MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE 15 MONTHS ENDED MARCH 31, 2023

The following is management's discussion and analysis ("MD&A"), dated July 31, 2023, of Reconnaissance Energy Africa Ltd.'s ("ReconAfrica" or the "Company") operating and financial results for the 15 months ended March 31, 2023, as well as information and expectations concerning the Company's outlook based on currently available information.

This MD&A should be read in conjunction with the audited consolidated financial statements for the 15 months ended March 31, 2023, and year ended December 31, 2021 (the "Audited Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Additional information, including the Company's annual information form dated June 20, 2023 (the "AIF"), is available on the Company's profile on SEDAR+ at www.sedarplus.com.

Unless otherwise noted, references to dollar amounts are in Canadian dollars. Throughout this MD&A we refer from time to time to "ReconAfrica", the "Company", "we", "us", "our" or "its". All these terms are used in respect of Reconnaissance Energy Africa Ltd. which is the reporting issuer in this document.

We recommend that readers consult the Cautionary Note Regarding Forward-Looking Statements" at the end of this MD&A.

OVERVIEW

ReconAfrica is a Canadian-based junior oil and/or gas company currently engaged in the identification, exploration and development of oil and/or gas assets via drilling and/or acquisition with a focus on Namibia and Botswana. In July 2021, the Company completed the acquisition Renaissance Oil Corp. ("Renaissance") by way of plan of arrangement as described further below. In all aspects of its operations, ReconAfrica is committed to minimal disturbances in line with international best standards and will implement environmental and social best practices in all of its project areas. The Company's common shares are listed and posted for trading on the TSXV under the symbol "RECO", on the OTCQX under the symbol "RECAF" and on the Frankfurt Stock Exchange under the symbol "0XD".

NAMIBIA AND BOTSWANA

Pursuant to the terms of a petroleum agreement among the Government of the Republic of Namibia, the National Petroleum Corporation of Namibia ("NAMCOR"), and Reconnaissance Energy Namibia Pty Ltd. ("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 90% interest in a petroleum exploration licence no. 0073 ("PEL 73") in respect of approximately 6.3 million acres (25,341.33 km^2) of oil and/or gas exploration properties comprising Blocks 1719, 1720, 1721, 1819, 1820 and 1821 situated in the Kavango Basin of northeast Namibia (the "Namibia Licensed Property"), granted by the Government of the Republic of Namibia to ReconNamibia and NAMCOR pursuant to the Petroleum (Exploration and Production) Act, 1991 (Namibia) and governed by the Petroleum Agreement (the "Namibia Licence"). The Namibia Licence, which entitles ReconAfrica to apply for and receive, subject to Namibian government approval, a 25-year production licence upon successful discovery of an economically viable resource at the Namibia Licensed Property, and the Petroleum Agreement are ReconAfrica's main assets.

On June 9, 2020, the Company, through its wholly-owned subsidiary, Reconnaissance Energy Botswana (Pty) Ltd. ("ReconBotswana"), was granted a petroleum licence in northwestern Botswana (the "Botswana Licence") for 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 Licensed Property"). The lands subject to the Botswana Licence are contiguous to the Namibia Licensed Property. Together, the Namibia Licensed Property and the Botswana Licensed Property provide ReconAfrica with control of the entire Kavango Basin as known to date, which is potentially one of the largest onshore undeveloped hydrocarbon basins in the world.

MEXICO

On July 27, 2021, the Company completed the acquisition of 100% of the common shares of Renaissance pursuant to a plan of arrangement under the Business Corporations Act (British Columbia) (the "Renaissance Acquisition"). Renaissance had the right to acquire a 50% working interest in the Botswana Licence which ReconAfrica felt was potentially valuable to the Company. By completing the Renaissance Acquisition, ReconAfrica retained full operational control over exploration and development as permitted by the Botswana Licence and continues to hold its rights over the full 1.88 million acres. ReconAfrica also acquired the Mexican properties described under "Business of the Company".

Amatitlán

In February 2017, the Company's wholly owned subsidiary, Renaissance, partnered with Lukoil PJSC ("Lukoil") on the Integrated Exploration and Production Contract for the 243 km^2 (60,000 acres) Amatitlán block, near Poza Rica Veracruz, Mexico (the "Amatitlán Contract"). As at the date of this document, the balance of ownership in the Amatitlán Contract is 75% indirectly held by Lukoil, and 25% by the Company (through Renaissance). The Company, through Renaissance, has an option agreement to acquire a further 25% interest in the Amatitlán Contract from Lukoil. Should the option be exercised, the Company, through Renaissance, would hold a participating interest of 50% in the Amatitlán Contract. The option is exercisable during a sixty-day exclusivity period, commencing upon the migration of the Amatitlán Contract to an exploration and extraction contract.

Chiapas Blocks

In December 2015, the Company was awarded three petroleum blocks in the Call 3 of Round 1 auction of 25 on-shore "Mature Field" petroleum blocks (the "Mature Field Auction") administered by the Comisión Nacional de Hidrocarburos (the "CNH") in Mexico. The Mature Field Auction was Mexico's first award of on-shore petroleum blocks in 78 years to independent companies. Renaissance executed the licence contracts for the awarded Mundo Nuevo, Topén and Malva blocks (together, the "Chiapas Blocks") on May 10, 2016. The Chiapas Blocks amount to approximately 74 km^2 (18,335 acres) of total surface area and are located in the state of Chiapas, Mexico.

Ponton Block

On July 13, 2017, the Company was awarded its request for force majeure for the Pontón block, allowing for a temporary suspension of development operations to facilitate the remediation by the previous operator of certain areas of the Pontón block that incurred surface contamination from previous oil field activities. Under the terms of the licenses for all of Renaissance's operated blocks in Mexico, previous operators are responsible for the remediation of all pre-existing damages identified and documented by the Company. The Company is continuing to evaluate strategic alternatives for Pontón. Renaissance was awarded the Pontón block with an additional royalty amount of 21.39%.

OVERALL PERFORMANCE AND OPERATIONS

By the end of 2022, ReconAfrica had completed the interpretation of the first phase of 2D seismic data in addition to the drilling of 3 wells. Data from these operations assisted the Company in recognizing that additional geophysical data acquisition would be required to maximize the reserves potential of the PEL 73 acreage. Specifically, the seismic data identified a new exploration target, the Damara fold belt. It also recognized that the original exploration target, the Karoo rift was present but had additional complexity that requires further clarity. Using this information, the Company redirected its focus to acquiring additional seismic data and conducting enhanced full tensor gravity ("eFTG") surveys prior to a resumption of drilling.

As of the date of this MD&A, ReconAfrica has completed a further two phases of seismic operations and two eFTG surveys, with a large portion of the latest phase of seismic lines processed and interpreted (see the following sections of this MD&A for further information on seismic and eFTG operations). Results for these operations for the 15 months ended March 31, 2023, are available in the appendix to the Company's Form 51-101F1 available on SEDAR+ at www.sedarplus.com.

The following tables provide an overview of the prospective resources as described in the Form 51-101F1.

Summary of Unrisked Best Estimate Prospective Oil and Gas Resources
As of March 31, 2023

	Gross (100 Percent)		Company Gross		Net (1)	
Subclass	Light and Medium Crude Oil (MMstb)	Conventional Natural Gas (Bcf)	Light and Medium Crude Oil (MMstb)	Conventional Natural Gas (Bcf)	Light and Medium Crude Oil (MMstb)	Conventional Natural Gas (Bcf)
Prospects	484.5	20,188.9	436.1	18,170.0	414.3	17,261.5
Leads	1,602.5	909.6	1,442.3	818.6	1,370.2	777.7

Summary of Risked(2) Best Estimate Prospective Oil and Gas Resources As of March 31, 2023						
	Gross (100 Percent)		Company Gross		Net (1)	
Subclass	Light and Medium Crude Oil (MMstb)	Conventional Natural Gas (Bcf)	Light and Medium Crude Oil (MMstb)	Conventional Natural Gas (Bcf)	Light and Medium Crude Oil (MMstb)	Conventional Natural Gas (Bcf)
Prospects	25.2	1,024.1	22.7	921.7	21.6	875.6
Leads	37.8	22.1	34.0	19.9	32.3	18.9

Note: Prospective resources are the arithmetic sum of multiple probability distributions.

(1) Net prospective resources are after royalty deductions.
(2) These estimates are based on unrisked prospective resources that have been risked for chance of discovery and chance of development. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development.

Summary of Best Estimate Undiscovered Original Hydrocarbons-in-Place As of March 31, 2023				
	Gross (100 Percent)		Company Gross	
Subclass	Undiscovered Original Oil-in-Place (MMstb)	Undiscovered Original Gas-in-Place (Bcf)	Undiscovered Original Oil-in-Place (MMstb)	Undiscovered Original Gas-in-Place (Bcf)
Prospects	2,518.0	31,059.9	2,266.2	27,953.9
Leads	8,851.7	1,399.4	7,966.5	1,259.5

The above tables are provided as a reference and the reader is strongly encouraged to review the information provided in the Company's Form 51-101F1 for details on valuation, probabilities and related measurement methodology.

An estimate of risked net present value of future net revenue of prospective resources is preliminary in nature and is provided to assist the reader in reaching an opinion on the merit and likelihood of the Company proceeding with the required investment. It includes prospective resources that are considered too uncertain with respect to the chance of discovery to be classified as reserves. There is uncertainty that the risked net present value of future net revenue will be realized.

Given a successful oil and gas discovery well, the Company expects to build a field development plan and associated economic analysis. This plan would then be reviewed and approved by the Namibian Ministry of Mines and Energy. The resulting Final Investment Decision and Field Development Plan would then go through funding either using debt (reserve-based lending), equity and/or joint venture partnerships. Regarding infrastructure, this area of Northeast Namibia has good overall infrastructure, including transportation, communications and services. There is no oil or gas production infrastructure at this time. There is a strong market for local power generation for Namibia and for all of southern Africa. Conceptually, Gas-To-Power technologies are expected to be the initial commercialization approach, and the main transmission grid for the region crosses PEL 73. It is premature at this time to estimate total cost and time to achieve commercial production.

SEISMIC OPERATIONS

The Company has now conducted seismic operations in three phases (phase 1, phase 2 and the phase 2 extension) over three years, from 2021 to 2023. The operations have been conducted 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 kilometres of seismic have been acquired over these three years, comprising 497 kilometres in Phase 1,761 kilometres in Phase 2 and 1,509 kilometres in Phase 2 Extension.

Seismic data acquired in the Phase 1 and Phase 2 campaigns, conducted in 2021 and the first half of 2022, have been processed and interpreted. Similarly, a large proportion of Phase 2 Extension lines, acquired from November 2022 to May 2023, have been processed and interpreted. Processing and interpretation of the remaining lines is being finalized.

Over the duration of the seismic operations, the Company, the seismic contractor (Polaris Natural Resources Ltd.), and its subcontractors employed over 630,000 man-hours and drove over two million kilometres without any significant health, safety, or environmental incidents; there were no lost time incidents in the two years of operations - Polaris first commenced work in Namibia in July 2021. Our two entities have worked hand-in-hand to achieve our exploration goals in 2D seismic data acquisition and to impact the local communities positively through employment, acquisition of services and procurement of goods in the Kavango East and Kavango West regions.

The seismic data acquisition program has been completed, providing a good regional 2D seismic data set over the most prospective areas of PEL 73. The seismic contractor has demobilized, and with the completion of seismic operations Company head count in Namibia has been reduced. Overall operations in Namibia are sufficient to maintain basic readiness in anticipation of a resumption in drilling as soon practicable.

As the Company has stated before, the first two phases identified a number of leads and considerably expanded the Company's portfolio of opportunities. The latest seismic program was designed to better define these leads, de-risk potential drilling targets, and add new leads. The program is also designed to confirm the lateral extension of the Karoo Rift Basin to the south-east, potentially to the edge of PEL 73, and to delineate a new play fairway identified in Phase 1; the Damara fold belt.

The Damara fold belt is an area of extensive folding and associated faulting to the south and west of the Karoo Rift Basin, which has been identified as a result of the seismic data and drilling results. This compressional geological province is of Pre-Karoo Late Proterozoic age and is a large area of synclines and anticlines. One of the expectations of the latest seismic acquisition, besides defining Karoo Rift structures, is to delineate four-way dip closures across these anticlinal structures.

Combining the seismic sub-surface data, the surface geological maps, and outcrop data should further enhance prospect definition. It is significant that the Proterozoic rocks have been penetrated in each of the previous three wells, notably the Kawe 6-2 well which contained two intervals with significant oil shows and reservoir porosity. The good quality of seismic imaging of the Damara fold belt, especially when not overlain by the Karoo Rift Graben, should make it easier to define and target four-way anticlinal dip closures. However, the lateral continuity and interpolation of these structures between widely separated 2D seismic lines requires additional sub-surface information, hence the Company's decision to collect Enhanced Full Tensor Gravity data.

ENHANCED FULL TENSOR GRAVITY ("EFTG") SURVEY

ReconAfrica engaged a leading airborne geophysical survey provider, Metatek Group Limited, to conduct an eFTG survey over an area of 2,184 square kilometres (540,000 acres) over the Company's exploration licence in Northeastern Namibia. This program was subsequently extended by 2,814 km^2 (695,000 acres) in two contiguous areas, and the complete program is nearly 5,000 square kilometres. 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 measures 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, inversion and interpretation of these data is underway, including seismic calibration. It is expected that this information, combined with the 2D seismic and well data, will considerably enhance the Company's ability to image and understand the sub-surface. It will make a significant contribution to building a risk weighted prospect portfolio and define the Company's future drilling campaign.

DRILLING PROGRAM

The Company's initial drilling program, which commenced at the beginning of 2021, was designed to test organic rich source rocks, evidence of migrated hydrocarbons and conventional traps. ReconAfrica completed the first two wells of the initial three well drilling program in the third quarter of 2021. The third well was not drilled given that the first two wells achieved the stated purpose of the drilling program, the establishment of a working conventional petroleum system in the Kavango Basin. Upon completion of the first two wells, the rig was stacked temporarily while the initial phase of seismic acquisition began. This allowed the Company some time to go through the rig, make repairs and buy more equipment in preparation of the next drilling program which began in June 2022.

Well 1819/8-2 ("8-2"), located in the Kavango East region, 6.5 kilometres west of Kawe 6-2, began drilling on June 25, 2022 and finished at total depth on August 15, 2022. The well encountered intervals rich with gas (Methane) and hydrocarbon gas liquids ("HGLs"), specifically, Ethane, Butane and Propane as well as smaller quantities of heavier hydrocarbons. Hydrocarbon gas/HGLs were sampled in Isotubes during drilling and analysed by GeoMark Research (Houston, TX), revealing the presence of thermogenic hydrocarbons, which were generated from organic matter under high temperatures. Between the depths of 1,300 and 1,335 meters below surface, a significant proportion of these samples were HGLs. Additionally, hydrocarbon gases were recorded in various intervals between 838m and 1,807m, and between 1,990m and 2,058m, the total depth of the well. Although geologically a successful well, economic accumulations of hydrocarbons were not encountered.

The well produced additional valuable geological information intersecting the predicted Karoo stratigraphy and pre-Karoo stratigraphy, which included promising source, seal and reservoir rock lithologies. Cuttings samples were collected at 5m intervals and 38 sidewall cores were brought to surface. Sample analysis and other analytical work is ongoing. Geochemical analysis of samples rich in organic matter is currently being conducted by Geomark Research to establish the extent of source rock potential. Petrophysical logs will be calibrated with core analyses to determine the thickness and quality of potential reservoir intervals.

The Vertical Seismic Profile ("VSP") for the 8-2 well, which is critical for carrying out an improved time to depth conversion of the seismic data, was completed in latter 2022 and integrated into the seismic interpretation. The apparent lack of closure and potential oil source-maturation issues at this location highlight the need for multiple seismic line confirmation and/or eFTG to support all new drilling decisions. ReconAfrica extended its seismic acquisition program to acquire a cumulative total of over 2,000 kilometres which has just been completed.

The Company built the access road and drilling pad and moved the rig to the next rift basin well, the Wisdom 5-1 ("5-1") in the fourth quarter of 2022. With the goal of maximizing the chance of success for the 5-1 and other potential locations, including the Damara fold belt, the Company determined it was best to use all available and expected data, including the additional 2D seismic and eFTG before commencing with drilling. This acquisition has been completed and interpretation and analysis of the data are ongoing. After data interpretation and analysis is complete, the decision will be made on the next drilling locations likely to begin in the Damara fold belt.

ENVIRONMENTAL CLEARANCE CERTIFICATE

Effective July 4, 2023, the Corporation received its Environmental Clearance Certificate (the "ECC") from the Namibian Environmental Commissioner, Ministry of Environment, Forestry and Tourism, covering PEL 73. The ECC authorizes the Corporation to commence the drilling of an additional 12 exploration and appraisal wells, to unrestricted depths, in the Kavango Basin, for a period of three years, expiring on July 4, 2026, and is subject to standard conditions for the phase of the project.

EXPLORATION AND EVALUATION ASSETS

	Botswana Property	Namibia Property	Total
Balance at December 31, 2021	**76,291**	**54,311,910**	**54,388,201**
Additions	84,749	54,400,701	54,485,450
Effect of exchange rate changes	4,245	4,875,127	4,879,372
Balance at March 31, 2023	**165,285**	**113,587,738**	**113,753,023**

Additions of $54.4 million to the Namibia property (PEL 73) consist primarily of seismic, eFTG and drilling activities previously discussed. For further details on these and planned activities, please refer to the Use of Proceeds sections of this MD&A.

ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG")

ReconAfrica's ESG approach to business is designed so that we conduct our business activities responsibly while working with communities, governments – local, regional, and national, traditional authorities and other key stakeholders. This includes complying with regulatory standards, policies and practices. Our ESG approach takes into account operational developments and feedback from a range of Namibian, Botswanan, and international stakeholders and ESG experts.

ReconAfrica is committed to protecting the environment, avoiding environmentally sensitive areas, minimizing disturbances, and implementing best practices according to international standards. We have conducted comprehensive Environmental Impact Assessments ("EIAs") and Environmental Management Plans ("EMPs") for both our stratigraphic wells and our 2D seismic operations. On September 29, 2022, the Company obtained an approved amendment to the ECC from Ministry of Environment, Forestry and Tourism ("MEFT") to acquire up to an additional 1,500 kilometres of 2D seismic data. Environmental Impact Assessment and Environmental Management Plan for 12 exploration and appraisal wells has commenced and the initial notification process with stakeholders has been completed.

ReconAfrica has committed $10 million (N$112 million) to ESG-focused initiatives including:

- Community Outreach – Health and Wellness: The Company is drilling and installing community water wells, a key area of focus for the $10 million ESG commitment, in numerous communities within Kavango East and Kavango West to allow community members safer access to potable water. ReconAfrica is working closely with local community members and the Namibian government to contribute to their Rural Water Management Plan to obtain the most effective results. While we work directly with the Ministry of Agriculture, Water and Land Reform ("MAWLR") who are responsible for placement and permitting of the water wells, we have drilled and donated solar-powered community water wells at 26 locations to date in our license area, with 10 additional wells completed and pending handover to MAWLR.

  The Company responded to calls for assistance from the Government of Namibia with its commitment of a N$15 million contribution to the country's COVID-19 vaccine rollout campaign, supporting various aspects tied to the COVID-19 virus and its associated health risks in Namibia to make it an overall Health and Wellness targeted effort. The Ministry of Health and Social Services authorities implemented our vaccine roll-out program in both Kavango East and Kavango West, focused on hard-to-reach communities. The medical equipment including oxygen and breathing-related equipment for medical facilities for the populations of Kavango East and Kavango West have been handed over.

- Community Outreach – Education Sponsorship and Assistance: Ten science, technology, engineering, art, and mathematics ("STEAM") scholarships for new graduates from Kavango East and Kavango West have been granted by the Company. ReconAfrica also provided emergency funding for Namibian students who were impacted by the war in Ukraine and stranded because of the conflict. 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. We also collaborated with the Namibia University of Science and Technology for an initiative to educate interested stakeholders in Namibia on the oil and gas sector. These initiatives are all ongoing.

- Community Outreach – Other Community Initiatives: We provide school materials and sports equipment to numerous schools within our operations area. The Company has funded a variety of projects including Project Never Walk Alone, whose primary purpose is to eradicate bare footedness in Namibia by raising funds to ensure that Namibian children and those in need do not go barefoot, a nationwide drive, and We Race Together, which assists with social initiatives nationally. We also were involved in funding the Rundu Trade Fair, Nkurenkuru Expo, Kavango West and Kavango East Governor's Cups, regional sporting events, Nkurenkuru Event for the elderly and vulnerable peoples, Swakopmund International Expo, and Namibia 4th Industrial Revolution Conference.

The Company continues to advance on several of its ESG targets including:

- Operational Performance: Our Company continues to collaborate in various technical areas involving reviewing opportunities for agriculturally focused and other initiatives in the critical area of livelihood enhancements.

- Biodiversity – Wildlife Monitoring: Supporting MEFT with their wildlife monitoring with collaring initiatives on elephants, crocodiles and other important and valued wildlife in the Namibian National Parks and their surrounding areas. Further wildlife monitoring with MEFT and Reconnaissance Energy Namibia representatives, including wild game counts outside of our lease area and other conservancies is taking place as part of our mutual data gathering exercises.

- Water and Air Quality: Our water management plan, including water sampling and data gathering continues to provide the Namibian government with pertinent information.

- Reforestation: Through engagement with forestry and tree experts from MEFT and other conservancy and community forest representatives, the types of local and Indigenous trees for the MEFT/ReconAfrica reforestation project have been determined. Collaboration continues on plans for implementing these initiatives.

- Governance: ReconAfrica rolled out corporate governance training programs for in-country employees and contractors which creates a structure and culture that fosters and commits to responsible and ethical behaviour throughout the company.

ReconAfrica has completed engagement sessions with the San communities and other Indigenous communities around our seismic program areas. We continue to update and engage with the communities on our drilling plans and seismic activities, such as the eFTG surveys, along with other ongoing updates. We are also directly engaging with the established conservancies, Farmer's Unions, Community Forest representatives, San representatives amongst other key interest groups throughout Namibia.

The Company works 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. We also strive to maximize local and national hiring and provide training in key technical areas associated within our operations. In the Kavango area, ReconAfrica is currently supporting the growth of the agriculture, tourism and service industries through improved water and power access and the use of dual-purpose infrastructure.

ReconAfrica places strong emphasis on hiring locally and nationally whenever possible. The Company has hired and/or contracted over 1,300 Namibians residents in such roles as: electricians; rig floorhands; project managers; seismic panga crew, material technical specialists (construction, environment, wildlife surveying, water, and hydrology); health, safety, government relations, socio-economic and environmental experts; administrative assistants; garden site workers; and general and casual laborers and more.

ReconAfrica is working with Namibian educational institutions to enhance training programs directly related to the environment and to drilling and seismic activities. The Company has a strong commitment to gender diversity and continues to increase the number of women hired locally. We have our skills transfer initiative under which Namibian residents are receiving basic training in a wide range of practical disciplines. ReconAfrica is also completing on-site technical training for both our stratigraphic wells and 2D seismic program and have completed training with MME and NAMCOR professional staff and University of Namibia MSc Petroleum Geology students. In collaboration with the Namibia University of Science and Technology, ReconAfrica is supporting an initiative to provide an oil-and-gas educational option for Namibian students.

Through our office in Gabarone, Botswana, we continue to submit quarterly and annual reports to the Government of Botswana as part of our licence requirements. The licence granted to ReconAfrica 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.

PRODUCTION FROM THE CHIAPAS BLOCKS

The Company currently produces crude oil and natural gas from one well at each of the Mundo Nuevo and Malva blocks. Below is a summary of the Company's production and net revenue figures for the 15 months ended March 31, 2023:

Average Production by Product	**Three months ended March 31, 2023**	**Three months ended December 31, 2021**	**Fifteen months ended March 31, 2023**	**July 27 to December 31, 2021**
Crude oil (Bbl/d)	289	318	294	318
Natural gas (Mcf/d)	4,773	5,037	4,847	5,034
Total (Boe/d)	1,085	1,157	1,102	1,157

Revenue From Product Sales	**Three months ended March 31, 2023**	**Three months ended December 31, 2021**	**Fifteen months ended March 31, 2023**	**July 27 to December 31, 2021**
Crude oil	$ 2,285,600	$ 2,626,048	$ 14,736,802	$ 4,288,175
Natural gas	2,604,675	3,932,676	17,900,416	6,121,538
Total	$ 4,890,275	$ 6,558,724	$ 32,637,218	$ 10,409,713

Average Prices	**Three months ended March 31, 2023**	**Three months ended December 31, 2021**	**Fifteen months ended March 31, 2023**	**July 27 to December 31, 2021**
Crude oil ($/bbl)	87.81	89.88	110.00	85.97
Natural gas ($/mcf)	6.06	8.49	8.12	7.75

Royalties	**Three months ended March 31, 2023**	**Three months ended December 31, 2021**	**Fifteen months ended March 31, 2023**	**July 27 to December 31, 2021**
Charge for the period	$ 3,898,273	$ 5,128,074	$ 26,429,369	$ 8,217,849
Percentage of revenue	79.7%	78.2%	81.0%	78.9%
Per Boe	$ 39.93	$ 48.18	$ 52.69	$ 45.25

Production Costs	**Three months ended March 31, 2023**	**Three months ended December 31, 2021**	**Fifteen months ended March 31, 2023**	**July 27 to December 31, 2021**
Charge for the period	$ 280,581	$ 484,534	$ 1,657,634	$ 669,983
Percentage of revenue	5.7%	7.4%	5.1%	6.4%
Per Boe	$ 2.87	$ 4.55	$ 3.30	$ 3.69

Subsequent to March 31, 2023, the Malva producing well entered force Majeure, at the request of Pemex, due to repairs they are conducting to their main tank responsible for the oil/water separation process. It is expected that the tank will be unavailable until the end of December 2023, at which time operations at Malva are expected to resume.

USE OF PROCEEDS RECONCILIATION – MAY 2021 OFFERING

The following table provides a comparison of the Company's use of proceeds disclosure as set out in the Company's final short form prospectus dated May 19, 2021, for the May 2021 Offering, to the actual use of proceeds:

May 2021 Offering - Use of Proceeds	Approximate Amount ($)	Actual ($)
Long-term Standby Costs(1)	-	8,124,732
Fourth Well (8-2)		
Road and location	725,700	855,561
Drilling single test well (45 days / 12,000 feet(2))	7,982,700	11,128,043
Fifth Well		
Road and location	483,800	-
Drilling single test well (45 days / 12,000 feet(2))	7,982,700	-
Sixth Well		
Road and location	362,850	-
Drilling single test well (45 days / 12,000 feet(2))	7,982,700	-
Sidetrack of 6-2 Well	-	2,809,384
Integrated Subsurface Interpretation Project	483,800	721,615
Environmental Impact Assessment	846,650	1,742,172
Seismic Acquisition and Processing		
Program designs	483,800	761,626
Mobilization	846,650	44,531
Acquisition of 2D seismic data	4,233,250	5,931,713
Processing of 2D seismic data	423,325	718,548
Total:	**32,837,925**	**32,837,925**

(1) These costs were previously reflected within drilling costs.

(2) Represents the depth permitted by the Company. Actual drill depth may vary for each well drilled.

The Fourth Well in the table above reflects costs incurred on the 8-2 well but not the number of wells drilled by the Company. The Fourth Well title is preserved as originally represented in the use of proceeds section of the May 19, 2021, prospectus. Due to cost overruns and additional seismic operations as discussed further below, the Company incurred significant additional fees on standby drilling costs as it prepared for drilling and maintained site infrastructure and equipment.

The Company has incurred excess costs related to the drilling program which resulted in the total cost significantly exceeding the $8,708,400 estimated for the Fourth Well (8-2) in the table above. Further, $8,124,732 as reflected in the table above under "Long-term Standby Costs", was incurred to maintain work crews, camps, service providers and equipment pending the completion of seismic studies and the resumption of drilling. These costs were significantly increased due to delays in the permitting of the eFTG survey experienced by the Company's third-party contractor.

The pandemic also increased costs due to challenges for corporate staffing including the necessity for testing protocols, creating staff "bubbles" to keep employees and contractors separated from infected individuals, and donations to area hospitals. The Company also lost approximately two months of activity in December 2021 and January 2022 due to the Omicron outbreak. The costs of the additional scientific tools and health and safety protocols are expected to continue. See "Risk Management and Risk Factors – Infectious Diseases and COVID-19" in this MD&A.

While costs have been incurred on preparation of the 6-2 sidetrack, drilling has been deferred as the Company has prioritized other locations and operations including the acquisition of the eFTG data to better determine the prospect geometry.

The Phase 2 Seismic Program contemplated in the May 2021 Offering was originally planned to acquire and process 450 kilometres of 2D seismic in the licence area. However, due to the success of the program, to increase the sub-surface imaging and to enhance well and seismic data ties, it was prudent to increase the seismic coverage. The total program was increased to 761 kilometres to enhance the Company's ability to image and map the sub-surface. This resulted in increased costs compared to what was originally contemplated in the May 2021 Offering. Further, costs were anticipated for only one processing contractor, however, the Company elected to use two competing processing contractors to enhance data quality through competition and transfer of best practices. Between the phase 1 and 2 seismic programs, ReconAfrica acquired a total of 1,258 kilometres of seismic data.

USE OF PROCEEDS RECONCILIATION – FEBRUARY 2022 OFFERING

On March 1, 2022, the Company completed a bought deal financing (the "February 2022 Offering") of 7,475,000 units of the Company at a price of $6.35 per unit for gross proceeds of $47,466,250. Each such unit consisted of one common share in the capital of the Company and one common share purchase warrant of the Company. Each such warrant entitled the holder to acquire 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.

The following table provides a comparison of the Company's use of proceeds disclosure as set out in the Company's final short form prospectus dated February 24, 2022, for the February 2022 Offering, to the actual use of proceeds as at March 31, 2023:

February 2022 Offering - Use of Proceeds	Approximate Amount ($)	Actual ($)
Well 1		
Road and location	381,540	1,047,676
Drilling single test well (45 days / 12,000 feet[1])	9,360,448	3,380,470
Well 2		
Road and location	1,653,340	976,911
Drilling single test well (45 days / 12,000 feet[1])	9,360,448	2,354,572
Well 3		
Road and location	826,670	-
Drilling single test well (45 days / 12,000 feet[1])	9,360,448	-
Surface Geochemistry	50,872	-
Integrated Subsurface Interpretation Project	210,000	288,488
Seismic Acquisition and Processing		
Mobilization and program designs	959,119	593,590
Acquisition of 2D seismic data	2,891,526	7,971,348
Processing of 2D seismic data	335,755	437,701
Vertical seismic profile processing	500,000	595,692
Enhanced full tensor gravity survey ("eFTG")[2]	-	241,725
Contingency for COVID-19 related costs	1,600,000	1,627,859
Maintenance of infrastructure and current well sites	-	4,840,870
Working capital for affiliates (in country)	908,334	6,271,706
Total:	**38,398,500**	**30,628,608**

(1) Represents the depth permitted by the Company. Actual drill depth may vary for each well drilled.

(2) Potential cost approx. US $1mil. Conducted to complement Phase 2 extension.

(3) Actual costs inclusive of standby charges.

Costs included for Well 1 above relate to preparatory work including access roads, as well as the cost of prepaid supplies and materials which may be reallocated to the cost of a potential future well should this location not be drilled. Similarly, well 2 in the table above relates to costs incurred at the 5-1 location including the building of an access road and drilling pad, in addition to prepaid supplies and materials. Future drilling is pending the results from seismic and eFTG studies as previously discussed. Costs for materials and supplies purchased in advance that are currently allocated to Well 1 may be reallocated to another well location. Due to supply chain issues and resulting shipping challenges, materials and supplies are often purchased in larger quantities for intended future use at multiple locations.

Importantly, the results of the Phase 2 seismic acquisition have led to the identification of a new hydrocarbon province in PEL 73, the Damara fold belt, which has a working hydrocarbon system proven in the initial three stratigraphic test wells. It also recognized that the original exploration target, the Karoo rift was present but had additional complexity that requires further clarity. Using this information, the Company redirected its focus to acquiring additional seismic data and conducting eFTG surveys prior to a resumption of drilling.

The net proceeds of the February 2022 Offering originally contemplated a further 600 kilometres of 2D seismic data. The need to acquire an additional 1500km to delineate the Damara fold belt and an identified extension of the Karoo Rift to the southeast, as well as provide prospect de-risking, resulted in seismic costs significantly above those originally contemplated in this offering and required the reallocation of funds from drilling operations. This added cost results from the need for additional data coverage with the actual cost per kilometre unchanged. Management conducted an eFTG survey of 2,184km^2 to complement the seismic Phase 2 extension, with a second phase of eFTG of 2,814km^2 acquired subsequent to March 31, 2023. The total eFTG survey area is ~5,000km^2. This additional survey extends contiguously to phase one in the Kavango Rift Basin to the south-east and the Damara Fold Belt to the south and south-west. Both phases of eFTG are estimated to cost approximately US$2.0 million ($2.7 million) and were not originally contemplated in the use of proceeds for the February 2022 Offering, thus requiring a further reallocation of funds from the February 2022 Offering.

The operations discussed in the preceding paragraphs have impacted the Company's ability to drill the three wells originally contemplated in the February 2022 Offering. It is estimated that the February 2022 Offering will fund the completion of the Phase 2 extension, the two eFTG surveys, the maintenance of current infrastructure and existing well sites for potential future use or abandonment, and working capital in Namibia.

The COVID-19 pandemic and resulting supply chain disruptions and travel bans significantly contributed to cost overruns. These impacts were magnified by the need to source drilling tools, parts and equipment primarily from the United States, making the Company dependent on international shipping which was severely impacted by the pandemic. This resulted in significant non-productive time and increased transportation costs estimated at $1,627,859.

Working capital for affiliates (in country) includes general and administrative costs in Namibia. Increases in staffing and related costs, timelines, in addition to community services and initiatives have resulted in a higher need of funding for these areas compared to amounts originally considered in the February 24, 2022, prospectus.

The Company anticipates that negative operating cash flows will continue as long as it remains in an exploration and development stage. In addition to uses of net proceeds as described herein, to the extent that the Company has negative operating cash flow in future periods, the Company may need to use some of the net proceeds from future offerings to fund such negative operating cash flow.

However, given the Company is in the exploration phase, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary. The actual amount that the Company spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above and will depend on a number of factors. Until applied, the net proceeds will be held as cash balances in the Company's bank account or invested in certificates of deposit and other instruments issued by banks or obligations of or guaranteed by the Government of Canada or any province thereof.

SELECTED ANNUAL INFORMATION

The following table provides a summary of the Company's financial results for each of the three most recently completed financial years.

	Year Ended March 31,		Years Ended December 31,			
		2023		2021		2020
Total assets	$	188,928,407	$	133,928,578	$	30,519,358
Total non-current liabilities		2,115,497		1,052,296		-
Total revenue		32,637,218		10,409,713		-
Net loss		72,948,141		263,406,976		7,479,675
Net loss per share, basic and diluted	$	0.37	$	1.60	$	0.09

Net loss was $72,948,141 for the 15 months ended March 31, 2023 (2021 – $263,406,976) comprises of 15 months of activity, as a result of Company's decision to change its year end from December 31 to March 31. Net loss in this period was lower compared to the year ended 2021, mainly due to the option agreement settlement expense, settlement of consulting agreement and impairment expense incurred during 2021 as shown below. This was partially offset by increased general and administration costs, community services costs and finance expense in the current period.

The primary expenses contributing to the net loss for the 15 months ended March 31, 2023, and comparable period are detailed in the following table:

	15-Month Period Ended March 31, 2023	Year Ended December 31, 2021
Production costs	$ 1,657,634	$ 669,983
Resource property evaluation	3,632,996	1,325,888
General and administration	30,168,446	14,757,680
Share-based payments	21,268,745	17,873,077
Finance expense	23,362,630	3,580,930
Settlement of consulting agreement	-	11,855,983
Settlement of option agreement	-	110,342,000
Impairment	-	105,299,108
Exchange (gain) loss	(41,734)	(394,470)
	$ 80,048,717	**$ 265,310,179**

Finance expense is made up of estimated interest charges on the outstanding royalties payable in Mexico (see the liquidity section of this MD&A). The change in year end from December 31 to March 31 results in the current financial year end including costs for a 15-month period while the comparable period only includes costs for 12 months. Costs for the year ended December 31, 2021, are also lower due to the inclusion of Renaissance related costs starting from the date of acquisition on July 27, 2021. This particularly impacts the increases in production costs, resource property evaluation and general and administrative expenses, and finance expense.

The Company has never declared or paid any cash dividends on the Common Shares and currently intends to retain future earnings. See "Dividends" in this MD&A.

GENERAL AND ADMINISTRATION ("G&A")

	Three Months Ended March 31, 2023	Three Months Ended December 31, 2021	15-Month Period Ended March 31, 2023	Year Ended December 31, 2021
Staff, consulting, and management	$ 2,232,366	$ 2,069,511	$ 10,668,175	$ 6,723,447
Marketing and stakeholder relations	274,674	404,828	2,076,780	1,843,853
Corporate development	136,589	-	2,156,974	-
Office and general	1,270,789	235,106	3,059,627	1,307,946
Transportation and accomodation	192,005	457,576	1,178,657	944,940
Insurance	458,294	40,031	1,789,026	250,658
Professional fees	1,506,214	1,270,924	9,239,207	3,686,836
	$ 6,070,931	**$ 4,477,976**	**$ 30,168,446**	**$ 14,757,680**

As previously discussed, G&A figures increased significantly from the comparable period due to the current period including an additional 3 months of costs resulting from the year end change and significantly higher costs related to Renaissance due to the comparable 2021 year only including approximately 5 months of financial info. To provide further clarity, the following tables separate the G&A costs of Renaissance operations from Corporate, Namibia and Botswana operations.

Corporate, Namibia and Botswana

	Three Months Ended		15-Month Period Ended	Year Ended
	March 31, 2023	December 31, 2021	March 31, 2023	December 31, 2021
Staff, consulting, and management	$ 1,445,565	$ 1,701,834	$ 8,154,014	$ 6,208,428
Marketing and stakeholder relations	274,674	404,828	2,076,780	1,843,853
Corporate development	136,589	-	2,156,974	-
Office and general	447,247	121,174	1,996,562	1,100,642
Transportation and accomodation	192,005	454,467	1,091,278	938,197
Insurance	458,294	40,031	1,789,026	250,658
Professional fees	934,554	1,129,287	5,135,826	3,011,956
	$ 3,888,928	**$ 3,851,621**	**$ 22,400,460**	**$ 13,353,734**

Renaissance

	Three Months Ended		15-Month Period Ended	Year Ended
	March 31, 2023	December 31, 2021	March 31, 2023	December 31, 2021
Staff, consulting, and management	$ 786,801	$ 367,677	$ 2,514,161	$ 515,019
Office and general	823,542	113,932	1,063,065	207,304
Transportation and accomodation	-	3,109	87,379	6,743
Professional fees	571,660	141,637	4,103,381	674,880
	$ 2,182,003	**$ 626,355**	**$ 7,767,986**	**$ 1,403,946**

- Marketing and stakeholder relations include costs associated with trade shows, investor and public relations.
- Corporate development costs are associated with the Company's efforts to identify potential joint venture partners and is principally composed of costs to maintain a data room for prospective partners.
- Office and general costs primarily consist of rent, exchange listing and filing fees, information technology and other general costs. For the three months ended March 31, 2023, office and general costs increasing in Namibia due to increased exploration and evaluation activities. The increase in Renaissance consists primarily of reclassifications of historical balances.
- Professional fees include legal fees of $2.8 million, audit and tax fees of $0.6 million, and other fees of $0.7 million for the 15 months ended March 31, 2023. For Renaissance the $4.1 million in professional fees related to the Chiapas Blocks and stakeholder relations.

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended							
	Mar-23	**Dec-22**	**Sep-22**	**Jun-22**	**Mar-22**	**Dec-21**	**Sep-21**	**Jun-21**
	$	$	$	$	$	$	$	$
Revenue	4,890,275	5,515,527	7,737,129	8,029,162	6,465,125	6,558,724	3,850,989	nil
Net loss	(20,406,148)	(14,624,402)	(12,931,859)	(14,323,430)	(10,662,302)	(11,972,974)	(236,767,648)	(11,774,335)
Loss per share	(0.10)	(0.07)	(0.06)	(0.07)	(0.06)	(0.06)	(1.33)	(0.07)

Revenue of $4,890,275 was earned during the three months ended March 31, 2023, compared with $6,558,724 for the three months ended December 31, 2021. Revenue was lower in the current quarter due to slightly lower production and lower average natural gas prices as compared to the last quarter in 2021. Net loss was $20,406,148 for the three months ended March 31, 2023, compared with $11,972,974 for the three months ended December 31, 2021. The major reasons contributing to the increase in net loss in the current period were the finance expense incurred on royalties payable, general and administration expense due to increased operating activities, lower revenue (net of royalties) earned from Mexican assets and higher exchange loss, partially offset by lower share-based payments and resource property evaluation expenses.

Further variances from the comparable period are detailed in the following table:

	Three Months Ended	
	March 31, 2023	**December 31, 2021**
Production costs	$ 280,581	$ 484,534
Resource property evaluation	489,144	1,110,142
General and administration	6,730,461	4,477,976
Share-based payments	2,400,364	4,787,824
Finance expense	6,504,365	2,246,314
Exchange (gain) loss	5,523,570	26,010
	$ 21,928,485	**$ 13,132,800**

Production costs are associated with operations in Mexico and slightly lower in the current quarter due to increased efficiencies in operations in the period. Resource property evaluation primarily includes exploration and community services costs, which are being expensed. They are lower in the current period as compared to prior quarter, due to increased community service costs towards the end of 2021. General and administrative costs increased in the current quarter due to increased staffing, advisory and travel costs as the Company's operating activities grew significantly. Finance expense primarily includes interest on outstanding royalties balance in relation to Renaissance's Chiapas properties, which continues to accrue interest; this is further explained below in royalty payable section. Lastly, the exchange loss was higher in the current quarter due to reclass of certain year to date translation amounts to other comprehensive income. Please refer to the prior section for further information of general and administration costs.

SEGMENTED INFORMATION

The following tables highlight the Company's operating segments:

15-Month Period Ended March 31, 2023	**Corporate**	**Mexico**	**Africa**	**Total**
Total non-current assets	$ 8,140,537	$ 19,998	$ 111,196,207	$ 119,356,742
Total assets	18,957,451	53,793,098	116,177,858	188,928,407
Total liabilities	(1,336,225)	(99,813,417)	(4,452,355)	(105,601,997)
Crude oil revenue	-	14,736,802	-	14,736,802
Natural gas revenue	-	17,900,416	-	17,900,416
Total revenue	-	32,637,218	-	32,637,218
Loss before taxes	36,401,160	27,283,809	9,260,951	72,945,920

Year Ended December 31, 2021	**Corporate**	**Mexico**	**Africa**	**Total**
Total non-current assets	$ 6,679,209	$ 54,055	$ 53,598,397	$ 60,331,661
Total assets	49,449,779	28,974,126	55,504,673	133,928,578
Total liabilities	(2,013,054)	(45,209,455)	(1,481,348)	(48,703,857)
Crude oil revenue	-	4,288,175	-	4,288,175
Natural gas revenue	-	6,121,538	-	6,121,538
Total revenue	-	10,409,713	-	10,409,713
Loss before taxes	145,551,353	113,907,934	3,653,577	263,112,864

Upon the closing of the acquisition of Renaissance in the prior year, the Company is considering both its African and Mexican assets as separate reportable operating segments. As a result, the Company's operating segments are: (i) the exploration and evaluation of its African assets; (ii) the oil and gas operations in Mexico; and (iii) the corporate segment. The Mexico segment derives its revenues solely from the production and sale of oil and natural gas from one customer. The corporate segment primarily aggregates costs incurred at the Company's head office in Vancouver and operations office in Calgary. The Company's chief operating decision maker is the CEO.

LIQUIDITY

The Company's working capital consists of the following:

		March 31, 2023		December 31, 2021
Cash	$	38,814,806	$	61,153,991
Restricted cash		17,147,713		-
Trade receivables		7,587,176		9,825,608
Other receivables and prepaids		6,021,970		2,617,318
Accounts payable		(7,807,604)		(6,638,213)
Royalties payable		(94,948,453)		(41,013,348)
Current portion of decommissioning liabilities		(730,443)		-
	$	**(33,914,835)**	**$**	**25,945,356**

During the 15 months ended March 31, 2023, ReconAfrica received $1,877,421 from the exercise of options, $1,303,779 from the exercise of warrants and $2,362 from the exercise of compensation options. Further, the Company raised net proceeds of $38,398,500 from the February 2022 Offering with the remaining funds from this offering allocated to the completion of seismic and eFTG activities as described in the Use of Proceeds sections of this MD&A, including some working capital. Subsequent to the period end, the Company completed an overnight marketed offering (the "July 2023 Offering") of 6,795,454 units of the Company at a price of $1.10 per unit for gross proceeds of $7,475,000. Each such unit consisted of one common share in the capital of the Company and one common share purchase warrant of the Company. Each such warrant entitles the holder to acquire one common share at a price of $1.35 until July 18, 2025. The Company's current production revenue from Mexican operations is not sufficient to fund ongoing operations.

As at March 31, 2023, the Company had a working capital deficit of $33,914,835, compared to a working capital surplus of $25,945,356 as at December 31, 2021. The decrease in the Company's working capital is due primarily to funds spent on exploration activities and general and administration costs in addition to an increase in the royalties outstanding on the Company's operations in Mexico through its wholly-owned subsidiary, Renaissance (see Royalties Payable below). Without Renaissance, as at March 31, 2023, the Company had a working capital surplus of $11,078,685. Renaissance has sufficient cash to fund its operations over the next 12 months which includes some repayments on the historical royalty balance, however, the full royalty balance outstanding will not be paid in the near term. No proceeds from the July 2023 Offering will be used to fund any liabilities or operations of Renaissance. In addition, no existing cash balances in Renaissance will be available to fund the Company's operations in Africa as detailed above, over the next 12 months.

Net proceeds from the July 2023 Offering are expected to be used for site preparation of a future drilling location, wellsite and rig maintenance, in addition to other geologic and subsurface projects, geophysical processing and some working capital. The Company will require additional financing over and above the July 2023 Offering in order to meet its longer-term business objectives and there can be no assurances that such financing sources will be available as and when needed. This may include debt or equity financing in addition to funds raised from potential joint venture partners.

Historically, capital requirements have been primarily funded through the sale of equity securities. Factors that could affect the availability of financing include the state of international debt and equity markets, and investor perceptions and expectations of the global oil and gas market. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. Based on the amount of funding raised, the Company's planned exploration or other work programs may be postponed, or otherwise revised, as necessary. See "Risk Management and Risk Factors" in this MD&A.

ROYALTIES PAYABLE

The Company's royalty balance is in relation to the Chiapas properties and royalty amounts have been due since October 2019. The continued delay in making royalty payments may result in significant penalties and action against the Company. Of the $94.9 million balance above, the principal royalties payable balance is $60.9 million, while the remaining balance of $34.0 million is associated with estimated interest fees that have not yet been charged to the Company.

The royalties may also be subject to further fines from the Tax Administration Service of Mexico, though there is no indication any such charges will be received. Renaissance has commenced repaying its outstanding royalty balance and proposed payment terms to the CNH, an agency of the Mexican Federal government, by way of discussions between the CNH's representatives and agents of Renaissance. While these terms were not rejected, no formal agreement was entered into regarding repayment of amounts past due. To date, there has been no indication that Renaissance will be charged any additional penalties or interest on the outstanding balance, however, the Mexican State through the Mexican

Petroleum Fund and the Secretary of Finance (SHCP) does retain the right to do so. Further strategic alternatives are being evaluated for the Chiapas properties and outstanding royalties, including efforts in obtaining exemption from all potential penalties and interest amounts resulting from non-payment of royalties. See "Capital Resources" in this MD&A. Subsequent to March 31, 2023, full payment of royalty amounts for current production are being made by Renaissance as production is sold and Renaissance expects to continue to make such payments, subject to Renaissance receiving payment on sales of new production from Pemex, the Mexican state-owned petroleum company.

DECOMMISSIONING LIABILITIES

The Company has estimated the present value of decommissioning liabilities at $2.5 million on its assets in Namibia and Mexico. Of this amount approximately $0.7 million is expected to be spent over the next 12 months in Namibia. A further $0.8 million is estimated to be incurred within 2-3 years with the balance thereafter.

CAPITAL RESOURCES

NAMIBIA AND BOTSWANA

The Company has commitments related to its petroleum exploration licence in Northeast Namibia. On December 24, 2019, the Company received approval for its application to extend the Namibia Licence into the First Renewal Period. During the first renewal exploration period, the Company is obliged to expend US$10,000,000 in exploration and evaluation activities plus an additional US$50,000 per year (benchmarked to inflation) for the purposes of funding the education and training of Namibians. The First Renewal Period continues until January 29, 2024, following receipt of the extension to the First Renewal Period from the MME in September 2022. The work requirements for both 2D seismic and aggregate expenditure of US$10,000,000 have been completed.

Pursuant to the terms of the Botswana Licence, ReconAfrica is committed to a minimum work program of BWP5,000,000 (approximately $375,000) over the first 4-year exploration period from June 1, 2020.

MEXICO

Renaissance submitted the initial development plans for the Chiapas Blocks to the CNH for their approval which was received in April 2017. Further modifications to the development plans were submitted by Renaissance and approved by the CNH in the 3rd quarter of 2018. Pursuant to the initial and modified development plans, Renaissance is required to undertake work programs at each of the three petroleum blocks that may include geological and geophysical surveys, repairs and work overs to existing wells, drilling of new development wells and other related studies. Due to COVID-19, the CNH issued diverse administrative decrees suspending the exploration, appraisal and development periods for 124 days, 3 months and 9 months with an independent application required for each extension. Renaissance applied for and received all three extensions giving it a deadline for completion of the work programs of April 26, 2022. The Company further received an extension of the work program commitments to February 27, 2024.

Renaissance is committed to the completion of the work programs on the Chiapas Blocks. This includes approximately US$31.0 million ($41.9 million) due February 27, 2024, for capital development including the drilling of four wells and four workovers. Renaissance has further work commitments related to the ongoing operation and maintenance of the currently producing wells and associated areas.

Renaissance entered into four surety bond agreements with a global financial company in aggregate of approximately US$15.3 million ($20.7 million), as required by the CNH, towards the guarantee of performance of the minimum work programs. A deposit of US$12.6 million ($17.1 million) has been made to the surety bond provider as collateral for the value of the bonds. This amount is recorded as restricted cash on the statements of financial position. The Company engaged an arm's length third party to assist in obtaining an extension for its work programs to February 27, 2024, and to assist in discussions with the CNH. With receipt of the latest extension, Renaissance incurred costs of US$2.3 million ($3.1 million) to this third party.h extension, aggregating a further US$1.125 million ($1.5 million). Failure to complete the work programs may result in the CNH seeking remedy through direct payment of the obligations or by acting on the surety bonds and/or seeking further action against the Company.

FUNDING OF CAPITAL COMMITMENTS

As previously discussed, ReconAfrica completed the February 2022 Offering during the 15 months ended March 31, 2023, and the July 2023 Offering subsequent to March 31, 2023. The net proceeds from the February 2022 Offering and the July 2023 Offering are expected to be used as previously discussed in the Use of Proceeds and Liquidity sections of this MD&A. The Company will require additional financing over and above available capital in order to meet its longer-term business objectives, including drilling additional wells, and there can be no assurances that such financing sources will be available as and when needed. This may include debt or equity financing in addition to funds raised from potential joint venture partners.

At this time, the Company has no intention of developing the Chiapas Blocks or incurring future development costs on these assets. However, in the past, funding for these assets have been derived from internally generated cash flow and, to the extent that the asset did not generate sufficient cash flow to support a new development project, it would be deferred. The Company does not anticipate that current operation of the property will be uneconomic for the Company as it does not anticipate incurring any development costs at this time.

The Company, through Renaissance, in conjunction with its partner Lukoil, has completed the field evaluation program for the Amatitlán Contract. Renaissance drilled and completed the seventeen wells approved under the expanded Chicontepec well appraisal program and drilled and cored a deep 3,550 meter well to test the deeper Upper Jurassic formations. Renaissance also completed workovers and repair operations on eight wells of the scheduled workover program. Renaissance and Lukoil continue to work towards migrating the Amatitlán Contract into a contract of exploration and extraction with an improved fiscal regime, pursuant to the constitutional amendments of December 20, 2013, reforming the Mexican energy industry. As a result of changes in the political climate in Mexico, Renaissance and Lukoil have not been successful in migrating the Amatitlán Contract and there is no assurance it will be possible to do so in the future. The Company is currently evaluating strategic alternatives for the Amatitlán and Chiapas blocks.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not currently have any off-balance sheet arrangements except the commitments and contingencies previously discussed in this MD&A.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction where there is a transfer of resources or obligations between related parties.

Transactions with related parties are summarized in the table below:

	15-Month Period Ended March 31, 2023	**Year Ended December 31, 2021**
Directors' fees	$ 1,307,302	$ 57,000
Management salaries and benefits	2,146,074	3,559,733
Share-based payments	11,670,978	11,497,989
	$ 15,124,354	**$ 15,114,722**

The Company's related party transactions consisted of compensation payable to its directors and officers. Other than compensation in the form of salaries or directors' fees and share-based payments, there were no other material transactions with related parties. Subsequent to the financial year ended March 31, 2023, and in the context of the market and other relevant factors, the board approved the suspension of the Directors' fees until further notice.

PROPOSED TRANSACTIONS

On September 22, 2022, the Company announced that it had entered into a definitive purchase and sale agreement with its partner, NAMCOR, to acquire half of its 10% carried participating interest in the approximate 6.3 million acres petroleum exploration license in the Kavango basin. The consideration for the 5% interest comprises of (a) 5,000,000 common shares of the Company having an aggregate value of $31,750,000 with a deemed price per share of $6.35 and (b) US$2,000,000 in cash. As of the date of this MD&A, the transaction with NAMCOR has not yet been completed and discussions are ongoing.

As is typical of the energy industry, the Company is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates. Critical accounting estimates are those estimates, which requires assumptions to be made about matters that are highly uncertain at the time the estimate is made and a different estimate could have been made in the current period or the estimate could change period-to-period. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are described in Note 2 of the audited consolidated financial statements for the 15 months ended March 31, 2023.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, trade receivables, other receivables, accounts payable and royalties payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, foreign currency or credit risks arising from these financial instruments. Since these items have short maturities, the fair values of these financial instruments are approximately equal to their carrying values, unless otherwise noted.

Fair value measurements are categorized into a fair value hierarchy based on the lowest level input that is significant to the fair value measurement:

- Level 1 inputs are determined by reference to unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are determined based on inputs other than unadjusted quoted prices that are observable, either directly or indirectly.
- Level 3 inputs are not based on observable market data. The Company does not have any financial instruments classified as Level 3.

The type of risk exposure and the way in which such exposure is managed is provided as follows:

CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is related to its trade receivables and cash and restricted cash deposits in financial institutions. The Company manages cash deposit risk by using major banks that are high credit quality financial institutions as determined by rating agencies. Risks related to trade receivables are considered minimal as the sale of production in Mexico is to the state-owned oil and gas corporation.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements in Mexico, taking into account its anticipated cash flows from operations and its holdings of cash. While the royalties payable are currently due, the full balance will not be paid in the current period. For all other operating segments, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through prospectus offerings, and the exercising of outstanding options and warrants. The Company's access to financing is always uncertain and additional funding will be required to meet its longer-term business objectives, including planned drilling activities. This may include debt or equity financing in addition to funds raised from potential joint venture partners. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has a non-material direct exposure to foreign exchange risk arising from cash, trade receivables, other receivables, accounts payable and accrued liabilities and royalties payable measured in foreign currencies, principally the US dollar, Mexican Peso, Namibian Dollar and Botswana Pula. The Company has a policy of settling items denominated in foreign currencies at the spot rate in place at the time of settlement.

<u>INTEREST RATE RISK</u>

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main exposure to interest rate risk relates to the interest charged on the royalties payable balance. Increases to the prevailing interest rates in Mexico will result in higher interest payable.

<u>COMMODITY PRICE RISK</u>

Oil and natural gas prices have been and are expected to remain volatile due to market uncertainties over the supply and demand of these commodities due to various factors including Organization of the Petroleum Exporting Countries ("OPEC") actions, the current state of world economies and ongoing credit and liquidity concerns. Volatile commodity prices have had and will continue to have a significant impact on the Company's ability to raise future capital to fund operations. Therefore, management regularly monitors natural resource commodity prices to determine the appropriate course of action to mitigate this risk.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had the following issued and outstanding common shares and unexercised stock options and common share purchase warrants:

	Shares and Potential Shares
Common shares outstanding	209,124,260
Warrants (average exercise price $3.92)	11,729,568
Compensation options (exercise price $1.06)	619,104
Share options (average exercise price $5.43)	15,795,000
	237,267,932

On March 1, 2022, the Company completed the February 2022 Offering. See "Overview, Overall Performance and Operations – Corporate Development & Financing" for further details.

During the 15 months ended March 31, 2023, the Company issued 2,474,382 (2021 – 53,026,794) common shares pursuant to the exercise of 2,474,382 (2021 – 53,026,794) warrants for cash proceeds of $1,303,779 (2021 - $45,621,652), nil (2021 – 223,500) broker warrants for cash proceeds of $Nil (2021 - $44,700) and 3,375 (2021 – 780,215) compensation options for cash proceeds $2,362 (2021 – $547,946).

During the 15 months ended March 31, 2023, the Company issued common shares pursuant to the exercise of 2,886,871 (2021 – 3,549,523) stock options for cash proceeds of $1,877,421 (2021 - $2,733,590).

On May 27, 2023, 127,079 compensation options expired.

On July 27, 2023, 1,200,000 options and 1,800,000 warrants granted in connection with the Renaissance Acquisition expired.

On June 28, 2023, the Company received $125,000 from the exercise of 250,000 warrants.

On July 18, 2023, the Company completed the July 2023 Offering. See "Liquidity" for further details.

CONTINGENCIES

The nature of the Company's petroleum exploration business sometimes results in individuals, groups or regulatory bodies, including parties that are opposed to the Company's business, making allegations that could lead to future legal proceedings that might ultimately be resolved in a way that could materially adversely impact the Company's financial position, stock price, cash flow and results of operations.

The Company and certain of its current and former officers and directors have been 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 are alleged on behalf of a class of shareholders who purchased or otherwise acquired shares of the Company between February 28, 2019 and September 7, 2021. The lead plaintiff generally alleges 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 seeks unspecified monetary damages. The parties are in the process of conducting discovery. No trial date has been set by the court. The Company disputes the allegations and intends to vigorously defend the lawsuits, although no assurance can be given with respect to the ultimate outcome of this action.

The Company has also been 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 is a proposed shareholder class action on behalf of all investors, except certain excluded investors, that purchased the Company's securities between May 30, 2020 and September 7, 2021, and held all or some of those purchased securities after September 7, 2021. The claim generally alleges that ReconAfrica published core and non-core documents containing misrepresentations that were publicly corrected between June 24 and September 7, 2021. The plaintiff seeks damages against the Company in connection with the alleged misrepresentations and public corrections. The Company believes that the allegations made against the Company in this action are without merit and intends to vigorously defend them, although no assurance can be given with respect to the ultimate outcome of this action.

CHANGE IN YEAR-END

On December 28, 2022, the Company changed its year-end from December 31 to March 31 to better facilitate the audit process. The Company's transition financial year will consist of a 15-month period ending March 31, 2023.

RISK MANAGEMENT AND RISK FACTORS

The Company is a junior oil and gas company engaged in the identification, exploration and development of oil and gas assets via drilling and/or acquisition with a focus on the Kavango Basin. The Company is exposed to a number of risks, both financial and operational, through the pursuit of its strategic objectives. Actively managing these risks improves the ability to effectively execute its business strategy. The risk factors set out below are not an exhaustive list and the reader is strongly encouraged to refer to the 'Risk Factors' section of the AIF available on the Company's profile on SEDAR+ at www.sedarplus.com.

- 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 capital requirements;
- weaknesses and volatility in the oil and gas industry;
- inflation;
- interest rates;
- 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, Botswana and Mexico;
- 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 risks;

- operating hazards and other uncertainties;
- competition;
- alternatives to and changing demand for petroleum products;
- global financial conditions;
- macro-economic risks;
- the ongoing invasion of Ukraine by Russia;
- 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 risks;
- 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;
- any potential failure to comply with anti-bribery and anti-corruption laws;
- reputation risks;
- 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;
- dilution and further sales of Common Shares; and
- dividends.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains "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 provided as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws.

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 MD&A should not be unduly relied upon.

In particular, this MD&A contains forward-looking statements pertaining to, among others, the following:

- the Company's business strategy, strength and focus;
- expectations regarding the ongoing exploration process for the newly identified Kavango sedimentary basin in Northeast Namibia and Northwest Botswana (the "Kavango Basin"), including the Company's 2022 stratigraphic test well drilling program and the next phase of the Company's 2-D seismic acquisition, processing and interpretation program;
- establishment of a working conventional petroleum system in the Kavango Basin;
- 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, including those contained in the June 2023 Report and the Form 51-101F1;
- 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 by-products 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 Company seeking potential partnering opportunities to assist in its exploration and development of hydrocarbons in the Kavango Basin;
- the Company's acquisition of half of the 10% carried participating interest in the Namibia Licence held by NAMCOR;
- 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;
- 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 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 on going changes to climate laws;
- expectations concerning the exercise of the option to acquire an additional 25% interest in the Amatitlán Contract and the Company's plans in respect of Amatitlán, including migrating the Amatitlán Contract into a contract of exploration and extraction and negotiations related thereto;
- the type of work programs that the Company may undertake at the Chiapas Blocks;
- remedies that the Comisión Nacional de Hidrocarburos may seek as a result of the Company failing to complete the necessary work programs on the Chiapas Blocks;
- the Company continuing to evaluate strategic alternatives for the Pontón block; and
- expectations concerning any legal proceedings that the Company is a party to, including the class action lawsuits filed by shareholders of the Company in the United States District Court in Brooklyn, New York and the Supreme Court of British Columbia and the Company's intention to vigorously defend the lawsuits.

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" in the AIF.

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 the AIF under the heading "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 capital requirements;
- weaknesses and volatility in the oil and gas industry;
- inflation;
- interest rates;
- 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, Botswana and Mexico;
- 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 risks;
- operating hazards and other uncertainties;
- competition;
- alternatives to and changing demand for petroleum products;
- global financial conditions;
- macro-economic risks;
- the ongoing invasion of Ukraine by Russia;
- 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 risks;
- 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;
- any potential failure comply with anti-bribery and anti-corruption laws;
- reputation risks;
- environmental, pollution, occupational health and safety risks;
- discretion regarding potential use of proceeds;
- volatility in the trading price of the Company's common shares;
- liquidity of the Company's common shares;
- dilution and further sales of the Company's common shares; and
- dividends.

With respect to forward-looking statements contained in this MD&A, 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 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 MD&A 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 in this MD&A are valid only as at the date hereof 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 MD&A are expressly qualified by this cautionary note.