

LUND ENTERPRISES CORP. SIGNS DEFINITIVE AGREEMENT FOR THE ACQUISITION OF RECONNAISSANCE GROUP

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VANCOUVER, Canada, February 28, 2019 - Lund Enterprises Corp. (TSXV: LEN), (the "**Company**" or "**Lund**") is pleased to announce that, further to its news releases dated November 7, 2018 and December 7, 2018, it has entered into a definitive share exchange agreement (the "**Definitive Agreement**") with 1163631 B.C. Ltd. ("**116**") and each of the shareholders of 116 (the "**116 Shareholders**"). Pursuant to the Definitive Agreement, Lund will acquire all of the issued and outstanding shares in the capital of 116 from the 116 Shareholders (the "**Proposed Transaction**").

In connection with, and as a condition to, completing the Proposed Transaction, 116, a non-reporting British Columbia company, will complete a restructuring with a group of related companies ("**Reconnaissance**"), the effect of which will be that 116 will indirectly own the equity interest of Reconnaissance Energy Namibia Pty Ltd ("**REN**"). REN currently holds a 90% interest in the exploration licence (the "**Licence**") granted by the Government of the Republic of Namibia and the National Petroleum Corporation of Namibia ("**NAMCOR**") covering approximately 6.3 million acres of oil & gas exploration properties in Blocks 1719, 1720, 1721, 1819, 1820 and 1821 in the Kavango Basin of northern Namibia, subject to a 10% carried interest in favour of NAMCOR.

The Proposed Transaction is an arm's length transaction and will constitute a reverse-takeover of Lund by 116 pursuant the policies of the TSX Venture Exchange (the "**TSXV**").

Proposed Transaction

Under the terms of the Definitive Agreement, the 116 Shareholders will exchange all of their common shares of 116 (the "**116 Shares**") for common shares of Lund (the "**Lund Shares**") on the basis of one Lund Share for each 116 Share, resulting in 116 becoming a wholly-owned subsidiary of Lund. Upon completion of the Proposed Transaction, Lund will change its name to "Reconnaissance Energy Africa Ltd." (the "**Resulting Issuer**") or such other name as is approved by 116 and is acceptable to the TSXV. It is anticipated that after completion of the Proposed Transaction the Resulting Issuer will carry on the business of Reconnaissance as a Tier 2 Oil & Gas issuer pursuant to the requirements of the TSXV.

Prior to the effective time of the Proposed Transaction, Lund will complete a consolidation of its issued and outstanding common shares on the basis of one common share for each then outstanding two common shares (the "**Consolidation**").

The Definitive Agreement also contemplates that, following the Consolidation and in conjunction with the Proposed Transaction, Lund shall complete a non-brokered private placement (the "**Concurrent Financing**") of units (the "**Units**") at a price of \$0.20 per Unit (based on Lund's closing price of \$0.13 per common share on November 6, 2018 and taking into account the proposed Consolidation) for aggregate gross proceeds of a minimum amount of \$3,300,000 (rather than \$3,000,000 as previously disclosed in Lund's press release dated November 7, 2018). Each Unit shall consist of one Resulting Issuer common share and one common share purchase warrant (each whole warrant, a "**Warrant**"), rather than one-half of one Warrant as previously announced in Lund's press release dated November

7, 2018. Each Warrant shall be exercisable into one common share of the Resulting Issuer at an exercise price of \$0.50 for a period of 60 months (rather than 24 months as previously announced in Lund's press release dated November 7, 2018) following completion of the Proposed Transaction and Concurrent Financing. Notwithstanding the foregoing, if the closing price of the Resulting Issuer's common shares on the TSXV, or such other Canadian stock exchange on which the Resulting Issuer's common shares are then principally traded, is equal to or exceeds \$1.00 per share for a period of five consecutive trading days, the Resulting Issuer may, at its option, accelerate the expiry of the Warrants by giving notice to the holders thereof. Upon the delivery of such notice, the holders of the Warrants will have 30 calendar days to exercise the Warrants, failing which the Warrants will automatically expire.

In connection with the Concurrent Financing, Lund may pay finder's fees to certain arm's length finders consisting of: (i) a cash fee of up to 6% of the gross proceeds raised; and (ii) broker warrants ("**Broker Warrants**") entitling the holders thereof to acquire such number of common shares of the Resulting Issuer up to 6% of the number of Units sold. Each Broker Warrant will be exercisable into one common share of the Resulting Issuer at an exercise price of \$0.20 per common share for a period of 24 months from the date of completion of the Proposed Transaction and Concurrent Financing.

The proceeds of the Concurrent Financing are expected to be used towards the exploration of the properties under the Licence and for general corporate purposes of the Resulting Issuer. The shares issued by Lund pursuant to the Concurrent Financing will be subject to a hold period of four months and one day from the closing date of the Concurrent Financing.

Upon completion of the Proposed Transaction and the Concurrent Financing (assuming minimum gross proceeds of \$3.3 million), and after giving effect to the Consolidation, it is anticipated that there will be approximately 60,784,237 common shares of the Resulting Issuer issued and outstanding and the shareholders of 116 will hold approximately 64% of the outstanding common shares of the Resulting Issuer. On a fully diluted basis, assuming all of the Warrants and Broker Warrants are exercised, it is anticipated that there would be approximately 78,274,237 common shares of the Resulting Issuer issued and outstanding and the shareholders of 116 would hold approximately 49% of the outstanding common shares of the Resulting Issuer.

In addition to shareholder approvals, the Proposed Transaction is subject to the receipt of certain regulatory and stock exchange approvals and the satisfaction of other conditions customary for transactions of this nature. Trading of the common shares of the Company has been halted and will remain halted in accordance with TSXV policies until all required documentation with respect to the Proposed Transaction has been received and the TSXV and securities regulatory authorities are otherwise satisfied that the halt should be lifted.

None of the securities to be issued have been or will be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and any securities issued in the Proposed Transaction and Concurrent Financing are anticipated to be issued in reliance upon the exemption from such registration requirements provided by Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

For additional information about the Resulting Issuer, please refer to the Company's press release dated November 7, 2018.

Conditions of Completion

The conditions to completion of the Proposed Transaction include, but are not limited to:

- The satisfaction of obligations under the Definitive Agreement relating to each of the parties, including the delivery by each of the parties of standard closing documents;
- The approval by Lund shareholders of the Proposed Transaction and the Consolidation and such other matters to be more fully described in the management information circular (the “**Circular**”) to be prepared in connection with the Proposed Transaction;
- Receipt of all requisite regulatory, corporate and third party approvals, including the approval and acceptance of the TSXV;
- Completion of the Concurrent Financing;
- Completion of the 116 restructuring transactions with Reconnaissance;
- Completion of the Consolidation;
- Lund shall change its name to “Reconnaissance Energy Africa Ltd.” or such other name acceptable to the TSXV;
- Absence of any material adverse change of Lund or the Reconnaissance group; and
- The Resulting Issuer being in compliance with the initial listing requirements of the TSXV.

About the Parties

Lund

Lund is a junior exploration company established in 1978 focussed on the search for gold and base metal deposits in highly prospective mineral districts of Canada. Lund owns a 100% interest in the Black Fox Property within the Schreiber-Hemlo Greenstone Belt in the Province of Ontario, host to the world-class Hemlo gold deposits. In connection with the Proposed Transaction, Lund is endeavouring to divest its interest in the Black Fox Property such that it is expected upon completion of the Proposed Transaction the business of Lund will become that of Reconnaissance.

116 / Reconnaissance

116 is a privately-held British Columbia incorporated company. In connection with the Proposed Transaction, 116 will become the sole shareholder of Reconnaissance, and will indirectly have a 90% interest in the Licence (with the remaining 10% held by NAMCOR, the state oil company of Namibia). The Licence covers certain oil & gas exploration properties in Blocks 1719, 1720, 1721, 1819, 1820 and 1821 in the newly identified Kavango Basin of northern Namibia with a total area of approximately 6.3 million acres and entitles Reconnaissance to a twenty-five year production licence upon successful discovery.

Arm’s Length Transaction

Lund is at arm’s length with 116 and the Reconnaissance companies, and no director, officer or insider of Lund beneficially owns, or controls or directs, directly or indirectly, any common shares of 116.

At this time to the knowledge of the prospective directors and executive officers of the Resulting Issuer, upon completion of the Proposed Transaction, Concurrent Financing and Consolidation, no person or company beneficially will own, or control or direct, directly or indirectly, common shares of the Resulting Issuer carrying in excess of 10% of the voting rights attached to all outstanding common shares of the Resulting Issuer (on an undiluted basis) other than Craig Steinke who is expected to beneficially own, directly and indirectly, 16.9% of the outstanding common shares of the Resulting Issuer (on an undiluted basis).

Sponsorship

The TSXV has granted Lund with a waiver from the sponsorship requirement in connection with the Proposed Transaction in accordance with TSXV policies.

Mailing of Circular

Full details of the Proposed Transaction and Concurrent Financing will be included in the Circular to be filed with regulatory authorities and mailed to Lund shareholders in accordance with applicable securities laws. The TSXV has granted Lund with conditional approval to proceed with mailing and dissemination of the Circular. Lund expects to file a copy of the Circular under its profile on SEDAR on February 28, 2019.

All material agreements, including a copy of the Definitive Agreement, will be filed on the SEDAR profile of Lund at www.sedar.com.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and requisite shareholder approval. The Proposed Transaction cannot close until the requisite shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed, or at all.

Investors are cautioned that, except as disclosed in the Circular to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Lund should be considered highly speculative and will remain halted until further notice.

The TSXV has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

For further information contact:

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Cautionary Statements

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on Lund's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the Proposed Transaction, obtaining the requisite approval of the TSXV, the Concurrent Financing, the Consolidation and the sale or option of Lund's current mineral assets and the timing for mailing the Information Circular. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to Lund. The material factors and assumptions include the parties to the Proposed Transaction being able to obtain the necessary shareholder and regulatory approvals; TSXV policies not changing; and completion of satisfactory due diligence. Risk factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things: conditions imposed by the TSXV, the failure to obtain any required shareholders' approval to the Proposed Transaction; changes in tax laws, general economic and business conditions; and changes in the regulatory regulation. Lund cautions the reader that the above list of risk factors is not exhaustive. The forward-looking information contained in this release is made as of the date hereof and Lund undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.