RECONNAISSANCE ENERGY AFRICA LTD.

ANNUAL INFORMATION FORM

For the Nine-Month Period Ended December 31, 2024

April 29, 2025

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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 securities legislation in Canada, the United States and any other applicable jurisdiction (collectively, "**forward-looking statements**"). 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, resources, targets for cost savings, general economic conditions, 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, general public perception of the Company, 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 that 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 statements pertaining to, among others, the following:

- the Company's business strategy, strength and focus;
- expectations to add reserves through acquisitions and development of the Company's existing assets;
- the Company's aim to prove a potential reserve that could lead to economic stimulus, funding local and regional jobs and other socio-economic benefits such as increased infrastructure, potable water access and investments in environmental and wildlife conservation;
- expectations regarding the ongoing exploration process for the newly identified Kavango sedimentary basin in Northeast Namibia and Northwest Botswana (the "**Kavango Basin**");
- expectations related to the work program at PEL 73 (as defined herein) following the Company's receipt of the Second Renewal Exploration Period covering the period January 30, 2024 to January 29, 2026;
- proven working conventional petroleum system with oil in stratigraphic wells and gas seeps in the Kavango Basin;
- expectations regarding the strategic joint venture transaction with BW Energy (as defined below) pursuant to the BW Energy Farm Down Agreement (as defined below), including the timing and amount of cash payments relating to the joint venture transaction, the timing and amount of any bonus payments, and the timing and amount of production milestone payments;
- expectations regarding the ANPG MOU (as defined below) for a joint exploration project in the Etosha-Okavango basin, located onshore in southeastern Angola, including estimated minimum work commitments and entering into a definitive agreement;
- expectations regarding future 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, risked and un-risked prospective resources, including third party assessments and the Form 51-101F1 (as defined herein);

- the size, characteristics and features of the Company's oil and/or gas opportunities, future potential oil, natural gas and natural gas liquids, resources and the ability to commercially exploit them;
- the Company's proposed exploration, drilling and exploitation activities and timelines;
- expectations, given exploration success, regarding the future development of the Company's assets and the byproducts of such development;
- the potential returns for undiscovered oil and/or gas deposits in the Kavango Basin;
- 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;
- the NAMCOR Transaction (as defined herein), being the Company's acquisition of half of the 10% carried participating interest in the Namibia Licence (as defined herein) held by NAMCOR (as defined herein);
- 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 may produce;
- the Company's intention in respect of maintaining sufficient insurance;
- updates of the Company's ongoing relationships with the Namibian and Botswanan governments and key ministries therein;
- expectations regarding the development of environmental laws and regulations, including as a result of the implementation of the Paris Agreement on climate change by various countries, the future costs to the Company associated with compliance with such laws and regulations and any potential changes to public perception following ongoing changes to climate laws; and
- the Company's dividend policy.

Statements relating to "reserves" and "resources" (including prospective resources, as such terms are defined in the Form 51-101F1) are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be profitably produced in the future. See "*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 under "*Risk Factors*":

- risks related to the nature of the business of the Company;
- exploration and production risks inherent in the oil and natural gas industry;
- risks related to permits, licences, approvals and authorizations;
- ongoing substantial capital requirements;
- weaknesses and volatility in the oil and gas industry;
- adverse economic conditions;
- geopolitical instability and the escalation and expansion of conflict globally;
- inflation, cost management and rising interest rates;
- political uncertainty in Namibia, Botswana and Canada;
- access restrictions and tariff risks;
- negative operating cash flow;
- possible failure to realize anticipated benefits of acquisitions;
- commitments and contingencies;
- economic dependence;
- reliance on key individuals;

- marketability of crude oil and natural gas;
- project-related risks;
- climate change;
- risks of foreign operations;
- risks of operating through foreign subsidiaries;
- risks related to fraud, bribery and corruption in Namibia and Botswana;
- changes in government policy;
- royalty regimes;
- “resources” vs “reserves”;
- estimates of resources;
- reserves estimates and reserve replacement risk;
- status and stage of development;
- availability of equipment and access restrictions;
- nature of reserves and additional funding requirements;
- third party credit risk;
- operating hazards and other uncertainties;
- competition;
- alternatives to and changing demand for petroleum products;
- global financial conditions;
- macro-economic risk;
- international conflicts;
- geo-political change;
- ongoing or future pandemics;
- sufficiency of insurance coverage;
- joint property ownership;
- joint venture risks;
- cyber attacks or terrorism;
- non-governmental organizations and eco-terrorism risks;
- infrastructure, energy and water supplies;
- disclosure controls and procedures;
- environmental regulations;
- market access constraints and oil and gas transportation risks;
- conflicts of interest;
- risks related to operating in African countries;
- tax regimes;
- foreign currency exchange risk;
- risks related to changes to national and local governmental laws and regulations;
- regulatory risks;
- management of growth;
- claims and legal proceedings;
- risks related to disclosure around Canada’s *Extractive Sector Transparency Measures Act*;
- failure to comply with anti-bribery and anti-corruption laws;
- reputation risk;
- environmental, pollution, occupational health and safety risks;
- discretion regarding potential use of proceeds;
- volatility in the trading price of the Common Shares (as defined herein);
- liquidity of Common Shares and realization of investment in Common Shares;
- dilution and further sales of Common Shares; and
- dividends.

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; the future oil and/or gas prices or cost of products sold; the 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; the ability to obtain drilling success consistent with expectations; the ability of the 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/or gas industry and ReconAfrica's general expectations concerning this industry are based on estimates prepared by management of ReconAfrica with help from NSAI (as defined herein) and other third-party contractors 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 the industry. 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 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 29, 2025 and incorporated by referenced herein.

CAUTIONARY 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.

CAUTIONARY NOTE REGARDING ANALOGOUS INFORMATION

In certain sections of this AIF, including the Form 51-101F1 incorporated by reference herein, 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 and Gas Evaluation Handbook (the "**COGE Handbook**") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter). 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 resources data and economics information for the lands held or to be held by the Company will be similar to the information presented herein.

CAUTIONARY NOTE TO U.S. INVESTORS

The Company prepares its disclosure in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Canadian standards of oil and gas disclosure differ significantly from the requirements of the U.S. Securities and Exchange Commission (the "**SEC**"), and oil and gas reserve and resource information disclosed by Canadian issuers, such as the Company, may not be comparable to similar information disclosed by U.S. companies. The oil and gas reserve and resource estimates of Canadian issuers are prepared in accordance with National Instrument 51-101 — *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"), which has been adopted by securities regulatory authorities in Canada, and imposes oil and gas disclosure standards for Canadian public issuers engaged in oil and gas activities and differs from the oil and gas disclosure standards of the SEC under Subpart 1200 of Regulation S-K of the U.S. Securities Act. The SEC definitions of proved and probable reserves are different from the definitions contained in NI 51-101. Therefore, proved and probable reserves disclosed by Canadian issuers in compliance with NI 51-101 may not be comparable to those disclosed by U.S. companies.

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 April 28, 2025, the Bank of Canada daily rate of exchange was US$1.00=$1.3850. 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.

	December 31, 2024	**March 31, 2024**
High for period…………………………………………………	$1.4416	$1.3875
Low for period…………………………………………………	$1.3460	$1.3128
Rate at end of period..……………………………………….	$1.4389	$1.3550

On April 28, 2025, the Bank of Canada daily rate of exchange was ZAR$1.00=$0.07465. 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.

	December 31, 2024	**March 31, 2024**
High for period…………………………………………………	$0.08004	$0.07623
Low for period…………………………………………………	$0.07134	$0.06861
Rate at end of period..……………………………………….	$0.07589	$0.07147

CORPORATE STRUCTURE

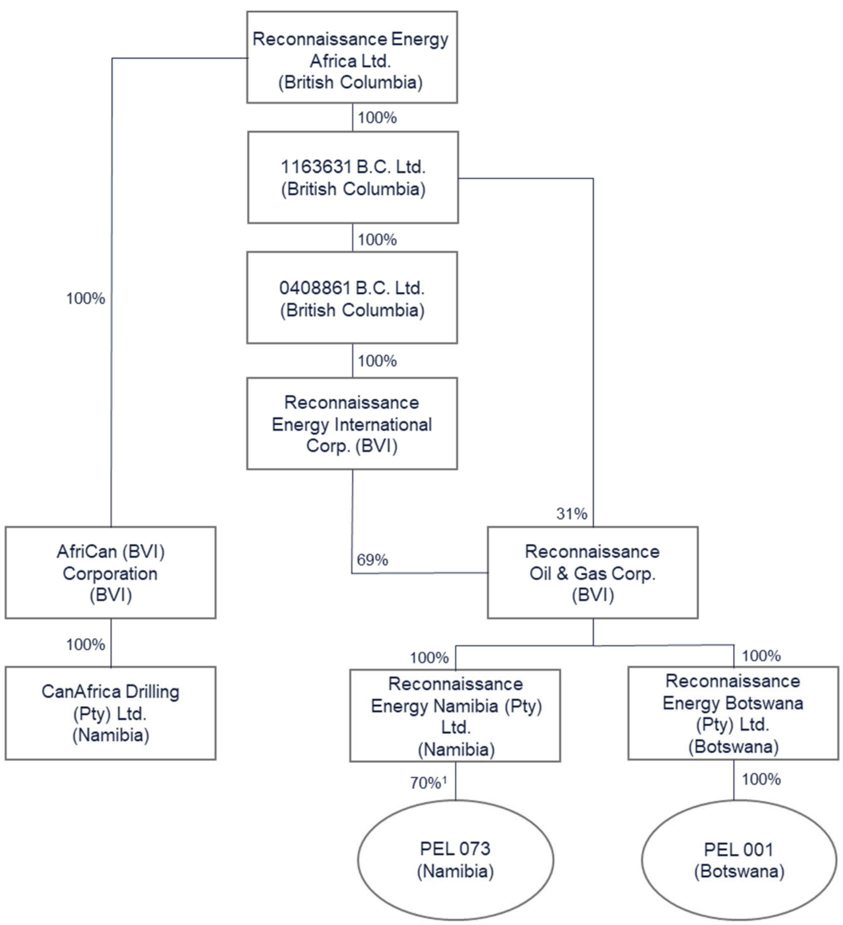
Name, Address and Incorporation

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 the issued and outstanding common 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 Company amended its articles in 2021 to add advance notice requirements for the election of directors and to allow the board of directors (the "**Board**") to fix the number of directors to be elected to the Board.

The Company's head office is located at 635 – 8th Ave SW, Calgary, AB T2P 3M3. The registered and records office of the Company is located at Suite 2200, 885 West Georgia Street, Vancouver, BC V6C 3E8.

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.



[1] 10% carried interest held by the National Petroleum Corporation of Namibia (NAMCOR). 20% interest held by BW Energy Limited.

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.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

ReconAfrica is a Canadian-based oil and gas company working collaboratively with national governments to explore the potential for oil and gas resources in northeast Namibia on Petroleum Exploration Licence 073 ("**PEL 73**" or the "**Namibia Licence**") and northwest Botswana on Petroleum Exploration Licence 001 ("**PEL 001**" or the "**Botswana Licence**").

ReconAfrica holds a 70% working interest in PEL 73 (with BW Energy Limited ("**BW Energy**") holding a 20% working interest and the National Petroleum Corporation of Namibia ("**NAMCOR**") holding a 10% carried participating interest). PEL 73 covers two major play types in the Kavango Basin, the Damara Fold and Thrust Belt play area and the Karoo Rift play area. ReconAfrica holds a 100% interest in PEL 001. The exploration licences cover a contiguous area of 25,341 km^2 (6.3 million acres) in Namibia and 7,592 km^2 (1.9 million acres) in Botswana.

Three Year History

15-Month Period Ended March 31, 2023

On February 6, 2022, the Company announced that it had entered into a letter of intent with NAMCOR to acquire half of NAMCOR's 10% carried participating interest in the Namibia Licence pursuant to the joint operating agreement (the "**JOA**") with NAMCOR. The Company entered into the JOA in June 2021, to develop the resource potential of the Kavango Basin. Under the JOA, the companies agreed to jointly pursue an ongoing petroleum exploration program in the Kavango East and Kavango West regions of Namibia, with the Company covering the full costs to commerciality.

On March 1, 2022, the Company completed a brokered public offering of 7,475,000 units at a price of $6.35 per unit for gross proceeds of $47,466,250 with each unit comprising one Common Share and one common share purchase warrant and each such warrant being exercisable into one Common Share at a price of $9.00 until October 31, 2022. The term of such warrants was extended by five months to March 31, 2023 at which point they expired unexercised.

On April 4, 2022, the Company provided an exploration update, highlighting multiple drilling prospects and new play types following the integrated analysis of the 6-1 and 6-2 wells and the first phase of the 2D seismic data acquisition program.

On May 12, 2022, the Company provided an operations update, indicating that the Company continues advanced planning and permitting for the first well of the 2022 stratigraphic test well drilling program. Simultaneously with the second phase of 2D seismic, the Company is planning an extension which is expected to start in August 2022. The combination of phase two and this extension will add over 1,000 linear kilometres of high quality 2D seismic data to the Company's increasing understanding of the Kavango Basin.

On June 22, 2022, the Company announced the second phase of 2D seismic (761 linear kilometres) was completed and planning was underway for the next phase of 2D seismic acquisition, which was anticipated to comprise close to 1,500 kilometres of 2D seismic. The Company also announced that it was preparing to commence a multi-well exploration and appraisal well program targeting seismically defined structures with the objective of testing two of the three play types: oil prone Karoo Rift Fill and Intra Rift Fault Block plays.

On June 28, 2022, the Company announced the spudding of the 1819/8-2 ("**8-2**") well which occurred on June 25, 2022. The 8-2 is the first of the previously announced multi-well program that will be executed continuously.

On July 8, 2022, the Company was named as a respondent in an application filed by certain third-party special interest groups (the "**Applicants**") in the High Court of Namibia (Main Division), challenging the recent amendments to the Company's Environmental Compliance Certificate (the "**ECC Amendments**") that were approved by the Environmental Commissioner of the Namibian Ministry of Environment, Forestry, and Tourism. Among other things, the Applicants are seeking an order for an interim interdict restraining the Company from putting into effect the decision of the Environmental Commissioner's ECC Amendments or continuing any oil and gas exploration activities which have been authorized by the ECC Amendments.

On August 2, 2022, the Company announced that, following a hearing, the High Court of Namibia dismissed the application by the Applicants for the interim interdict. The Court ordered that the Applicants pay the legal costs of the Company and the other respondents related to the application. An appeal of the ECC Amendments was submitted by the Applicants. The matter was opposed by ReconNamibia, and oral arguments were made on April 24, 2023 before the Minister.

On August 17, 2022, the Company announced that on August 11, 2022 it received a three-year extension to its Environmental Clearance Certificate (the "**ECC**"), from the Office of the Environmental Commissioner, Ministry of Environment, Forestry and Tourism of the Republic of Namibia, covering the entire PEL 73. The ECC authorized ReconAfrica, to continue drilling stratigraphic test wells, to depths, approved by the Namibia Ministry of Mines and Energy and NAMCOR as well as completing a sidetrack of the Company's first well, Kawe 6-2, in the Kavango Basin. The extended ECC is valid for three years from August 26, 2022 until August 26, 2025.

On August 30, 2022, the Company and its joint venture partner NAMCOR announced that they successfully reached total depth of the third stratigraphic test well, 8-2, in the Kavango Basin. The well was drilled to a total depth of 2,056 metres reaching all geological targets.

On September 5, 2022, Namibia's Minister of Mines and Energy granted approval of a further one-year extension on the First Renewal Exploration Period (Namibia), extending such period to January 29, 2024.

On September 8, 2022, the Company announced it had formed new business relationships with Alvarez & Marsal, a professional and energy consulting firm, and Hannam & Partners, a privately owned, natural resources specialist investment bank that specializes in offering independent corporate finance and capital markets advice, to work closely with ReconAfrica in managing its evolving data room, as well as launching a global reach to potential, high quality, joint venture partners to join the Company's initial exploration program in the Kavango Basin. The Company noted that any transfer of an interest in PEL 73 would require the approval of relevant Namibian government authorities, including the Ministry of Mines and Energy.

On September 22, 2022, the Company announced that, further to its announcement on February 6, 2022, it had entered into a definitive purchase and sale agreement with NAMCOR dated September 21, 2022, to acquire half of NAMCOR's 10% carried participating interest in PEL 73 (the "**NAMCOR Transaction**"). The NAMCOR Transaction has not yet been completed as previously anticipated and discussions are ongoing between the Company and NAMCOR. The Company has agreed to issue 5,000,000 Common Shares to NAMCOR, subject to certain contractual restrictions on transfer, and pay US$2 million in cash for the acquisition of half of NAMCOR's 10% carried participating interest in the Namibia Licence. Completion of the NAMCOR Transaction is expected to follow fulfilment of various conditions precedent, including approval of the Namibian Ministry of Mines and Energy, the approval or waiver of Namibia's competition authority and the acceptance by the TSXV. There can be no assurance that the NAMCOR Transaction will be completed on these terms or at all.

On November 9, 2022, the Company provided an update on the drilling results available to date from the Makandina 8-2 well. Although geologically a successful well with intervals of gas sampled and sent off for laboratory analysis, economic accumulations of hydrocarbons were not encountered, very likely due to the absence of a trap or a four-way dip closure. The Company also announced the beginning of site preparation for the planned next well, the Wisdom 5-1, and the completion of acquisition of 761 linear kilometres of 2D seismic with initial processing and interpretation resulting in the identification of new drilling targets in the previously recognized Damara Fold Belt. A new ECC for up to an additional 1,500 kilometres of seismic extension of the Phase 2 2D seismic program was also announced.

Effective December 7, 2022, Deniz Kuban was appointed Chief Compliance Officer of the Company.

On December 22, 2022, the Company provided an update on the planned acquisition of the first enhanced full tensor gravity ("**eFTG**") survey conducted in Namibia, and the ongoing 2D seismic acquisition. The Company also stated that it was on schedule with the Phase 2 extension 2D seismic program and currently acquiring several additional important seismic lines, including over the Wisdom Farm 5-1 prospect, and a delay of the target commencement date for drilling of this well until late February 2023. The Company believes it is prudent to use all available and expected data, including the aforementioned 2D seismic and eFTG in this decision. The Company later announced that the eFTG acquisition was expected to be completed on April 21, 2023.

Financial Year Ended March 31, 2024

On April 3, 2023, the Company provided an operations update, specifically the confirmation of a new fold belt play in the Kavango Basin in the southern and western parts of the Company's exploration licence area in Namibia – PEL 73, which was identified as a result of recent data from the ongoing phase two 2D seismic program. This new fold belt province, the "**Damara Fold Belt**", initially identified southwest of the Karoo Rift Basin, consists of a very prominent and clearly imaged series of anticlinal structures. The Company applied for drilling permits for six Damara locations, which are subject to further refinement once final data acquisition and interpretation is complete. Subject to permitting, the Company expects to drill the first Damara Fold Belt location shortly thereafter.

Acquisition of the Phase 2 extension 2D seismic program (~1,500 km) was on schedule to be finished in May 2023, completing the Company's planned regional seismic acquisition program totaling approximately 2,800 kms. Extension of the phase two seismic program was also designed to delineate the full extension to the southeast of the Karoo Rift Basin. Timing for additional Rift Basin wells, including the previously announced 5-1 well in the Rift Basin, is postponed until completion of the seismic, the eFTG program, a full sequence stratigraphic integrated interpretation and the resulting prospect ranking for the entire licence area.

On April 18, 2023, the Company provided an update on the first eFTG program in Namibia.

On May 24, 2023, the Company provided an update on the acquisition of eFTG surveys and 2D seismic acquisition recently conducted in Namibia, noting that the initial results from the first phase show a high quality eFTG sub-surface image, with the rift bounding faults and other structural features delineated. In addition, the intra-rift highs and rift floors are well imaged. The overlaid seismic line shows a high degree of correlation between the eFTG data and the seismic interpretation.

Following the successful completion of the first phase of the eFTG survey, the Company has contracted Metatek Group Limited to conduct a second phase eFTG survey of 2,814 km^2. These surveys are within PEL 73. The total eFTG survey area is approximately 5,000 km^2. This additional survey extends contiguously to phase one in the Kavango Rift Basin to the southeast and the Damara Fold Belt to the south and southwest. In addition, the Company noted that the latest phase of the 2D seismic program was completed.

On June 20, 2023, the Company provided an update on the NAMCOR Transaction, stating the Company and NAMCOR have not yet completed the transaction pursuant to the definitive purchase and sale agreement, but discussions are ongoing.

On July 12, 2023, the Company reported that it received its ECC to drill an additional 12 exploration and appraisal wells in the Kavango Basin from July 4, 2023 to July 4, 2026.

On July 18, 2023, the Company completed an overnight marketed brokered public offering of 6,795,454 units at a price of $1.10 per unit for gross proceeds of $7,475,000, with each comprising one Common

Share and one common share purchase warrant and each such warrant being exercisable into one Common Share at a price of $1.35 until July 18, 2025.

On July 31, 2023, Scot Evans retired as Chief Executive Officer of the Company.

On August 1, 2023, the Company appointed Brian Reinsborough as Chief Executive Officer of the Company.

On August 7, 2023, the Company appointed Adam Rubin as General Counsel of the Company.

On August 29, 2023, Iman Hill joined the Board.

On September 1, 2023, the Company completed a non-brokered private placement of units with insiders of the Company for gross proceeds of $1,200,080, with each unit comprising one Common Share and one common share purchase warrant and each such warrant being exercisable into one Common Share at a price of $1.40 until September 1, 2025.

On October 26, 2023, the Company announced that it had entered into a definitive agreement with a third-party for the sale of all issued and outstanding shares of Renaissance Oil Corp. ("**Renaissance**"), a wholly owned subsidiary of the Company, for a deemed price of $10.3 million (US$7.5 million). Under the agreement, Renaissance through its subsidiaries, owned all of the Company's operations in Mexico, which were acquired in connection with the acquisition of Renaissance in July 2021 and which the Company did not consider to be material in the context of its business strategy. Pursuant to the terms of the sale, Renaissance's right to acquire a 50% working interest in the Botswana Licence pursuant to a farmout option agreement was terminated effective November 11, 2023. All inter-company loans, and any other inter-company loans between the Company and Renaissance and any of its subsidiaries, were deemed to be satisfied in full and terminate upon closing without further recourse. In addition, under the agreement, the third-party assumed all debts and all present and future liabilities of Renaissance and its subsidiaries. The sale was completed on November 16, 2023, upon receiving approval from the TSXV. Under the terms of a finder's fee agreement between the Company and two arms-length parties (collectively the "Finders"), the Company paid the Finders the aggregate amount of $276,400 (US$200,000) upon closing of the transaction. Through the sale of Renaissance, the Company recognized a gain on sale of approximately $85.5 million.

On October 30, 2023, the Company and its joint venture partner, NAMCOR, were granted approval for the Second Renewal Exploration Period by the Namibian Ministry of Mines and Energy, which covers the period of January 30, 2024 to January 29, 2026, relating to the approximate 6.3-million-acre Petroleum Exploration Licence 73.

On November 29, 2023, the Company provided an exploration update, highlighting that it had: completed the technical evaluation of the entire exploration inventory to understand the potential of the oil-prone Rift Basin and Damara Fold Belt gas plays; selected the first two drill locations and has begun the process required for well site preparation and procurement for operations; and handed over ten solar powered community water wells drilled and completed by the Company to the Department of Water and Land Management of Namibia.

On December 7, 2023, the Company appointed Christopher Sembritzky as Senior Vice President of Exploration of the Company, Jim Ohlms as Commercial Advisor to the Company and Rodney Kirkland as Geoscience Advisor to the Company. On December 7, 2023, Mark Gerlitz resigned from the Board.

On December 20, 2023, the Company filed an updated prospective resource report dated December 8, 2023 (with an effective date of March 31, 2023) prepared by Netherland, Sewell & Associates, Inc. ("**NSAI**"), an independent qualified reserves evaluator. The report focused solely on the Company's interest in certain opportunities located in the Damara Fold and Thrust Belt play area of PEL 73.

On December 21, 2023, the Company announced that, as part of the approval for the Second Renewal Exploration Period by the Namibian Ministry of Mines and Energy, announced on October 30, 2023, the

Company requested and was granted a relinquishment exemption. As a result, the Company does not have to relinquish any of the acreage and retains access to the entire Namibia Licence.

On December 21, 2023, the Company provided an update on the NAMCOR Transaction, stating the Company and NAMCOR have not yet completed the transaction pursuant to the definitive purchase and sale agreement, but discussions are ongoing.

On February 23, 2023, the Company provided an operations update advising that (i) it continues to pursue activities as it prepares to start a multi-well drilling campaign in 2024 (the first of which is the Damara Fold Belt Prospect L (Naingopo) well), including completing all surveying activity, preparing well sight access roads and preparing the drilling pad, and tendering equipment and services; (ii) that it has re-engaged NSAI to evaluate the oil potential of the Damara Fold and Thrust Belt play area; and (iii) that it continues to progress a farmout joint venture process, regarding participation in the drilling of the Damara Fold Belt Prospect L (Naingopo) well. The bid deadline was extended to allow participating companies time to incorporate the updated resource report on the Damara Fold Belt.

On February 29, 2024, the Company filed a short form base shelf prospectus ("**Base Shelf Prospectus**") with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada allowing the Company to offer and issue, from time to time (i) Common Shares, (ii) debt securities, (iii) subscription receipts of the Company, (iv) warrants, or (vi) units comprising any combination of the foregoing (collectively, "**Base Shelf Prospectus Securities**") of up to $120 million aggregate initial offering price of Base Shelf Prospectus Securities during the 25-month period that the Base Shelf Prospectus (including any amendments) is valid, which Base Shelf Prospectus Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and set forth in one or more shelf prospectus supplements.

On March 14, 2024, the Company announced an updated prospective resource estimate supported by a prospective resource report dated March 12, 2024 (with an effective date of February 29, 2024) prepared by NSAI, an independent qualified reserves evaluator. The report focused solely on the Damara Fold and Thrust Belt play area, located within PEL 73, in the Kavango Basin. The integration of all subsurface data and new geochemical analyses in the Damara Fold Belt resulted in an increase of oil potential.

Nine-Month Period Ended December 31, 2024

On April 3, 2024, the Company completed a bought-deal short form prospectus financing (the "**April 2024 Bought-Deal Financing**") of 19,166,705 units ("**April 2024 Units**") at a price of $0.90 per April 2024 Unit for aggregate gross proceeds of $17,250,035. Each April 2024 Unit consisted of one Common Share and one Common Share purchase warrant (the "**April 2024 Warrants**"). Each April 2024 Warrant entitles the holder to acquire one Common Share at a price of $1.15 (subject to adjustment in certain events) until April 3, 2026. In the event that, at any time four months and one day after the date of issuance and prior to the expiry date of the April 2024 Warrants, the moving volume weighted average trading price of the Common Shares on the TSXV, or other principal exchange on which the Common Shares are listed, is equal to or greater than $2.50 for any 20 consecutive trading days, the Company may, within ten business days of the occurrence of such event, deliver a notice to the holders of April 2024 Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice. Any unexercised Warrants shall automatically expire at the end of such accelerated exercise period.

In connection with the April 2024 Bought-Deal Financing, the Corporation entered into an underwriting agreement with a syndicate of underwriters dated March 25, 2024 (the "**April 2024 Underwriting Agreement**"). Pursuant to the April 2024 Underwriting Agreement and the April 2024 Bought-Deal Financing, the underwriters, among other things (i) received a cash commission equal to 7.0% of the gross proceeds of the April 2024 Bought-Deal Financing (other than from the sale of April 2024 Units to purchasers on the president's list, for which a 3.5% cash commission was paid) and (ii) were issued compensation options ("**April 2024 Compensation Options**") equal to 7.0% of the number of April 2024 Units sold in the April 2024 Bought-Deal Financing (other than with respect to those sold to purchasers on the president's list, for which no April 2024 Compensation Options were issued), for a total of 1,263,878 April 2024 Compensation Options and which expire April 3, 2026. Each April 2024 Compensation Option entitled the holder thereof to acquire one Common Share at a price of $0.90. The April 2024 Bought-Deal Financing was completed by way of a prospectus supplement to the Base Shelf Prospectus filed in all of the provinces of Canada, except Québec, and the April 2024 Units were sold outside of Canada on a private placement basis.

On June 6, 2024: (i) Craig Steinke, the founder of the Company, retired as a director and Chair of the Board; (ii) the Honourable Diana McQueen, ECA, ICD.D, was nominated as director and appointed Chair of the Board; and (iii) D. Jeffrey Harder, FCPA, FCA, FCBV, ICD.D, was nominated as an independent director of the Company.

On June 27, 2024, the Company provided an operations update for, among other things, Prospect P, which it had intended to spud immediately after completion of the Naingopo exploration well. The Company noted that debushing and road access activities were ongoing with major civil works including well pad construction expected to commence in the following month.

On July 8, 2024, the Company provided an operations update, highlighting that the drilling of the Damara Fold Belt Prospect L (Naingopo) exploration well on PEL 73 had commenced.

On July 17, 2024, the Company announced that it signed a memorandum of understanding ("**BW Energy MOU**") for a strategic farm down of PEL 73 with BW Energy Limited ("**BW Energy**") for a 20% working interest. In connection with the BW Energy MOU, BW Energy agreed to a strategic equity investment in the Company for US$16 million (approximately $22 million), pursuant to the July 2024 Offering (as defined below).

On July 17, 2024 and concurrent with announcing the BW Energy MOU, the Company also announced that it entered into an agreement with Research Capital Corporation as the lead underwriter and sole bookrunner, on behalf of a syndicate of underwriters, in connection with a proposed overnight marketed public offering (the "**July 2024 Bought-Deal Financing**") of units ("**July 2024 Units**") at a price of $1.25 per July 2024 Unit for gross proceeds of $35 million.

On July 30, 2024, the Company announced that, further to the BW Energy MOU, it entered into a definitive farm down agreement (the "**BW Energy Farm Down Agreement**") with BW Energy for a strategic farm down (the "**BW Energy Farm Down**") of a 20% working interest in PEL 73. Closing of the BW Energy Farm Down was subject to, among other things, the receipt of all necessary regulatory approvals, including, but not limited to, approvals from certain governmental authorities, including the Namibian Ministry of Mines and Energy, NAMCOR and the TSXV.

On July 30, 2024, the Company completed July 2024 Bought-Deal Financing of 19,166,705 July 2024 Units at a price of $1.25 per unit, and together with the partial exercise of the over-allotment option, for aggregate gross proceeds of approximately $38.8 million. Each July 2024 Units was comprised of one Common Share and one Common Share purchase warrant of the Company (a "**July 2024 Warrant**"). Each July 2024 Warrant entitled the holder thereof to purchase one Common Share at an exercise price of $1.75 (subject to adjustment in certain events) at any time July 31, 2026. In the event that, at any time four months and one day after the date of issuance and prior to the expiry date of the July 2024 Warrants, the moving volume weighted average trading price of the Common Shares on the TSXV, or other principal exchange on which the Common Shares are listed, is equal to or greater than $3.70 for any 20 consecutive trading days, the Company may, within ten business days of the occurrence of such event, deliver a notice to the holders of July 2024 Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice. Any unexercised Warrants shall automatically expire at the end of such accelerated exercise period.

In connection with the July 2024 Bought-Deal Financing, the Corporation entered into an underwriting agreement with a syndicate of underwriters dated July 18, 2024 (the "**July 2024 Underwriting Agreement**"). Pursuant to the July 2024 Underwriting Agreement and the July 2024 Bought-Deal Financing, the underwriters, among other things (i) received a cash commission equal to 6.0% of the gross proceeds of the July 2024 Bought-Deal Financing (other than from the sale of July 2024 Units to (i) BW Energy, as strategic purchaser, for which a 4.0% cash commission was paid, and (ii) purchasers on the president's list, for which a 3.0% cash commission was paid) and (ii) were issued compensation options ("**July 2024 Compensation Options**") equal to 6.0% of the number of July 2024 Units sold in the July 2024 Bought-Deal Financing (other than with respect to those sold to (i) BW Energy, as strategic purchaser, for which July 2024 Compensation Options equal to 1.0% of the number of July 2024 Units sold to BW Energy were issued, and (ii) purchasers on the president's list, for which no July 2024 Compensation Options were issued), for a total of 943,244 July 2024 Compensation Options and which expire July 31, 2026. Each July 2024 Compensation Option entitled the holder thereof to acquire one Common Share at a price of $1.25. The July 2024 Bought-Deal Financing was completed by way of a prospectus supplement to the Base Shelf Prospectus filed in all of the provinces of Canada, except Québec, and the July 2024 Units were sold outside of Canada on a private placement basis. In addition, the underwriters received an advisory fee of $8,835 and 6,300 advisory broker warrants ("**July 2024 Advisory Warrants**") on the same terms as the July 2024 Compensation Options.

Pursuant to the BW Energy MOU, BW Energy participated in the July 2024 Bought-Deal Financing, as a strategic equity investment, for US$16 million (approximately C$22 million). All Units purchased by BW Energy were subject to a six-month lock-up agreement. Following closing of the July 2024 Bought-Deal Financing, BW Energy, indirectly through a wholly owned subsidiary, beneficially owned 17,600,000 Common Shares and 17,600,000 July 2024 Warrants, representing approximately 6.6% of the issued and outstanding Common Shares on an undiluted basis and approximately 12.4% of the issued and outstanding Common Shares assuming the exercise in full of the July 2024 Warrants acquired by BW Energy.

On August 29, 2024, the Company completed its first Sustainability Report.

On August 6, 2024, the Company provided an operations update, highlighting that drilling of the Damara Fold Belt Prospect L (Naingopo) exploration well on PEL 73 had reached a depth of 1,450 metres, with surface casing set at 350 metres and a first casing string set at 1,200 metres.

On October 21, 2024, Gitane De Silva was appointed as Senior Vice President ESG, Communications & Stakeholder Relations.

On November 5, 2024, the Company announced a dual listing of its Common Shares on the Namibian Stock Exchange (NSX), under the symbol "REC".

On November 5, 2024, the Company also announced that it was granted approval for the First Renewal Exploration Period (Botswana) by the Department of Mines of the Republic of Botswana for PEL 001 onshore Botswana. The First Renewal Exploration Period (Botswana) covers the period from October 1, 2024, to September 30, 2028.

On November 20, 2024, W. Derek Aylesworth, an independent businessman, and Brian Reinsborough, the Company's Chief Executive Officer, were elected to the Board at the Company's annual general and special meeting of shareholders.

On November 27, 2024, the Company provided an operations update, highlighting that drilling of the Damara Fold Belt Prospect L (Naingopo) exploration well on PEL 73 had reached total depth of 4,184 metres (13,727 feet).

Subsequent to Nine-Month Period Ended December 31, 2024

On January 10, 2025, the Company announced that it is changing its financial year-end from March 31 to December 31 to align with industry peers.

On January 29, 2025, the Company announced that, further to the BW Energy MOU and the subsequent BW Energy Farm Down Agreement, the BW Energy Farm Down had closed upon receipt of the approvals of Namibian Ministry of Mines and Energy and NAMCOR. The working interests in PEL 073 are now: ReconAfrica, operator, 70% working interest; BW Energy 20% working interest; and NAMCOR 10% carried participating interest.

On January 30, 2025, the Company announced the results of the Damara Fold Belt Prospect L (Naingopo) exploration well on PEL 73, which demonstrated a working petroleum system within the Damara Fold Belt.

On March 20, 2025, the Company announced the accelerated drilling of the Damara Fold Belt Prospect I exploration well on PEL 73 in Q2 of 2025.

On March 20, 2025, the Company also announced the receipt of the requisite court approval for its global settlement (announced February 28, 2024) of the class action lawsuits pending against the Company in the United States and Canada had been received. None of the defendants admitted any liability, wrongdoing, or fault as part of the settlement. The matter was fully resolved within the Company's insured coverage limits and did not have any direct financial impact on the Company. See "*Legal Proceedings and Regulatory Actions*".

On April 10, 2025, the Company provided an operation update on the drilling of the Damara Fold Belt Prospect I exploration well on PEL 73, confirming that pre-construction activities were continuing on schedule and the pre-drill evaluation was complete.

On April 17, 2025, the Company entered into a Memorandum of Understanding ("**ANPG MOU**") with the National Oil, Gas and Biofuels Agency of Angola ("**ANPG**"), for a joint exploration project in the Etosha-Okavango basin, located onshore in southeastern Angola. Under the ANPG MOU, the Company will hold an 80% working interest, with Sociedade Nacional de Combustíveis de Angola E.P. (Sonangol), Angola's state-owned oil company, holding the remaining 20% working interest. The ANPG MOU provides the Company with exclusive rights to the area for a 24-month term. The estimated minimum work commitment is approximately US$8.5 million, which includes an estimated US$8.0 million 2D seismic program scheduled for the second year of the 24-month ANPG MOU term.

Significant Acquisitions

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

DESCRIPTION OF THE BUSINESS

Overview

ReconAfrica is a Canadian-based oil and gas company working collaboratively with national governments to explore the potential for oil and gas resources in Northeast Namibia on PEL 73 and Northwest Botswana on PEL 001.

ReconAfrica holds a 70% working interest in PEL 73 (with BW Energy holding a 20% working interest and NAMCOR holding a 10% carried participating interest). PEL 73 covers two major play types, the Damara Fold Belt and Kavango Rift Basin. ReconAfrica holds a 100% interest in PEL 001. The exploration licences cover a contiguous area of 25,341 km^2 (6.3 million acres) in Namibia and 7,592 km^2 (1.9 million acres) in Botswana.

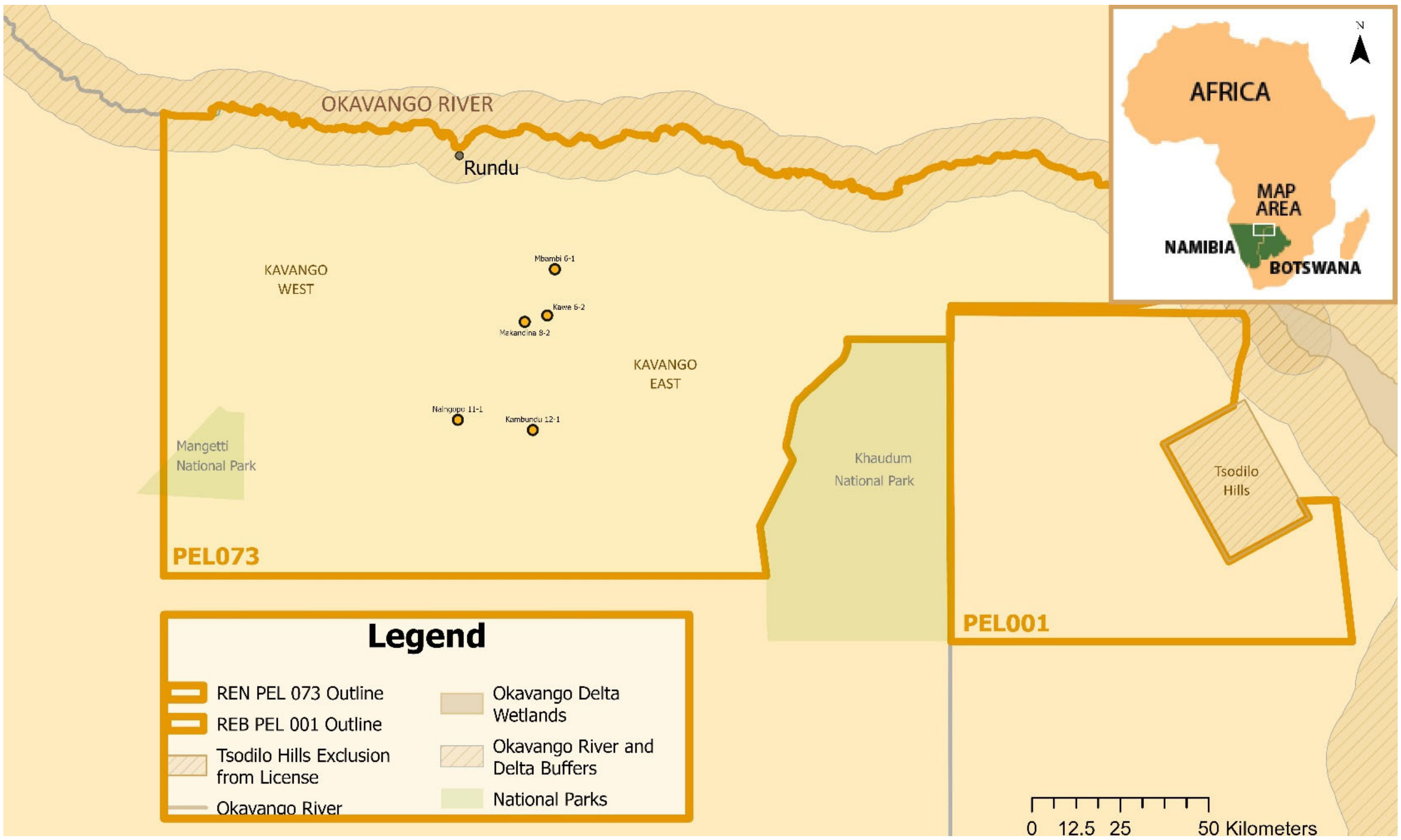
The Company completed drilling of the Damara Fold Belt Prospect L (Naingopo) exploration well on PEL 73 in November 2024, which demonstrated a working petroleum system within the Damara Fold Belt. Prior thereto, the Company had drilled three stratigraphic test wells, proving a working petroleum system in the Kavango Rift Basin. The Company plans to continue drilling of the Damara Fold Belt with the Prospect I exploration well on PEL 73 in Q2 of 2025.

Based on commercial success in Namibia, ReconAfrica is entitled to 25-year production licences over any commercial discovery. The Namibia Licence (and its related Petroleum Agreement (as defined below)) are the Company's primary assets.

ReconAfrica has not applied for, does not have the intention to, nor been granted or given, permits to allow 'fracing' — a point which ReconAfrica, and the governments of Namiba and Botswana have publicly confirmed.

Should oil and gas be discovered and commercialized, the traditional authorities and elected governments of Namibia and Botswana will determine how they will manage their resources. In all aspects of its operations, ReconAfrica is committed to minimal disturbances and environment, social and governance ("**ESG**") approach to business.

Location of ReconAfrica Petroleum Exploration Licences



Namibia

General

Namibia, a former colony of Germany and then administered by South Africa pursuant to the Treaty of Versailles, gained independence from South Africa in 1990. Namibia has a highly developed infrastructure by regional standards, including well paved highways and a modern telecommunications system. As of the date of this AIF, major industry competitors such as ExxonMobil Corporation, Royal Dutch Shell plc, Total S.A. and Galp Energia, SGPS, S.A. all have active operations in Namibia.

Summer is from October to April and temperatures range from 20º C to 34º 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 Licenced Property (as defined below) and paved roads are present from the Namibia Licenced Property to the capital Windhoek and to the port at Walvis Bay. It is 225 kilometres from the Namibia Licenced Property to the railhead at Grootfontein, which connects to Walvis Bay. There is an airport on the Namibia Licenced Property with connections to the other Namibia airports including Windhoek.

Petroleum Agreement and Namibia Licence (PEL 073)

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.

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. ("**ReconNamibia**"), a wholly owned subsidiary of ReconAfrica, dated January 26, 2015 and as adjusted on February 25, 2019 (the "**Petroleum Agreement**"), the Company holds a 70% interest (reduced from 90% pursuant to the BW Energy Farm Down Agreement) in PEL 73, which licence is in respect of approximately 6.3 million acres (25,341.33 km^2) of oil and/or gas exploration properties comprising six licenced blocks, namely 1719, 1720, 1721, 1819, 1820 and 1821 situated in the Kavango Basin of northeast Namibia (the "**Namibia Licenced Property**"), granted by the Government of the Republic of Namibia to ReconNamibia and NAMCOR pursuant to the *Petroleum (Exploration and Production) Act*, *1991* (Namibia) (the "**Namibian Petroleum Act**") and governed by the Petroleum Agreement. 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 Licenced Property, and the Petroleum Agreement are ReconAfrica's main assets.

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.sedarplus.ca. The Petroleum Agreement describes an eight-year exploration work program and accompanying minimum expenditures on the Namibia Licenced Property related thereto. Such exploration program consists of the following three phases:

Initial Exploration Period (4 years, subject to possible one-year extension)

- 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/or gas exploration.

On October 22, 2018, the Namibian 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 Namibian 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 (Namibia). Further, the relinquishment obligation which arises at the end of the Initial Exploration Period has been deferred into the First Renewal Exploration Period (Namibia).

On December 18, 2019, Namibia's Minister of Mines and Energy confirmed that the Namibia Licence had been approved for its First Renewal Exploration Period (Namibia), and accordingly the exploration phase of the Namibia Licence was renewed and continued until January 25, 2022. Such approval included recognition that the proposed work program for the First Renewal Exploration Period (Namibia) included the drilling of two stratigraphic test wells.

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

- Acquire 250 kilometres of 2D seismic data.
- Drill and evaluate two 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/or gas exploration. The work requirements for 2D seismic, well drilling and aggregate expenditure have been satisfied.

On September 10, 2021, Namibia's Minister of Mines and Energy granted approval of a one-year extension on the First Renewal Exploration Period (Namibia), extending such period to January 29, 2023 due to the impacts of the COVID-19 pandemic on the Company's operations.

On September 5, 2022, Namibia's Minister of Mines and Energy granted approval of a further one-year extension on the First Renewal Exploration Period (Namibia), extending such period to January 29, 2024.

On September 22, 2022, the Company announced that it had entered into a definitive purchase and sale agreement with NAMCOR dated September 21, 2022, to acquire half of NAMCOR's 10% carried participating interest in PEL 73 (the "**NAMCOR Transaction**"). The NAMCOR Transaction has not yet been completed as previously anticipated and discussions are ongoing between the Company and NAMCOR. The Company has agreed to issue 5,000,000 Common Shares to NAMCOR, subject to certain contractual restrictions on transfer, and pay US$2 million in cash for the acquisition of half of NAMCOR's 10% carried participating interest in the Namibia Licence. Completion of the NAMCOR Transaction is expected to follow fulfilment of various conditions precedent, including approval of the Namibian Ministry of Mines and Energy, the approval or waiver of Namibia's competition authority and the acceptance by the TSXV. There can be no assurance that the NAMCOR Transaction will be completed on these terms or at all.

On October 30, 2023, Namibia's Minister of Mines and Energy confirmed that the Namibia Licence had been approved for its Second Renewal Exploration Period covering the period from January 30, 2024 to January 29, 2026, under revised terms as detailed in the following section.

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

- Either
  - acquire 500 kilometres of 2D seismic data, or
  - acquire 1,200 square kilometres of eFTG data, or
  - some combination of (i) or (ii) which is reasonable and achieves a significant increase in the data acquired by the Company during the Second Renewal Exploration Period.
- Design an exploration or stratigraphic test well and then drill such well.

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/or gas exploration. However, as the Company's exploration expenditures in the First Renewal Exploration Period (Namibia) exceeded the minimum US$10,000,000, this excess of over US$60,000,000 may be applied to reduce the minimum exploration expenditure commitment in the Second Renewal Exploration Period. This treatment has been confirmed by the Namibian Ministry of Mines and Energy and accordingly there is no minimum exploration expenditure for the Second Renewal Exploration Period. This does not alter the Company's obligation to conduct the seismic and drilling exploration work described above. ReconAfrica has satisfied the drilling obligation through the drilling of the Naingopo well, with the 3D seismic program estimated to begin in the second half of 2025.

Other Material Provisions

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 the Namibia Licenced Property, depending on the applicable stage of exploration. Should the Namibian Minister of Mines and Energy grant a production licence over any part of the Namibia Licenced 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 and October 4, 2021 adjustment letters, the Company must relinquish at least 50% of the exploration area covered by the Namibia Licence at the end of the First Renewal Exploration Period (Namibia) (January 29, 2024). In determining the relinquished area, any areas of the Namibia Licenced Property that have been identified as potentially productive are excluded from the relinquishment requirements.

As part of the approval for the Second Renewal Exploration Period by the Namibian Ministry of Mines and Energy, the Company requested and on November 27, 2023 was granted, a relinquishment exemption based on the provisions of Section 37 (5) of the Petroleum Act of 1991. The request was based on the Company's belief following the evaluation of acquired subsurface data over the past three years that a significant portion of PEL 73 will be prospective for the exploration of oil and gas. As a result, the Company does not have to relinquish any of the acreage and retains access to the entire Namibia Licence.

In the event the exploration work at the Namibia Licenced 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 Licenced 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 Licenced 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.sedarplus.ca. See "*Material Contracts*".

BW Energy Farm Down

On July 16, 2024, the Company entered into the BW Energy MOU for the BW Energy Farm Down of PEL 73. On July 30, 2024, the Company announced that, further to the BW Energy MOU, it entered into the BW Energy Farm Down Agreement for the BW Energy Farm Down. On January 29, 2025, the Company announced that the BW Energy Farm Down had closed upon receipt of the approvals of Namibian Ministry of Mines and Energy and NAMCOR. Upon closing, the working interests in PEL 073 became: ReconAfrica, operator, 70% working interest; BW Energy 20% working interest; and NAMCOR 10% carried participating interest.

Pursuant to the BW Energy Farm Down Agreement, BW Energy agreed to participate in two Damara Fold Belt exploration wells and a 3D seismic program, with an option to participate in two Rift Basin exploration wells over a two-year period.

The Company's total potential consideration under the BW Energy Farm Down Agreement is US$141 million ($203 million), including a $22 million (US$16 million) equity investment pursuant to the July 2024 Bought-Deal Financing. An additional US$45 million ($65 million) bonus will be earned at declaration of commerciality (FID). These commerciality bonus payments will be paid in two installments, one at FID and the second payment one year after production. In the event of development of discoveries, production bonuses based on certain cash flow milestones achieved by BW Energy could total an additional US$80 million ($115 million). Three separate production bonus payments of US$25 million ($36 million), are made after BW Energy reaches certain free cash flow milestones. An additional first production payment of US$5 million ($7 million), is paid sixty days after the start of commercial production. All values converted using the USD exchange rate as at December 31, 2024.

Exploration

The Company's core operating objectives are to identify and develop oil and/or gas assets through exploration conducted pursuant to the Namibia Licence, which was obtained by ReconNamibia, now a wholly owned subsidiary of the Company following the RTO Transaction, in 2019. During 2015, Reconnaissance Oil & Gas Corp. acquired a high-resolution geomagnetic survey of the Namibia Licenced Property and conducted a detailed analysis of the resulting data and other available data related to the Namibia Licenced Property, including reprocessing and reinterpretation of all existing geological and geophysical data. This led to the identification on the Namibia Licenced Property of the Kavango Basin, as a sub-basin of the Greater Owambo Basin in northeastern Namibia.

Prior to the Company's acquisition of the Namibia Licence, the Namibia Licenced Property had 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 – lower Karoo 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 Licenced Property defining a pull-apart basin with targetable half grabens capable of housing substantial thickness of Karoo-Aged sediments and underlying Lower Paleozoic Units. Regional geologic investigations of Permian Karoo deposition, including Main Karoo Basin, Botswana Kalahari Basin and Namibian basins Kavango, Karasburg, Nama, Waterberg, Huab and Owambo support potential for adequate thickness of resource-prone sediments. Preliminary analyses indicate basin depths supportive of oil and/or gas thermal maturation levels.

ReconAfrica 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 Company 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 Licenced Property and whether hydrocarbons exist on the Namibia Licenced Property. The ECC was obtained on October 7, 2019 and the Company commenced drilling operations on the Namibia Licenced Property in January 2021.

The Company has received ECC no. 2300571, from the Environmental Commissioner, Ministry of the Environment, Forestry and Tourism, covering PEL 73, for the drilling of 12 exploration and appraisal wells from July 4, 2023 to July 4, 2026, including six in the Damara Fold Belt and six in the Rift Basin. The Company has applied for an amendment to ECC no. 2300571 to move the location of three of the original drill locations and to add a further five drill locations with three in the Damara Fold Belt and two in the Rift Basin.

The Company has applied for a renewal and amendment to ECC no. 001491 covering a 2D seismic survey. The renewal and amendment include two test lines to complete an analysis of previously obtained results and additional 2D or 3D seismic survey coverage.

Seismic Operations and Technical Studies

The Company previously conducted 2D seismic operations using low impact methods: small footprint sources, state of the art wireless receiver technologies, cloud computing, and sensitivity and awareness in all operational activities. A total of 2,767 km of 2D seismic have been acquired between 2021 and 2023. The seismic data acquisition program has been completed and processed, providing a good regional 2D seismic data set over prospective areas of PEL 73.

The 2D seismic program identified a number of leads and considerably expanded the Company's portfolio of opportunities. The program was also designed to confirm the lateral extension of the Kavango Rift Basin to the south-east, potentially to the edge of PEL 73, and to delineate a new play fairway, the Damara Fold Belt.

The Company has further progressed its technical assessment of the Damara Fold Belt with the integration of new studies, basin modelling and available geochemical data. The Company now anticipates potentially having oil in the shallower Mulden reservoir intervals, while the deeper Otavi target is expected to have natural gas with liquid/oil potential. Due to the coarse seismic grid over the Kavango Rift Basin, the Company is evaluating options to acquire a 3D program to further delineate the identified leads prior to any drilling in the Rift. 3D Seismic acquisition is anticipated to occur in the second half of 2025.

The Company conducted a Vibroseis seismic parameter test utilizing a seismic crew in Namibia, that was demobilizing from another company concession west of PEL 73. The tests were to establish the best Vibrator sweep parameters and number of Vibrators in a fleet, and to investigate field data processed results for future seismic projects on block PEL 73. The project commenced on July 30, 2024, and was completed on August 6, 2024. Six runs of a 6 km line with different Vibrator and sweep configurations were completed first, to reshoot a 23 km line previously shot with an Accelerated Weight Drop ("AWD") source. The initial field data processing results from the 6 km line identified the best Vibrator and sweep configuration to use on the 23 km test line. After shooting the 23 km test line, the results were processed to a brute stack and compared to the previous AWD processed data which showed a marked improvement in data quality. Individual shot records from the Vibroseis and AWD were also analyzed and showed similar improvements.

Enhanced Full Tensor Gravity ("EFTG") Survey

ReconAfrica engaged an airborne geophysical survey provider, Metatek Group Limited, to conduct an eFTG survey over an area of 2,184 km2 (540,000 acres) over the Company's exploration licence in Northeastern Namibia. This program was subsequently extended by 2,814 km2 (695,000 acres) in two contiguous areas, and the complete program is nearly 5,000 km2. The data was acquired in April and May 2023.

The eFTG is an advanced three-component high resolution airborne gravity survey which specifically allows earth scientists to identify changes in sub-surface rock density with the goal of delineating hydrocarbon traps. Unlike traditional gravity instruments, which measure vertical responses, the eFTG (gravimetry) measures changes in the gravity response using multi-component airborne instruments. Simultaneously, high resolution magnetic and light detection and ranging ("LiDAR") data is also acquired, to correct and supplement the gravimetric data. When calibrated with existing 2D seismic data, the eFTG imaging can greatly enhance the geoscientists' ability to identify structures and extrapolate their geometries in three dimensions.

The processing and inversion of this data was completed and integrated with the seismic data to evaluate the Company's exploration inventory. This information, combined with the 2D seismic and well data, has enhanced the Company's ability to image and understand the sub-surface, significantly contributing to building a risk weighted prospect portfolio and defining the Company's future drilling program.

Drilling Program

The Company's initial drilling program, which commenced in January 2021, was designed to test organic rich source rocks, evidence of migrated hydrocarbons and conventional traps. ReconAfrica completed two wells in 2021 which achieved the stated purpose of the initial drilling program, the establishment of a working conventional petroleum system in the Kavango Rift Basin. In June 2022, the Company drilled a third well, 1819/8-2, located in the Kavango East region. The well encountered hydrocarbon shows with gas (Methane) and gas liquids and while a geologically successful well, economic accumulations of hydrocarbons were not encountered. The apparent lack of structural closure and potential oil source-maturation issues highlighted the need for a 2D seismic program and eFTG program to support all future drilling decisions. The data gathered from the well program, seismic operations and eFTG has led to the identification of a new play, the Damara Fold Belt.

The Naingopo (Prospect L) well spud on July 7, 2024, and reached a total depth of 4,184 metres or 13,724 feet in November 2024. The well encountered 52 metres of net reservoir in the Otavi Group, with the Mulden reservoirs being tighter than expected. The acquisition and processing of the vertical seismic profile of the well has allowed us to correlate the well results to the Otavi seismic event, derisking the Otavi presence in future Damara Fold Belt prospects. Additionally, the indication of oil via rock fluorescence was pervasive within the Otavi Group. This interval of fluorescence was associated with oil being recovered at surface in the drilling mud system. Side wall cores, isotubes, cuttings and fluid samples are currently with third party service providers for further analysis. Delays in drilling were encountered due to slower drilling rates in the Mulden formation, tight hole conditions while setting casing and drilling past planned total depth. The well was temporarily abandoned in December and in January 2025 the rig was rigged down after conducting rig maintenance.

After analysis of the logs at Naingopo and re-interpretation of the seismic in the area around Naingopo and Prospect P ("Kambundu"), it was determined the best location to drill the next Damara Fold Belt well is Prospect I. Permits for the land access/use and water have been submitted and construction activities for the road and drill site are underway. The spud of Prospect I is anticipated for June 2025.

For additional information regarding the Company's drilling operations and results in Namibia under PEL 073, see "*General Development of the Business — Three Year History*".

Botswana

General

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

Summer is from October to April and temperatures range from 20º C to 34º 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 Botswana Licenced Property (as defined below). Road access to the Botswana Licenced Property is by paved road from the Namibia Licenced Property in the Caprivi Strip, or by paved and gravel roads from Gaborone, the capital of Botswana.

Botswana Licence (PEL 001)

On June 9, 2020, the Company, through its wholly owned subsidiary, Reconnaissance Energy Botswana (Pty) Ltd. ("**ReconBotswana**"), was granted PEL 001 in respect of approximately 2.45 million acres (9,921 km^2) (later reduced to approximately 2.22 million acres or 8,900 km^2 by amendment dated December 24, 2020 and further reduced to approximately 1.88 million acres (7,592 km^2) by amendment dated April 13, 2023) (the "**Botswana Licenced Property**"). The Botswana Licenced Property is contiguous to the Namibia Licenced Property.

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 5,000,000 Botswana Pula (BWP) (approximately $515,000) over the first 4-year exploration period; and
- the corporate tax rate of Botswana is 22%.

The Company is at an early stage and in the process of completing desktop studies. ReconAfrica has completed a hydrogeology including groundwater feasibility study prepared by a Botswana third-party service company. The Botswana Licenced Property excludes National Parks, the Tsodilo Hills, RAMSAR area, and the Okavango Delta. The Company also self-imposes additional buffer zones to avoid environmentally sensitive areas.

In March 2024, the Company applied for a six-month extension of the Botswana Licence while it continued to negotiate a petroleum agreement with the government of Botswana. The Company has also applied for a renewal of the licence should the extension not be approved. Under the terms of the Botswana Petroleum Act the Botswana Licence was deemed to continue in force until the Minister decided on the licence extension and renewal.

The fiscal regimes of both Namibia and Botswana are both globally competitive. In the "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.

In October 2024, the Company was granted approval for the First Renewal Exploration Period (Botswana) which covers the period from October 1, 2024, to September 30, 2028. Under the terms of the First Renewal Exploration Period (Botswana) the Company is required to undertake various geotechnical evaluations, vegetation mapping, a water study report, methane seep detection activities, an environmental impact study and provide funding for Botswana Petroleum Exploration and Training. Minimum expenditures during this period total 5,000,000 Botswana Pula (BWP) (approximately $515,000).

First Renewal Exploration Period (Botswana) (4 Years)

- *Year One*
    - Updated access report
    - Remote stressed vegetation mapping
    - Provide funding for Botswana Petroleum Exploration and Training (US$25,000)
- *Year Two*
    - *Conduct water study report*
    - *Methane seep detection environmental permitting requirements*
    - Provide funding for Botswana Petroleum Exploration and Training (US$25,000)
- *Year Three*
    - Carryout environmental impact study
    - Methane seep detection
    - Provide funding for Botswana Petroleum Exploration and Training (US$25,000)
- *Year Four*
    - Carry out soil geochemical sampling
    - Carry out geophysical exploration
    - Provide funding for Botswana Petroleum Exploration and Training (US$25,000)

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/or gas industry, hold the necessary skill sets to successfully execute 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 resource 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/or 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, 2024, ReconAfrica, together with its subsidiaries, had 29 employees, and 17 contractors/consultants. Fieldwork 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/or 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/or gas industry. Drilling for and production, handling, transporting and disposing of oil and/or 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.

Environmental, Social and Governance (ESG)

Effective March 1, 2020, the Company adopted an Environmental, Health & Safety Policy with the purpose of assisting the Company in establishing its goal of preventing all injuries and protecting human life and the environment throughout locations where the Company operates by specifying safety rules and standards applicable in areas of the Company's operations. This was further updated in 2022 and is now called the Environmental, Health and Safety Policy Statement (the "**EHS Policy Statement**"). The EHS Policy Statement makes clear the importance held by ReconAfrica, its subsidiaries and contractors that they value environmental, health and safety ("**EHS**") performance as an integral part of efficient business management while promoting and prioritizing safe and healthy workplaces. Many objectives are laid out in the EHS Policy Statement and include, for example, compliance with legislation and regulations in the countries in which the Company operates and/or conducts activities. It also puts high value on the importance to demonstrate active EHS leadership while implementing actions, monitoring and evaluating of the Company's progress through scheduled audits, inspections and reviews by supporting operations with the appropriate level of resources, standards and safe systems. These are all done to meet EHS commitments amongst other operational and occupational health and safety practices including a safe working environment free from the adverse effects associated with alcohol and substance abuse. The Company's work in EHS and regulatory matters are aligned with international industry standards in the oil and gas industry.

The licences granted to ReconNamibia and ReconBotswana exclude the Okavango Delta, the Tsodilo Hills, RAMSAR, Okavango Delta World Heritage site and National Parks. ReconAfrica also self-imposes additional buffer zones to protect the environment and wildlife.

ReconAfrica has been working in collaboration with Namibian governments, Traditional Authorities, Conservancies and communities on a number of initiatives related to water access for communities, wildlife, reforestation, water management and agricultural enhancement, in addition to other ongoing social and environmental initiatives in Kavango East and Kavango West regions. ReconAfrica's water-management plan includes groundwater assessments, hydro census, monitoring and mitigation.

ReconAfrica works with national and regional governments, Traditional Authorities, indigenous leaders, communities, Conservancies, communal land boards, business leaders, educational institutions, and many other stakeholders to ensure that the Company appreciates the concerns and expectations of stakeholders. The Company also consults and completes ongoing engagement, with stakeholders so that they gain knowledge on the Company's plans and proposals and also have opportunities to contribute to those plans through meaningful dialogue**.** The Company is committed to doing business in compliance the Company's approved and relevant policies and policy statements along with review by various Board committees.

ReconAfrica works directly with the Ministry of Environment, Forestry and Tourism on a variety of areas including working hard to identify and avoid ecologically sensitive areas, migratory routes and national preserve areas. These studies include wildlife counts, wildlife active collaring data along with working with local conservancies on wildlife management.

Since 2021, more than 1,350 Namibians and Namibian residents worked on operations requirements and ESG projects associated with the Company's business in such roles including various types of work affiliated with seismic operations and its requirements, construction and affiliated requirements, electricians, rig floorhands, project managers, material technical specialists (construction, environment, wildlife surveying, water and hydrology), health, safety and environmental experts, administrative assistants, agriculture workers and various types general laborers.

ESG Projects and Activities

ReconAfrica is committed to building a successful exploration company with strong ESG standards in collaboration with local communities, governments, Traditional Authorities, and other key stakeholders. The goal of the Company's ESG program is to not only meet but exceed regulatory compliance as the Company continues to implement measures to protect the environment and deliver on social responsibility initiatives.

As of December 31, 2024, ReconAfrica has spent approximately $3.3 million of its $10 million target for discretionary ESG related expenditures in Namibia. These expenditures include the construction of 36 community water wells, donations of Covid-19 vaccines and health care equipment, wildlife surveys and animal collaring, as well as education funds and student scholarships.

In 2025, ReconAfrica expects to provide education funding, including scholarships with support for living expenses for ten students in Namibia, supplies, as well as support for wildlife studies, altogether totaling N$976,500 (~$75,100). While there are no legal or contractual obligations, the Company aims to meet its $10 million ESG target in the coming years. However, there is no assurance that the Company will be able to do so. Achieving this target depends on several factors, including the Company securing additional funding and/or reaching commercial operations.

Details on ReconAfrica's ESG's initiatives and achievements to date are as follow:

- *Health and Wellness*: The Company has drilled and installed 36 solar powered community water wells in communities within Kavango East and Kavango West Regions to allow community members safer access to potable water. ReconAfrica contributed to Namibia's COVID-19 vaccine rollout campaign, supporting various initiatives tied to the COVID-19 virus and its associated health risks in Namibia. The Ministry of Health and Social Services authorities implemented our vaccine roll-out program in both Kavango East and Kavango West Regions, focused on hard-to-reach communities, including the provisioning of oxygen and breathing-related equipment for medical facilities for the populations of Kavango East and Kavango West Regions.

- *Education Sponsorship and Assistance*: Nine science, technology, engineering, art, and mathematics (STEAM) scholarships for new graduates from Kavango East and Kavango West Regions have been awarded by the Company. The Company continues this commitment. The Company, in cooperation with the Ministry of Gender Equality, Poverty Eradication and Social Welfare, is funding seven nursing students from the SAN communities (Indigenous) in Kavango East and Kavango West Regions. The Ministry of Health and Social Services has taken steps to employ nursing students as they graduate from their training.

- *Other Community Initiatives*: ReconAfrica is involved in Trade Fairs in both Rundu, Kavango East and NKurenkuru, Kavango West.

- *Regulatory Consultation, Stakeholder Engagement and Indigenous Engagement*: The Company has held over 2,300 engagements with regional leadership, Traditional Authorities, regional government offices, headwomen/men and community representatives and stakeholders, national government representatives and with stakeholders interested in the Company's project activities.

- *Biodiversity — Wildlife Monitoring*: The Company again supported the Ministry of Environment, Forestry and Tourism (MEFT) with its wildlife monitoring, and including involvement in game counts for wildlife outside of the Company's lease area as part of mutual data gathering exercises.

- *Governance*: ReconAfrica rolled out ongoing corporate governance training programs for in-country employees and contractors. The Company is committed to local content and continues to work with local, regional, and national business suppliers and service providers in a broad range of sectors, including water well drilling; construction; logistics and transport; telecom; camp management; training; medical services and supplies; human resources and contracting; engineering and project management; and environmental services. Emphasis is placed on regional, local and national hiring, in addition to providing training in key technical areas associated with the Company's operations. To date, ReconAfrica has hired and/or contracted over 2,500 short and long term positions for Namibians and Namibian residents.

OIL AND GAS INFORMATION

ReconAfrica engaged NSAI, an independent qualified reserves evaluator, to provide an updated prospective resource report dated March 26, 2025 (with an effective date of December 31, 2024) relating to the Company's prospective resources (the "**Updated Report**"). The Updated Report focused solely on the Company's interest in certain prospects and leads located in the Damara Fold and Thrust Belt play area and the Karoo Rift play area of PEL 73, in the Kavango Basin, in which the Corporation holds a 70% working interest. See the Statement of Reserves Data and Other Oil and Gas Information of ReconAfrica in Form 51-101F1 dated April 29, 2025 (the "**Form 51-101F1**") and related Report on Reserves Data and Prospective Resources Data by Independent Qualified Reserves Evaluator or Auditor in Form 51-101F2 dated April 29, 2025 and Report of Management and Directors on Oil and Gas Disclosure in Form 51-101F3 dated April 29, 2025, all filed under the Company's profile on the SEDAR+ website at www.sedarplus.ca which are incorporated by reference herein and form a part of this AIF. The resources attributable to the properties described in the Form 51-101F1 are estimates only. Actual resources attributable to the properties may be greater or less than those estimated.

The Company's licences located in Northeast Namibia (PEL 73) and Northwest Botswana (PEL 001) are set out in an appendix to the Form 51-101F1, including a summary of the estimation of prospective resources of the Company as of December 31, 2024.

On October 25, 2023, ReconAfrica disposed of its assets and operations in Mexico via the sale of Renaissance, which the Company did not consider to be material in the context of its business strategy, and therefore no longer has any reserves.

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 and concentration of the Company's business in the exploration for, and the acquisition, production and marketing of oil and natural gas reserves and its current stage of development. Oil and/or 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. Because the Company's business is concentrated in the oil and gas industry, its financial performance will depend on the overall condition of the oil and gas industry. The Company is subject to increased risk of loss, including losses due to adverse occurrences affecting it more than the market as a whole, as a result of the fact that its operations are concentrated in the oil and gas sector.

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/or gas exploration and production 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.

Permits, Licences, Approvals and Authorizations

The operations of the Company require permits, licences, approvals and authorizations from various governmental and non-governmental 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. Obtaining or renewing the necessary governmental permits, licences, approvals and authorizations is a complex and time-consuming process involving multiple jurisdictions and sometimes involving public comment periods and costly undertakings on the part of the Company. The duration and success of the Company's efforts to obtain and renew permits, licences, approvals and authorizations are contingent upon many variables not within the Company's control, including local politics, legal challenges and the interpretation of applicable requirements implemented by the licensing authority. Any unexpected disruption to the Company's permits, licences, approvals or authorizations may materially hurt the Company's business. There can be no assurance that the Company will be able to obtain or renew all necessary permits, licences, approvals or authorizations. Failure to obtain or renew 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 or renewed, could subsequently be withdrawn or made subject to limitations. There can be no guarantee as to the terms of any such current 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.

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. Negative conditions in the oil and natural gas industry could impact 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.

Adverse Economic Conditions

The demand for energy, including crude oil and liquids and natural gas, is generally linked to broad-based economic activities. If there was a slowdown in economic growth, an economic downturn or recession, or other adverse economic or political developments in the US, Canada, Africa, Europe, Middle East, or Asia, there could be a significant adverse effect on global financial markets and commodity prices. In addition, geopolitical instability and the escalation and expansion of conflict in the Middle East, Europe, and the South China Sea region, and the occurrence or threat of terrorist attacks in the US or other countries, could involve other nations, potentially increasing existing tensions between the US, China, and Russia, and may adversely affect the global economy, financial markets, and shipping and supply chains. Global or national health concerns, including the outbreak of pandemic or contagious diseases may adversely affect ReconAfrica by (i) reducing global economic activity thereby resulting in lower demand for crude oil and liquids and natural gas, (ii) impairing its supply chain, for example, by limiting the manufacturing of materials or the supply of goods and services used in ReconAfrica's operations, and (iii) affecting the health of its workforce, rendering employees unable to work or travel. These and other factors disclosed elsewhere in this AIF that generally affect the global economy and the supply and demand for crude oil and liquids and natural gas, and ReconAfrica's business and industry, could ultimately have an adverse impact on ReconAfrica's financial condition, financial performance, and cash flows.

Inflation, Cost Management and Rising Interest Rates

ReconAfrica may experience high levels of inflation, supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs and commodity prices, and additional government intervention through stimulus spending and additional regulations. These factors could increase ReconAfrica's operating costs. ReconAfrica's inability to manage costs may impact project returns and future development decisions, which could have a material adverse effect on its financial performance and cash flows.

The cost or availability of crude oil and natural gas field equipment may adversely affect ReconAfrica's ability to undertake exploration, development and construction projects. The crude oil and natural gas industry is cyclical in nature and is prone to shortages of supply of equipment and services including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects, and construction materials generally. These materials and services may not be available at reasonable prices when required. A failure to secure the services and equipment necessary to ReconAfrica's operations for the expected price, on the expected timeline, or at all, may have an adverse effect on ReconAfrica's financial performance and cash flows.

In addition, many central banks including the Bank of Canada and U.S. Federal Reserve have taken steps to raise interest rates in order to combat inflation, followed by the modest lowering of interest rates as inflation concerns stabilized. The increase in borrowing costs, and the volatility of interest rates in the future, may impact project returns and future development decisions, which could have a material adverse effect on ReconAfrica's financial performance and cash flows. Rising interest rates could also result in a recession in Canada, the United States or other countries. A recession may have a negative impact on demand for crude oil and natural gas, causing a decrease in commodity prices.

An increase in interest rates could result in a significant increase in the amount ReconAfrica pays to service debt, resulting in a reduced amount of funds available to fund its exploration and development activities, and if applicable, the cash available for dividends and/or share repurchases.

Political Uncertainty

Political, legal, and regulatory changes in Namibia, Botswana and Canada, and other countries can impact ReconAfrica's operations and business performance. In 2024, there were national elections in several of the world's largest economies, including Japan, India, the European Union, France, the United Kingdom, Mexico, and the United States. There were also elections in Namibia and Botswana. Additional elections will take place in 2025, including within Canada and Germany. These elections have brought, or may bring, new political leadership with substantially different political, social, and economic policy priorities than their predecessors on both domestic and foreign policy matters, including the environment, trade and tariffs, and energy.

These political shifts may create uncertainty about future government policies, regulations, and trade relationships between major global economies which could result in broad-based volatility and decreased investor confidence.

Political risks faced by ReconAfrica that could impact its operations or planned projects include:

- changes in government policy and regulations;
- new interpretations of existing laws;
- implementation of new, or expansion of existing, tariffs on exported and/or imported products;
- opposition from government or other political actors to industrial activities;
- extended regulatory review periods and third-party consultation requirements;
- delays or denials of necessary permits and licences; and
- disruption of critical third-party infrastructure and supply chains.

Changing environmental regulations pose additional challenges. Changes in assessment processes and expanding stakeholder consultation requirements and expectations, including with Indigenous stakeholders, may extend project timelines, increase compliance costs, increase project execution risk, and limit business opportunities.

Other potential governmental impacts include:

- tax increases;
- higher government royalty rates, including possible retroactive claims;
- new efficiency standards;

- alternative fuel mandates;
- tax and other subsidies for competing energy sources; and
- government support for research into, and mandated uses of, alternative energy technologies.

These government initiatives, particularly those promoting emissions reductions and alternative energy sources, could reduce demand for ReconAfrica's future products.

Access Restrictions and Tariff Risks

The Company's ability to procure inputs and equipment required for its projects and operations in Namibia and Botswana, and access to markets for the Company's future products, may be subject to interruptions or trade barriers due to policies and tariffs or import/export restrictions of individual countries. The Company's future products may also be subject to tariffs that do not apply to producers based in other countries which could result in changes to its customer base and disrupt the Company anticipated sales processes. Any disruption to current trade practices could have a material impact on the Company's ability to procure inputs and equipment for its operations and projects and to market its future products.

Negative Operating Cash Flow

The Company has negative cash flow from operating activities, has no history of earnings, has earned no material 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 creating 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/or gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and/or 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.

Commitments and Contingencies

The Company has certain commitments in relation to its Namibia and Botswana licences. The Namibia Licence calls for a minimum work program during the Second Renewal Exploration Period. See "*Description of the Business — Namibia — Petroleum Agreement and Namibia Licence (PEL 073) — Second Renewal Exploration Period (2 Years, subject to possible one-year extension)*" of which the requirement to complete further seismic studies remains outstanding. The Botswana Licence calls for a minimum work program during the First Renewal Exploration Period (Botswana). See "*Description of the Business — Botswana — Botswana Licence (PEL 001) — First Renewal Exploration Period (Botswana) (4 Years)*".

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/or 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, including the continuance or escalation of the military conflict between Ukraine and Russia and the economic sanctions imposed on Russia in connection therewith, which have and may continue to result in increased prices for a variety of commodities, including oil and natural gas, and which could have other long term effects on the global economy in addition to the near-term effects on Ukraine and Russia. 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-Related 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.

Climate Change

Changing consumer preferences for low carbon sources of energy, transport and products and services may erode demand for oil and gas as clean alternatives come to market and gain scale. Reduced demand for oil and gas may negatively impact the Company's valuation and the trading price of the Common Shares. In addition to limiting the Company's ability to sell into the market, these trends could lead to lower commodity prices in the medium and long term, putting further pressure on revenues. In the short-term, unbalanced investment in traditional vs. new energy technologies and sources, combined with uncertain demand dynamics, may lead to commodity price volatility. Supply chains may also become constrained, as suppliers adjust their strategies and product mix in response to the energy transition, resulting in increasing costs for some goods and services.

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 2º Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5º 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 legal commitments under the Convention; however, the governments of both Namibia and Botswana support climate initiatives. This showing of support allows these countries to implement strong environmental regulatory aspects which has a positive impact for project activities overall. 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.

Risks of Foreign Operations

The Company's exploration activities are located in Namibia and Botswana. As such, these operations are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to: expropriation; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; protests; roadblocks or other forms of public expression; war, civil or social unrest; crime or other violence; renegotiation or nullification of existing concessions, licences, permits and contracts; ability of governments to unilaterally alter agreements; government imposed supply laws, including laws, establishing, among other things, profit margins, production quotas, maximum and minimum price, levels and the ability to confiscate merchandise in certain circumstances; surface land access issues; political, judicial and business corruption; changes in policies, regulations and laws, including but not limited to those concerning taxation, environmental protection, and resource development; 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. The occurrence of regime changes adds uncertainties that cannot be accurately predicted and any future material adverse changes in government policies or legislation in the jurisdictions in which we operate that affect foreign ownership, natural resource exploration, development or mining activities, may affect the Company's viability and profitability.

Risks of Operating Through Foreign Subsidiaries

The Company conducts operations through foreign (including Namibian and Botswanan) subsidiaries, and a majority of the Company's assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have a material adverse effect on the Company's business, financial performance and financial condition and the market price of the Common Shares.

Inherent Risks relating to Fraud, Bribery and Corruption in Namibia and Botswana

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/or 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 the 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

Governments of oil and/or gas producing jurisdictions typically exercise significant influence over domestic oil and/or 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/or 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/or 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/or 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"

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 are no reserve estimates presented in the Updated Report and the resource estimates presented in the Updated Report have been classified as prospective resources. The estimates in the Updated Report are estimates only. There are numerous uncertainties inherent in estimating quantities of oil, natural gas and natural gas liquids, 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. The estimates of the Company's 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 estimated.

Reserve Estimates and Reserve Replacement Risk

The are no reserve estimates presented in the Updated Report and the resource estimates presented in the Updated Report have been classified as prospective resources. Any estimates of economically recoverable oil and natural gas reserves and natural gas liquids, and related future net cash flows, will be based upon a number of variable factors and assumptions. These include commodity prices, production, future operating, transportation, development and facility as well as decommissioning costs, access to market, and potential changes to the Company's operations or to reserve measurement protocols arising from regulatory or fiscal changes. All of these estimates may vary from actual circumstances, with the result that estimates of recoverable oil and natural gas reserves attributable to any property will be subject to revision. In future, the Company's actual production, revenues, royalties, transportation, operating expenditures, finding, development, facility and decommissioning costs associated with its reserves may vary from such estimates, and such variances may be material. Any of the Company's oil and natural gas reserves, production and cash flows will be highly dependent on the Company successfully exploiting a current reserve base and acquiring or discovering additional reserves. Without reserve addition, through acquisitions or development activities, any existing reserves the Company may have at any particular time and the production therefrom will decline over time as such existing reserves are produced. A future increase in the Company's reserves will depend not only on the Company's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Company's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Status and Stage of Development

There can be no assurance that any of the Company's properties in Namibia and Botswana 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.

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. The Company owns a 1,000 horsepower drilling rig, the Jarvie-1, which is suitable for drilling the exploration and appraisal wells planned as part of its multi-well drilling campaign. The Jarvie-1 rig drilled to a total depth of 4,184 metres (13,727 feet) on the Naingopo well.

Nature of Reserves and Additional Funding Requirements

The are no reserve estimates presented in the Updated Report and the resource estimates presented in the Updated Report have been classified as prospective resources. 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/or 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/or gas companies and numerous other independent oil and/or 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.

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.

Global Financial Conditions

Global financial conditions have been subject to continued volatility, most recently when considering the numerous interest rate hikes in Canada and the United States and the significant fluctuations in fuel, energy costs and metal prices. Government debt, the risk of sovereign defaults, political instability and wider economic concerns in many countries have been causing significant uncertainties in the markets. Disruptions in the credit and capital markets can have a negative impact on the availability and terms of credit and capital. Uncertainties in these markets could have a material adverse effect on the Company's liquidity, ability to raise capital and cost of capital. High levels of volatility and market turmoil could adversely affect commodity prices, demand for crude oil and natural gas, exchange rates and interest rates and have a detrimental effect on the Company's business, financial condition and financial performance, including a possible negative impact on the market price of the Company's securities.

Macro-Economic Risk

Economic and geopolitical events may create uncertainty in global financial and equity markets. The global debt situation may cause increased global and political financial instability resulting in downward price pressure for many asset classes and increased volatility and risk spreads. Additionally, if a public health crisis, such as an epidemic or pandemic related to COVID-19 or another virus, terrorist activity, armed conflict or political instability, including as a result of the invasion of Ukraine by Russia and the war in the Middle East, or natural disasters occurring in Canada, the United States or other locations, such events could cause macro-economic conditions to deteriorate, cause supply chain shortages or otherwise negatively impact the Company's operations. Difficult, or worsening general economic conditions, including on account of recessions or increased inflation, could have a material adverse effect on the Company's business, financial condition and operating results. Such disruptions could also make it more difficult for the

Company to obtain financing for its operations, or increase the cost of such financing, among other things. If the Company is unable to raise capital when needed or access capital on reasonable terms, it could have a material adverse effect on the Company's business.

International Conflicts

International conflicts and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future, lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's invasion of Ukraine in February 2022 has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chains and global economies more broadly. In October 2023, Israel and Palestine engaged in a series of violent exchanges, primarily in southern Israel and the Gaza Strip. This has resulted in a significant increase in tension in the region and may have far reaching effects on the global economy. Volatility in commodity prices and supply chain disruptions may adversely affect the Company's business, financial condition and results of operations. The extent and duration of the current conflicts in the Ukraine and Palestine and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this AIF, including those relating to commodity price volatility and global financial conditions. The outcome of these conflicts is uncertain, and these conflicts may escalate and may result in escalating tensions within and outside of Eastern Europe and the Middle East, respectively. This could result in significant disruption of supplies of oil and natural gas from the region and could cause a significant worldwide supply shortage of oil and natural gas and have a significant impact on worldwide prices of oil and natural gas. A lack of energy supply and high prices of oil and natural gas could have a significant adverse impact on the world economy. The situation is rapidly changing and unforeseeable impacts, including on the Company's shareholders and counterparties on which the Company relies and transacts with, may materialize and may have an adverse effect on the Company's operations and trading price of the Common Shares.

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, including the continuance or escalation of the military conflict between Ukraine and Russia and the economic sanctions imposed on Russia in connection therewith, which have and may continue to result in increased prices for a variety of commodities, including oil and natural gas, and which could have other long term effects on the global economy in addition to the near-term effects on Ukraine and Russia. Conflicts, or conversely peaceful developments, arising in the Middle East, Ukraine, Russia 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.

Ongoing or Future Pandemics

All of the Company's operations are subject to the risk of emerging infectious diseases or the threat of viruses or other contagions or pandemic diseases, including COVID-19. The significant ongoing global uncertainty surrounding the long term effects of COVID-19 could have an adverse impact on the Company's ability to complete its current and future exploration and development activities and impact its ability to raise financing. A material spread of COVID-19 or other infectious disease could impact the timing and ability of the Company to proceed with planned exploration programs. An outbreak could cause governmental agencies to close for prolonged periods of time causing delays in regulatory permitting processes. Governments may introduce new or modify existing laws, regulations, orders or other measures that could impede the Company's ability to manage the Company's operations. The extent to which COVID-19 continues to affect the Company's business will depend on future events which are highly uncertain and cannot be predicted.

Similarly, the Company cannot estimate whether, or to what extent, a potential outbreak, government responses to it, and the potential financial impact may extend to countries outside of those currently impacted, such public health crises can result in volatility and disruptions in the supply and demand for crude oil and natural gas, global supply chains and government and consumer responses to them, and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, exchange rates, credit ratings, credit risk, share prices, inflation and the Company's ability to raise additional financing.

Finally, the risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which a potential pandemic, including COVID-19, will or may further impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that potential pandemic, including COVID-19, related impacts may have a material adverse effect on the Company's business, results of operations and financial condition and the market price of the Common Shares.

Insurance

Oil and/or 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.

Joint Property Ownership

It is common for more than one company to have an equity stake in a licence or a project. 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.

Joint Venture Risks

Pursuant to the terms of any joint venture arrangement (including the BW Energy Farm Down Agreement and any definitive agreement stemming from the ANPG MOU), 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;
- if disputes arise between the joint venture participants; 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/or 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.

Infrastructure, Energy and Water Supplies

The Company's business activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect capital and operating costs. If adequate infrastructure becomes unavailable in the future, there can be no assurance that operations will be able to proceed as anticipated; or that the anticipated ongoing operating costs will not be higher than anticipated. Furthermore, unusual, or infrequent weather phenomena, sabotage, government neglect or other interference in the maintenance or provision of necessary infrastructure could adversely affect the Company's operations and profitability.

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 International Financial Reporting Standards. 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/or 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 the 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.

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 on our ability to efficiently access end markets. This may negatively impact on 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 primarily 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

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 Laws and Regulations

The Company's exploration and development activities are subject to the laws and regulations of Namibia and Botswana that govern various matters, including: environmental protection; management and use of toxic substances and explosives; management of natural resources; exploration, development, production and post-closure reclamation of oil and gas exploration and production sites; imports and exports; price controls; taxation; royalties; labor standards and occupational health and safety, and historic and cultural preservation. The costs associated with legal compliance are substantial. In addition, possible future laws and regulations, changes to existing laws and regulations (including the imposition of higher taxes and royalties which have been, or may be, implemented or threatened) or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company's operations and planned operations. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety impacts of the Company's operations, or possibly even those actions of parties from whom the Company acquired its properties. Such legal actions could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. It is difficult to strictly comply with all regulations that may be imposed on the Company. Even with the application of considerable skill, the Company may inadvertently fail to comply with certain laws. Failure to comply with laws and regulations could lead to financial restatements, fines, penalties, loss, reduction or expropriation of entitlements, revocation of permits and licences, the imposition of additional local, foreign or governmental parties as joint venture partners with carried or other interests and other material negative impacts on the Company.

Regulatory Risk

The Company is subject to regulation pursuant to a variety of national, regional and local laws and regulations. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. The petroleum industry is subject to regulation and intervention 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 has reduced, and could in the future further reduce demand for natural gas and oil, increase costs and may have a material adverse impact on the Company. Development of reserves and rates of return are also susceptible to changes in governmental fiscal policy. Generally, government and other regulatory licences and permits are required to conduct exploration, rehabilitation, development and production activities. The issuance of such licences and permits is subject to the discretion of the applicable governments or governmental agencies and offices, and there can be no assurance that the Company will be able to obtain all necessary licences and permits that may be required to carry out its exploration, rehabilitation, development and production activities at its properties. Development of the Company's properties requires the approval by applicable regulatory authorities of the plans of the Company with respect to the drilling and development of such properties. A failure to obtain such approval on a timely basis or the imposition of material conditions by such authority in connection with the approval may materially affect the prospects of the Company. The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations, often involving multiple jurisdictions. All tax filings are subject to audit and potential reassessment. The Company mitigates these risks by employing qualified personnel and management, utilizing third party specialists as required and by maintaining an acceptable level of property loss and business interruption insurance.

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.

Claims and Legal Proceedings

The Company is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities, including claims relating to ex-employees, commercial disputes with contractors, lessors or vendors, claims by local communities or landowners relating to property rights or environmental issues, claims that purport to be class actions and claims relating to its licences and permits. These matters may give rise to legal uncertainties, liabilities or have unfavorable results and divert management's attention and resources. In addition, the Company may be involved in disputes with other parties in the future that may result in litigation or unfavorable resolution which could materially adversely impact on the Company's financial position, stock price, cash flow and results of operations. See "*Legal Proceedings and Regulatory Actions*".

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.

Failure to Comply with Anti-Bribery and Anti-Corruption Laws

The Company's activities are subject to a number of laws that prohibit various forms of corruption, including local laws that prohibit both commercial and official bribery and anti-bribery laws that have a global reach.

The increasing number and severity of enforcement actions in recent years present particular risks with respect to the Company's business activities, to the degree that any employee or other person acting on the Company's behalf might offer, authorize or make an improper payment to a foreign government official, party official, candidate for political office, or political party, an employee of a foreign state-owned or state-controlled enterprise, or an employee of a public international organization. A failure to comply with anti-bribery and anticorruption laws could have an adverse impact on the Company's reputation, future profitability and financial condition.

Reputation Risk

As a result of the increased usage and the speed and global reach of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users, companies today are at much greater risk of losing control over how they are perceived in the marketplace. Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity (for example, with respect to the Company's handling of environmental matters or the Company's dealings with community groups), whether true or not. The Company places a great emphasis on protecting its image and reputation, but does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and an impediment to the Company's overall ability to advance its operations, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

Environmental, Pollution, Occupational Health and Safety Risks

All phases of the oil and natural gas business present environmental and safety risks and hazards that can result in damage to property and the environment, and which may cause personal injury. Environmental legislation provides for, among other things, restrictions and prohibitions on the release or emission of various substances produced in association with certain oil and gas industry operations. In addition, such legislation requires that well and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable authorities. Compliance with such legislation can require significant expenditures and a breach of such requirements may result in suspension or revocation of necessary licences and authorizations, civil liability for pollution damage, and the imposition of fines and penalties any of which may materially adversely affect the Company's financial condition and results of operations. Environmental legislation is becoming increasingly stringent, and the costs of regulatory compliance are increasing.

The introduction of laws, regulations or policies may be introduced that affect the Company's operations or future investments arising either from the obligation to adopt measures to mitigate climate change or otherwise related to the environment, including regulations on carbon pricing, renewable energy, road transport vehicles, stricter emission limits and/or altering the generation mix (i.e., a combination of primary energy sources used in a geographical area), including through taxes.

The Company's reputation or the oil and gas industry's reputation may be harmed due to social disapproval (whether or not justified) of the Company's or the industry's performance in relation to sustainable development initiatives or to any other expectation of the Company's stakeholders. Any such adverse trends of opinion may affect the Company's share price and initiatives that promote disinvestment in fossil fuel extraction companies to reduce the impact of their products on climate change may affect the shareholding base of the Company.

Price signals generated by climate change or energy transition scenarios, which modify the exposure to market risks such as the volatility of the price of crude oil, natural gas or other commodities, such as emission allowances and carbon credits could affect the commerciality of the Company's operations.

Changes in energy end-uses may lead to a reduction in demand for the Company's products, either as a result of natural market dynamics or induced by regulation, such as the electrification of vehicle fleets or consumers 'preferences for innovative forms of mobility.

The Company may encounter greater difficulty or cost in raising funds to finance the development of certain projects due to shifts in investment positions that the financial sector or investors with exposure to the energy sector may adopt, such as new initiatives to contribute to climate targets, either voluntarily or as a result of regulations.

No assurance can be given that environmental legislation will not result in a curtailment of production or a material increase in the costs of exploration, development or production activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Risks Related to the Common Shares

Discretion in Use of Proceeds

The Company intends to use the 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 long term effects of 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 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 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 265,642,183 Common Shares issued and outstanding.

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 symbol "RECO", on the OTCQX under the symbol "RECAF", on the Frankfurt Stock Exchange under the symbol "0XD" and on the Namibian Stock Exchange (NSX) under the symbol "REC". The following table sets forth the market price ranges and the trading volumes of the Common Shares on the TSXV for the periods identified:

Month	High ($)	Low ($)	Volume
January 2024	1.21	0.97	1,372,216
February 2024	0.84	0.46	1,925,154
March 2024	0.79	0.43	6,442,809
April 2024	1.01	0.76	7,285,945
May 2024	1.32	0.90	7,721,299
June 2024	1.55	1.11	8,133,402
July 2024	1.87	1.03	11,717,525
August 2024	1.16	0.89	7,964,388
September 2024	1.09	0.88	5,496,115
October 2024	1.09	0.89	6,482,163
November 2024	1.29	0.89	10,750,692
December 2024	1.21	1.00	3,456,933
Period Subsequent to December 31, 2024			
January 2025	1.35	0.78	9,947,424
February 2025	0.84	0.46	6,412,674
March 2025	0.79	0.43	4,228,579

The closing price of the Common Shares on the TSXV on December 31, 2024 was $1.03.

Prior Sales

The following table summarizes the issuances of unlisted securities for the nine-month period ended December 31, 2024:

Date of Issuance	Securities	Number of Common Shares Issued/Issuable or Aggregate Amount	Price/Exercise Price per Security ($)
April 3, 2024	April 2024 Compensation Options	1,263,878	$0.90
May 15, 2024	Options(1)	30,000	$1.40
June 19,2024	Options(1)	5,800,000	$1.40
July 30, 2024	July 2024 Compensation Options	943,244	$1.25
July 30, 2024	July 2024 Broker Warrants	6,300	$1.25
August 9, 2024	Options(1)	4,225,000	$1.40

Note:
(1) Means a stock option to acquire a Common Share granted pursuant to the stock option plan of the Company.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the Company's knowledge, none of the Company's securities are held in escrow or are subject to a contractual restriction on transfer.

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 and Municipality of Residence	Position with the Company	Principal Occupation within the past five years (4)
Hon. Diana McQueen Alberta, Canada	Chair of the Board and Director since June 6, 2024	Senior Vice President, Corporate Communications and Stakeholder Relations of the Company from April 2021 to December 2024. Director of MEG Energy Corp. since October 2015. Director of Total Helium Ltd. from November 2021 to January 2024. Self-employed consultant since September 2015. Formerly held various Alberta provincial cabinet roles during 2011 to 2015, including Minister of Energy, Minister of Environment & Sustainable Resource Development/Forestry and Climate Change, and Minister of Municipal Affairs.
Dr. Joseph R. Davis (1)(2)(3) Texas, United States	Director since January 19, 2022	Director of BKV Corporation, a diversified energy company, since February 2020. Senior Vice President, Chief Operating Officer of Kalnin Ventures, a private U.S.-based natural gas company focused on sustainable natural gas production, from June 2015 to February 2020.

Name and Municipality of Residence	Position with the Company	Principal Occupation within the past five years [(4)]
Iman Hill [(1)(2)(3)] England, United Kingdom	Director since August 29, 2023	Non-Executive Director of United Oil and Gas since September 2020. Country Manager and Managing Director in Egypt for VAALCO Energy Inc. since August 2024. Chief Executive Officer of the International Association of Oil & Gas Producers from December 2020 to August 2023. Chief Operating Officer of Energean Oil & Gas from September 2018 to March 2020.
D. Jeffrey Harder [(1)(2)(3)] British Columbia, Canada	Director since June 6, 2024	Independent businessman. D. Jeffrey Harder is a financial advisory professional, corporate director and a retired former Deloitte LLP partner with over 40 years' experience as a financial professional. Director of Argenta Siver Corp. (formerly Butte Energy Inc.) since October 2020. Director of NG Energy International Corp. from July 2021 to July 2023. Director of MCF Energy Ltd. since January 2023.
Brian Reinsborough Texas, United States	Director since November 20, 2024 Chief Executive Officer	Chief Executive Officer of the Company since August 2023. Founder and Chief Executive Officer of Novara Energy LLC from June 2018 to July 2023.
W. Derek Aylesworth Alberta, Canada	Director since November 20, 2024	Independent Businessman. Chief Financial Officer of Seven Generations Energy Ltd. from March 2018 to April 2021.
Carlos Escribano British Columbia, Canada	Chief Financial Officer	Chief Financial Officer of the Company since January 2020. Chief Financial Officer of Renaissance Oil Corp. from January 2017 to July 2021.
Adam Rubin Texas, United States	General Counsel & Corporate Secretary	General Counsel of the Company since August 2023. General Counsel of Novara Energy LLC from August 2022 until July 2023 and from January 2020 to June 2021. General Counsel of Sabre Industries Inc. from July 2021 to June 2022. Senior Vice President and General Counsel of Venari Resources LLC from May 2012 until December 2019.
Nick Steinsberger Texas, United States	Senior Vice President, Drilling and Completions	Senior Vice President, Drilling and Completions of the Company since June 2020. Drilling and Completions Engineer of Renaissance Oil Corp. since September 2015. Founder of Steinsberger Tight Gas Consulting LLC since July 2003.
Deniz Kuban England, United Kingdom	Chief Compliance Officer	Chief Compliance Officer of the Company since December 2022. Partner, Park Energy Law since February 2015.
Christopher Sembritzky Texas, United States	Senior Vice President, Exploration	Senior Vice President, Exploration of the Company since December 2024. Chief Executive Officer of H2Organics LLC, an agriculture company, since August 2021. Independent businessman from August 2020 to August 2021. Vice President, International Exploration, Business Development and New Ventures of Anadarko Petroleum Corporation from April 2001 until August 2020.
Gitane De Silva Alberta, Canada	Senior Vice President ESG, Communications & Stakeholder Relations	Senior Vice President ESG, Communications & Stakeholder Relations since October 21, 2024. Chief Executive Officer of the Canada Energy Regulator from August 2020 to July 2023.

Name and Municipality of Residence	Position with the Company	Principal Occupation within the past five years (4)
Robert Mwanachilenga Khomas, Namibia	Vice President and General Manager, ReconNamibia	Vice President of ReconNamibia since May 2024. General Manager, ReconNamibia since November 2021. Independent businessman from October 2020 until November 2021. Deepwater Explorations Advisor of Maurel & Prom Namibia (PTY) Ltd. from Augst 2019 until September 2020,
Grayson Andersen England, United Kingdom	Vice President, Investor Relations	Vice President, Investor Relations of the Company since December 2023. Manager, Investor Relations of the Company from April 2021 until November 2023. Managing Director of Andersen Securities Ltd. from April 2020 until March 2021. Corporate Vice President, Capital Markets of Frontera Energy Corporation from July 2017 until March 2020.

Notes:
(1) Member of the audit committee of the Board.
(2) Member of the corporate governance, compensation and nominating committee of the Board.
(3) Member of the reserves, health, safety and environment committee of the Board.
(4) 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 2,587,328 Common Shares, representing approximately 1.0% of the issued and outstanding Common Shares.

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, 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 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. On December 23, 2015, Oracle Mining Corp. (“**Oracle**”), of which Mr. Carlos Escribano was the former Chief Financial Officer from February 2015 to December 2015, announced that the Superior Court of Arizona had granted the application of Oracle’s lender to appoint a third party as receiver and manager over the assets, undertakings and property of its wholly owned subsidiary, Oracle Ridge Mining LLC. The receiver was charged with managing the day-to-day affairs of Oracle Ridge during the period of his appointment.

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 ten 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).

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.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as disclosed below, since the beginning of the most recently completed financial period ended December 31, 2024, 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.

The Company and certain of its current and former officers and directors were named as defendants in three substantially identical purported class action lawsuits filed by shareholders of the Company in the United States District Court in Brooklyn, New York. The Company identified the first of these lawsuits in an October 28, 2021 news release. The first lawsuit was voluntarily dismissed by that plaintiff on November 9, 2021, and the other two were consolidated by the court, which appointed a lead plaintiff and lead counsel to represent the purported class members. On April 11, 2022, the lead plaintiff filed a consolidated amended complaint that alleges that the Company and the individual defendants made untrue statements of material fact or omitted to state material facts or engaged in acts that operated as a fraud upon the purchasers of the Company's stock in violation of Section 10(b) and Section 20(a) of the U.S. *Securities Exchange Act of 1934*, as amended, and Rule 10b-5, thereunder. The claims were alleged on behalf of a class of shareholders, except certain excluded shareholders, who purchased or otherwise acquired shares of the Company in the U.S. between February 28, 2019 and September 7, 2021. The lead plaintiff generally alleged that the defendants made misleading statements about the Company's oil exploration projects in Namibia and Botswana that rely in part on allegations by a short seller of the Company's stock and free-lance writers for National Geographic magazine. The lead plaintiff sought unspecified monetary damages.

The Company was named in a proposed class action filed by a shareholder of the Company in the Supreme Court of British Columbia under the *Class Proceedings Act*, RSBC 1996, c. 50. The claim was a proposed shareholder class action on behalf of all investors, except certain excluded investors, that purchased the Company's securities outside the US between May 30, 2020 and September 7, 2021, and held all or some of those purchased securities after September 7, 2021. The claim generally alleged that ReconAfrica published core and non-core documents containing misrepresentations that were publicly corrected between June 24 and September 7, 2021. The plaintiff sought damages against the Company in connection with the alleged misrepresentations and public corrections. The Company disputed the allegations and vigorously defended the claim.

On February 28, 2024, the Company announced that, subject to court approval, it had reached a global settlement of the class action lawsuits pending against the Company in the United States and Canada.

The Canadian action received final court approval on June 20, 2024. The U.S. action received final court approval on December 30, 2024.

On March 20, 2025, the Company announced the receipt of the requisite court approval for its global settlement (announced February 28, 2024) of the following class action lawsuits that were pending against the Company in the United States and Canada. None of the defendants admitted any liability, wrongdoing, or fault as part of the settlement. The matters were fully resolved within the Company's insured coverage limits and did not have any direct financial impact on the Company.

Since the beginning of the most recently completed financial period ended December 31, 2024, 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 periods ended December 31, 2024, any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

Odyssey Trust Company acts as the transfer agent and registrar for the Common Shares at its offices in Calgary located at Stock Exchange Tower, 1230 300 5th Avenue SW, Calgary, AB T2P 3C4.

MATERIAL CONTRACTS

The only material contracts, other than contracts entered into in the ordinary course of business, that were entered into by the Company during the most recently completed financial year or before the most recently completed financial year but is still in effect, are the Petroleum Agreement, the Namibia Licence, the Botswana Licence, the JOA and the BW Energy Farm Down Agreement

INTERESTS OF EXPERTS

NSAI is the Company's independent qualified reserves evaluator who prepared the Updated Report, and which is referred to under "*Oil and Gas Information*". As of the date hereof, to the knowledge of the Company, the directors, officers, employees and consultants of NSAI who participated in the preparation of the Updated Report who were in a position to directly influence the preparation or outcome of the preparation of the Updated Report, as a group, owned, directly or indirectly, less than 1% of the outstanding Common Shares. In addition, none of the directors, officers, employees or consultants of NSAI 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.

Davidson & Company LLP is the Company's independent auditor. Davidson & Company LLP has advised that they are independent with respect to 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.sedarplus.ca.

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 prepared in connection with the most recent annual general and special meeting of the Company that involved the election of directors, which is available on SEDAR+ at www.sedarplus.ca. Additional financial information about ReconAfrica can be found in ReconAfrica's financial statements and management's discussion and analysis for the nine-month period ended December 31, 2024.