1990, has infrastructure comparable to that located in Western, developed countries. As of the date of this AIF, major industry competitors such as ExxonMobil Corporation, Tullow Oil plc, Royal Dutch Shell plc, Total S.A. and Galp Energia, SGPS, S.A. all have active operations in Namibia.

Botswana, a former colony of the United Kingdom and sovereign nation since 1966, is Africa’s longest standing democracy.

Figure 1 – Location of ReconAfrica Petroleum Exploration Licences



The Petroleum Agreement and its related Namibia Licence are the Company's primary assets. On June 9, 2020, the Company, through ReconBotswana, was granted the Botswana Licence.

The Company's core operating objectives are to identify and develop oil and gas assets through exploration conducted pursuant to the Namibia Licence, which was obtained by REN, now a wholly owned subsidiary of the Company following the RTO Transaction, in 2015. During 2015, ROG acquired a high-resolution geomagnetic survey of the Namibia Licensed Property and conducted a detailed analysis of the resulting data and other available data related to the Namibia Licensed Property, including reprocessing and reinterpretation of all existing geological and geophysical data. This led to the identification on the Namibia Licensed Property of the Kavango Basin, as a sub-basin of the Greater Owambo Basin in northeastern Namibia.

To date, the Namibia Licensed Property has seen no historical drilling or 2D seismic acquisition, with the closest subsurface well control 385 km to the west. This critical control point, Stratigraphic Test #1, was drilled to a depth of 1878 metres by Etosha Petroleum Co. in 1964, and encountered Kalahari Sequence, Karoo Supergroup – Etjo and Prince Albert formations and Damara Sequence – Otavi and Mulden Groups.

The Company's geologic team has defined a beneficial structural framework and depositional basin configuration utilizing a high-resolution aero-magnetic database. The Company has developed a fully integrated structural inversion model for the entirety of the Namibia Licensed Property defining a pull-apart basin with targetable half grabens capable of housing substantial thickness of Karoo-Aged sediments and reef-prone Lower Paleozoic Units. Regional geologic investigations of the Permian Karoo Seaway, including Main Karoo Basin, Botswana Kalahari Basin and Namibian basins Karasburg, Nama, Waterberg, Huab and Owambo support potential for adequate thickness of resource-prone sediments. Preliminary analyses indicate basin depths supportive of oil and gas thermal maturation levels.

ROG hired an in-country environmental assessment firm who initiated an environmental impact assessment in the fourth quarter of 2018 for the purpose of obtaining the necessary governmental

permits and approvals to allow drilling operations to occur. The Drilling Permit was obtained on October 7, 2019 and the Company plans to conduct drilling operations on the Namibia Licensed Property in the fourth quarter of 2020. The Company has identified a number of possible drilling locations for stratigraphic test wells, the drilling of which would provide critical and useful information about the stratigraphy of the Namibia Licensed Property and whether hydrocarbons exist on the Namibia Licensed Property.

The Company's growth strategy is to first explore the Kavango Basin and convert anticipated exploration successes there into appraisal and development operations prior to considering blocks elsewhere in Africa. Advancing exploration successes into appraisal and development operations may involve joint ventures with other companies if attractive farm-out opportunities can be identified, so that the Company can focus its operations on its exploration expertise.

Petroleum Agreement

In Namibia, all rights in relation to the exploration for, the production and disposal of, and the control over petroleum vest in the state. The *Petroleum (Exploration and Production) Act 2 of 1991* (Namibia), together with the *Petroleum (Taxation) Act 3 of 1991* (Namibia) are the principal laws regulating the granting and transfer of petroleum licences to explore for and produce petroleum within the Republic of Namibia. Prior to a petroleum licence being granted, the *Petroleum (Exploration and Production) Act 2 of 1991* (Namibia) requires that the Namibian Minister of Mines and Energy enter into a petroleum agreement with the licence applicant containing the terms and conditions applicable to such licence and possible future licences, including production licences. On January 26, 2015, prior to the grant of the Namibia Licence to the Company, the Minister of Mines and Energy entered into the Petroleum Agreement with REN, now a wholly owned subsidiary of Recon Africa following the RTO Transaction.

The following summary of key terms of the Petroleum Agreement is qualified in its entirety by the full text of the Petroleum Agreement, a copy of which is available on the Company's SEDAR profile at www.sedar.com. Under the Petroleum Agreement, REN, now a wholly owned subsidiary of the Company following the RTO Transaction, was granted a 90% participation interest in the Namibia Licensed Property, with NAMCOR retaining a 10% participation interest. The Petroleum Agreement describes an eight-year exploration work program and accompanying minimum expenditures on the Namibia Licensed Property related thereto. Such exploration program consists of the following three phases:

Initial Exploration Period (4 years)

- Collection of existing surface and subsurface exploration data including, without limitation potential fields, remote sensing, satellite imagery, geomorphological, geochemical, radiometric and well data.
- Reprocessing and reinterpretation of all geological and geophysical data.
- Geochemical soil sampling and analysis.
- Initial integral assessment of the hydrocarbon potential of the area.
- Environmental impact assessment for both drilling and seismic acquisition activities.
- A minimum 500 kilometres of 2D seismic data for assessment of geology and basin structural configuration (with an option to replace the seismic program with two stratigraphic test wells to the base of the Karoo Super group sequences with total depth at the top of Damara belt related sequences)
- Full integral assessment of the hydrocarbon potential of the area and gross resources estimates.
- Planning for drilling two stratigraphic tests or exploration wells.

Minimum expenditures for the initial exploration phase, as prescribed by the Petroleum Agreement, total US\$5,000,000. Additionally, the Company is required to spend US\$50,000 per year (benchmarked to inflation) for the purposes of funding the education and training of Namibians, of which US\$35,000 is to be paid to the Namibian Petroleum Training and Educational Fund and US\$15,000 is to be paid in connection with the in-house training of Namibian citizens in the field of oil and gas exploration. To date, the Company has spent \$1,948,782.95 conducting exploration activities on the Namibia Licensed Property and has fulfilled the exploration activities described above other than the drilling of two stratigraphic test wells. The Company has elected to conduct the drilling of stratigraphic test wells rather than conduct 500 km of 2D seismic during the initial exploration phase.

On October 22, 2018, the Ministry of Mines and Energy granted a one-year extension to the Initial Exploration Period of the Namibia Licence.

Pursuant to an adjustment letter dated February 25, 2019, the Namibia Ministry of Mines and Energy agreed to adjust the work commitment, minimum expenditure requirement, and timing of relinquishment under the Petroleum Agreement and the Namibia Licence such that the Company's work and expenditure commitments under the Initial Exploration Period will be deemed to have been satisfied provided that, by January 29, 2020, the Company drills one stratigraphic test well, rather than two. The drilling of one stratigraphic test well will fulfil the Company's work and expenditure obligation to the end of the Initial Exploration Period.

Pursuant to such adjustment letter, ReconAfrica's obligation to drill the second stratigraphic test well has been deferred to and becomes a part of the work commitments that must be satisfied during the First Renewal Exploration Period. Further, the relinquishment obligation which arises at the end of the Initial Exploration Period has been deferred into the First Renewal Exploration Period.

On December 24, 2019, the Company announced that Namibia's Minister of Energy and Mines had confirmed that the Namibia Licence had been approved for its First Renewal Exploration Period, and accordingly the exploration phase of the Namibia Licence was renewed and continued until January 25, 2022.

First Renewal Exploration Period (2 Years, subject to possible one-year extension)

- Acquire 250 kilometres of 2D seismic data.
- Drill and evaluate stratigraphic and/or exploration wells.
- Design and plan 3D seismic acquisition program for continued exploration and drilling program.

Minimum expenditures for the First Renewal Exploration Period, as prescribed by the Petroleum Agreement, total US\$10,000,000 plus an additional US\$50,000 per year (benchmarked to inflation) for the purposes of funding the education and training of Namibians, of which US\$35,000 is to be paid to the Namibian Petroleum Training and Educational Fund and US\$15,000 is to be paid in connection with the in-house training of Namibian citizens in the field of oil and gas exploration.

Second Renewal Exploration Period (2 Years, subject to possible one-year extension)

- Acquire 200 square kilometres of 3D seismic, in support of further exploration and development program.
- Process and interpret acquired 3D seismic data.
- Design and delineation program.
- Drill and evaluate initial delineation test.

Minimum expenditures for the Second Renewal Exploration Period, as prescribed by the Petroleum Agreement, total US\$10,000,000 plus an additional US\$50,000 per year (benchmarked to inflation) for

the purposes of funding the education and training of Namibians, of which US\$35,000 is to be paid to the Namibian Petroleum Training and Educational Fund and US\$15,000 is to be paid in connection with the in-house training of Namibian citizens in the field of oil and gas exploration.

Other Material Provisions

In addition to the aforementioned minimum exploration expenditure, the Company is required to pay to the Government of Namibia an annual licensing fee ranging from NAD\$60 to NAD\$150 per square kilometre of Namibia Licensed Property, depending on the applicable stage of exploration. Should the Namibian Minister of Energy and Mines grant a production licence over any part of the Namibia Licensed Property (as further described below), the annual licensing fee will increase to NAD\$1,500 per square kilometre to which such production licence relates.

In accordance with the Petroleum Agreement, as adjusted by the February 25, 2019 adjustment letter, the Company must relinquish at least 50% of the exploration area covered by the Namibia Licence no later than either (i) 60 days following the completion of the drilling of the second stratigraphic test well; or (ii) at the end of the First Renewal Exploration Period, as determined by the Namibia Ministry of Mines and Energy at its discretion. A further 25% of the exploration area covered by the Namibia Licence must also be relinquished by the Company no later than 30 days before the end of the First Renewal Exploration Period following the grant of the Namibia Licence. In determining the relinquished area, any areas of the Namibia Licensed Property that have been identified as potentially productive are excluded from the relinquishment requirements.

In the event the exploration work at the Namibia Licensed Property leads to the discovery of an economically viable petroleum reservoir, the Company may, pursuant to the terms of the Petroleum Agreement, make an application for a production licence. Within six months after making such application, subject to the provisions of the *Petroleum Act* (Namibia), the Namibian Minister of Mines and Energy may grant to the Company a 25-year production licence. The Company is required to pay, to the benefit of the Government of Namibia on a quarterly basis, a 5% production royalty based on the market value, as determined in accordance with the provisions of the Petroleum Agreement, of any natural gas or crude oil produced under a production licence granted pursuant to the Petroleum Agreement. An incremental three-tiered Additional Profits Tax (“**APT**”) is charged on the after-tax net cash flow from petroleum operations in the Namibia Licensed Property. Exploration, development and operating expenditures, as well as royalty and corporate income tax, are all fully deductible in the year they are paid in the computation of the APT net cash flow for the year. APT will only be paid if the petroleum operations in the Namibia Licensed Property earn an after-tax real (i.e. inflation-adjusted) rate of return of 15%. The second and third tiers of APT become payable once the profitability level exceeds 20% and 25% respectively. The first-tier rate of APT is established in the legislation (through a formula) at 25%. The incremental second and third tier APT rates are determined in the Petroleum Agreement, and in the case of the Company, are 28% and 29% respectively.

A copy of the Petroleum Agreement is available on SEDAR under ReconAfrica’s profile at www.sedar.com. See “*Material Contracts*”.

Botswana Licence

On June 9, 2020, the Company, through ReconBotswana, was granted the Botswana Licence. The terms of the Botswana Licence are as follows:

- 100% working interest in all petroleum rights from surface to basement;
- an initial 4-year exploration period, with renewals up to an additional 10 years, in accordance with the *Botswana Petroleum (Exploration and Production) Act*;
- upon declaration of commercial production, the operator holds the right to enter into a 25-year production licence with a 20-year renewal period, in accordance with the *Botswana Petroleum (Exploration and Production) Act*;

- royalties associated with the production licence will be subject to negotiation, in accordance with the *Botswana Petroleum (Exploration and Production) Act*, and generally range from 3 to 10% of gross revenue from production;
- the Company has committed to a minimum work program of US\$432,000 over the first 4-year exploration period; and
- the corporate tax rate of Botswana is 22%.

The fiscal regimes of both Namibia and Botswana are both globally competitive. In the most recent “African Investment Index” published in 2018 by Quantum Global Research Lab, the independent research arm of the Quantum Global Group, a group of companies operating in the areas of investment management, private equity, active management and research with a focus on Africa, Quantum Global Research Lab ranked Botswana as the fourth most attractive investment destination in Africa.

On June 10, 2020, ReconBotswana and the Farmee entered into the Farmout Option Agreement pursuant to which ReconBotswana granted the Farmee the option to acquire a 50% participating interest in the Botswana Licence.

Trends

Other than as disclosed in this AIF, there are no current trends in ReconAfrica’s business that are likely to impact ReconAfrica’s performance.

Specialized Skills and Knowledge

The Company relies on the specialized skill and knowledge of its permanent staff to compile, interpret and evaluate technical data, drill and complete wells, design and operate production facilities and numerous additional activities required to explore for and produce oil and natural gas. From time to time, the Company employs consultants and other service providers to provide complementary experience and expertise to carry out its oil and natural gas operations effectively. It is the belief of management that the Company that its officers and employees, who have significant technical, operational and financial experience in the oil and gas industry, hold the necessary skill sets to successfully executed the Company’s business strategy in order to achieve its corporate objectives.

Competitive Conditions

The oil and natural gas industry is intensely competitive in all its phases. The Company competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties, in the marketing of oil and natural gas and in attracting skilled personnel. The Company’s competitors include resources companies that have greater financial resources, staff and facilities than those of the Company. The Company’s ability to discover reserves in the future will depend on its ability to successfully explore its present properties, to select and acquire suitable producing properties or prospects on which to conduct future exploration and to respond in a cost-effective manner to economic and competitive factors that affect the distribution and marketing of oil and natural gas. Competitive factors in the distribution and marketing of oil and nature gas include price and methods and reliability of delivery. The Company’s ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon the development and maintenance of close working relationships with its future industry partners and joint operators and its ability to select and evaluate properties and to consummate transactions in a highly competitive environment. The Company believes that its competitive position is equivalent to that of other oil and gas issuers of similar size and at a similar stage of development. See “*Risk Factors*”.

Cyclical and Seasonal Nature of Industry

The Company’s operational results and financial condition will be dependent on the prices received for oil and natural gas production. Oil and natural gas prices have fluctuated widely during recent years

and are determined by supply and demand factors, including weather and general economic conditions, as well as conditions in other oil and natural gas regions. Any decline in oil and natural gas prices could have an adverse effect on the Company's financial condition.

Employees

As at December 31, 2019, ReconAfrica had three employees and three contractors. Field work and drilling services are provided by contractors on a seasonal and as-needed basis.

Foreign Operations

The Company currently owns or has an interest in oil and gas assets in Namibia and Botswana. The Company's operations are exposed to various levels of political, economic and social risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: terrorism; hostage taking; military repression; expropriation; political corruption, extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; war or civil unrest; renegotiation or termination of existing licences, permits and contracts; ability of governments to unilaterally alter agreements; surface land access issues; changes in taxation policies, laws and regulations; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Any changes in regulations or shifts in political attitudes in such foreign countries are beyond the Company's control and may adversely affect the Company's business. Future development and operations may be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to restrictions on production, export controls, import restrictions, such as restrictions applicable to, among other things, equipment, services and supplies, taxes, expropriation of property, repatriation of profits, environmental legislation, land use, surface land access, land claims of local people and worksite safety. The effect of these factors cannot be accurately predicted. See "*Risk Factors*".

Environmental Protection

Environmental legislation imposes certain restrictions, obligations, and liabilities on companies in the oil and gas industry. Drilling for and production, handling, transporting and disposing of oil and gas and petroleum by-products are subject to extensive regulation under national and local environmental laws, including those of the countries in which the Company currently operates. Environmental regulations may impose, among other things, restrictions, liabilities and obligations in connection with water and air pollution control and permitting requirements and restrictions on operations in environmentally sensitive areas. Environmental regulations may also impose restrictions on the handling of, storing, transporting, and disposing of waste. In addition, the Company could potentially be liable for contamination on properties acquired and it attempts to mitigate the risk of inheriting environmental liabilities by conducting due diligence on acquisition opportunities.

Environmental protection requirements have not, to date, had a significant effect on the capital expenditures, financial performance and competitive position of the Company. However, environmental regulations are expected to become more stringent in the future and costs associated with compliance are expected to increase. In addition, as the Company's exploration and operating activities expand, new and more rigorously enforced environmental regulations may come into play, which could impact those activities and the cost of compliance. Any penalties or other sanctions imposed on the Company for non-compliance with environmental regulations could have a material adverse effect on the Company's business, prospects and financial performance, or could result in restrictions or cessation of operations and the imposition of fines and penalties.

Economic Dependence

The Company's interests in Namibia and Botswana are dependent on the terms of the Namibia Licence and the Petroleum Agreement, and the Botswana Licence, respectively.

Social and Environmental Policies and Responsibility

Effective March 1, 2020, the Company adopted an Environmental, Health & Safety Policy (the “**EHS Policy**”). The purpose of the EHS Policy is to assist the Company in accomplishing its goal of preventing all injuries and protecting human life and the environment throughout all locations where the Company operates by specifying uniform, minimum safety rules and standards applicable in all areas of the Company’s operations. To accomplish this objective, pursuant to the EHS Policy, the Company will, among other things, (i) advise each manager, supervisor and employee of all applicable safety, health and environmental requirements; (ii) design and manage operations to minimize environmental and human health impacts; (iii) comply with all laws and regulations governing safety, health and environmental protection; (iv) monitor, evaluate and report the Company’s performance in safety, health and environmental protection; and (v) provide training necessary to protect human, environmental and physical resources. The EHS Policy establishes the responsibilities of managers, supervisors, employees and contractors as they relate to health, safety and environmental matters, including requirements to report any injuries or unsafe working conditions, and provides rules for safety and the use of personal protective equipment at the Company’s operations. The EHS Policy also contains prohibitions on the possession of firearms and the consumption of alcohol or drugs at the Company’s properties or in carrying out operations for the Company.

Reorganization

Other than the RTO Transaction and the ROG Corporate Reorganization, neither the Company nor any of its subsidiaries have been the object of any reorganization within the three most recently completed financial years.

PROPERTIES OF THE COMPANY

The text set forth in this section is based on a report titled “Estimation of Prospective Resources of Reconnaissance Energy Africa Ltd. in Botswana and Namibia (as of June 30, 2020)” prepared by Sproule International Limited (“**Sproule**”) and dated July 17, 2020 (the “**Sproule Report**”). Sproule is a qualified reserves evaluator. The Sproule Report was prepared in accordance with the COGE Handbook and the Canadian Institute of Mining, Metallurgy & Petroleum and National Instrument 51-101 – *Standards of Disclosure of Oil and Gas Activities* (“**NI 51-101**”). A copy of the Sproule Report is available on SEDAR under ReconAfrica’s profile at www.sedar.com. Such texts are qualified by reference to the complete text of the Sproule Report and any terms used therein have the same meaning given to those terms in the Sproule Report. Readers are referred to the Sproule Report for additional information that may be required pursuant to NI 51-101. As of December 31, 2019, no oil and gas reserves have been assigned to any of the properties in which the Company has an interest.

Property Description and Location

The Namibia Licensed Property includes six licensed blocks, namely 1719, 1720, 1721, 1819, 1820 and 1821 (all of the Namibia Licence), with a total area of 6.3 million acres. The Botswana Licensed Property includes the Botswana Licence of 2.45 million acres in size. Both licences are located within the Okavango River Basin as shown in Figure 2. The terrain is flat to slightly rolling. Summer is from October to April and temperatures range from 20° C to 34° C during these months. Average winter temperatures range between 18°C and 22°C. The average annual rainfall varies from 350mm in the central interior and 700mm in the Caprivi Strip. The rainy season is from October until April. Paved and gravel roads exist on the Namibia Licensed Property and the Botswana Licensed Property and paved roads are present from the Namibia Licensed Property to the capital Windhoek and to the port at Walvis Bay. It is 225 km from the Namibia Licensed Property to the railhead at Grootfontein, which connects to Walvis Bay. There is an airport on the Namibia Licensed Property with connections to the other Namibia airports including Windhoek. Road access to the Botswana Licensed Property is by paved road from the Namibia Licensed Property in the Caprivi Strip, or by paved and gravel roads from Gaborone, the capital of Botswana.

Figure 2 – Location of Namibia Licensed Property and Botswana Licensed Property within the Okavango River Basin

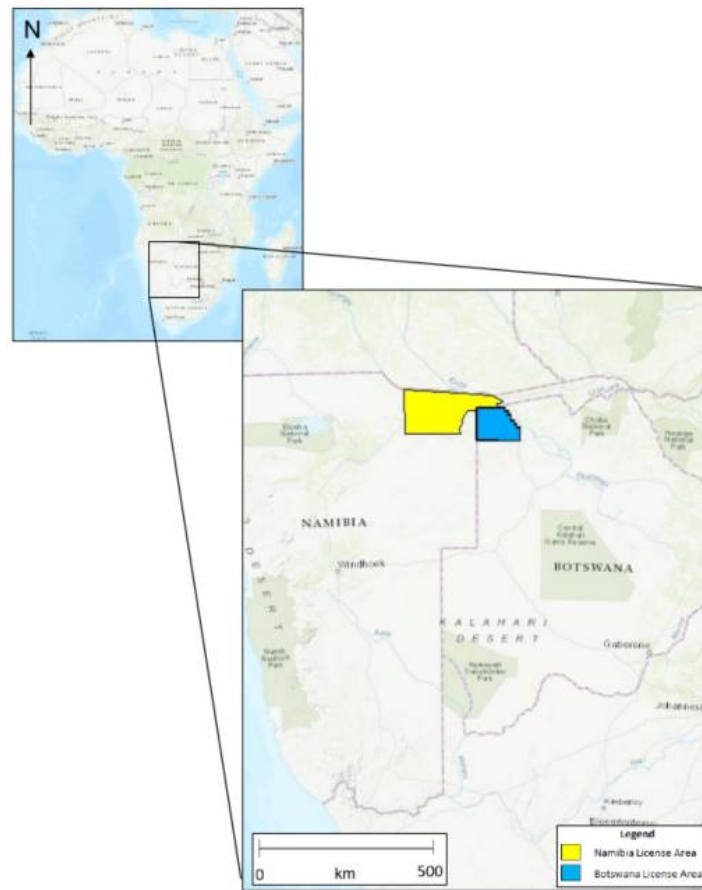


Figure 3 -- Map of Local Infrastructure



Geology Description

The Company is targeting equivalent rocks to the hydrocarbon-prone unconventional deposits within the Karoo Group of the Main Karoo Basin in South Africa. The main producing formations within the Main Karoo Basin are the Prince Albert, Whitehill and Collingham, and all of the Lower Ecca Group.

The Prince Albert Formation within the Karoo Basin of South Africa is composed of mudstones with shales and some small sandstone units. The overlying Whitehill Formation is comprised of fine-grained, finely laminated black organic rich shale. The shales contain dolomite lenses near the base. The Collingham Formation is comprised of dark grey mudstones, intercalated with thin yellow clay-like layers of ashfall tuff. At the top of the formation, the mudstone grades into sandstone.

The Company has interpreted high-resolution aero-magnetic data documenting a very deep untested sub-basin (Kavango) with optimal conditions for preserving a thick interval of organic rich marine shales in the lower portion of the Karoo Super Group. Maximum depth to basement is estimated at over 9 kilometres. The Company has also completed structural and geological interpretations of magnetic inversion profiles, backfilling the basin with stratigraphic section of Precambrian, Permian and Cretaceous sediments.

As per the Company's concept, the formational equivalents to the Lower Ecca Group will be preserved in the untested deeper portions of the Kavango Basin. The Company's management believes that these target sediments lie in a previously unrecognized Karoo Basin along major trans-African lineaments that link northeast Namibia to the better-known Karoo rift basins in eastern Africa. After reviewing the available data and literature, Sproule found this concept to be reasonable.

Summary of Prospective Oil and Gas Resources

The Company has not yet established reserves on any of its properties due to the fact that its oil and gas activities are currently in the preliminary stages. The following information on the Namibia Licensed Property and the Botswana Licensed Property is derived from the Sproule Report. Other than Sproule, the Company has not presently engaged an independent evaluator to review resources, reserves or associated future net reserves.

The prospective resources estimated herein are those quantities of oil and gas that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. As a result of the lack of commerciality of sufficient exploration drilling, the prospective resources estimated and included in the Sproule Report cannot be classified as reserves pursuant to NI 51-101. Certain resource estimate volumes disclosed in the Sproule Report and herein are arithmetic sums of multiple estimates of undiscovered petroleum initially-in-place and prospective resources, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as explained herein.

Although the Sproule Report has identified prospective resources, there are numerous uncertainties inherent in estimating oil and gas resources, including many factors beyond the Company's control and no assurance can be given that the indicated level of resources will be discovered. There is uncertainty that it will be commercially viable to produce any portion of the resources. **There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.** The resources reported in the Sproule Report are estimates only and there is no certainty that it will be economically or technically viable to produce any portion of the reported prospective resources. In general, estimates of recoverable oil and gas resources are based upon a number of factors and assumptions made as of the date on which the resources estimates were determined, such as geological and engineering estimates which have inherent uncertainties and the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results. All such estimates are, to some degree, uncertain and classifications of resources are only attempts to define the degree of uncertainty involved. For these reasons,

estimates of the recoverable oil and gas and the classification of such resources based on risk of recovery, when prepared by different engineers or by the same engineers at different times, may vary substantially.

Estimates of resources always involve uncertainty, and the degree of uncertainty can vary widely between accumulations/projects and over the life of a project. Consequently, estimates of resources should generally be quoted as a range according to the level of confidence associated with the estimates. An understanding of statistical concepts and terminology is essential to understanding the confidence associated with resources definitions and categories.

The range of uncertainty of estimated recoverable volumes may be represented by either deterministic scenarios or by a probability distribution. Resources should be provided as low, best, and high estimates as follows:

- Low Estimate – This is considered to be a conservative estimate of the quantity that will actually be recovered. The low estimate is the P90 quantity. P90 means there is a 90% chance that an estimated quantity, such as a prospective resources volume or associated quantity, will be equaled or exceeded.
- Best (Median) Estimate – This is considered to be the best estimate of the quantity that will actually be recovered. The best (median) estimate is the P50 quantity. P50 means there is a 50% chance that an estimated quantity, such as a prospective resources volume or associated quantity, will be equaled or exceeded.
- High Estimate – This is considered to be an optimistic estimate of the quantity that will actually be recovered. The high estimate is the P10 quantity. P10 means there is a 10% chance that an estimated quantity, such as a prospective resources volume or associated quantity, will be equaled or exceeded.
- Mean Estimate – The mean estimate is the probability weighted average (expected value) of resource volumes.

This approach to describing uncertainty may be applied to reserves, contingent resources, and prospective resources. There may be significant risk that sub-commercial and undiscovered accumulations will not achieve commercial production. However, it is useful to consider and identify the range of potentially recoverable quantities independently of such risk.

“Prospective resources” are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development (“COD”). Prospective resources may be further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their disclosure and development and may be subclassified based on project maturity. “Undiscovered petroleum initially-in-place” is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially-in-place is referred to as “prospective resources” and the remainder is unrecoverable. The prospective resources included in the Sproule Report indicate exploration opportunities and development potential in the event a petroleum discovery is made and should not be construed as reserves or contingent resources. Sproule did not perform an economic analysis on these resources and, as such, the economic status of these resources is undetermined.

The undiscovered petroleum initially-in-place and prospective resources included in the Sproule Report represent the unconventional (tight gas, shale gas and tight oil) resources of the Company’s lands and do not include potential conventional prospective resources. There could be additional potential conventional hydrocarbon accumulations on the Company’s lands that will be better defined after drilling one or several wells on the Company’s lands.

There is a great deal of uncertainty in the ranges of basic reservoir parameters, such as area, porosity, net hydrocarbon pay thickness, fluid composition and water saturation. In the event of a discovery, the actual values may vary significantly from those estimated by Sproule, affecting the volume of hydrocarbon estimated to be present. Other factors, such as reservoir pressure and temperature, density and oil viscosity, will affect the volume of oil or gas that can be recovered. Additional reservoir parameters, such as permeability and the specific mineralogy of the reservoir rock may affect the efficiency of the recovery process. Recovery of the resources may also be affected by well performance, reliability of production and process facilities.

Sproule has assessed the prospective resources on Company land using probabilistic models developed in GeoX. The following table presents the unrisksed undiscovered petroleum initially-in-place and also the unrisksed prospective resources in Namibia and Botswana, respectively, for both cases, oil only and gas only. The mean values of oil and gas prospective resources were risked using the estimated geological chance of success. See *“Geological Change of Success”*. Note that the Company’s interest in the Botswana Licensed Property shown in the tables below is 100 percent, representing the working interest of the Company in the Botswana Licensed Property at June 30, 2020. On June 10, 2020, ReconBotswana entered into the Farmout Option Agreement with the Farmee whereby the Farmee has the option to acquire a 50 percent interest in the Botswana Licence up to three years after the date the Botswana Licence was awarded to ReconBotswana. If this option is exercised in the future, then the Company’s working interest in the Botswana Licensed Property would be reduced to 50 percent.

Low, Best, and High Estimates of Undiscovered Petroleum Initially-In-Place and Prospective Resources for Reconnaissance Energy Africa Ltd. in NE Namibia (As of June 30, 2020)								
Gross Volumes (100% WI)								
Area	Fluid Type ^(7,8)	Undiscovered Petroleum Initially-In-Place (UPIIP) ⁽⁹⁾			Prospective Resources ⁽⁴⁾			
		Unrisksed			Unrisksed			Risksed ^(5,6)
		Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Best ⁽²⁾
Blocks 1719, 1720, 1721, 1819, 1820, 1821	Light Oil Case (MMbbl)	200.9	13,353.8	27,218.5	9.02	923.6	1,710.9	81.3
	Gas Case (Bcf)	1,865.4	118,391.8	248,260.3	566.7	39,724.5	79,060.1	3,495.8
Company Interest Volumes (90% WI)								
Area	Fluid Type ^(7,8)	Undiscovered Petroleum Initially-In-Place (UPIIP) ⁽⁹⁾			Prospective Resources ⁽⁴⁾			
		Unrisksed			Unrisksed			Risksed ^(5,6)
		Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Best ⁽²⁾
Blocks 1719, 1720, 1721, 1819, 1820, 1821	Light Oil Case (MMbbl)	180.8	12,018.4	24,496.7	8.1	831.2	1,539.8	73.1
	Gas Case (Bcf)	1,678.9	106,552.6	223,434.3	510.03	35,752.1	71,154.1	3,146.2

Notes:

- (1) Low represents the P90 volume estimate.
- (2) Best represents the mean volume estimate.
- (3) High represents the P10 volume estimate.
- (4) Prospective resources are sub-classified as Prospective - Leads (Risksed = Best*8.8%).
- (5) It is mathematically invalid to determine a risksed success-case distribution for any probability level other than the mean itself by multiplying an unrisksed success case by the geological chance of success.
- (6) Risksed: An 8.8 percent chance of discovery risk (91.2 percent chance of no discovery) has been estimated.
- (7) Oil resources are presented in millions of barrels.
- (8) Gas resources are presented in billions of cubic feet.
- (9) UPIIP represents that quantity of petroleum that is estimated, as of June 30, 2020, to be contained in accumulations yet to be discovered.

Low, Best, and High Estimates of Undiscovered Petroleum Initially-In-Place and Prospective Resources for Reconnaissance Energy Africa Ltd. in Botswana (As of June 30, 2020)								
Gross Volumes (100% WI)								
Area	Fluid Type ^(7,8)	Undiscovered Petroleum Initially-In-Place (UPIIP) ⁽⁹⁾			Prospective Resources ⁽⁴⁾			
		Unrisked			Unrisked			Risked ^(5,6)
		Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Best ⁽²⁾
Botswana Block	Light Oil Case (MMbbl)	141.0	6155.7	13,123.6	6.41	424.8	858.9	37.4
	Gas Case (Bcf)	1,357.1	54,696.6	123,242.6	407.8	18,356.8	39,145.5	1,615.4
Company Interest Volumes (100% WI)								
Area	Fluid Type ^(7,8)	Undiscovered Petroleum Initially-In-Place (UPIIP) ⁽⁹⁾			Prospective Resources ⁽⁴⁾			
		Unrisked			Unrisked			Risked ^(5,6)
		Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Best ⁽²⁾
Botswana Block	Light Oil Case (MMbbl)	141.0	6155.7	13,123.6	6.41	424.8	858.9	37.4
	Gas Case (Bcf)	1,357.1	54,696.6	123,242.6	407.8	18,356.8	39,145.5	1,615.4

Notes:

- (1) Low represents the P90 volume estimate.
- (2) Best represents the mean volume estimate.
- (3) High represents the P10 volume estimate.
- (4) Prospective resources are sub-classified as Prospective - Leads (Risked = Best*8.8%).
- (5) It is mathematically invalid to determine a risked success-case distribution for any probability level other than the mean itself by multiplying an unrisked success case by the geological chance of success.
- (6) Risked: An 8.8 percent chance of discovery risk (91.2 percent chance of no discovery) has been estimated.
- (7) Oil resources are presented in millions of barrels.
- (8) Gas resources are presented in billions of cubic feet.
- (9) UPIIP represents that quantity of petroleum that is estimated, as of June 30, 2020, to be contained in accumulations yet to be discovered.

At the request of the Company, Sproule calculated aggregate volumes of prospective resources on the combined Namibia and Botswana lands. The tables below present two methods of aggregation, arithmetic and probabilistic. The arithmetic method is a simple summation of the resource volumes in Namibia and Botswana. The probabilistic method, which is more appropriate, involves probabilistic estimation of the resources using the total area of the combined Namibia and Botswana licences as one input. Geologically, it is more appropriate as both licences are located within the same Kavango Basin.

Low, Best, and High Estimates of Arithmetically Aggregated Undiscovered Petroleum Initially-In-Place and Prospective Resources for Reconnaissance Energy Africa Ltd. in Namibia and Botswana (As of June 30, 2020)								
Gross Volumes (100% WI)								
Area	Fluid Type ^(7,8)	Undiscovered Petroleum Initially-In-Place (UPIIP) ⁽⁹⁾			Prospective Resources ⁽⁴⁾			
		Unrisked			Unrisked			Risked ^(5,6)
		Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Best ⁽²⁾
Namibia and Botswana Blocks	Light Oil Case (MMbbl)	341.9	19,509.5	40,342.1	15.4	1,348.4	2,569.8	118.7
	Gas Case (Bcf)	3,222.5	173,088.4	371,502.9	974.5	58,081.3	118,205.6	5,111.2
Company Interest Volumes (90% WI in Namibia and 100% WI in Botswana)								
Area	Fluid Type ^(7,8)	Undiscovered Petroleum Initially-In-Place (UPIIP) ⁽⁹⁾			Prospective Resources ⁽⁴⁾			
		Unrisked			Unrisked			Risked ^(5,6)
		Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Best ⁽²⁾
Namibia and Botswana Blocks	Light Oil Case (MMbbl)	321.8	18,174.1	37,620.3	14.5	1,256.0	2,398.7	110.5
	Gas Case (Bcf)	3,036.0	161,249.2	346,676.9	917.8	54,108.9	110,299.6	4,761.6

Notes:

- (1) Low represents the P90 volume estimate.
- (2) Best represents the mean volume estimate.
- (3) High represents the P10 volume estimate.
- (4) Prospective resources are sub-classified as Prospective - Leads (Risked = Best*8.8%).
- (5) It is mathematically invalid to determine a risked success-case distribution for any probability level other than the mean itself by multiplying an unrisked success case by the geological chance of success.
- (6) Risked: An 8.8 percent chance of discovery risk (91.2 percent chance of no discovery) has been estimated.
- (7) Oil resources are presented in millions of barrels.
- (8) Gas resources are presented in billions of cubic feet.
- (9) UPIIP represents that quantity of petroleum that is estimated, as of June 30, 2020, to be contained in accumulations yet to be discovered.

Low, Best, and High Estimates of Probabilistically Aggregated Undiscovered Petroleum Initially-In-Place and Prospective Resources for Reconnaissance Energy Africa Ltd. in Namibia and Botswana (As of June 30, 2020)								
Gross Volumes (100% WI)								
Area	Fluid Type ^(7,8)	Undiscovered Petroleum Initially-In-Place (UPIIP) ⁽⁹⁾			Prospective Resources ⁽⁴⁾			
		Unrisked			Unrisked			Risked ^(5,6)
		Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Best ⁽²⁾
Namibia and Botswana Blocks	Light Oil Case (MMbbl)	231.5	17,565.9	36,066.1	10.3	1,211.6	2,263.3	106.6
	Gas Case (Bcf)	2,174.5	156,390.3	326,921.6	652.5	52,434.2	105,889.2	4,614.2
Company Interest Volumes (90% WI in Namibia and 100% WI in Botswana)								
Area	Fluid Type ^(7,8)	Undiscovered Petroleum Initially-In-Place (UPIIP) ⁽⁹⁾			Prospective Resources ⁽⁴⁾			
		Unrisked			Unrisked			Risked ^(5,6)
		Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Best ⁽²⁾
Namibia and Botswana Blocks	Light Oil Case (MMbbl)	215.3	16,336.3	33,541.5	9.6	1,126.8	2,104.9	99.2
	Gas Case (Bcf)	2,022.3	145,443.0	304,037.1	606.8	48,763.8	98,477.0	4,291.2

Notes:

- (1) Low represents the P90 volume estimate.
- (2) Best represents the mean volume estimate.
- (3) High represents the P10 volume estimate.
- (4) Prospective resources are sub-classified as Prospective - Leads (Risked = Best*8.8%).
- (5) It is mathematically invalid to determine a risked success-case distribution for any probability level other than the mean itself by multiplying an unrisked success case by the geological chance of success.
- (6) Risked: An 8.8 percent chance of discovery risk (91.2 percent chance of no discovery) has been estimated.
- (7) Oil resources are presented in millions of barrels.
- (8) Gas resources are presented in billions of cubic feet.
- (9) UPIIP represents that quantity of petroleum that is estimated, as of June 30, 2020, to be contained in accumulations yet to be discovered.

Exploration and Development

Sproule used a probabilistic method to estimate the prospective resources on the Company's land. The ranges of area and all reservoir parameters including gross thickness, net-to-gross ratio, porosity, water saturation and formation volume factor were input as distributions and were estimated by Sproule using all available data. The P90, P10, P50 and Mean values for each reservoir parameter were estimated from these distributions and were used as inputs for the probabilistic analysis of hydrocarbons in place. To estimate the recoverable volumes (prospective resources), Sproule used the ranges of recovery factors as inputs for probabilistic runs. The chance of discovery or geological chance of success ("GCoS") was also estimated to facilitate estimation of the risked prospective resources (only mean volumes). Finally, Sproule estimated the chance of commerciality (product of the chance of development and GCoS). Note that since the basin is untested, Sproule estimated resources for two scenarios, as being gas only or oil only.

As no data is available for the Kavango Basin and this play is in the conceptual stage of maturity, Sproule used analogue data obtained from different sources (referenced within the Sproule Report) including the Company's interpretations, internet and literature data (mostly from the Karoo Basin in South Africa), as well as Sproule's internal data and general knowledge. The most significant data utilized was the strip log from Stratigraphic Test #1, located approximately 375 km west of the Company's land, which was provided by the Company. As a result, the ranges of all reservoir parameters were estimated using interpreted distributions. The low and high ends on each distribution

were checked for reasonableness and adjusted if needed. The ranges of parameters used in the resource estimations are shown in the below table and discussed below.

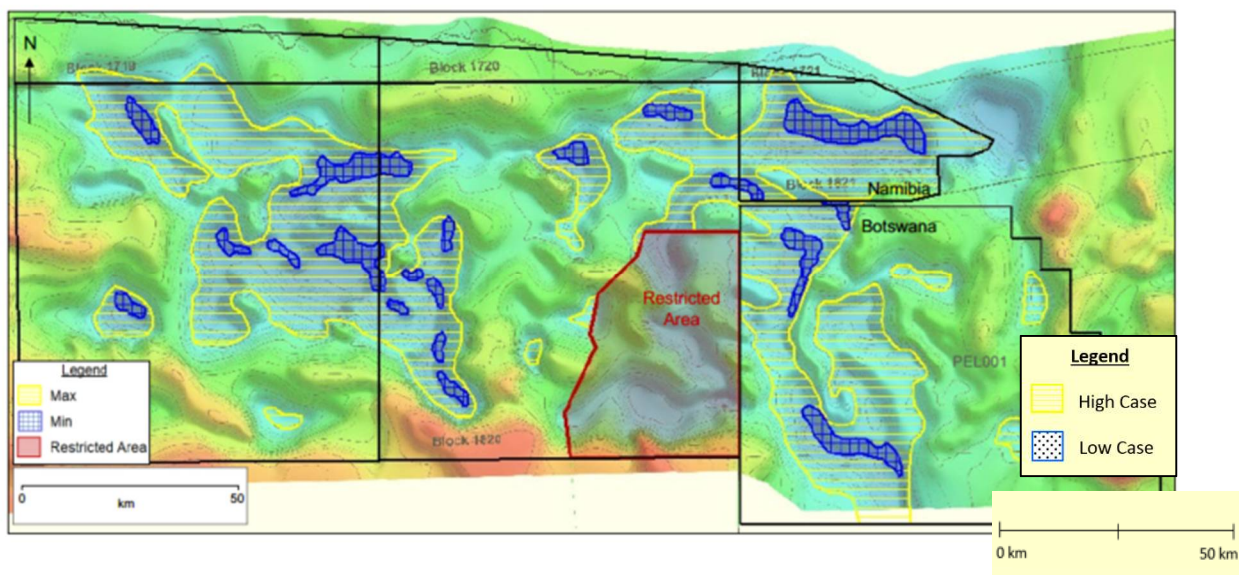
Input Parameters for the Probabilistic Model of Blocks in Namibia and Botswana (As of June 30, 2020)						
Area	Parameter	Distribution Type	P90	Mean	P10	Data Source
Namibia Blocks 1719, 1720, 1721, 1819, 1820, 1821	Area (km ²)	LN5010	203.1	2,061.6	5,018.4	Aeromagnetic
	Gross Reservoir Thickness (m)	Ln2LoHi	15	105.9	248.3	Analogue
	Net/gross Ratio (%)	Ln2LoHi	19.7	42.6	72.0	Analogue
	Porosity (%)	Ln2LoHi	1	3.86	8.0	Analogue
	Gas Saturation (%)	StrechBetaP99_P1	64.4	74	84.7	Analogue
	Oil Saturation (%)	StrechBetaP99_P1	64.4	74	84.7	Analogue
	Gas Formation Volume Factor, Bg (scf/scf)	Ln2LoHi	0.0009	0.0008	0.00075	Analogue
	Oil Formation Volume Factor, Bo (bbl/STB)	Ln2LoHi	1.5	1.32	1.15	Analogue
	Recovery Factor, Gas (%)	Ln2LoHi	20	33.6	50	Analogue
	Recovery Factor, Oil (%)	Ln2LoHi	1.99	7.0	14.3	Analogue
Botswana Block	Area (km ²)	LN5010	163.7	955.9	2174.7	Aeromagnetic
	Gross Reservoir Thickness (m)	Ln2LoHi	15	105.9	248.3	Analogue
	Net/gross Ratio (%)	Ln2LoHi	19.7	42.6	72.0	Analogue
	Porosity (%)	Ln2LoHi	1	3.86	8.0	Analogue
	Gas Saturation (%)	StrechBetaP99_P1	64.4	74	84.7	Analogue
	Oil Saturation (%)	StrechBetaP99_P1	64.4	74	84.7	Analogue
	Gas Formation Volume Factor, Bg (scf/scf)	Ln2LoHi	0.0009	0.0008	0.00075	Analogue
	Oil Formation Volume Factor, Bo (bbl/STB)	Ln2LoHi	1.5	1.32	1.15	Analogue
	Recovery Factor, Gas (%)	Ln2LoHi	20	33.6	50	Analogue
	Recovery Factor, Oil (%)	Ln2LoHi	1.99	7.0	14.3	Analogue

Input Parameters for the Probabilistic Model of Blocks in Namibia and Botswana (As of June 30, 2020)						
Area	Parameter	Distribution Type	P90	Mean	P10	Data Source
Namibia and Botswana Blocks Combined Acreage	Area (km ²)	LN5010	224.1	2,742.0	7030.3	Aeromagnetic
	Gross Reservoir Thickness (m)	Ln2LoHi	15	105.9	248.3	Analogue
	Net/gross Ratio (%)	Ln2LoHi	19.7	42.6	72.0	Analogue
	Porosity (%)	Ln2LoHi	1	3.86	8.0	Analogue
	Gas Saturation (%)	StrechBetaP99_P1	64.4	74	84.7	Analogue
	Oil Saturation (%)	StrechBetaP99_P1	64.4	74	84.7	Analogue
	Gas Formation Volume Factor, Bg (scf/scf)	Ln2LoHi	0.0009	0.0008	0.00075	Analogue
	Oil Formation Volume Factor, Bo (bbl/STB)	Ln2LoHi	1.5	1.32	1.15	Analogue
	Recovery Factor, Gas (%)	Ln2LoHi	20	33.6	50	Analogue
	Recovery Factor, Oil (%)	Ln2LoHi	1.99	7.0	14.3	Analogue

Area

To estimate the area ranges, Sproule used the Company's interpretation of the aeromagnetic data. The deepest parts of the basin (dark blue colour) were assumed to be the low case, and the shallower parts (light blue colour) to be the high case. Note that these areas are not necessarily present in the P90 and P10 cases. The area ranges were estimated separately for lands in each country, as well as for combined lands representing the entire basin potential.

Figure 4 – Min and Max Cases for Area Estimates in Namibia and Botswana Licence Areas



Gross Reservoir Thickness

The closest analogue to the Kavango Basin is the Owambo Basin located to the west, in the centre of northern Namibia. Several wells were drilled in this basin with no test or logs available. The key data point in the Owambo Basin is the Stratigraphic Test #1 well located approximately 375 km west of the Company's land. This well intersected deposits equivalent to the Lower Ecca Group (Dwyka and Prince Albert formations) of about 213 metres thickness. From the literature (Thomas E. Hoak et al, 2014), it is known that the well was drilled in the deepest part of the Owambo Basin. Therefore, Sproule used this gross thickness for a high case. To build a distribution, the maximum gross thickness of about 700 metres was used as a Lower Ecca Group thickness in the Karoo Basin (EIA/ARI World Shale Gas and Shale Oil Resource Assessment (May 2013)).

Net-to-Gross Ratio

As per the EIA/ARI World Shale Gas and Shale Oil Resource Assessment (May 2013), the net-to-gross ratio for each of the three formations of the Lower Ecca Group ranges between 0.3 and 0.5. Assuming the deposits may include some more conventional rock intervals, Sproule used an average net-to-gross ratio of about 0.4 as the mean value, truncating a high point of distribution at 1.0. The ratios were also checked for reasonableness against the shale and "hybrid" shale plays in North America such as the Barnett, Eagle Ford and Montney.

Porosity

Several different sources indicate that the shales of the Karoo Supergroup are very tight. The porosity range found in the literature is between 0.4 and 3.7 percent (Claire Geel et al, 2013; Claire Geel et al, 2014). However, taking into consideration that the expected rocks are a mix of shale and more conventional deposits, the porosity range of 1 to 8 percent was used for the porosity distribution.

Gas/Oil Saturation

Sproule could not find any information about hydrocarbon saturation in the Karoo Basin. To build a saturation distribution, Sproule used internal data and general knowledge of similar deposits in North America such as the Montney, Bakken, Eagle Ford and Niobrara.

Formation Volume Factor

To estimate the formation volume factor for oil ("**Bo**"), Sproule used the data for unconventional plays in North America summarized in the EIA/ARI World Shale Gas and Shale Oil Resource Assessment (May 17, 2013). Different formations with normal or slightly over-pressured reservoirs (Barnett, Wolfcamp, Niobrara) were reviewed for their Bo value. As a result, the range of Bo between 1.1 and 1.5 was used for the distribution.

To estimate the formation volume factor for gas ("**Bg**"), Sproule used the expected pressure and temperature gradients to calculate the ranges of potential formation pressure and temperature. The assumed depth of the target reservoirs was estimated from the Company's basin interpretation to be between 1.5 and 2.5 kilometres. The range of reservoir pressure was estimated at 2,300 to 3,800 psi with the formation temperature being in the range of 125 to 1750 Fahrenheit using the plots of gas-formation volume factors (John C. Calhoun Jr., 1953).

Recovery Factor

The recovery factor ranges for gas and oil were estimated using Sproule's internal data and general knowledge of the shale and "hybrid" plays in North America such as the Montney, Bakken, Barnett and Eagle Ford. The range of recovery factors for gas was estimated at 20 to 60 percent, while the range of recovery factors for oil was estimated at about 2 to 14 percent.

Geological Chance of Success

The chance of discovery is defined as the estimated probability that exploration activities will confirm the existence of a significant accumulation of potentially recoverable petroleum. The leads on the Company land carry very high risk because all geological risk factors are poorly defined with almost no information available at the present time. The data adequacy assessment matrix, proposed by Rose and Associates, was employed to estimate the risk for each geologic parameter. Probabilities were assigned for each exploration geology component. As no data is available for the Kavango Basin, the value of 0.5 for each component (50/50 chance of success) was used representing low confidence for most geological components. The exception was the trap/seal component where 0.7 was used as it has a lower risk to be an issue in this unconventional play. The resultant geological chance of success value was estimated to be 8.8 percent, as summarized below.

Estimation of the Geological Chance of Success (GCoS)						
Formation	Lead	Trap and Seal⁽¹⁾	Reservoir Presence⁽²⁾	Reservoir Quality⁽³⁾	Source and Migration⁽⁴⁾	Geological Chance of Success
Lower Ecca Group	Blocks in Namibia and Botswana	0.7	0.5	0.5	0.5	8.8%

Notes:

- (1) Trap and Seal refers to the probability that the trap area and top-seal conditions are sufficient to contain at least one accumulation in the play with minimum hydrocarbon volume or more.
- (2) Reservoir Presence refers to the probability that the reservoir thickness condition is sufficient to contain at least one accumulation with minimum hydrocarbon volume or more.
- (3) Reservoir Quality refers to the probability that the reservoir condition is of sufficient quality to allow recovery of minimum hydrocarbon volumes or more from at least one accumulation.
- (4) Source and Migration refers to the probability that the source richness, maturation, migration and timing conditions are sufficient to charge at least one accumulation with the minimum recoverable hydrocarbon volume or more.

Chance of Development Risk and Chance of Commerciality

The chance of development risk factor was estimated by Sproule by identifying the key nontechnical contingencies specific to the Company's potential project assuming a discovery is made and assigning a probability that each will be overcome to facilitate the project proceeding. The non-technical contingencies, the chance of resolving each contingency and the aggregate chance of development risk factor are detailed in the table below. The key non-technical contingencies are Infrastructure and Market Access and Social Licence.

Chance of Development Risk Factor (As of June 30, 2020)	
Contingencies	Chance of Development
Regulatory Approval	0.9
Economic Factors	0.9
Corporate Commitment	1
Timing of Production and Development	0.9
Market Access	0.7
Political Factors	0.9
Social Licence	0.8
Aggregate Chance of Development	0.37

Prospective resources carry the risk related to chance of discovery or GCoS, as well as the COD if a discovery is made, as described above. Sproule estimated the chance of discovery of the prospective resources to be 8.8 percent. Combined with the above chance of development risk (37 percent), a 3.3

percent chance of commerciality should be applied to the unrisks best estimate prospective resources volumes to reflect the risk for chance of commerciality prospective resources.

Thus, the Company interest best estimate risk prospective resources volumes (risk for both GCoS and COD) were estimated to be 27 million barrels (light oil case) or 1,164.1 billion cubic feet (gas case) in Namibia; and 13.8 million barrels (light oil case) or 597.7 billion cubic feet (gas case) in Botswana.

Combined, the Company interest best estimate risk prospective resources volumes (risk for both GCoS and COD) were estimated to be 40.9 million barrels (light oil case) or 1,761.8 billion cubic feet (gas case) in Namibia and Botswana aggregated arithmetically. If aggregated probabilistically, combined, the Company interest best estimate risk prospective resources volumes (risk for both GCoS and COD) were estimated to be 36.7 million barrels (light oil case) or 1,587.7 billion cubic feet (gas case).

Company Interest Prospective Resource Estimates Risked for the Chance of Commerciality in Namibia, Botswana and Aggregated (As of June 30, 2020)									
Area	Fluid Type ^(8,9)	Undiscovered Petroleum Initially-In-Place (UPIIP) ⁽¹⁰⁾			Prospective Resources ⁽⁴⁾				
		Unrisked			Unrisked			Risked ^(5,6) for GCoS	Risked ⁽⁷⁾ for CoC
		Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Best ⁽²⁾	Best ⁽²⁾
Namibia Blocks	Light Oil Case (MMbbl)	180.8	12,018.4	24,496.7	8.1	831.2	1,539.8	73.1	27.0
	Gas Case (Bcf)	1,678.9	106,552.6	223,434.3	510.0	35,752.1	71,154.1	3,146.2	1,164.1
Botswana Block	Light Oil Case (MMbbl)	141.0	6,155.7	13,123.6	6.4	424.8	858.9	37.4	13.8
	Gas Case (Bcf)	1,357.1	54,696.6	123,242.6	407.8	18,356.8	39,145.5	1,615.4	597.7
Arithmetically Aggregated Namibia and Botswana Blocks	Light Oil Case (MMbbl)	321.8	18,174.1	37,620.3	14.5	1,256.0	2,398.7	110.5	40.9
	Gas Case (Bcf)	3,036.00	161,249.2	346,676.9	917.8	54,108.9	110,299.6	4,761.6	1,761.8
Probabilistically Aggregated Namibia and Botswana Blocks	Light Oil Case (MMbbl)	215.3	16,366.3	33,541.5	9.6	1,126.8	2,104.9	99.2	36.7
	Gas Case (Bcf)	2,022.3	145,443.0	304,037.1	606.8	48,763.8	98,477.0	4,291.2	1,587.7

Notes:

- (1) Low represents the P90 volume estimate.
- (2) Best represents the mean volume estimate.
- (3) High represents the P10 volume estimate.
- (4) Prospective resources are sub-classified as Prospective - Leads (Risked = Best*8.8%).
- (5) It is mathematically invalid to determine a risked success-case distribution for any probability level other than the mean itself by multiplying an unrisked success case by the geological chance of success.
- (6) Risked for GCoS: An 8.8 percent chance of discovery risk (91.2 percent chance of no discovery).
- (7) Risked for CoC: A 3.3 percent chance of commerciality risk (combined risk of discovery and risk of development; CoC=GCoS*CoD or 8.8%*37%=3.3%).
- (8) Oil resources are presented in millions of barrels.
- (9) Gas resources are presented in billions of cubic feet.
- (10) UPIIP represents that quantity of petroleum that is estimated, as of June 30, 2020, to be contained in accumulations yet to be discovered.

These resources have not yet been discovered and there is no certainty that any portion will be discovered. Even if discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

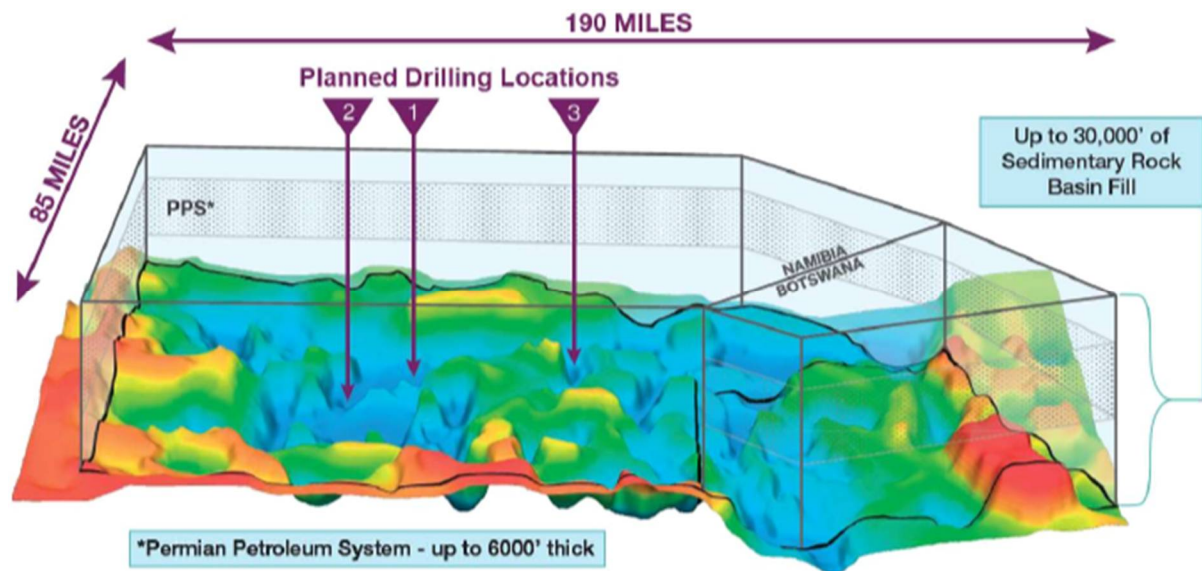
Additional Exploration Work

Subsequent to the effective date of the Sproule Report, on July 7, 2020, the Company announced the completion of a comprehensive subsurface evaluation delineating large scale, prospective conventional hydrocarbon bearing structures. As of the date of this AIF, the Company, along with Sproule, are actively working together to quantify the potential conventional resources in the Kavango Basin.

To further identify and management subsurface risks, the Company has followed several technical approaches.

The Company has interpreted high-resolution aero-magnetic data documenting a very deep untested sub-basin (Kavango) with optimal conditions for preserving a thick interval of organic rich marine shales in the lower portion of the Karoo Super Group. Maximum depth to basement is estimated at over 9 kilometers. In early 2020, the Company purchased additional aero-magnetic data to add to the original aero-magnetic data acquired by ROG in 2015 over the Namibia Licence. The data extended to the west, past Stratigraphic Test Well #1, and to the east to the Okavango river in Botswana. This data was processed and interpreted by Earthfield Technology Inc. ("**Earthfield Technology**"), and provided a depth to basement image over the entirety of northeast Namibia and northwest Botswana. The 3D image below shows the new basin maps across the Namibia Licensed Property and the Botswana Licensed Property (red being shallowest, blue deepest up to 9km.)

Figure 5 – 3D Image of Basin Maps Across the Namibia Licensed Property and the Botswana Licensed Property



Source:

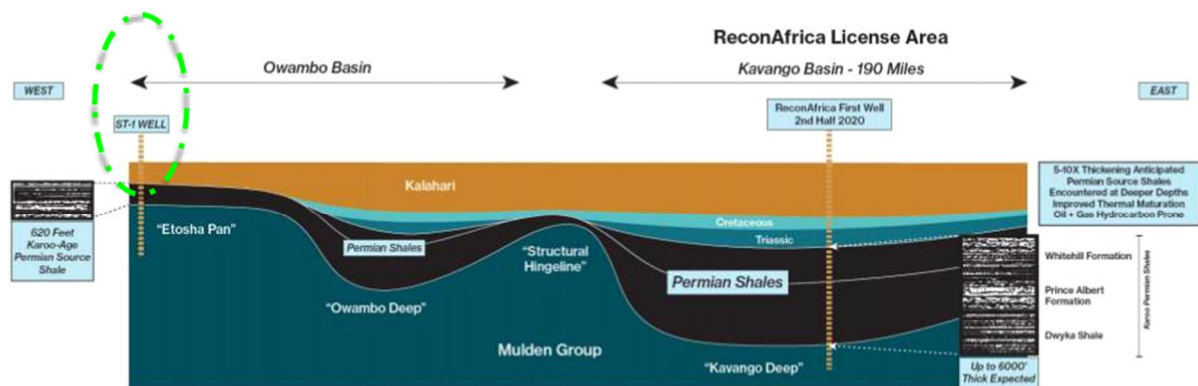
(1) Image provided by Earthfield Technology, March 2020.

While to date, neither the Namibia Licensed Property or the Botswana Licensed Property have seen historical drilling or 2D seismic acquisition, Stratigraphic Test Well #1, located approximately 385 km to the west of the Namibia Licensed Property, was drilled to a depth of 1878 metres by Etosha Petroleum Co. in 1964 and encountered Permian systems of the Karoo Supergroup – Etjo and Prince Albert formations and the older Damara Sequence – Otavi and Mulden Groups.

Extended, high density aero-magnetic survey data and other regional data indicates that the Kavango Basin deepens to the east of Stratigraphic Test Well #1 and that the Kavango Basin Permian petroleum system has source/shale rocks in the lower intervals. The Kavango Basin is modeled to be more thermally mature than the Permian petroleum system encountered by Stratigraphic Test Well #1. Worldwide, including in the United States and Russia, Permian rock formations have often generated

prolific petroleum systems. The below figure illustrates the Stratigraphic Test Well #1 and the stratigraphic trends for this well across the Kavango Basin.

Figure 6 – Stratigraphic Test Well #1 and Stratigraphic Trends Across Kavango Basin

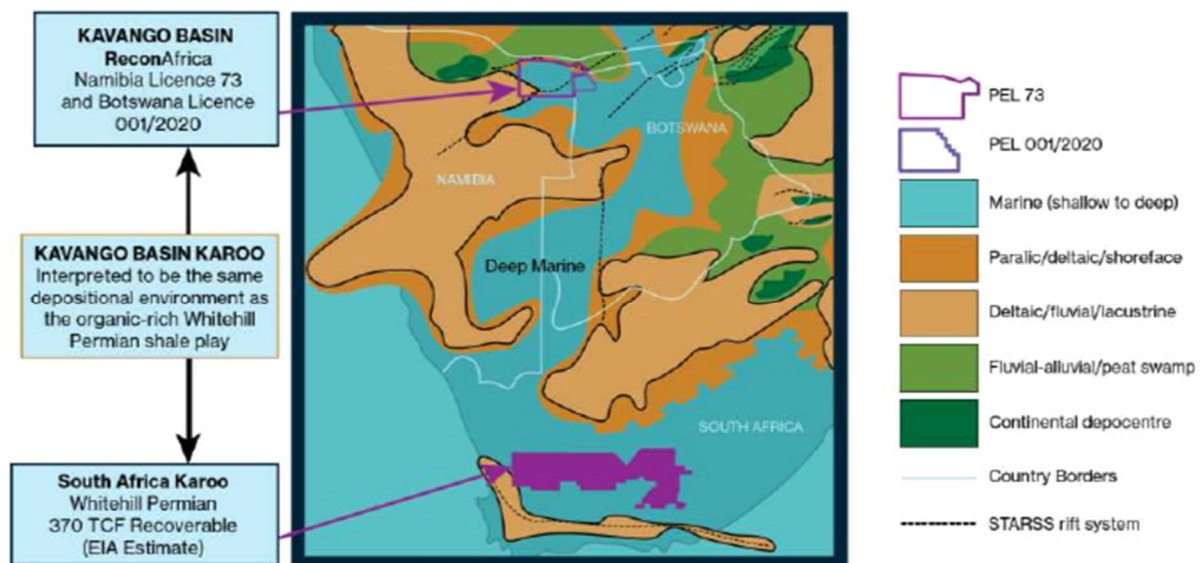


Source:

(1) Graphic provided by Dale Mitiska.

The below paleogeographic map illustrates the interpreted environment of deposition for the Permian Eccca formation (Karoo). It shows the area of Namibia Licence and Botswana Licence in a marine shallow to deep environment. This indicates that the Kavango Basin may be continuous with the Permian unconventional formations of the Main Karoo Basin in South Africa. While there is no direct comparison of resource magnitude at this time, the relevance of the comparison is to illustrate that the Permian formations in the Kavango basin are interpreted have been deposited in the same environment as those in the Karoo basin in South Africa, at approximately the same time.

Figure 7 –Paleogeographic Map of Permian Eccca formation (Karoo)



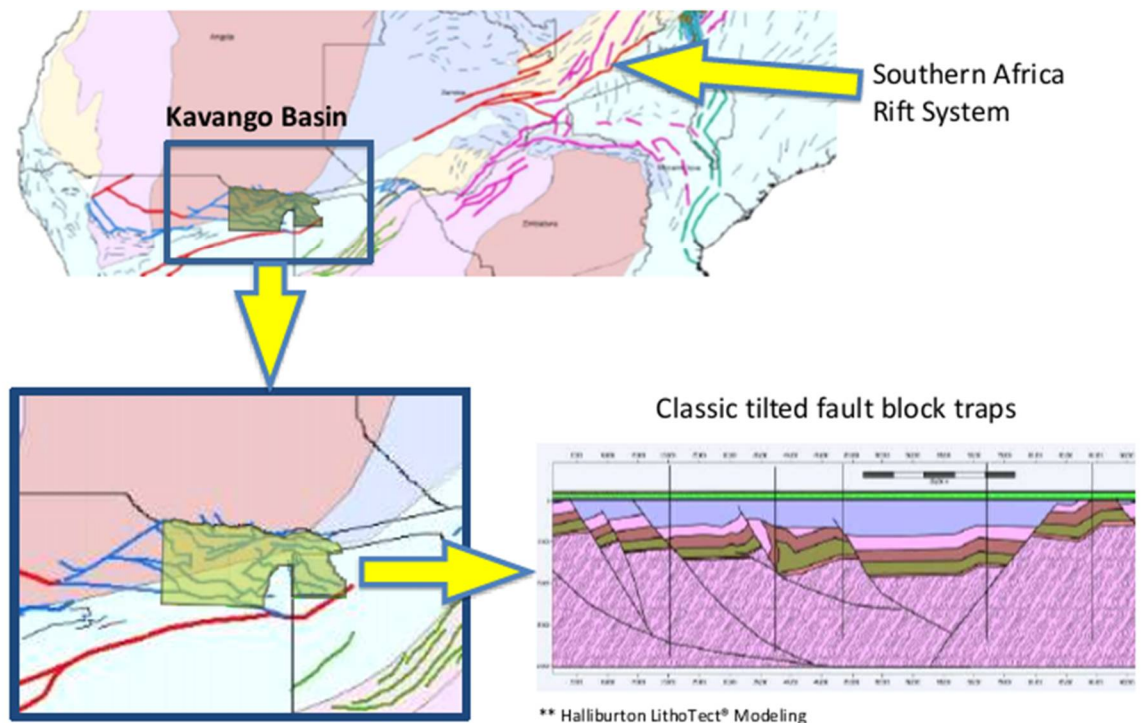
Sources:

(1) Permian Paleogeographic Map provided by Dr. Angsar Wanke.

- (2) Source of Whitehill Permian risked, technically recoverable share gas resource estimate contained in report of the US Energy Information Administration dated September 2015 entitled "Technically Recoverable Share Oil and Share Gas Resources: South Africa".

With support of a new extended, high density aero-magnetic survey and Halliburton's advanced LithoTect® structural modeling technology, and other new ancillary data, the Company's technical team has generated an understanding of how the Kavango Basin, a large, regional rift basin system, developed (Granath and Dickson, 2017). Specifically, the Company has been able to identify and confirm the faulting system, depth and floor definition throughout the basin, which is responsible for developing potential conventional fault and stratigraphic hydrocarbon bearing structures. This work builds on the unconventional potential previously identified for Kavango Basin. The below image shows the regional rift basin system known as the Southern Trans African Rift and Shear System that originates in eastern Africa and cuts southwest from Tanzania through northeast Namibia, of which the Kavango Basin is a feature (Granath and Dickson 2016, 2017, 2018). The lower right image is a result using structural modeling software to integrated the high density aero-magnetic data and regional academic work to create a working model of the structural framework of the Kavango Basin.

Figure 8 – Southern Trans African Rift and Shear System

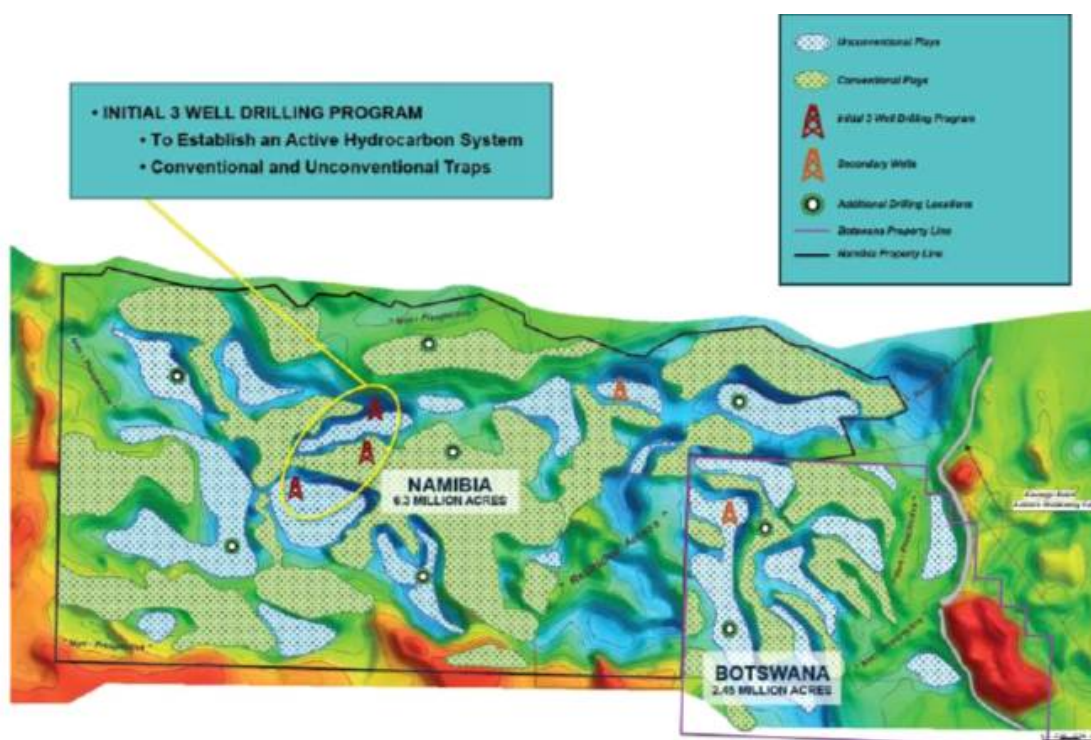


Source:

- (1) Granath and Dickson, 2017.

The summary of the new exploration work is illustrated by the play concept map below. The play map shows areas of similar interpreted hydrocarbon prospectivity. The areas of blue shading have high prospectivity for hydrocarbon source rocks/unconventional resources. The areas in yellow are deemed prospective for conventional hydrocarbon trapping. The remaining areas are interpreted to be non-prospective at this time. The map also illustrates the Companies proposed 3 well drilling program and additional follow up locations

Figure 9 –Play Concept Map



Source:
(1) Granath and Earthfield Technology.

Exploration and Development Costs

Pursuant to the terms of the Petroleum Agreement, REN is the licensee of the Namibia Licence governing the blocks listed above. The fiscal terms applicable to the Namibia Licence include a five percent royalty, an additional profits tax and a ten percent carried interest for NAMCOR. REN is subject to a thirty-five percent corporate income tax on its upstream petroleum activities in Namibia.

The Petroleum Agreement and Namibia Licence specify a four-year period, which began on January 29, 2015, during which REN was required satisfy the requirements of the initial phase of the Petroleum Agreement in order to activate and proceed to the First Renewal Exploration Period as further specified in the Petroleum Agreement. On October 22, 2018, the Namibia Ministry of Mines and Energy granted a one-year extension to the Initial Exploration Period of the Namibia Licence. Pursuant to an adjustment letter dated February 25, 2019, the Namibia Ministry of Mines and Energy agreed to adjust the work commitment, minimum expenditure requirement, and timing of relinquishment under the Petroleum Agreement and the Namibia Licence such that the Company's work and expenditure commitments under the Initial Exploration Period would be deemed to have been satisfied provided that, by January 29, 2020, the Company drilled one stratigraphic test well, rather than two. The drilling of one stratigraphic test well would fulfil the Company's work and expenditure obligation to the end of the Initial Exploration Period.

Pursuant to such adjustment letter, the Company's obligation to drill the second stratigraphic test well has been deferred to and becomes a part of the work commitments that must be satisfied during the First Renewal Exploration Period. Further, the relinquishment obligation which arises at the end of the Initial Exploration Period has been deferred into the First Renewal Exploration Period.

On December 24, 2019, the Company announced that the Namibian Minister of Energy and Mines had confirmed that the Namibia Licence had been approved for its First Renewal Exploration Period, and

accordingly the exploration phase of the Namibia Licence was renewed and continued until January 25, 2022.

During 2015, ROG acquired a high-resolution magnetic survey from the Government of Namibia, which was then interpreted by Earthfield Technology which has confirmed its interpretation of a deep (up to 30,000 feet) sedimentary basin on the Namibia Licensed Property. During 2016 and 2017, REN did not conduct any exploration or development activities on the Namibia Licensed Property due to prolonged and perceived weakness in international oil and gas prices and perceived lack of available finance. In March 2018, exploration activities on the Namibia Licensed Property were re-activated based on management's assessment of trends in international oil and gas prices and the availability of financing.

The Company's initial work program is designed to confirm the presence of an active petroleum system in the Kavango Basin. Depending on the success of the initial work program, the Company anticipates it will begin further exploration and development of conventional and unconventional hydrocarbons in commercial quantities or seek potential partnering opportunities to assist in its exploration and development of conventional and unconventional hydrocarbons in the Kavango Basin.

To date, the Company has spent \$1,948,782.95 conducting exploration activities on the Namibia Licensed Property.

Future Development

The Company plans to drill the first well of its initial three well drilling program in the fourth quarter of 2020 to prove the presence of the petroleum system and the reservoir targets. It is anticipated that the Company will incur expenses of approximately US\$3,777,000 for the first well in connection with such proposed exploration of its Namibia Licensed Property.

To commence drilling of the proposed stratigraphic test well, ReconAfrica requires the following Namibian permits and approvals:

- (a) The Drilling Permit;
- (b) Emergency Response Plan;
- (c) Radiation Management Plan;
- (d) Explosive Import and Export Permit; and
- (e) Letter of Consent to Drilling / Permit to Drill & Rig Inspection.

In November 2018, ReconAfrica and its environmental consultants began the process of procuring all such permits and approvals necessary to commence exploratory drilling. The Drilling Permit was obtained on October 7, 2019 at a total cost of approximately US\$76,480.

The prospective resource estimations provided in the Sproule Report were conducted using very limited data over the Namibia Licensed Property and some data from the neighboring basins in South Africa and worldwide. There is no certainty that any portion of the resources will be discovered or commercially viable to produce. See "*Risk Factors*".

Exploration and Development

The Company's material focus is on the exploration of the Namibian Licensed Property. The Sproule Report assesses the drilling of one slim-hole stratigraphic test well to an approximate depth of 2,750 metres for the purposes of providing critical geologic data with respect to the presence and quality of the hydrocarbon petroleum system, in addition to all necessary engineering technical information required for risk reduction and future exploration and development work. The Company estimates a total work program budget of approximately US\$3,777,000 as set out in the following table:

Detailed Cost Estimate for the Drilling and Formation Evaluation of Well	Amount
Drilling Cost single stratigraphic test well 35 days (12,000 feet)	US\$2,200,000
Mudlogging and communications cost 50 days	US\$100,000
Wireline logging costs	US\$300,000
Sampling and analysis costs	US\$100,000
Geologic and project management consulting	US\$200,000
Water supply well	US\$21,000
Tubulars	US\$156,000
Mobilization of drill rig to site	US\$700,000
Total Work Program Cost Estimates	US\$3,777,000

Subsequent to the completion of the aforementioned initial work program and subject to available financing, the Company plans to drill an additional two to three stratigraphic test wells to a similar depth or deeper for the purposes of gathering additional stratigraphic information regarding the source, thermal maturation, geochemical signature and reservoir properties of the Namibia Licensed Property.

On February 4, the Company announced that it had entered into a binding purchase agreement with Henderson Oilfield Products, LLC for the acquisition of a Crown 750 drilling rig. The acquisition of the Crown 750 drilling rig was completed on February 10, 2020. The Company anticipates the ownership of the Crown 750 drilling rig will reduce overall drilling costs by up to 60%. As of the date of this AIF, the Crown 750 drilling rig is undergoing upgrades in Houston, Texas, including retrofitting the rig with a top drive system (for faster drilling rates) and other ancillary equipment to acclimate the rig for drilling in the Kalahari Desert. Such upgrades are currently on budget. The Crown 750 drilling rig is expected to be shipped to Namibia in September 2020. The Company chose to acquire the Crown 750 drilling rig as management believe that such drilling rig is the appropriate drilling rig for undergoing exploration drilling in the Kavango Basin as it is both mobile and rated to drill up to 12,000 vertical feet.

Legal and Environmental Legislation

The following are the legislation and regulations applicable in Namibia affecting upstream oil and gas activities of the type conducted and to be conducted by the Company on the Namibia Licensed Property:

- (a) *Petroleum Matters (Amendment and Validation) Act, 1992;*
- (b) *The Petroleum Laws Amendment Act, 1998;*
- (c) *Petroleum (Exploration and Production) Act and Regulations, 1991;*
- (d) *Petroleum Taxation Act, 1991;*
- (e) *Environmental Management Act 2007;* and
- (f) *Model Petroleum Agreement, 2007* (the Petroleum Agreement is consistent with the provisions of the Model Petroleum Agreement, 2007).

The legislation and regulations above constitute a petroleum regime which is suitable and appropriate for upstream oil and gas operations, reflecting modern regulatory principles such as prompt exploration, environmental protection, local content and regulatory control over the amount and location of operations.

To the knowledge of the directors and management of ReconAfrica as at the date of this AIF, there are no known legal or environmental actions to which the Namibia Licensed Property is subject.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

As at December 31, 2019, ReconAfrica had no reserves and hence no related future net revenue. Consequently, ReconAfrica did not engage an independent evaluator to review its reserves or associated future net revenues for the period ended December 31, 2019.

See the Statement of Reserves Data and Other Oil and Gas Information of ReconAfrica dated April 28, 2020 and related Report of Management and Directors on Oil and Gas Disclosure in Form 51-101F3 dated April 28, 2020 filed under the Company's profile on the SEDAR website at www.sedar.com which are incorporated by reference herein and form a part of this AIF.

RISK FACTORS

The Company is subject to both risks that directly affect our business and operations, as well as indirect risks that impact third parties or industry generally. Investors should carefully consider the risk factors set out below and consider all other information contained herein and, in the Company's other public filings before making an investment decision. The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all of the risks associated with ReconAfrica's business, the business of third parties with whom the Company conducts business and the crude oil and natural gas business generally. If any event arising from the risk factors set forth below occurs, ReconAfrica's business, prospects, financial condition, results of operation or cash flows and in some cases, its reputation, could be materially adversely affected.

Risks Related to the Company's Business

Nature of Business

An investment in the Company should be considered highly speculative due to the nature of the Company's involving in the exploration for, and the acquisition, production and marketing of oil and natural gas reserves and its current stage of development. Oil and gas operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by the Company.

Exploration and Production Risks

Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on exploration by the Company will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

The Company currently has a limited number of specific identified exploration or development prospects. Management of the Company will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards and past practices. The long term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the

production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Volatility of Crude Oil and Natural Gas Prices

Crude oil prices have experienced extreme volatility in the recent months of 2020 due to a global collapse in demand related to the COVID-19 global pandemic concurrently with an “Oil Price” war between Saudi Arabia and the Russian Federation. As the situation on both fronts remains fluid, there is considerable uncertainty as to when the underlying issues may be resolved and the volatility in crude oil prices normalised. Furthermore, market events and conditions, including global excess oil and natural gas supply, recent actions taken by the Organization of the Petroleum Exporting Countries (“OPEC”), sanctions against Iran and Venezuela, slowing growth in China and other emerging economies, market volatility and disruptions in Asia, weakening global relationships, isolationist trade policies, increased U.S. shale production, sovereign debt levels and political upheavals in various countries have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant decrease in the valuation of oil and natural gas companies and a decrease in confidence in the oil and natural gas industry.

The Company’s plan is to explore for and/or appraise oil and gas properties that could then lead to eventual development. Crude oil and natural gas are commodities that are sensitive to numerous worldwide factors, many of which are beyond the Company’s control, and are generally sold at contract or posted prices. Changes in world crude oil and natural gas prices may significantly affect the Company’s financial performance and cash generated from operating activities. Consequently, such prices may also affect the value of the Company’s oil and gas properties and the level of spending for oil and natural gas exploration and development.

The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes of the Company’s reserves. The Company might also elect not to produce from certain wells at lower prices. A prolonged period of adverse market conditions may impede the Company’s ability to finance its operations. Given the current market conditions and the current lack of confidence in the global oil and natural gas industry generally, the Company may have difficulty raising additional funds in the future or if it is able to do so, it may be on unfavourable and highly dilutive terms. If these conditions persist, ReconAfrica’s cash flow may not be sufficient to continue to fund operations and to satisfy obligations when due and will require additional equity or debt financing and/or proceeds from asset sales. There can be no assurance that such equity or debt financing will be available on terms that are satisfactory or at all. Similarly, there can be no assurance that the Company will be able to realize any or sufficient proceeds from asset sales to discharge its obligations. See “*Substantial Capital Requirements*”. All of these factors could result in a material decrease in the Company’s net production revenue. All of the Company’s expenditures are subject to the effects of inflation and prices received for the product sold are not readily adjustable to cover any increase in expenses from inflation.

Crude oil prices are influenced by various reference prices, primarily Brent Crude. Adjustments are made to the reference price to reflect quality differentials and transportation. Reference prices are affected by numerous and complex worldwide factors such as supply and demand fundamentals, economic outlooks, production quotas set by OPEC and political events. Quality differentials are affected by local supply and demand factors.

Substantial Capital Requirements

ReconAfrica anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. As future capital expenditures will be financed out of cash generated from operations, borrowings and possible future equity financings, the Company’s ability to do so is dependent on, among other factors:

- the overall state of the capital markets;
- the Company's credit rating (if applicable);
- commodity prices;
- interest rates;
- tax burden due to current and future tax laws; and
- investor appetite for investments in the energy industry and ReconAfrica's securities in particular.

Further, if the Company's estimated resources are adjusted downward or revenues or future discovered reserves decline, it may not have access to the capital necessary to undertake or complete future drilling programs. The current conditions in the oil and natural gas industry have negatively impacted the ability of oil and natural gas companies to access additional financing. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. ReconAfrica may be required to seek additional equity financing on terms that are highly dilutive to existing shareholders. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on its business financial condition, financial performance and prospects.

Permits, Licences, Approvals and Authorizations

The operations of the Company require permits, licences, approvals and authorizations from various governmental and nongovernmental authorities. Such permits, licences, approvals and authorizations are subject to the discretion of the applicable governmental and non-governmental authorities. The Company must comply with existing standards, laws and regulations, as applicable that may entail greater or lesser costs and delays, depending on the nature of the activity to be permitted and the permitting authority. There can be no assurance that the Company will be able to obtain all necessary permits, licences, approvals or authorizations. Failure to obtain such licences, permits, approvals or authorizations may have a material adverse effect on the Company's business, prospects, financial condition or financial performance. The Company's intended activities will be dependent on such permits, licences, approvals and authorizations which, if obtained, could subsequently be withdrawn or made subject to limitations. There can be no guarantee as to the terms of any such permits, licences, approvals and authorizations that future permits, licences, approvals and authorizations will be renewed or, if so, on what terms when they come up for renewal. Properties in the jurisdiction in which the Company currently carries on business are subject to licence requirements, which generally include, inter alia, certain financial commitments which, if not fulfilled, could result in the suspension or ultimate forfeiture of the relevant licences. Government action, which could include non-renewal of licences, may result in any income receivable by the Company or licences held by the Company being adversely affected. In particular, changes in the application or interpretation of laws and/or taxation provisions in the regions in which it carries on business could adversely affect the value of the Company's interests.

COVID-19 Pandemic

The recent outbreak of a strain of coronavirus (commonly known as COVID-19) has negatively impacted global economic conditions, including the demand for oil and gas and the Company's stock price. If the coronavirus outbreak continues and results in a prolonged period of travel, commercial and other similar restrictions affecting the Company's personnel, contractors and suppliers, the Company could experience global supply disruptions. If such supply disruptions were to occur, the Company may not be able to develop alternate sourcing of personnel and equipment in a timely manner to perform its planned operations. A prolonged period of outbreak and depressed share price may also impede the ability of the Company to finance its operations through further debt and/or equity raisings. The impact of COVID-19 on the Company's joint venture partners may also impact the valuation and collectability of the long-term receivable in subsequent periods.

Negative Operating Cash Flow

The Company has negative cash flow from operating activities, has no history of earnings, has earned no revenue since commencing operations, has no source of operating cash flow, and there is no assurance that additional funding will be available to it for continued exploration and development. In addition, the Company has work obligations and fixed payment obligations to maintain its properties but no source of revenue. The only sources of future funds presently available to ReconAfrica are the sale of equity capital, or the offering by the Company of an interest in its properties. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be acceptable. Failure to obtain such financing could result in delay or indefinite postponement of further exploration and development of ReconAfrica's projects. There is also no assurance that the Company can generate revenues, operate profitably, or provide a return on investment or that it will successfully implement its plans.

Possible Failure to Realize Anticipated Benefits of Acquisitions

The Company has acquired the Namibia Licence and the Botswana Licence. The Company may complete other acquisitions in the future with a view to strengthening its position in the oil and natural gas industry and to create the opportunity to realize certain benefits. Achieving the benefits of these acquisitions depends in part on factors outside of the Company's control.

The consideration and rationale for acquisitions is based in large part on engineering, environmental and economic assessments made by the Company, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and gas and operating costs, future capital expenditures and royalties and other government levies which may be imposed. Many of these factors are subject to change and are beyond the control of the Company. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated.

Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as ReconAfrica's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Company. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non-core assets are periodically disposed of so that ReconAfrica can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of ReconAfrica, if disposed of, could be expected to realize less than their carrying value on the financial statements of the Company.

Although title reviews may be conducted prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that a defect in the chain of title will not arise. The actual interest of the Company in properties may accordingly vary from ReconAfrica's records. If a title defect does exist, it is possible that the Company may lose all or a portion of the properties to which the title defect relates, which may have a material adverse effect on the Company's business, financial condition, financial performance and prospects. There may be valid challenges to title or legislative changes, which affect the Company's title to the oil and natural gas properties ReconAfrica controls that could impair the Company's activities on them and result in a reduction of the revenue received by ReconAfrica.

Economic Dependence

The Company's interests in Namibia and Botswana are dependent on the terms of the Namibia Licence and the Petroleum Agreement, and the Botswana Licence, respectively.

Currently, the Company does not have cash inflows and/or adequate financing to develop profitable operations. ReconAfrica is pursuing exploration projects and contracts that will require substantial additional financing before they are able to generate positive operating cash flows. Accordingly, the Company's continued successful operations and its ability to carry on its exploration and developmental activities and obligations in respect of Namibia Licence and the Botswana Licence, both now and in the future are and will be dependent on its ability to obtain additional financing.

Reliance on Key Individuals

Although the Company has experienced senior management and personnel, the Company is substantially dependent upon the services of a few key personnel. The loss of services of these individuals could have a material adverse effect on the business of the Company. Competition for qualified personnel in the oil and gas industry markets is intense, and the Company may be unable to attract or retain highly qualified individuals, or its key personnel, in the future. The rate of growth of the Company's operations and personnel may strain operating and control systems.

Marketability of Crude Oil and Natural Gas

The marketability and price of oil and natural gas will be affected by numerous factors beyond the control of the Company. The Company will be affected by the differential between the price paid by refiners for light quality oil and the medium grades of oil which may be produced by the Company. The ability of the Company to market its oil and natural gas may depend upon its ability to acquire access to production facilities and space on pipelines. The Company will also be subject to market fluctuations in the prices of oil and natural gas, deliverability uncertainties related to the proximity of its reserves to pipeline and processing facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Project Risks

The Company may manage in the future a variety of prospective small and large projects in the conduct of its business. Project delays may delay expected revenues from operations. Significant project cost over-runs could make a project uneconomic. The Company's ability to execute projects and market oil and natural gas depends upon numerous factors beyond the Company's control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the supply of, and demand for, oil and natural gas;
- the availability of alternative fuel sources;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;
- changes in regulations;
- the availability and productivity of skilled labour; and
- the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

As a result of these factors, the Company could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

Global Financial Instability

In the autumn of 2007 and again in 2008, a severe crisis in some of the world's largest banks and other financial institutions led to sharp contractions in the availability of credit for debt financing in the years that followed. A number of banks and financial institutions around the world either failed or required massive government bailouts to continue operating, including several major banks in the US and the UK. The crisis ushered in a severe recession across the globe that also led to a sharp drop in the price of oil. Similar shocks to the global financial system could again increase the volatility of commodity prices and adversely impact oil companies' revenues and ability to access debt and equity financing. Any such occurrence may have a material adverse effect on the Company's business, prospects, financial condition or financial performance.

Risks of Foreign Operations

The Company carries on its business in Namibia and Botswana, where exploration for and exploitation, production and sale of oil and gas are subject to extensive laws and regulations, including complex tax laws and environmental laws and regulations. As such, the Company's business, prospects, financial condition or financial performance could be significantly affected by risks over which it has no control. These risks may include risks related to economic, social or political instability or change, government intervention relating to the oil and gas industry, expropriation, actions by terrorist or insurgent groups, war, civil unrest, security issues, hyperinflation, currency non-convertibility or instability and changes of laws affecting foreign ownership or foreign investors, interpretation or renegotiation of existing contracts, government participation, taxation policies, including royalty and tax increases and retroactive tax claims, and investment restrictions, working conditions, rates of exchange, exchange control, exploration licensing, petroleum and export licensing and export duties, government control over domestic oil and gas pricing, currency fluctuations, devaluation or other activities that limit or disrupt markets and restrict payments or the movement of funds, the possibility of being subject to exclusive jurisdiction of foreign courts in connection with legal disputes relating to licences to operate and concession rights in countries where the Company currently operates, and difficulties in enforcing the Company's rights against a governmental agency because of the doctrine of sovereign immunity and foreign sovereignty over international operations. Problems may also arise due to the quality or failure of locally obtained equipment or technical support, which could result in failure to achieve expected target dates for exploration operations or result in a requirement for greater expenditures.

The Company does business in Namibia and Botswana, with inherent risks relating to fraud, bribery and corruption

Fraud, bribery and corruption are more common in some jurisdictions than in others. Doing business in international developing markets brings with it inherent risks associated with enforcement of obligations, fraud, bribery and corruption. In addition, the oil and gas industries have historically been shown to be vulnerable to corrupt or unethical practices.

The Company uses its best efforts to prevent the occurrence of fraud, bribery and corruption, but it may not be possible for the Company to detect or prevent every instance of fraud, bribery and corruption in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located. The Company may therefore be subject to civil and criminal penalties and to reputational damage. Participation in corrupt practices, including the bribery of foreign public officials, by the Company, its subsidiaries or other predecessors in interest, whether directly or indirectly (through agents or other representatives or otherwise) may also have serious adverse consequences on the rights and interests of the Company, including but not limited to title to government contracts, licences and concessions, including Namibia Licence and the Botswana Licence.

Instances of fraud, bribery and corruption, and violations of laws and regulations in the jurisdictions in which the Company operates, could have a material adverse effect on its business, prospects, financial

condition or financial performance. In addition, as a result of the Company's anti-corruption training programs, codes of conduct and other safeguards, there is a risk that the Company could be at a commercial disadvantage and may fail to secure contracts within jurisdictions that have been allocated a low score on Transparency International's "Corruption Perceptions Index" to the benefit of other companies who may not have or comply with such anti-corruption safeguards.

Changes in government policy could have a negative impact on the Company's business

Governments of oil and gas producing jurisdictions typically exercise significant influence over their domestic oil and gas industries, as well as many other aspects of their respective economies. Government policy may change to discourage foreign investment or restrictions and requirements not currently foreseen may be implemented. There can be no assurance that the Company's assets and properties will not be subject to nationalization, expropriation, requisition or confiscation, whether legitimate or not, by any authority or body. Similarly, the Company's operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property or environmental legislation. Any government action concerning the economy, including the oil and gas industry (such as a change in oil or gas pricing policy or taxation rules or practice, or renegotiation or nullification of existing concession contracts or oil and gas exploration policy, laws or practice), could have a material adverse effect on the Company. Sovereign or regional governments could also require the Company to grant to them larger shares of oil and gas or revenues than previously agreed to, or postpone or review projects, nationalize assets, or make changes to laws, rules, regulations or policies, in each case, which could adversely affect the Company's business, prospects, financial condition or financial performance.

Royalty Regimes

There can be no assurance that the jurisdictions where ReconAfrica's projects are located will not adopt new royalty regimes or modify the existing royalty regimes which may have an impact on the economics of the Company's projects. An increase in royalties would reduce the Company's earnings and could make future capital investments, or ReconAfrica's future operations, less economic.

"Resources" vs. "Reserves"

The Company currently has no reserves. Throughout this AIF, the Company has attempted to provide an appreciation of the potential that the Company's asset base offers. In doing so, the Company often uses the terms "resource" or "resources". These terms refer to the estimated original resource size of a particular prospect and it should be distinguished from reserves. Reserves are the amount of hydrocarbons that are estimated to be economically recoverable from a particular resource base from a given date forward. Ultimate recoverable reserves can range widely depending on resource characteristics, available technologies and economic and contractual parameters.

Estimates of Resources

The resource estimates presented in the Sproule Report have been classified as prospective resources. The resource estimates in the Sproule Report are estimates only. There are numerous uncertainties inherent in estimating quantities of oil, natural gas and natural gas liquids resources, including many factors beyond ReconAfrica's control. The information concerning resources set forth in this AIF represents estimates only and should not be construed as being exact quantities. As noted under the heading "*Properties of the Company*" above, the estimates of the Company's Undiscovered Petroleum Initially-In-Place and prospective resources are based upon limited information, a number of variable factors and assumptions, the use of analogous data and the use of the probabilistic method to estimate such resources. There is no certainty that any portion of the prospective resources will be discovered. Additionally, if discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources. The Company's proposed exploration program must be considered as a high risk exploration play. Accordingly, there is a risk that the volume of actual resources, if discovered, will be materially different than as estimated.

Status and Stage of Development

The Company currently has no production. There can be no assurance that any of the Company's properties will commence production, generate earnings, operate profitably or provide a return on investment in the future.

There is a risk that none of the proposed exploration, appraisal or development of the Company's assets will be completed on time or within the applicable capital cost estimates or at all. Additionally, there is a risk that proposed projects may experience delays, interruption of operations or increased costs due to many factors, including, without limitation:

- breakdown or failure of equipment or processes;
- construction performance falling below expected levels of disruptions or declines in productivity;
- design errors;
- contractor or operator errors;
- non-performance by third party contractors;
- labour disputes;
- disruptions or declines in productivity;
- increases in materials or labour costs;
- inability to attract sufficient numbers of qualified workers;
- delays in obtaining, or conditions imposed by, regulatory approvals;
- changes in project scope;
- violation of permit requirements;
- disruption in the supply of energy and other inputs, including natural gas and diluents;
- catastrophic events such as fires, earthquakes, storms or explosions; and
- numerous factors, many of which are beyond the Company's control, could impact the Company's ability to explore and develop these assets and the timing thereof, including the risk factors set forth elsewhere in this AIF.

Insurance

Oil and gas operations will be subject to the risks normally associated with the operation and development of oil and natural gas properties and the drilling of oil and natural gas wells, including encountering unexpected formations or pressures, blowouts, cratering and fires, all of which could result in personal injuries, loss of life and damage to the property of the Company and others. Although ReconAfrica has obtained insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, ReconAfrica may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to ReconAfrica. The occurrence of a significant event that ReconAfrica is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on ReconAfrica's financial position, financial performance or prospects.

Availability of Equipment and Access Restrictions

Oil and natural gas exploration and development activities are dependent on the availability of drilling equipment in the particular areas where such activities will be conducted as well as production

equipment, such as pipe for pipelines, manifolds, valves, compressors and other equipment, which may be unavailable or subject to long lead times between order and delivery. Similarly, installation of production equipment and operation of drilling rigs is highly dependent on a wide range of service providers, many of which are in limited supply. Demand for such limited equipment, access restrictions and availability of service providers may delay exploration, development and production activities.

Nature of Reserves and Additional Funding Requirements

Obtaining future production from proven undeveloped, probable and possible reserves, and the development of properties where oil is discovered, are each conditional on the availability of additional financing to fund the specific capital expenditures necessary to develop the reserves or develop the properties. Such additional financing may not be available in the near term or, if available, may not be available on favourable terms. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions. There can be no assurance that the Company will be successful in its efforts to arrange additional financing in the near term. If adequate funds are not available, the Company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Third Party Credit Risk

The Company may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures may have a material adverse effect on the Company's business, financial condition, financial performance and prospects. In addition, poor conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the Company's ongoing capital program, potentially delaying the program and the results of such program until the Company finds a suitable alternative partner.

Operating Hazards and Other Uncertainties

Acquiring, developing, exploring for and producing oil and natural gas involves many risks. These risks include encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents, craterings, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions and environmental risks. Should the Company be successful at acquiring properties, it will maintain insurance in accordance with customary industry practice, though the Company cannot fully insure against all of these risks. Losses resulting from the occurrence of these risks could have a material adverse impact on the Company's business, prospects, financial condition and/or financial performance.

Competition

The oil and gas industry is highly competitive, particularly as it pertains to the search for and development of, new sources of crude oil and natural gas reserves, the construction and operation of crude oil and natural gas pipelines and facilities, and the transportation and marketing of crude oil, natural gas, sulphur and other petroleum products. Competitors include major integrated oil and gas companies and numerous other independent oil and gas companies, many of which have greater financial and other resources than the Company. The oil and natural gas industry is intensely competitive and the Company must compete in all aspects of its operations with a substantial number of other companies which may have greater technical or financial resources.

The Company competes for the acquisition, exploration, production and development of oil and natural gas properties, for capital to finance such activities and for skilled industry personnel and the Company's competitors include companies that have greater financial and personnel resources available to them. The Company's competitors include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

The Company's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators, and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment. Hiring and retaining technical and administrative personnel continues to be a competitive process.

Joint Property Ownership

It is common for more than one company to have an equity stake in a licence or a project, as could potentially become the case with the Company's interest in the Botswana Licence if the Farmout Option is exercised. The Company and its potential partners may experience differences of opinion on topics such as geological interpretation, timing for actions, financial resources and commitments and preferred courses of action.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. Recently, certain jurisdictions have implemented policies or incentives to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives, which may lessen the demand for petroleum products and put downward pressure on commodity prices. In addition, advancements in energy efficient products have a similar effect on the demand for oil and natural gas products. The Company cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Company's business, prospects, financial condition or financial performance.

Geo-Political Change

The marketability and price of oil and natural gas that may be acquired or discovered by the Company is, and will continue to be, affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising in the Middle East, and other areas of the world, have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of the Company's future net production revenue.

Joint Venture Risks

If the Farmout Option is exercised, the Company may enter into a joint venture arrangement with respect to the Botswana Licence. Pursuant to the terms of any joint venture arrangement, the Company may have a lesser degree of control over the joint venture that may expose the Company to additional operational, financial, compliance and legal risks.

Generally:

- the Company (or relevant person) may be dependent on the joint venture counterparty for capital, product distribution, local market knowledge, or other resources;
- the Company's (or relevant person's) ability to exercise management control or influence over the joint venture and the success of its investments in it will depend on the cooperation between the joint venture participants and the terms of the joint venture agreement, which allocates control among the joint venture participants;
- if the Company (or relevant person) is unable to effectively manage the joint venture; and/or
- the joint venture counterparty fails to meet its obligations under the joint venture arrangement, encounters financial difficulty, elects to alter, modify or terminate the relationship, or a joint venture does not comply with local legislation or regulations,

the Company (or relevant person) may be unable to achieve its objectives and its financial performance may be negatively impacted.

Cyber Attacks or Terrorism

ReconAfrica depends upon the availability, capacity, reliability and security of its information technology infrastructure, and its ability to expand and continually update this infrastructure, to conduct daily operations. The Company may be threatened by problems such as cyber attacks, computer viruses, or terrorism that may disrupt operations and harm operating results. While the Company expects that the probability of a targeted attack is low, security measures have been implemented to protect the Company's information technology systems and network infrastructure. Despite the implementation of security measures, technology systems may be vulnerable to disability or failures due to hacking, viruses, acts of war or terrorism, and other causes. Additionally, the Company is reliant on third party service providers for certain information technology applications. While the Company believes that these third party service providers have adequate security measures, there can be no assurance that these security measures will prevent any cyber events or computer viruses from impacting the Company. If the Company is unable to recover from such cyber events in a timely way, the Company might be unable to fulfil critical business functions, which could have a material adverse effect on the business, financial condition, and financial performance.

The Company's oil and natural gas properties, wells and facilities could be the subject of a terrorist attack which may have a material adverse effect on its business, financial condition, financial performance and prospects. The Company may be required by regulators or by the future terrorist threat environment to make investments in security that cannot be predicted. The implementation of security guidelines and measures and maintenance of insurance, to the extent available, addressing such activities could increase costs. These types of events could materially adversely affect the Company's business and financial performance. ReconAfrica does not have insurance to protect against the risk of terrorism.

Non-Governmental Organizations and Eco-Terrorism Risks

The crude oil and natural gas industry may, at times, be subject to public opposition. Such public opposition could expose ReconAfrica to the risk of higher costs, delays or even project cancellations due to increased pressure on governments and regulators by special interest groups including Aboriginal groups, landowners, environmental interest groups (including those opposed to oil and gas production operations) and other non-governmental organizations, blockades, legal or regulatory actions or challenges, increased regulatory oversight, reduced support of governments, and delays in, challenges to, or the revocation of regulatory approvals, permits and/or licences. There is no guarantee that the Company will be able to satisfy the concerns of the special interest groups and non-governmental organizations and attempting to address such concerns may require significant and unanticipated capital and operating expenditures which may negatively impact the Company's business, financial condition, financial performance and prospects.

Risks Related to the Company

Disclosure Controls and Procedures

TSXV-listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"). In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of: (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with

the issuer's IFRS. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement, on a cost-effective basis, DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Environmental Regulations

Oil and gas operations in which the Company is or may in the future be involved with in other foreign jurisdictions, are subject to stringent environmental laws and regulations. These laws and regulations generally require the Company to limit, remove or remedy the effect of its activities on the environment at present and former operating sites, including limiting emissions to the environment, dismantling production facilities, and decommissioning and remediating damage caused by the disposal or release of specified substances. The Company intends to operate in a manner intended to ensure that its projects meet appropriate environmental standards. There can be no assurance that application of existing environmental laws and regulations will not have a material adverse effect on future financial conditions or financial performance.

It is expected that other changes in environmental legislation may also require, among other things, reductions in emissions to the air from operations and could result in increased capital expenditures. Although the Company does not expect that future changes in environmental legislation will result in materially increased costs, such changes could occur and result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, which could have a material adverse effect on the Company's financial condition or financial performance.

Climate Change

In December of 2015, 197 countries that were members of the United Nations Framework Convention on Climate Change (the "Convention") met in Paris, France and signed the Paris Agreement on climate change. The stated objective of the Paris Agreement is to hold "the increase in global average temperature to well below 2° Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5° Celsius". The countries which agreed to the Paris Agreement committed to meeting every five years to review their individual progress on greenhouse gas emissions reductions and to consider amendments to non-binding individual country targets. These countries are required to report and monitor their greenhouse gas emissions, though the implementation of such reporting and monitoring has yet to be determined. The Paris Agreement also contemplates that by 2020 the parties thereto will develop a new market-based mechanism related to carbon trading, which is expected to be based largely on lessons learned from the Kyoto Protocol.

Many countries are developing country-wide approaches to implementing the Paris Agreement. Namibia and Botswana are Non-Annex I Parties to the Convention and accordingly do not have commitments under the Convention; however, the governments of both Namibia and Botswana support climate initiatives. The Company is unable to predict the impact of the Paris Agreement on its operations. It is possible that mandatory emissions reduction requirements may have a material adverse effect on the Company's financial condition, financial performance and cash flow.

The Company's proposed exploration activities and production activities will emit greenhouse gases and require the Company to comply with greenhouse gas emissions legislation and policy. The direct or indirect costs of these regulations may have a material adverse effect on the Company's business, prospects, financial condition or financial performance. The future implementation or modification of greenhouse gases regulations, whether to meet the limits required by the Paris Agreement, Kyoto Protocol, the Copenhagen Accord or as otherwise determined, could have a material impact on the nature of oil and natural gas operations, including those of the Company. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Company and its operations and financial condition.

Market Access Constraints and Transportation

Any production resulting from the Company's projects will need to be transported to market. Disruptions in, or restricted availability of, pipeline service and/or marine or rail transport, could adversely affect crude oil and natural gas sales from the markets in which we operate, projected production growth, upstream or refining operations and cash flows.

Interruptions or restrictions in the availability of adequate transportation systems, or the interruption of existing transportation systems, may limit the ability to deliver production volumes and could adversely impact commodity prices, sales volumes and/or the prices received for any products we may produce. Upon commencing any production, we will need to rely on local infrastructure and the availability of transportation for storage and shipment of our products. This infrastructure, including storage and transportation facilities, is less developed than that in North America and may be insufficient for our needs at commercially acceptable terms in the localities in which we operate. Some of these transport methods may result in increased levels of risk and could lead to operational delays which could affect our ability to add to our resource base or produce oil, or serious injury or loss of life and could have a significant impact on our reputation or cash flow. Additionally, some of this equipment is specialized and may be difficult to obtain in our areas of operations, which could hamper or delay operations, and could increase the cost of those operations.

Insufficient transportation infrastructure for our potential production will impact our ability to efficiently access end markets. This may negatively impact our financial performance by way of higher transportation costs, wider price differentials, lower sales prices at specific locations or for specific grades of crude oil, and, in extreme situations, production curtailment.

Conflicts of Interest

Certain directors of ReconAfrica are also directors or officers of corporations which are in competition to the interests of ReconAfrica. No assurances can be given that opportunities identified by such directors will be provided to ReconAfrica. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under, the *Business Corporations Act* (British Columbia). See "*Directors and Executive Officers – Conflicts of Interest*".

Operating in African Countries

The Company currently carries on business solely in African countries such as Namibia and Botswana and may carry on business in other African countries in the future. Social, political and economic conditions in Africa are in varying stages of development and are volatile. Volatility may be caused, without limitation, by the following:

- significant governmental influence over many aspects of local economies;
- unexpected or radical changes in legislation, regulatory requirements, labour conditions or other government policies, and changes in interpretations or enforcement of existing laws or regulations;
- governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or otherwise benefit residents of that country or region;
- changes in tax laws and conflicting national or local interpretations of tax laws;
- political, social and economic instability, terrorism, war and civil disturbances;
- damage to equipment or violence directed at employees, including kidnapping;
- lack of law enforcement;
- imposition of trade barriers;

- wage and price controls;
- foreign currency fluctuations and devaluation;
- restrictions on currency conversion and repatriation;
- renegotiation, nullification, or unilateral termination of concessions, licences, permits and agreements by government-owned entities;
- seizure, expropriation or nationalization of assets or industries;
- difficulty in collecting international accounts receivables;
- changing political conditions;
- solicitation by government officials for improper payments or other forms of corruption;
- regional economic downturns;
- inflation and adverse economic conditions stemming from governmental attempts to reduce inflation, such as the imposition of higher interest rates; the burden of complying with multiple and potentially conflicting laws; and
- other forms of governmental regulation and economic conditions that are beyond our control.

This volatility could create difficulty for the Company in executing its business strategy, which could have a material adverse effect on its business and financial performance. These factors may impact on the profitability and viability of the Company's business in these countries.

Tax regimes in the jurisdictions in which the Company operates are subject to differing interpretations and are subject to change

Tax regimes in the jurisdictions in which the Company operates can be subject to differing interpretations and are often subject to legislative change and changes in administrative interpretation in those jurisdictions. The interpretation by the Company's relevant subsidiaries of relevant tax law as applied to their transactions and activities (including farm-ins and farm-outs) may not coincide with that of the relevant tax authorities. As a result, transactions may be challenged by tax authorities and any profits of the Company's subsidiaries from activities in those jurisdictions may be assessed to additional tax or additional transactional taxes (e.g. stamp duty or value added taxes), which, in each case, could result in significant additional taxes, penalties and interest, any of which could have a material adverse impact on the Company's business, prospects, financial condition or financial performance.

Foreign Currency Exchange Risk

A significant amount of the Company's proposed activities will be transacted in or referenced to various currencies including Canadian dollars, US dollars, Namibian dollars and Botswana pula. As a result, fluctuations in currencies could result in unanticipated fluctuations in the Company's financial results, which are reported in Canadian dollars. The Company may choose to manage a portion of its exposure to fluctuations in exchange rates, however, if it chooses to do so, there can be no assurance that such management will fully offset the fluctuations. To the extent that ReconAfrica engages in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which ReconAfrica may contract.

Governmental Regulation

The industry in which the Company operates is subject to regulation, intervention and certain approvals by governments in such matters as the awarding of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and abandonment of fields (including restrictions on production) and possibly expropriation or cancellation of contract rights. As well, governments may regulate or intervene with respect to price, taxes, royalties

and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and gas industry could reduce demand for natural gas and crude oil, increase costs and may have a material adverse effect on the Company.

Management of Growth

ReconAfrica may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of ReconAfrica to manage future growth and integration of additional lands, assets and acquisitions effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of ReconAfrica to deal with this integration growth could have a material adverse impact on its business, financial condition, financial performance and prospects.

Litigation

In the normal course of ReconAfrica's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to ReconAfrica and as a result, could have a material adverse effect on ReconAfrica's assets, liabilities, business, financial condition and financial performance. Even if ReconAfrica prevails in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Company's business operations, which could adversely affect its financial condition.

Canada's Extractive Sector Transparency Measures Act

The Canadian Extractive Sector Transparency Measures Act ("**ESTMA**"), which became effective June 1, 2015, requires public disclosure of payments to governments by entities engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments, including Indigenous groups. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments and any other prescribed payment over \$100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to \$250,000 (which may be concurrent). The Company is currently compliant with its obligations under ESTMA.

Risks Related to Common Shares

Discretion in Use of Proceeds

The Company intends to use proceeds of any offerings of securities in the manner described in the offering document for any offering. However, there may be circumstances where, in the judgement of management of the Company, a different use of such proceeds is in the best interests of the Company. The Company has discretion concerning the use of the proceeds of any offerings of securities completed by the Company, as well as the timing of the expenditure of such proceeds. As a result, purchasers of such securities will be relying on the judgment of the Company for the application of the proceeds of any offerings of securities once completed. The Company may use the net proceeds of any offerings in ways that purchasers may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the proceeds are not applied effectively, the results of the Company's operations may suffer.

Share Price Volatility

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual

or anticipated changes in oil and natural gas prices; (ii) the COVID-19 pandemic; (iii) actual or anticipated fluctuations in the Company's quarterly financial performance; (iv) recommendations by securities research analysts; (v) changes in the economic performance or market valuations of other companies that investors deem comparable to the Company; (vi) the addition or departure of the Company's executive officers and other key personnel; (vii) sales or perceived sales of additional Common Shares; (viii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and (ix) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have experienced significant price and volume fluctuations in the last several years that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses.

As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares. There can be no assurance that continuing fluctuations in the price and volume of publicly traded equity securities will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

Liquidity of the Common Shares and realization of investment in Common Shares

Investors and potential investors should be aware that the value of the Common Shares and income from the Common Shares can go down as well as up, and that there may not be a liquid market in the Common Shares.

An investment in the Common Shares may thus be difficult to realize. The ability of an investor to sell Common Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realize on their investment in the Company and they may lose all of their investment. In the event of a winding-up of the Company, the Common Shares will rank behind any liabilities of the Company and therefore any return for shareholders will depend on the Company's assets being sufficient to meet prior entitlements of creditors.

Dilution and Further Sales

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company which may be dilutive.

There are no restrictions on the Company issuing or selling Common Shares other than those pursuant to applicable securities laws and stock exchange policies. The sale of a substantial number of the Common Shares in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of the Common Shares and negatively impact the Company's ability to raise equity capital in the future.

Dividends

The Company has never declared or paid any cash dividends on the Common Shares. The Company currently intends to retain future earnings, if any, for future operations, expansion and/or debt repayment, if necessary. The Board does not anticipate paying dividends in the near future. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on,

among other things, the Company's financial performance, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board may consider relevant.

In addition to the foregoing, the Company's ability to institute and pay dividends now or in the future may be limited by covenants contained in the agreements governing any indebtedness that the Company may incur in the future including the terms of any credit facilities the Company may enter into with third party lenders. It is not uncommon that credit facilities will prevent a borrower from declaring or paying any dividends (excluding stock dividends) to any of its shareholders or returning any capital (including by way of dividend) to any of its shareholders.

As a result of the foregoing factors, purchasers of Common Shares may not receive any return on an investment in Common Shares held or purchased by them unless they sell such Common Shares for a price greater than that which they paid for them.

DIVIDENDS

The Company has not paid any dividends on the Common Shares since incorporation and currently intends to retain future earnings, if any, to finance further business development. The declaration of dividends on Common Shares will be dependent on a number of factors, including earnings, capital requirements, operating and financial condition and a number of other factors that the Board considers to be appropriate. There are no restrictions in the Company's Articles on the ability of the Company to pay dividends in the future.

DESCRIPTION OF SHARE CAPITAL

ReconAfrica's authorized share capital consists of an unlimited number of Common Shares without par value. As at the date of this AIF, there are 72,138,145 Common Shares issued and outstanding, of which 18,492,164 remain subject to escrow conditions. See *"Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer"*.

All of the issued Common Shares rank equally as to voting rights, participation and a distribution of the Company's assets on liquidation, dissolution or winding-up and the entitlement to dividends. Holders of Common Shares are entitled to receive notice of, attend and vote at all meetings of shareholders of the Company. Each Common Share carries one vote at such meetings. Holders of Common Shares are entitled to dividends if and when declared by the Board and, upon liquidation, to receive such portion of the assets of the Company as may be distributable to such holders. There are currently no other series or class of shares which rank senior, in priority to, or *pari passu* with the Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSXV under the trading symbol "RECO", on the OTCQB Venture Market under the symbol "KOREF" and on the Frankfurt Stock Exchange under the symbol "OXD". The following table sets forth the market price ranges and the trading volumes of the Common Shares on the TSXV since January 1, 2019, the commencement of the Company's most recently completed financial year ended December 31, 2019:

Month	High (\$)	Low(\$)	Volume
January 1, 2019- September 5, 2019 ⁽¹⁾	-	-	-
September 6-30, 2019	0.29	0.25	37,125
October 2019	0.60	0.23	294,071
November 2019	0.75	0.40	447,681
December 2019	0.59	0.41	581,177
January 2020	0.93	0.43	4,672,610
February 2020	0.90	0.51	2,475,011
March 2020	0.60	0.27	1,142,736
April 2020	0.40	0.26	978,030
May 2020	0.64	0.33	2,802,304
June, 2020	0.86	0.51	3,150,665
July 1-24, 2020	0.93	0.67	2,629,308

Note:

- (1) No trading data is available for the period January 1, 2019 to September 5, 2019 as trading of the Common Shares on the TSXV was halted following the announcement of the Company entering into the LOI on November 7, 2018 and did not resume until September 6, 2019, following completion of the RTO Transaction.

The closing price of the Common Shares on the TSXV on December 31, 2019 was \$0.47.

Prior Sales

The following table summarizes details of stock options and common share purchase warrants (the “Warrants”) granted or issued by the Company since January 1, 2019, the commencement of the Company’s most recently completed financial year ended December 31, 2019.

Date of Issuance	Securities	Number of Common Shares Issuable	Exercise Price (\$)
August 30, 2019	Warrants ⁽¹⁾	17,053,280	C\$0.50
August 30, 2019	Broker Warrants ⁽²⁾	403,350	C\$0.20
October 7, 2019	Stock Options ⁽³⁾	5,350,000	C\$0.25
December 6, 2019	Warrants ⁽¹⁾	2,600,000	C\$0.50
December 9, 2019	Stock Options ⁽³⁾	700,000	C\$0.51
December 20, 2019	Warrants ⁽¹⁾	2,002,646	C\$0.50
February 4, 2020	Warrants ⁽¹⁾	5,000,000	C\$1.00
February 18, 2020	Stock Options ⁽³⁾	1,050,000	C\$0.76
April 29, 2020	Stock Options ⁽³⁾	300,000	C\$0.31

Notes:

- (1) Each Warrant entitles the holder thereof, upon exercise, to acquire one Common Share for a period of five years from the date of issuance.
- (2) Each Broker Warrant entitles the holder thereof, upon exercise, to acquire one Common Share for a period of two years from the date of issuance.
- (3) Each stock option entitles the holder thereof, upon exercise, to acquire one Common Share in accordance with the stock option plan of the Company.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table summarizes ReconAfrica's securities that remained in escrow or subject to restrictions on transfer as of the date hereof:

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	% of Class ⁽¹⁾
Common Shares ⁽²⁾	10,095,426	13.99%
Common Shares ⁽³⁾	319,449	0.44%
Common Shares ⁽⁴⁾	8,077,289	11.20%
Total	18,492,164	25.63%

Notes:

- (1) Percentages based on 72,138,145 Common Shares issued and outstanding as of the date of this AIF.
- (2) On August 30, 2019, the RTO Transaction was completed pursuant to which 1163631 and the Company continued the business of the Company. The RTO Transaction constituted a reverse takeover under the policies of the TSXV. As part of the RTO Transaction, 13,460,568 Common Shares were deposited in escrow with Computershare Investor Services Inc. pursuant to the terms of a Tier 2 Value Security Escrow Agreement in the form prescribed by the TSXV. Upon the issuance by the TSXV of their final bulletin on September 4, 2019, approving, among other things, the RTO Transaction, 10% of such Common Shares were released from escrow, an additional 15% authorized of each such securities were released on the date that was 6 months following September 4, 2019, and an additional 15% authorized of each such securities are to be released on the dates that are 12, 18, 24, 30 and 36 months following September 4, 2019.
- (3) On August 30, 2019, the RTO Transaction was completed pursuant to which 1163631 and the Company continued the business of the Company. The RTO Transaction constituted a reverse takeover under the policies of the TSXV. As part of the RTO Transaction, 638,898 Common Shares were deposited in escrow with Computershare Investor Services Inc. pursuant to the terms of a Tier 1 Value Security Escrow Agreement in the form prescribed by the TSXV. Upon the issuance by the TSXV of their final bulletin on September 4, 2019, approving, among other things, the RTO Transaction, 25% of such Common Shares were released from escrow, an additional 25% authorized of each such securities were released on the date that was 6 months following September 4, 2019, and an additional 25% authorized of each such securities are to be released on the dates that are 12 and 18 months following September 4, 2019.
- (4) In accordance with the TSXV's Seed Share Resale Restrictions, 10,769,714 Common Shares issued to Non-Principals are legended in accordance with a Tier 2 Value Security Escrow Agreement release schedule to be released over a 36-month period. Upon the issuance by the TSXV of their final bulletin on September 4, 2019, approving, among other things, the RTO Transaction, 10% of such Common Shares were released from escrow, an additional 15% authorized of each such securities were released on the date that was 6 months following September 4, 2019, and an additional 15% authorized of each such securities are to be released on the dates that are 12, 18, 24, 30 and 36 months following September 4, 2019.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out the names, province or state and country of residence of each of the directors and executive officers of the Company, their present positions and offices with the Company, their principal occupations during the last five years and, for the directors, their date of appointment. All directors have been elected or appointed to serve as such until the Company's next annual general meeting of shareholders, or until his or her successor is duly elected, unless his or her office is vacated earlier in accordance with the Articles of the Company or applicable law.

Name, Municipality of Residence	Position with the Company	Principal Occupation within the past five years ⁽²⁾
J. Jay Park, QC⁽¹⁾ London, United Kingdom	Chief Executive Officer Director since August 30, 2019	Chief Executive Officer of the Company since September 2019; Lawyer, Managing Partner, Park Energy Law and Petroleum Regimes Advisory Ltd. since 2013.
Shiraz Dhanani⁽¹⁾ London, United Kingdom	Director since February 18, 2020	Chief Executive Officer and a director of Taffiti Oil Limited since September 2018. Previously, Chief Executive Officer and director of Voyageur Oil & Gas Corporation from 2011 to 2017.
James Granath⁽¹⁾ Colorado, United States	Director since August 30, 2019	Geologist; Independent minerals and petroleum consultant since 1999.
Carlos Escribano British Columbia, Canada	Chief Financial Officer	Chartered Professional Accountant; Chief Financial Officer of the Company since January 2020; Chief Financial Officer of Renaissance Oil Corp. since January 2017; Chief Financial Officer and director of Benz Mining Corp. since November 2011.
Scot Evans Texas, United States	Chief Operating Officer	Chief Operating Officer of the Company; Vice President of Halliburton Company from 1994 to November 2019; Consultant of the Company from November 2019 to April 2020.
Nick Steinsberger Texas, United States	Senior Vice President, Drilling and Completions	Senior Vice President, Drilling and Completions of the Company; Chief Operating Officer of ValPoint Operating, LLC since June 2012; Drilling and Completions Engineer of Renaissance Oil Corp. since September 2015; director of Lilis Energy, Inc. since May 2019; director of Citizen Energy, LLC since December 2018; founder of Steinsberger Tight Gas Consulting LLC since July 2003; director of Resource Energy Partners LLC since 2014; advisor of INEOS Shale Limited since 2014.
Doug Allen Washington, United States	Senior Vice President, Investor Relations	Senior Vice President, Investor Relations of the Company; Previously, Vice President, Corporate Communication of Hunter Dickinson Inc. from June 2012 to July 2020.
Anna Tudela British Columbia, Canada	Corporate Secretary	Independent consultant; serves as Corporate Secretary of ReconAfrica and Renaissance Oil Corp. since January 2020; Previously, Vice President, Diversity, Regulatory Affairs and Corporate Secretary of Goldcorp Inc. from 2005 to 2019; Ms. Tudela is a director of the Canadian Centre for Diversity and Inclusion, is an accredited director and has a Global Competent Board designation.

Notes:

- (1) Member of the audit committee (the “**Audit Committee**”) and corporate governance committee of the Board.
- (2) The information as to principal occupation, business or employment may not be within the knowledge of the management of the Company and has been furnished by the respective directors and executive officers.

As at the date of this AIF, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 3,186,095 Common Shares, representing approximately 4.42% of the issued and outstanding Common Shares.

Director and Executive Officer Biographies

J. Jay Park, QC: Chief Executive Officer and Director

Mr. Park is the Chief Executive Officer and a director of ReconAfrica. Mr. Park is a leading international energy lawyer with over 40 years of experience advising on oil and gas projects. He holds a law degree from Osgoode Hall Law School, York University, Toronto, Canada and was designated Queen's Counsel in 2011. Mr. Park has advised oil companies, governments, state oil companies and investors on upstream oil & gas transactions, contracts, laws and regulations in over fifty countries, including seventeen African countries. Mr. Park has served as a director or officer or both of a number of oil and gas companies with operations in Africa, including as Chairman and director of Voyageur Oil and Gas Corporation, which explored the Borj El Khadra Sud block in Tunisia (farmed out to Anadarko) and as a director of Caracal Energy Inc. with oil producing assets in the Doba basin of Chad (acquired by Glencore International in 2014 for approximately US\$1.3 billion). He has advised oil and gas companies regarding petroleum operations in the following African states: Algeria, Chad, Democratic Republic of the Congo, Egypt, Ethiopia, Kenya, Libya, Madagascar, Namibia, Senegal, Sudan, Tunisia, and

Uganda. From 2013 to 2019, Mr. Park's principal occupation was as Managing Partner of the law firm Park Energy Law (with offices in London, UK and Calgary) and Petroleum Regimes Advisory Ltd. (London).

Shiraz Dhanani: *Director*

Mr. Dhanani is a director of ReconAfrica. Mr. Dhanani has over 40 years of experience working with major oil companies including BP and ExxonMobil. Mr. Dhanani's expertise is concentrated in new country access, initiating new field oil and natural gas plays, project and executive management, with a strong focus in Africa. Mr. Dhanani was the Technical Director of BP in Libya where he was involved in negotiating a multi-billion-dollar exploration and appraisal contract comprising 54,000 square kilometres (over 13,000,000 acres) in the Libyan onshore Ghadames basin and deep offshore Sirt basins. Mr. Dhanani was also part of the BP team which commenced an onshore and offshore seismic operation in Libya, as well as initiating an extensive exploration drilling program to develop the assets. Mr. Dhanani was also involved with a drilling and appraisal program at the Silurian black shales in Northern Africa (Tunisia), joint venturing and monetizing the asset to Anadarko in 2011. In addition to his role as director of ReconAfrica, Mr. Dhanani is the Chief Executive Officer and a director of Taffiti Oil Limited. Previously, Mr. Dhanani was the Chief Executive Officer and director of Voyageur Oil & Gas Corporation until 2017.

Dr. James Granath: *Director*

Dr. Granath is a director of ReconAfrica. He holds his PhD in Geology from Monash University in Australia, and a BS and MS from the University of Illinois at Champaign-Urbana. Dr. Granath is a structural geologist with extensive knowledge in African petroleum exploration. His expertise lies in seismic interpretation and integration with structural analysis, fracture analysis, regional synthesis, and prospect and play evaluation. Dr. Granath spent 18 years with Conoco Inc. in research, international exploration, and new ventures. Since 1999, in a consulting capacity, he has advised many companies on structural geology and tectonics as applied to exploration problems, and has worked on projects in some 40 countries around the world. He is a member of AAPG, GSA, and RMAG. He is the author of numerous research papers and co-edited several multi-author compendia.

Carlos Escribano: *Chief Financial Officer*

Mr. Escribano is the Chief Financial Officer of ReconAfrica. Carlos Escribano has over 15 years' experience in senior level financial management. He has served as Chief Financial Officer for publicly traded multi-national corporations in the resource sector, including leadership roles with Vancouver-based precious metals producers operating in Latin America. He has demonstrated ability in successfully managing key aspects of finance, accounting and administration, including debt and equity financing, financial reporting and compliance, budgeting and treasury. Mr. Escribano is a Chartered Professional Accountant and graduate of the University of British Columbia. Mr. Escribano is also the Chief Financial Officer of Renaissance Oil Corp. since January 2017 and the Chief Financial Officer and a director of Benz Mining Corp. since November 2011.

Scot Evans: *Chief Operating Officer*

Mr. Evans is the Chief Operating Officer of ReconAfrica. Scot Evans is an energy industry leader with a combined 35 years of experience with Exxon, Landmark Graphics and Halliburton. In his last position, Mr. Evans served as Vice President of Halliburton's Integrated Asset Management and Technical Consulting organizations, where he grew production from 20,000 to over 100,000 barrels of oil equivalent per day, creating the equivalent of a Mid-Cap upstream oil company. Mr. Evans' experience in the US extends to the Delaware, Midland, Eagle Ford and Monterey plays, and internationally in Algeria, Kuwait, India, Russia, Ecuador and Mexico. He is an expert in developing unconventional resources.

Nick Steinsberger: *Senior Vice President, Drilling and Completions*

Mr. Steinsberger is the Senior Vice President, Drilling and Completions of ReconAfrica. Nick Steinsberger began his career with Mitchell Energy & Development Corp ("**Mitchell Energy**") in 1988 after graduating from the University of Texas - Austin with a BS in Petroleum Engineering. Mr. Steinsberger was promoted to Completion Manager for the Barnett Shale (Texas) in 1995. and was responsible for the first slickwater stimulation in the Barnett Shale in 1997, what is referred to as the first modern shale frac. During his time at Mitchell Energy, Mr. Steinsberger helped turn the Barnett Shale into the industry's first commercial shale play, reaching peak production of 5.75 billion cubic feet per days in 2012. Mr. Steinsberger continued as the Completion Manager for the Barnett Shale after Mitchell Energy's sale to Devon Energy Corporation ("**Devon**") in 2002 for US\$3.1 billion and was responsible for completing the first 30 horizontal wells in any shale formation. When Devon closed its Fort Worth office in July 2003, Mr. Steinsberger took the job as VP of Engineering for Republic Energy Inc. ("**Republic**") in Dallas, Texas. Under Mr. Steinsberger's supervision, Republic drilled and completed approximately 50 horizontal wells in less than 2 years before selling their assets to Burlington Resources Inc. After the sale, Mr. Steinsberger began Steinsberger Tight Gas Consulting LLC and has been involved in over 600 horizontal shale wells including work in the Woodford, Fayetteville, Marcellus, Utica, Eagle Ford, Wolfcamp, Cline and several shale's in Canada. Mr. Steinsberger developed an extension of the STACK play in Oklahoma while running ValPoint Operating, LLC ("**Valpoint**"), selling those assets to Devon in 2015. Nick is currently developing other resource plays in Oklahoma and Texas with ValPoint and working with ReconAfrica on their Namibia Licence to drill and test their block for conventional and unconventional targets. Mr. Steinsberger has been the chief operating officer of ValPoint Operating, LLC and the drilling and completions engineer of Renaissance Oil Corp. since June 2012 and September 2015, respectively. Mr. Steinsberger also sits on several US Oil and Gas company boards, including Lillis Energy, Inc. and Citizen Energy, LLC since May 2018 and December 2018, respectively. In addition, Mr. Steinsberger is also a director of Resource Energy Partners LLC since 2014 and an advisor of INEOS Shale Limited since 2014. Mr. Steinsberger has authored many technical papers on completion techniques in shales and has been written about in several, the most well-known being "The Frackers".

Doug Allen: *Senior Vice President, Investor Relations*

Mr. Allen is the Senior Vice President, Investor Relations of ReconAfrica. Doug Allen is an asset management industry specialist with more than 38 years experience on both the sell-side and the buy-side of the investment industry, and more recently the natural resource development industry. He serves as the primary liaison with the broker-dealer and asset management industries, as well as the media. From June 2012 to July 2020, Mr. Allen was the Vice President, Corporate Communication of Hunter Dickinson Inc.

Anna Tudela, Acc. Dir., CCIP, GCB.D: *Corporate Secretary*

Ms. Tudela is the Corporate Secretary of ReconAfrica. Previously, she was the Vice President, Diversity, Regulatory Affairs and Corporate Secretary of Goldcorp Inc. (2005-2019). Ms. Tudela has over 30 years of experience working with public companies in the securities and corporate finance areas, including responsibility for compliance and securities filing requirements in both Canada and United States. Ms. Tudela has been actively involved in a number of multi-billion transactions in Canada, the United States and South America. Throughout her career, Ms. Tudela has been a champion for Board diversity. She is a Director of the Canadian Centre for Diversity and Inclusion and a member of the Governance Professionals of Canada. Ms. Tudela has served as Corporate Secretary of Wheaton Precious Metals Corp. and Diamond Fields Resources Inc. In her roles as Corporate Secretary she has developed and implemented Board guidelines, terms of reference for the Board and the committees of the Board and other policies. As well, she has advised Boards on cross-cultural issues and governance matters, including global governance of subsidiaries. Ms. Tudela has received a number of awards related to her work, including the *Peter Dey* Governance Achievement Award (2013), the Scotiabank Ethical Leadership Award (2016), the Governance Award for Best Practices to Enhance Boardroom Diversity from the Governance Professionals of Canada (2018) and the Executive

of the Year (Western Canada) from the Canadian Center for Diversity and Inclusion (2019). Ms. Tudela is also the Corporate Secretary for Renaissance Oil Corp.

Corporate Cease Trade Orders

To the knowledge of management, no director or officer of the Company is, as at the date of this AIF, or was, within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that: (i) was the subject to an order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this part, “order” means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Penalties or Sanctions

To the knowledge of management, no director or officer of the Company, nor any shareholder holding a sufficient number of Common Shares to affect materially the control of the Company, has: (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to make an investment decision.

Bankruptcies

Except as set out below, to the knowledge of management, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is, as of the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while the person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. On June 29, 2020, Lilis Energy, Inc. (“**Lilis**”), an exploration and production company operating of which Mr. Nick Steinsberger, the Senior Vice President, Drilling and Completions of the Company, is a director, announced that it had filed petitions under Chapter 11 of the United States Bankruptcy Code to initiate voluntary cases in the United States Bankruptcy Court for the Southern District of Texas, Houston Division. The Chapter 11 petitions were filed in accordance with a Restructuring Support Agreement (the “**RSA**”) entered into among Lilis and certain of its subsidiaries, certain investment funds and entities affiliated with Värde Partners, Inc. (collectively, the “**Värde Funds**”). Under the RSA, the Lilis and its subsidiaries, certain lends under Lilis’ second amended and restated senior secured revolving credit agreement and the Värde Funds have agreed, subject to certain conditions set forth in the RSA, to support a restructuring of Lilis and its subsidiaries under a Chapter 11 plan of reorganization (a “**Plan**”) to be proposed with terms set forth in the RSA. Consummation of the Plan or any restructuring plan will be subject to confirmation by the the United States Bankruptcy Court for the Southern District of Texas, Houston Division and the satisfaction, or waiver by appropriate parties, of any conditions set forth in such plan and related transaction documents.

To the knowledge of management, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is, as of the date of this AIF, or has been within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become

subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

To the best of the Company's knowledge, information and belief, and other than as disclosed herein, there are no known or existing or potential conflicts of interest among the Company and its directors, officer or other members of management as a result of their outside business interests except that certain of the directors or officers of Company serve directors or officers of companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. As required by law, each of the directors of the Company is required to act honestly, in good faith and in the best interests of the Company. In the event of a conflict of interest, the Company will follow the requirements and procedures of applicable corporate and securities legislation and applicable exchange policies, including the relevant provisions of the *Business Corporations Act* (British Columbia).

TECHNICAL TEAM

In addition to its directors and executive officers, ReconAfrica has assembled a technical team with significant experience and success in the oil and natural gas industry and thorough understanding of the Kavango Basin. In addition to Dr. James Granath, Scot Evans and Nick Steinsberger, ReconAfrica's technical team is comprised of the following individuals:

Daniel Jarvie: *Geochemist*

Mr. Jarvie is globally recognized as a leading analytical and interpretive organic geochemist, having evaluated conventional and unconventional petroleum systems around the World. Most notably, he completed the geochemical analysis for Mitchell Energy, in their development of the Barnett Shale of the Fort Worth Basin, in Texas. In 2010, he was awarded "Hart Energy's Most Influential People for the Petroleum Industry in the Next Decade." Mr. Jarvie is the retired Chief Geochemist for EOG Resources, Inc., the largest producer of shale oil resource plays in North America. He is the President of Worldwide Geochemistry, LLC, working as a consultant to industry, focused on unconventional shale resource plays and prospects, and has also established a research lab to evaluate various aspects of unconventional shale-gas and shale-oil petroleum systems as well as conventional petroleum systems. His specialties include source rock characterization, especially for resource assessments, and also detailed source rock characterization for conventional petroleum systems analysis, including bulk and compositional kinetic determinations, high resolution light hydrocarbon and fingerprinting analysis, pyrolysis and catalysis studies.

Bill Cathey: *Geophysicist*

Mr. Cathey, President and Chief Geoscientist of Earthfield Technology, has over 25 years of potential fields interpretation experience. His clients include Chevron Corporation, ExxonMobil Corporation, ConocoPhillips Company and many other major and large independent oil and gas companies. Mr. Cathey performed the entire magnetic survey interpretation of the Kavango Basin for ReconAfrica. Mr. Cathey has served as the Chairman of the Potential Fields Group of the Geophysical Society of Houston, and has been a member of the SEG, AAPG, GHS and HGS. Mr. Cathey has authored or co-authored numerous articles on the uses of magnetic and gravity analysis, including the first paper that showed the relationship between salt and magnetic data (1987).

Dr. Ansgar Wanke: *Geologist*

Dr. Wanke is a geologist with over 20 years of experience in various fields including regional mapping, geochemistry, hydro- and engineering geology, sedimentology and seismic stratigraphy. He joined the

University of Namibia geology department in 2008, reviewed and designed several geology curricula, and headed the department from 2012 to 2015.

Dale Mitiska: Geologist

Mr. Mitiska has over 30 years of diversified geological and operational experience, devoted to prospecting and development of oil and gas reserves throughout Canada and the U.S., including the Rocky Mountains, Gulf Coast, West Texas, South Texas and Appalachian, Michigan and Illinois basins. Mr. Mitiska has an extensive background in evaluation and description of horizontal shale oil resource plays throughout North America, including the Williston Basin/Bakken shale, the San Juan, the DJ Basins, the Niobrara and Barnett shale. Additionally, Mr. Mitiska has valued expertise in major North American shale plays, which includes the Marcellus, Eagleford and Woodford plays. Mr. Mitiska has a proven track record for adding value and creating organizational growth. Geological investigations include regional basin analysis, exploration and development mapping, detailed reservoir analysis and description, prospect generation for clastic and carbonate reservoirs, 2D & 3D seismic acquisition and interpretation, reservoir engineering integration and geological and geophysical computer modeling and mapping.

AUDIT COMMITTEE INFORMATION

The Audit Committee's Charter

A copy of the Audit Committee Charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee is currently comprised of James Granath (Chair), Shiraz Dhanani and J. Jay Park. Messrs. Granath and Dhanani are independent members of the Audit Committee as defined under National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Mr. Park is not independent for the purposes of the Audit Committee as he is also the Chief Executive Officer of the Company. All of the members of the Audit Committee are financially literate as defined under NI 52-110.

Relevant Education and Experience

Set out below is a brief description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by ReconAfrica to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analysing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Name of Member	Education	Experience
James Granath	PhD, MSc and BSc	Advisor for several companies.
Shiraz Dhanani	BSc (Honours) and Post-graduate Diploma, Development Studies	Director and/or officer for several companies.
J. Jay Park	LLB	Legal advisor for several public companies.

A general description of the education and experience of each Audit Committee member which is relevant to the performance of their responsibilities as an Audit Committee member is contained in their respective biographies set out under “*Director and Executive Officer Biographies*”.

Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of ReconAfrica’s external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Exemption for Venture Issuers

The Company is relying on the exemption in section 6.1 of NI 52-110 regarding the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case by case basis.

External Auditor Service Fees (By Category)

Prior to the completion of the RTO Transaction, Davidson & Company LLP was the auditor of the Company. At the annual general and special meeting of the Company held on March 29, 2019, the shareholders of the Company passed a resolution (i) appointing Davidson & Company LLP as auditor of the Company until the earlier of (a) the next annual general meeting of the shareholders of the Company, and (b) 12:01 a.m. on the first day following the date on which the RTO Transaction was completed (the “**Change of Auditor Time**”), and (ii) if the RTO Transaction was completed, appointing Ernst & Young LLP as auditor of the Company, to hold office from the Change of Auditor Time until the next annual meeting of the shareholder of the Company. Following completion of the RTO Transaction and effective August 31, 2019, Davidson & Company LLP resigned as auditor of the Company in connection with the completion of the RTO Transaction and Ernst & Young LLP was appointed as the Company’s successor auditor.

Effective September 27, 2019, Ernst & Young LLP resigned as auditor of the Company at its own initiative. Davidson & Company LLP was appointed as the Company’s successor auditor. The resignation of Ernst & Young LLP and the appointment of Davidson & Company LLP was considered and approved by the Audit Committee and by the Board.

Effective December 17, 2019, Davidson & Company LLP resigned as auditor of the Company at the request of the Company. Deloitte LLP was appointed as the Company’s successor auditor. The resignation of Davidson & Company LLP and the appointment of Deloitte LLP was considered and approved by the Audit Committee and by the Board.

The following table sets out, by category, the fees billed by Davidson & Company LLP, the Company's former external auditor, for the 12-months ended December 31, 2019 and the year ended June 30, 2019.

Fee Category	Fees Billed	
	12 months ended December 31, 2019 ⁽¹⁾	Year ended June 30, 2019
Audit Fees	\$9,565.29	\$10,710.00
Audit-Related Fees ⁽²⁾	Nil	\$9,103.50
Tax Fees ⁽³⁾	\$1,575.00	\$1,575.00
All Other Fees ⁽⁴⁾	\$Nil	\$609.09
TOTAL	\$11,140.29	\$21,997.59

Notes:

- (1) Represents fees billed for the period from July 1, 2019 to December 17, 2019.
- (2) "Audit-Related Fees" include the fees billed in each of the last two financial years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees" above, and include professional services to review financial affairs, financial statements and all incidentals of the Company, preparation of letters to various governmental and regulatory authorities and stock exchanges and Canadian Public Accountability Board participation fees.
- (3) "Tax Fees" include the fees billed in each of the last two financial years for professional services rendered to the Company's external auditor for tax compliance, tax advice and tax planning, and include fees billed to the Company in connection with the preparation of its annual corporate tax returns.
- (4) "All Other Fees" include the fees billed in each of the last two financial years for products and services provided by the Company's external auditor, other than "Audit Fees", "Audit-Related Fees" and "Tax Fees" above, and include interest payments paid in respect of late payment of invoices for services rendered.

Neither Ernst & Young LLP, the Company's former external auditor from August 31, 2019 to September 26, 2019, nor Deloitte LLP, the Company's current external auditor since December 17, 2019, billed any fees to the Company for the period that it acted as the Company's external auditor.

PROMOTERS

No person or company has been, within the two most recently completed financial years or during the current financial year, a promoter (within the meaning of applicable securities legislation) of the Company or of a subsidiary of the Company, other than Mr. Steinke.

As of the date of this AIF, Mr. Steinke beneficially owns, directly or indirectly, 9,986,229 Common Shares, representing approximately 13.84% of the issued and outstanding Common Shares.

Mr. Steinke has not received anything of value from the Company nor has there been any asset, services or other consideration received or expected to be received by the Company other than (a) the exchange of shares of 1163631 held by Mr. Steinke for Common Shares pursuant to the RTO Transaction, (b) the grant of the Farmout Option to the Farmee (a company wholly-owned by Mr. Steinke) pursuant to the Farmout Option Agreement, and (c) a monthly consulting fee of US\$10,000 paid to Mr. Steinke for consulting services rendered by Mr. Steinke to the Company. From September 2019 to the date of this AIF, the Company has paid Mr. Steinke consulting fees in an aggregate amount of US\$100,000.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Since the beginning of the most recently completed financial year ended December 31, 2019, there have been no legal proceedings material to the Company to which it is or was a party or of which any of its assets is or was the subject of, nor are any such proceedings known by ReconAfrica to be contemplated.

Since the beginning of the most recently completed financial year ended December 31, 2019, ReconAfrica has not had any penalties or sanctions imposed on it by, or entered into any settlement agreements with, a court or a securities regulatory authority relating to securities laws, nor has ReconAfrica been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No (a) director or executive officer, (b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares, or (c) associate or affiliate of any of the persons or companies referred to in (a) or (b) has during the current financial year, or has had within the three most recently completed financial years ended December 31, 2019, any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Company, other than (i) certain directors, executive officers and persons that beneficially own, or control or direct, directly or indirectly, more than 10% of the Common Shares who were officers, directors and/or securityholders of 1163631, and in such capacity(ies) had a material interest in the RTO Transaction, and (ii) Mr. Steinke, who has beneficial ownership of more than 10% of the Company's outstanding Common Shares, who has a material interest in the Farmout Option Agreement.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. acts as the transfer agent and registrar for the Common Shares at its offices in Vancouver and Toronto, located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9; and 100 University Avenue, 11th Floor, Toronto, Ontario, M5J 2Y1.

MATERIAL CONTRACTS

The following is a list of each material contract, other than contracts entered into in the ordinary course of business, that was entered into during the most recently completed financial year or previous to the most recently completed financial year by the Company:

1. the Exchange Agreement; and
2. the Petroleum Agreement.

INTERESTS OF EXPERTS

Sproule is the petroleum consulting firm who has prepared the Sproule Report and which is referred to under "Properties of the Company". As of the date hereof, to the knowledge of the Company, the directors, officers, employees and consultants of Sproule who participated in the preparation of the Sproule Report who were in a position to directly influence the preparation or outcome of the preparation of the Sproule Report, as a group, owned, directly or indirectly, less than 1% of the outstanding Common Shares. In addition, none of the officers, directors, employees or consultants of Sproule are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or any of the Company's associates or affiliates.

Deloitte LLP, Chartered Professional Accountants, are the auditors of the Company and is independent of the Company within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to ReconAfrica may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the management information circular dated June 12, 2020 prepared in connection with the annual general and special meeting of the Company to be held on July 29, 2020, which is available on SEDAR at www.sedar.com. Additional financial information about ReconAfrica can be found in ReconAfrica's financial statements and management's discussion and analysis for the financial year ended December 31, 2019.

SCHEDULE “A” AUDIT COMMITTEE CHARTER

PURPOSE

The overall purpose of the Audit Committee (the “**Committee**”) of Reconnaissance Energy Africa Ltd. (the “**Company**”) is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

COMPOSITION, PROCEDURES AND ORGANIZATION

- (1) The Committee shall consist of at least three members of the Board of Directors (the “**Board**”).
- (2) At least two (2) members of the Committee shall be independent and the Committee shall endeavor to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of

the Committee; and

- (c) management representatives may be invited to attend all meetings except private sessions with the external auditors
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

ROLES AND RESPONSIBILITIES

- (1) The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfillment of its duties and responsibilities.
- (2) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - i. contents of their report;
 - ii. scope and quality of the audit work performed;
 - iii. adequacy of the Company's financial and auditing personnel;
 - iv. cooperation received from the Company's personnel during the audit;
 - v. internal resources used;
 - vi. significant transactions outside of the normal business of the Company;
 - vii. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - viii. the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the

acceptability of the Company's accounting principles; and

- (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- (3) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (4) The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - i. the annual report to Shareholders;
 - ii. the annual information form, if required;
 - iii. annual and interim MD&A;
 - iv. prospectuses;
 - v. news releases discussing financial results of the Company; and
 - vi. other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Company's consolidated financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial

statements;

- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- (5) The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditor.