MANAGEMENT'S DISCUSSION AND ANALYSIS: MARCH 31, 2024

The following is management's discussion and analysis ("MD&A"), dated July 29, 2024, of Reconnaissance Energy Africa Ltd.'s ("ReconAfrica" or the "Company") operating and financial results for the year ended March 31, 2024, 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 year ended March 31, 2024 and 15 months ended March 31, 2023 (the "Audited Financial Statements"), which are prepared in accordance with IFRS as issued by the International Accounting Standards Board, and the Annual Information Form for the year ended March 31, 2024 ("AIF"). Additional information 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.

HIGHLIGHTS

Corporate:

- Sold Renaissance Oil Corp., holder of the Mexican assets, for deemed gross proceeds of approximately $10.3 million (US$7.5 million).
- Granted approval for the Second Renewal Exploration Period by the Ministry of Mines and Energy in Namibia, covering the period from January 30, 2024, to January 29, 2026.
- Handed over an additional 10 solar powered community water wells drilled and completed by the Company to the Ministry of Agriculture, Water and Land Reform in Namibia.
- Increased technical capabilities of the Company by hiring Chris Sembritzky as Senior Vice President of Exploration and a team of former Anadarko Petroleum explorationists.
- Increased governance structure at the Board of Directors level, adding the Honourable Diana McQueen ECA, ICD.D as Chair of the Board of Directors and the appointment of D. Jeffrey Harder, FCPA, FCA, FCBV, ICD.D as a new independent director and Chair of the Audit Committee.

Operational:

- Completed the acquisition of the second phase of enhanced full tensor gravity surveys totalling 2,814 km^2 and the phase 2 extension of the 2D seismic program.
- Completed the technical evaluation of the entire exploration inventory to understand the potential of the Kavango Rift Basin and Damara Fold Belt plays.
- Selected the first two drill locations in the Damara Fold Belt and began the process required for well site preparation and procurement for operations.
- Received an Environmental Clearance Certificate ("ECC"), from the Environmental Commissioner, Ministry of the Environment, Forestry and Tourism, covering Petroleum Exploration Licence 073, for the drilling of 12 exploration and appraisal wells.

Financial:

- Raised gross proceeds of $7,475,000 via an overnight marketed offering in July 2023.
- Raised gross proceeds of $1,200,080 via a non-brokered private placement with insiders of the Company in September 2023.

Subsequent to the year ended March 31, 2024:

- Raised gross proceeds of $17,250,035 via a bought deal public offering in April 2024.
- Spud the Naingopo exploration well in the Damara Fold Belt on July 7, 2024.

- Entered into a memorandum of understanding with BW Energy Limited ("BW Energy") (OSE:BWE), for a 20% working interest in Petroleum Exploration Licence 073, including a $22 million (US$16 million) equity investment to support a multi-well exploration program, and additional contingent payments of US$125 million ($170 million), based on meeting certain development, production and cash flow milestones.
- Announced an overnight marketed public offering of units of the Company at a price of $1.25 per unit for gross proceeds of $35 million. Each Unit will be comprised of one common share of the Company and one common share purchase warrant of the Company.

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 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 TSX Venture Exchange (the "Exchange") 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 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.

SALE OF RENAISSANCE OIL CORP ("RENAISSANCE")

On October 25, 2023, the Company entered into a share purchase agreement with a third-party for the sale of all issued and outstanding shares of Renaissance, a wholly owned subsidiary of the Company, for a deemed price of $10.3 million (US$7.5 million). Renaissance through its subsidiaries, owns all the Company's operations in Mexico. All inter-company loans, and any other inter-company loans between the Company and Renaissance and any of its subsidiaries, were deemed to be satisfied in full and terminate upon closing without further recourse. In addition, under the agreement, the third-party will assume all debts and all present and future liabilities of Renaissance and its subsidiaries. The Company received acceptance on the sale of Renaissance from the Exchange on November 16, 2023.

Under the terms of a finder's fee agreement between the Company and two arms-length parties (collectively the "Finders"), the Company paid the Finders the aggregate amount of $276,400 (US$200,000) upon closing of the transaction. Through the sale of Renaissance, the Company recognized a gain on sale of approximately $85.5 million. Further details available in Note 5 of the Audited Financial Statements.

OVERALL PERFORMANCE AND OPERATIONS

Namibia

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 12 exploration and appraisal wells, to unrestricted depths, in the PEL 73 area, for a period of three years, expiring on July 4, 2026, and is subject to standard conditions for the phase of the project.

In October 2023, ReconAfrica and its joint venture partner NAMCOR were granted approval for the Second Renewal Exploration Period by the Ministry of Mines and Energy in Namibia ("MME"). The Second Renewal Exploration Period covers the period from January 30, 2024 to January 29, 2026, relating to PEL 73. Under the terms of the Second Renewal Exploration Period the Company will acquire additional subsurface data including either; (i) 500 km of 2D seismic data, (ii) 1,200 km^2 of enhanced Full Tensor Gradiometry ("eFTG") data, or (iii) some combination of (i) or (ii) which is considered reasonable. Additionally, the Company will be required to design and drill a minimum of one exploration or stratigraphic test well. A minimum dollar commitment equivalent to the above items is also required.

As part of the approval for the Second Renewal Exploration Period by the MME, the Company requested and has been granted a relinquishment exemption based on the provisions of Section 37 (5) of the Petroleum Act of 1991. The request was based on the Company's belief following the evaluation of acquired subsurface data over the past three years that a significant portion of the PEL 73 will be prospective for the exploration of oil and gas. As a result, the Company does not have to relinquish any of the acreage and retains access to the entire licence covering approximately 6.3 million acres in northeast Namibia. The Second Renewal Exploration Period extends through January 29, 2026, with options for extensions and an additional exploration period available under the Petroleum Act of 1991.

Botswana

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

- 100% working interest in all petroleum rights from surface to basement;
- an initial four-year exploration period, with renewals up to an additional 10 years, in accordance with the Botswana Petroleum (Exploration and Production) Act;
- upon declaration of commercial production, the operator holds the right to enter into a 25-year production licence with a 20-year renewal period, in accordance with the Botswana Petroleum (Exploration and Production) Act;
- royalties associated with the production licence will be subject to negotiation, in accordance with the Botswana Petroleum (Exploration and Production) Act, and generally range from 3 to 10% of gross revenue from production;
- the Company has committed to a minimum work program of 5,000,000 Botswana Pula (BWP) (approximately $500,000) over the first four-year exploration period; and
- the corporate tax rate of Botswana is 22%.

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

SEISMIC OPERATIONS AND TECHNICAL STUDIES

The Company conducted seismic operations in three phases (phase 1, phase 2 and the phase 2 extension) over three years, from 2021 to 2023. The operations were 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 Phase1, 761 kilometres in Phase 2 and 1,509 kilometres in the Phase 2 Extension. The seismic data acquisition program has been completed and processed, providing a good regional 2D seismic data set over the most prospective areas of PEL 73.

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 first two phases identified a number of leads and considerably expanded the Company's portfolio of opportunities. The phase 2 extension was designed to better define these leads, de-risk potential drilling targets, and add new leads. The program was 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 Company has further progressed its technical assessment of the Damara Fold Belt with the integration of new studies, basin modelling and all available geochemical data. The Company now anticipates potentially having oil in the shallower Mulden reservoir intervals, while the deeper Otavi target is expected to have natural gas with liquid/oil potential. Due to the coarse seismic grid over the Rift basin, the Company is evaluating options to acquire a 3D program to further delineate the identified leads prior to any drilling in the Rift. Seismic acquisition is anticipated to occur in the second half of 2025.

ENHANCED FULL TENSOR GRAVITY ("EFTG") SURVEY

ReconAfrica engaged an airborne geophysical survey provider, Metatek Group Limited, to conduct an eFTG survey over an area of 2,184 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 and inversion of this data was completed and integrated with the seismic data to evaluate the Company's exploration inventory. This information, combined with the 2D seismic and well data, has enhanced the Company's ability to image and understand the sub-surface, significantly contributing to building a risk weighted prospect portfolio and defining the Company's future drilling program.

DRILLING PROGRAM

The Company's initial drilling program, which commenced at the beginning of 2021, was designed to test organic rich source rocks, evidence of migrated hydrocarbons and conventional traps. ReconAfrica completed two wells in the third quarter of 2021 which achieved the stated purpose of the initial drilling program, the establishment of a working conventional petroleum system in the Kavango Basin. 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 hydrocarbon shows with gas (Methane) and gas liquids. Hydrocarbon shows with gases were identified between 838m and 1,807m, and between 1,990m and 2,058m; although geologically a successful well, economic accumulations of hydrocarbons were not encountered. The apparent lack of structural closure and potential oil source-maturation issues at this location highlighted the need for multiple seismic line confirmation and eFTG to support all new drilling decisions. The data gathered from the well program, seismic operations and the eFTG has led to the identification of a new play, the Damara Fold Belt.

The ReconAfrica technical team anticipates drilling multiple wells in the Damara Fold Belt, with drilling underway on the first well, Naingopo (Prospect L), which spud on July 7, 2024. The well is expected to drill to a depth of approximately 3,800 metres or 12,500 feet targeting both oil and natural gas. Drilling is expected to take approximately 90 days and will include three sets of logging operations, coring and reservoir testing. Following the drilling of the Naingopo well, the Company is planning to drill a second Damara Fold Belt well, Prospect P. Drilling of the second Damara Fold Belt well is expected to commence in the fourth quarter of 2024, subject to the results of the Naingopo well.

EXPLORATION AND EVALUATION ASSETS

		Botswana Property		Namibia Property		Total
Balance at December 31, 2021	**$**	**76,291**	**$**	**54,311,910**	**$**	**54,388,201**
Additions		84,749		54,400,701		54,485,450
Effect of exchange rate changes		4,245		4,875,127		4,879,372
Balance at March 31, 2023		**165,285**		**113,587,738**		**113,753,023**
Additions		37,514		15,047,106		15,084,620
Effect of exchange rate changes		(128)		199,124		198,996
Balance at March 31, 2024	**$**	**202,671**	**$**	**128,833,968**	**$**	**129,036,639**

Additions of $15.1 million to PEL 73 in Namibia consist primarily of 2D seismic, eFTG and drilling activities previously discussed. For further details on these and other planned operations, please refer to the Use of Proceeds sections in this MD&A.

ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG")

ReconAfrica is focused on conducting its business activities responsibly in collaboration with local communities, governments, traditional authorities, and other key stakeholders. This includes complying with regulatory standards, policies and practices. Our ESG approach considers operational developments and feedback from a range of Namibian, Batswana, international stakeholders, and ESG experts.

ReconAfrica is committed to protecting the environment by avoiding environmentally sensitive areas, minimizing disturbances, and implementing best practices in accordance with international standards. The Company has conducted comprehensive Environmental Impact Assessments ("EIAs") and Environmental Management Plans ("EMPs") for the stratigraphic wells, 2D seismic operations and exploration and appraisal wells, in addition to obtaining environmental clearance certificates for these operations. Following a thorough review of all data, including from the stratigraphic wells, seismic and eFTG, we have applied and submitted for amendments to the already-approved exploration and appraisal wells Environmental Clearance Certificate ("ECC"). We are also applying for the renewal and amendment for our seismic operations. ReconAfrica intends to fully comply with all legal obligations and carry out the necessary regulatory processes.

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

- Community Outreach – Health and Wellness: The Company has drilled and installed community water wells, a key component for the $10 million ESG commitment. These wells are located in 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 handed over 36 community water wells complete with solar powered installations to MAWLR and the communities. As confirmed by MAWLR, these community water wells impact over 10,000 community members from the Kavango East and Kavango West regions.

  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. The Ministry of Health and Social Services has committed to employing the seven nursing students once they graduate from their training. ReconAfrica 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: ReconAfrica provides school materials and sports equipment to numerous schools within the 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. ReconAfrica also provided funding for 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:

- Regulatory Consultation, Stakeholder Engagement and Indigenous Engagement: The company has held over 1,900 engagements with regional leadership, Traditional authorities, regional government offices, Chief Regional Council's office, constituency councilors, headwomen/men and Village Development Committees, Community Forests and Conservancies, community stakeholders, national government representatives and with stakeholders interested in our project activities.
- Biodiversity – Wildlife Monitoring: Supporting Ministry of Environment, Forestry and Tourism ("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 game counts for wildlife outside of our lease area and other conservancies is taking place as part of our mutual data gathering exercises. The Company has also worked with MEFT and the Ministry of Fisheries and Marine Resources ("MFMR") to curb the Human-Wildlife Conflict for communities near the Protected Areas and those close to the Kavango River. These efforts are ongoing, and the Ministries are sharing monitoring data with the Company on the joint monitoring efforts.
- Water and Air Quality: Our water management plan, including water sampling and data gathering continues to provide the Namibian government with pertinent information. This includes groundwater and other water data management analysis and is completed by a third-party expert based in Namibia. Information from this analysis is also included in our environmental impact assessment reports. The company also completes extensive water quality testing demonstrating that where ReconAfrica has drilled community water wells, water quality has heightened. Access to better water quality helps with the community members' health and well-being.
- Reforestation: The Livayi Reforestation Project is underway with MEFT and the communities in the area. 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 planted and being managed by the community members with oversight by MEFT.
- 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.

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. Emphasis is placed on local and national hiring in addition to providing training in key technical areas associated with the Company's operations. To date, ReconAfrica has hired and/or contracted over 2,400 short and long-term positions for Namibian residents.

ReconAfrica is working with Namibian educational institutions to enhance training programs directly related to the environment and to drilling and seismic activities. This includes a strong commitment to gender diversity through the continued increase in the number of women hired locally. Through the skills transfer initiative, Namibian residents are receiving basic training in a wide range of practical disciplines. Further training programs have been completed for the 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.

The Company has completed a hydrogeology including groundwater feasibility study prepared by a third-party service company. The Botswana Licensed Property excludes National Parks, the Tsodilo Hills, RAMSAR area, and the Okavango Delta. The Company also self-imposes additional buffer zones to avoid environmentally sensitive areas.

PRODUCTION FROM THE CHIAPAS BLOCKS

The Company 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 year ended March 31, 2024:

Average Production by Product	**Three Months Ended March 31, 2024**	**Three Months Ended March 31, 2023**	**Year Ended March 31, 2024**	**15-Month Period Ended March 31, 2023**
Crude oil (Bbl/d)	-	289	223	294
Natural gas (Mcf/d)	-	4,773	4,067	4,847
Total (Boe/d)	-	1,085	901	1,102

Revenue From Product Sales	**Three Months Ended March 31, 2024**	**Three Months Ended March 31, 2023**	**Year Ended March 31, 2024**	**15-Month Period Ended March 31, 2023**
Crude oil	$ -	$ 2,285,600	$ 4,723,958	$ 14,736,802
Natural gas	-	2,604,675	4,888,253	17,900,416
Prior period adjustments	-	-	(9,855)	-
Total	$ -	$ 4,890,275	$ 9,602,356	$ 32,637,218

Average Prices	**Three Months Ended March 31, 2024**	**Three Months Ended March 31, 2023**	**Year Ended March 31, 2024**	**15-Month Period Ended March 31, 2023**
Crude oil ($/bbl)	-	87.81	94.52	110.00
Natural gas ($/mcf)	-	6.06	5.37	8.12

Royalties	**Three Months Ended March 31, 2024**	**Three Months Ended March 31, 2023**	**Year Ended March 31, 2024**	**15-Month Period Ended March 31, 2023**
Charge for the period	$ -	$ 3,898,273	$ 8,046,240	$ 26,429,369
Percentage of revenue	-	79.7%	83.8%	81.0%
Per Boe	$ -	$ 39.93	$ 39.87	$ 52.69

Production Costs	**Three Months Ended March 31, 2024**	**Three Months Ended March 31, 2023**	**Year Ended March 31, 2024**	**15-Month Period Ended March 31, 2023**
Charge for the period	$ -	$ 280,581	$ 969,123	$ 1,657,634
Percentage of revenue	-	5.7%	10.1%	5.1%
Per Boe	$ -	$ 2.87	$ 4.80	$ 3.30

*Figures in the table above reflect production values for the period from April 1, 2023, until November 10, 2023, the date on which Renaissance was sold. See note 5 in the Audited Financial Statements for further information.

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, 2024:

February 2022 Offering - Use of Proceeds	Approximate Amount ($)	Actual ($) [(3)]
Well 1		
Road and location	381,540	1,047,676
Drilling single test well (45 days / 12,000 feet[(1)])	9,360,448	3,396,015
Well 2		
Road and location	1,653,340	1,431,625
Drilling single test well (45 days / 12,000 feet[(1)])	9,360,448	1,934,021
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	308,293
Seismic Acquisition and Processing		
Mobilization and program designs	959,119	318,326
Acquisition of 2D seismic data	2,891,526	10,089,903
Processing of 2D seismic data	335,755	842,615
Vertical seismic profile processing	500,000	592,162
Enhanced full tensor gravity survey ("eFTG")[(2)]	-	1,988,933
Contingency for COVID-19 related costs	1,600,000	1,627,859
Maintenance of infrastructure and current well sites	-	7,808,086
Working capital for affiliates (in country)	908,334	7,012,986
Total:	**38,398,500**	**38,398,500**

(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.

The results of the Phase 2 seismic acquisition have led to the identification of a new hydrocarbon play type 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 requiring 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 1,500km 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 the quarter ended June 30, 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 were 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. The February 2022 Offering funded 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.

USE OF PROCEEDS RECONCILIATION – JULY 2023 OFFERING

On July 18, 2023, the Company completed an overnight marketed offering of units of the Company (the "July 2023 Offering"). Pursuant to the offering, 6,795,454 units were sold at $1.10 per unit for gross proceeds of $7,475,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder to acquire one common share at a price of $1.35 until July 18, 2025.

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 July 12, 2023, for the July 2023 Offering, to the actual use of proceeds as at March 31, 2024:

July 2023 Offering - Use of Proceeds	Approximate Amount ($)	Actual ($)
Site preparation	2,500,000	133,774
Wellsite and rig maintenance	1,500,000	1,527,273
Geologic exploration projects	150,000	200,941
Integrated Subsurface Interpretation Project	150,000	207,989
Geophysical processing	200,000	562,307
Site environmental and reclamation	400,000	362,103
Working capital for affiliates (in country)	745,000	886,549
Total:	**5,645,000**	**3,880,935**

During the year ended March 31, 2024, the Company reassessed the PEL 73 exploration data to further understand the prospectivity of the area. A new team of geoscientists was brought in to assist in the analysis which led to increased costs in geophysical and geologic activities as shown in the table above.

During the quarter ended March 31, 2024, ReconAfrica continued preparation operations to commence its drilling campaign including the completion of all surveying and demining activities on the Damara Fold Belt Prospect L (Naingopo). The Company commenced preparing well site access roads and the drilling pad. Additionally, tendering began for required equipment and services associated with the multi-well drilling campaign which is expected to see back-to-back wells in the Damara Fold Belt. The associated costs for these activities will make use of the remaining funds from the July 2023 Offering and will be reflected in the Site Preparation line of the table above. Any remaining funds will be allocated to wellsite and rig maintenance.

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.

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended							
	Mar-24	Dec-23	Sep-23	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
	$	$	$	$	$	$	$	$
Revenue - discontinued operations	-	1,744,507	3,652,021	4,205,828	4,890,275	5,515,527	7,737,129	8,029,162
Income (loss) from continued operations	(2,648,288)	80,466,929	(7,679,832)	(5,858,311)	(11,701,930)	(8,387,490)	(5,017,247)	(11,623,426)
Income (loss) per share - continued operations	(0.01)	0.39	(0.04)	(0.03)	(0.06)	(0.04)	(0.02)	(0.06)
Income (loss) for the period	(2,324,816)	74,802,830	(17,519,658)	(13,846,565)	(20,406,148)	(14,624,402)	(12,931,859)	(14,323,430)
Income (loss) per share	(0.01)	0.36	(0.08)	(0.07)	(0.10)	(0.07)	(0.06)	(0.07)

Revenue was $nil during the three months ended March 31, 2024 due to the sale of Renaissance closing on November 10, 2023. Loss from continuing operations was $2,648,288 for the three months ended March 31, 2024, compared with $11,701,930 for the three months ended March 31, 2023. The changes in loss from continuing operations are highlighted in the following sections.

DISCONTINUED OPERATIONS

On October 25, 2023, the Company entered into a share purchase agreement with a third-party for the sale of all issued and outstanding shares of Renaissance, a wholly owned subsidiary of the Company, for a deemed price of $10.3 million (US$7.5 million). Renaissance through its subsidiaries, owns all of the Company's operations in Mexico. The Company received acceptance on the sale of Renaissance by the TSX Venture Exchange on November 16, 2023. Gross proceeds of approximately $10.3 million were added to the Company's treasury on closing of the transaction. In addition, under the agreement, the third-party assumed all debts and all present and future liabilities of Renaissance and its subsidiaries. Under the terms of a finder's fee agreement between the Company and two third parties (collectively the "Finders"), the Company paid the Finders an aggregate amount of $276,400 (US$200,000) upon closing of the transaction.

As a result of the sale, the Company has derecognized the assets and liabilities of Renaissance:

		March 31, 2024
Cash		4,615,643
Restricted cash		21,747,216
Trade receivables		13,183,557
Other receivables		801,398
Prepaid expenses		443,379
Property, plant and equipment		17,385
Accounts payable & accrued liabilities		(3,496,806)
Royalties payable		(121,941,628)
Decommissioning liabilities		(1,134,091)
Net liabilities of Renaissance		(85,763,947)
Add: Finder fees paid		276,400
Gain on sale of Renaissance	**$**	**(85,487,547)**

The revenues and expenses relating to the reclassification of Renaissance as discontinued operations were shown as a single line item in the Statement of (Income) Loss and Comprehensive (Income) Loss are as follows:

		Twelve Months Ended March 31, 2024		15 Month Period Ended March 31, 2023
INCOME				
Revenue	**$**	**9,602,356**	$	32,637,218
Royalties		**(8,046,240)**		(26,429,369)
		1,556,116		6,207,849
EXPENSES				
Production costs		**969,123**		1,657,634
Resource property costs		**419,400**		1,344,664
General and administration		**3,792,792**		7,767,986
Depreciation		**2,960**		38,556
Accretion		**63,563**		70,162
Change in decommissioning liabilities		**-**		156,417
		5,247,838		11,035,419
Other Items				
Other income		**(1,188,683)**		(688,604)
Finance expense		**20,773,931**		23,362,630
Exchange (gain) loss		**(108,263)**		(217,787)
		19,476,985		22,456,239
Loss from discontinued operations	**$**	**23,168,707**	$	27,283,809

The breakdown of cash flows from discontinued operations is as follows:

		Year Ended March 31, 2024		15-Month Period Ended March 31, 2023
Net cash used in operating activities	**$**	**(5,143,830)**	$	26,714,796
Net cash used in investing activities		**(3,611,897)**		(17,147,713)
Change in cash during the period	**$**	**(8,755,727)**	$	9,567,083

The following discussion provides a review of the continuing operations of ReconAfrica, not inclusive of Renaissance as detailed in the preceding section.

		Year Ended March 31, 2024		15-Month Period Ended March 31, 2023
Resource property costs	$	372,535	$	2,288,332
General and administration		14,966,878		22,400,460
Share-based payments		5,866,146		21,268,745
	$	**21,205,559**	$	45,957,537

Resource property costs primarily consist of exploration and community services that are not being capitalized in exploration and evaluation assets. They are lower in the current year mainly due to a reduction in community initiatives as the Company shifted its focus to the completion of seismic and eFTG analysis in anticipation of its multi-well drilling program. General and administrative costs are detailed below. Share-based payments are non-cash costs in nature, and they are driven by grant date, vesting schedules, offset against forfeitures and cancellations.

GENERAL AND ADMINISTRATION ("G&A")

	Year Ended March 31, 2024	15-Month Period Ended March 31, 2023
Staff, consulting, and management (Note 9)	$ 7,590,721	$ 8,154,014
Marketing and stakeholder relations	1,194,544	2,076,780
Corporate development	168,623	2,156,974
Office and general	1,353,252	1,996,562
Transportation and accommodation	738,409	1,091,278
Insurance	1,646,918	1,789,026
Professional fees	2,274,410	5,135,826
	$ 14,966,878	**$ 22,400,460**

G&A figures in the current year decreased from prior year, mainly due to the last fiscal year representing 15 months of activity. In addition, the Company incurred lower professional fees, marketing and corporate development costs in the current year as the Company enacted cost-saving measures in anticipation of capital required for planned drilling activities and to streamline corporate operations.

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.

	March 31 2024	March 31 2023	December 31 2021
Total assets	$ 142,301,073	$ 188,928,407	$ 133,928,578
Total non-current liabilities	1,037,439	2,115,497	1,052,296
Total revenue - discontinued operations	9,602,356	32,637,218	10,409,713
Net (income) loss	(41,111,791)	72,948,141	263,406,976
Net (income) loss per share, basic and diluted	$ (0.20)	$ 0.37	$ 1.60

Net income was $41,111,791 for the year ended March 31, 2024, compared to a loss of $72,948,141 in the prior year. The change in net income/loss was mainly due to gain on sale of Renaissance recognized in the current year and prior year reflecting 15 months of activity, as a result of Company's decision to change its year end from December 31 to March 31.

LIQUIDITY

The Company's working capital consists of the following:

	March 31, 2024	March 31, 2023
Cash	$ 2,076,749	$ 38,814,806
Restricted cash	-	17,147,713
Trade receivables	-	7,587,176
Other receivables and prepaids	971,928	6,021,970
Accounts payable	(3,350,163)	(7,807,604)
Subscription received in advance	(472,190)	-
Royalties payable	-	(94,948,453)
Current portion of decommissioning liabilities	(586,397)	(730,443)
	$ (1,360,073)	**$ (33,914,835)**

As at March 31, 2024, the Company had a working capital deficit of $1,360,073 compared to a deficit of $33,914,835 as at March 31, 2023. The increase in the Company's working capital is due primarily to the sale of Renaissance in the previous quarter. Renaissance through its subsidiaries, owns all of the Company's operations in Mexico and includes the royalties payable balance in the table above.

During the year ended March 31, 2024, the Company completed 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. Further, a non-brokered private placement with officers and directors of the Company was completed of 1,071,500 units at a price of $1.12 per unit for gross proceeds of $1,200,080. Each unit consists of one common share in the capital of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder to acquire one common share at a price of $1.40 for a period of 24 months from the closing of the private placement. The remaining proceeds from the July 2023 Offering are expected to be used to complete the site preparation for the Naingopo well location, wellsite and rig maintenance, in addition to other geologic and subsurface projects, geophysical processing and some working capital.

On April 3, 2024, the Company completed a bought deal public offering (the "April 2024 Offering") for aggregate gross proceeds of $17,250,035 consisting of 19,166,705 units sold at $0.90 per unit. Each unit consists of one common share in the capital of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder to acquire one common share at a price of $1.15 until April 3, 2026.

On July 16, 2024, the Company announced an underwritten marketed offering (the "July 2024 Offering") for aggregate gross proceeds of $35,000,000 consisting of 28,000,000 units sold at $1.25 per unit. Each unit consists of one common share in the capital of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder to acquire one common share at a price of $1.75 at any time up to 24 months from closing of the July 2024 Offering.

Together, the April 2024 Offering and the July 2024 Offering provide ReconAfrica with sufficient funds to drill the planned back-to-back wells in the Damara Fold Belt, starting with the Naingopo well, in addition to associated mobilization, site costs, geology and geophysics, planning and initial acquisition of 3D seismic. The Company will require additional financing over and above the April 2024 Offering and July 2024 Offering in order to meet its longer-term business objectives, including completing all planned seismic activities and future drilling. This may include debt or equity financing and there can be no assurances that such financing sources will be available as and when needed. If the Company is successful in achieving commerciality (a final investment decision "FID") it may receive additional funds from BW Energy as outlined in the "Proposed Transactions" section of this MD&A.

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.

DECOMMISSIONING LIABILITIES

The Company has estimated the present value of decommissioning liabilities at $1.2 million on its assets in Namibia. Of this amount approximately $0.6 million is expected to be spent over the next 12 months in Namibia. A further $0.6 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. In October 2023, ReconAfrica, and its joint venture partner NAMCOR, were granted approval for the Second Renewal Exploration Period by the MME. The Second Renewal Exploration Period covers the period from January 30, 2024 to January 29, 2026, relating to PEL 73. Under the terms of the Second Renewal Exploration Period the Company will acquire additional subsurface data including either; (i) 500 km of 2D seismic data, (ii) 1,200 km^2 of eFTG data, or (iii) some combination of (i) or (ii) which is considered reasonable. Additionally, the Company will be required to design and drill a minimum of one exploration or stratigraphic test well.

Minimum expenditures for the Second Renewal Exploration Period, as prescribed by the Petroleum Agreement, total US$10,000,000 plus an additional US$50,000 per year (benchmarked to inflation) for the purposes of funding the education and training of Namibians, of which US$35,000 is to be paid to the Namibian Petroleum Training and Educational Fund and US$15,000 is to be paid in connection with the in-house training of Namibian citizens in the field of oil and/or gas exploration. However, as the Company's exploration expenditures in the First Renewal Exploration Period exceeded the minimum US$10,000,000, this excess of over US$60,000,000 may be applied to reduce the minimum exploration expenditure commitment in the Second Renewal Exploration Period. This treatment has been confirmed by the Namibia Ministry of Mines and Energy and accordingly there is no minimum exploration expenditure for the Second Renewal Exploration Period. This did not alter the Company's obligation to conduct the seismic and drilling exploration work described above, which remains outstanding. ReconAfrica anticipates satisfying these obligations through the drilling of the Naingopo well, currently underway, and the 3D seismic program estimated to begin in the second half of 2025.

Pursuant to the terms of the Botswana Licence, ReconAfrica is committed to a minimum work program of BWP5,000,000 (approximately $500,000) over the first four-year exploration period from June 1, 2020. In March 2024, the Company applied for a six-month extension of the Botswana Licence while it continued to negotiate a petroleum agreement with the government of Botswana. The Company has also applied for a renewal of the licence should the extension not be approved. Under the terms of the Botswana Petroleum Act the Botswana Licence is deemed to continue in force until the Minister makes a determination on the licence extension and renewal.

FUNDING OF CAPITAL COMMITMENTS

As previously discussed, ReconAfrica successfully raised funds through the July 2023 Offering and the non-brokered private placement. With the sale of Renaissance, the Company received further gross proceeds of approximately $10.3 million (US$7.5 million) and no longer has any commitments or contingencies related to the previously owned Mexican operations. The net proceeds from the July 2023 Offering are expected to be used as previously discussed in the Use of Proceeds and Liquidity sections of this MD&A, with funding from the April 2024 Offering and the July 2024 Offering used to drill two back-to-back Damara Fold Belt wells in addition to associated mobilization, site costs, geology and geophysics, planning and initial acquisition of 3D seismic and other working capital requirements. The Company will require additional financing over and above available capital in order to meet its longer-term business objectives, including completing all planned seismic activities and future drilling, and there can be no assurances that such financing sources will be available as and when needed. This may include funds raised through debt or equity financing, in addition to potential funding as discussed in the "Proposed Transactions" section of this MD&A.

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:

		Year Ended March 31, 2024		15-month Period Ended March 31, 2023
Directors' fees	$	279,769	$	1,307,302
Management salaries and benefits		2,748,112		2,146,074
Share-based payments		4,923,152		11,670,978
	$	**7,951,033**	**$**	**15,124,354**

At March 31, 2024, a balance of $500,204 was payable to related parties (March 31, 2023 - $120,055).

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.

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 licence 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.

On July 16, 2024, the Company entered into a memorandum of understanding ("MOU") for a strategic farm down of PEL 73 with BW Energy for a 20% working interest. In connection with the MOU, BW Energy agreed to a strategic equity investment in the Company for $22 million (approximately US$16 million), pursuant to the July 2024 Offering.

Key Highlights of Letter Agreement:

- Working interest sold to BW Energy is 20%.
- BW Energy to participate in two Damara Fold Belt exploration wells and a 3D seismic program, with an option to participate in two Rift Basin exploration wells over a 2-year period.
- $22 million (US$16 million), equity investment pursuant to the July 2024 Offering supporting the exploration program.
- US$45 million ($62 million), bonus earned at declaration of commerciality (Final Investment Decision or "FID")), providing additional capital carry through to first production.
- US$80 million ($109 million) of production bonuses based on certain cash flow milestones achieved by BW Energy.
- US$141 million ($193 million), total potential consideration, including all incentives and production bonuses which is paid after achieving positive free cash flow.
- The joint venture structure preserves a 70% working interest in PEL 73 for ReconAfrica, exposing shareholders to significant upside on success.
- Provides alignment with strategic partner to explore both the Damara Fold Belt and Kavango Rift Basin with significant in country expertise in oil and gas monetization markets.

<u>Overview</u>

The Company is proposing to sell a 20% working interest in PEL 73 to BW Energy pursuant to the MOU in exchange for total potential consideration of US$141 million ($193 million), including a $22 million (US$16 million) equity investment. An additional US$45 million ($62 million) bonus will be earned at declaration of commerciality (FID) providing additional capital carry through to first production. These commerciality bonus payments will be paid in two installments, one at FID and the second payment one year after production. In the event of development of discoveries, production bonuses based on certain cash flow milestones achieved by BW Energy could total an additional US$80 million ($109 million). Three separate production bonus payments of US$25 million ($34 million), are made after BW Energy reaches certain free cash flow milestones. An additional first production payment of US$5 million ($7 million), is paid sixty days after the start of commercial production.

On completion of the transaction contemplated by the MOU, the ownership interests in PEL 73 will be: ReconAfrica 70%, BW Energy 20%, and NAMCOR 10%. ReconAfrica remains the operator of PEL 73. Completion of the transaction contemplated by the MOU is subject to the satisfaction of customary closing conditions, including entering into a definitive farm down agreement and approvals from NAMCOR and the MME.

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 judgments 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 year ended March 31, 2024.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, trade receivables, other receivables, accounts payable and accrued liabilities, royalties payable and subscriptions received in advance. 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. During the year ended March 31, 2024, the Company completed the sale of Renaissance, resulting in elimination of credit risk associated with its trade receivables and restricted cash.

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'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 future 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.

INTEREST RATE RISK

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.

COMMODITY PRICE RISK

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, international conflicts 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

The following table outlines the maximum potential impact of share dilution upon full exercise of outstanding stock options, compensation options and common share purchase warrants as at the date of this MD&A:

	Shares and Potential Shares
Common shares outstanding	233,818,771
Warrants (average exercise price $1.18)	26,390,096
Compensation options (average exercise price $1.06)*	298,574
Stock options (average exercise price $2.47)	22,079,500
	282,885,515

*Compensation options are exercisable into one common share and one common share purchase warrant of the Company. Each warrant entitles the holder to acquire one common share at an average exercise price of $1.32. This results in total potential shares of 597,148 which is included in the 282,885,515 balance in the table above.

During the year ended March 31, 2024, the Company issued 795,450 (2022 – 2,477,757) common shares pursuant to the exercise of 795,450 (2022 – 2,474,382) warrants for cash proceeds of $741,974 (2022 - $1,303,779) and nil (2022 – 3,375) compensation options for cash proceeds $Nil (2022 – $2,362).

During the year ended March 31, 2024, the Company also issued 175,000 common shares pursuant to the exercise of 175,000 (2022 – 2,886,871) stock options for cash proceeds of $54,251 (2022 - $1,877,421).

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

On August 3, 2023, the Company granted incentive stock options to certain directors, officers, employees, and consultants of the Company to acquire an aggregate of 4,905,000 common shares in the capital of the Company at an exercise price of $1.40 per share for a period up to five years.

On September 1, 2023, the Company completed a non-brokered private placement with officers and directors of the Company. Pursuant to the non-brokered private placement, 1,071,500 units were sold at a price of $1.12 per unit for gross proceeds of $1,200,080. Each unit consists of one common share in the capital of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder to acquire one common share at a price of $1.40 for a period of 24 months from the closing of the offering.

On March 18, 2024, the Company granted 2,000,000 options to a third-party consultant at an exercise price of $1.10 and expire two years from the date of issuance.

On March 6, 2024, the Company granted incentive stock options to certain directors, officers, employees, and consultants of the Company to acquire an aggregate of 3,955,750 common shares in the capital of the Company at an exercise price of $1.15 and $1.40 per share for a period of up to five years.

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, except certain excluded shareholders, who purchased or otherwise acquired shares of the Company in the U.S. between February 28, 2019 and September 7, 2021. The lead plaintiff generally 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. No trial date has been set by the court. The Company disputes the allegations and intends to vigorously defend the action, 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 outside the U.S. 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 disputes the allegations and intends to vigorously defend the claim, although no assurance can be given with respect to the ultimate outcome of this action.

On February 28, 2024, following a mediation with the plaintiffs in both the U.S. Action and the Canadian Action, the Company issued a press release announcing the parties entered into a global settlement agreement to resolve both cases (see Note 16 of the Audited Financial Statements). The Canadian Action received final court approval on June 20, 2024. The U.S. Action is currently pending court approval.

During the year ended March 31, 2024, upon closing of the sale of Renaissance, the associated commitments and contingencies relating to the operations of its Mexican assets are no longer applicable to the Company.

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. Therefore, the Company’s prior financial year consists of a 15-month period ended March 31, 2023.

CHANGE IN MANAGEMENT AND DIRECTORS

Following the retirement of the Company’s former CEO, Scot Evans, ReconAfrica appointed Brian Reinsborough as President and Chief Executive Officer effective August 1, 2023. Further, Adam Rubin was appointed as General Counsel to the Company.

On August 29, 2023, Iman Hill was appointed as an independent director to the Board of Directors of ReconAfrica.

On February 21, 2024, Mark Gerlitz resigned from the Board of Directors of ReconAfrica. Joseph Davis was appointed as Interim Audit Committee Chairman by the Board of Directors.

On June 6, 2024, the Company announced the retirement of Craig Steinke as a director and Chair of the Board. Additionally, the Company announced the appointment of Diana McQueen as a director and Chair of the Board. Lastly, the Company also announced the appointment of D. Jeffrey Harder as an independent director and Chair of the Audit Committee.

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;
- international conflicts;
- geo-political change;
- ongoing or future pandemics;
- sufficiency of insurance coverage;
- joint property ownership;
- joint venture risks;
- cyber attacks or terrorism;
- non-governmental organizations and eco-terrorism risks;
- infrastructure, energy and water supplies;
- disclosure controls and procedures;
- environmental regulations;
- market access constraints and oil and gas transportation risks;
- conflicts of interest;
- risks related to operating in African countries;
- tax regimes;
- foreign currency exchange 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 to add reserves through acquisitions and development of the Company's existing assets;
- the Company's aim to prove a potential reserve that could lead to economic stimulus, funding local and regional jobs and other socio-economic benefits such as increased infrastructure, potable water access and investments in environmental and wildlife conservation;
- expectations regarding the ongoing exploration process for the newly identified Kavango sedimentary basin in Northeast Namibia and Northwest Botswana (the "**Kavango Basin**"), including the Company's 2024 multi-well drilling campaign — the first of which is the Damara Fold Belt Prospect L (Naingopo) well (which the Company commenced drilling on July 7, 2024) and the second of which is the Damara Fold Belt Prospect P well (which is expected to spud immediately after completion of the Naingopo exploration well);
- expectations related to the work program at PEL 73 (as defined herein) following the Company's receipt of the Second Renewal Exploration Period covering the period January 30, 2024 to January 29, 2026;
- proven working conventional petroleum system with oil in stratigraphic wells and gas seeps in the Kavango Basin;

- expectations regarding the strategic joint venture transaction with BW Energy (as defined below) pursuant to the MOU (as defined below), including the timing and amount of cash payments relating to the joint venture transaction, the timing and amount of any bonus payments, the timing and amount of production milestone payments, and entering into a definitive agreement;
- expectations regarding the July 2024 Bought-Deal Financing (as defined below) including, the expected use of proceeds, the expected closing date, the completion of the July 2024 Bought-Deal Financing being subject to the receipt of all necessary regulatory approvals, including acceptance of the TSXV, any potential acceleration of the expiry date of the July 2024 Warrants (as defined below) and the listing of the Warrants (as defined below);
- expectations regarding future expenditures to be incurred or spent on the Company's assets;
- expectations regarding the Company's interpretation of data and models relating to its assets;
- operating results and future performance of the Company;
- information in respect of, or relating to, risked and un-risked prospective resources, including third party assessments and the Form 51-101F1 (as defined herein);
- the size, characteristics and features of the Company's oil and/or gas opportunities, future potential oil, natural gas and natural gas liquids, resources and the ability to commercially exploit them;
- the Company's proposed exploration, drilling and exploitation activities and timelines;
- expectations, given exploration success, regarding the future development of the Company's assets and the byproducts of such development;
- the potential returns for undiscovered oil and/or gas deposits in the Kavango Basin;
- ongoing activities by major industry competitors in Namibia and Botswana;
- the continuing competitiveness of the fiscal regimes in the jurisdictions in which the Company operates;
- the NAMCOR Transaction (as defined herein), being the Company's acquisition of half of the 10% carried participating interest in the Namibia Licence (as defined herein) held by NAMCOR (as defined herein);
- projections of market prices, including market prices for oil and natural gas, and costs;
- supply and demand for oil and natural gas;
- expectations regarding the infrastructure and transportation facilities that will be available to the Company for the storage and shipment of any products it may produce;
- the Company's intention in respect of maintaining sufficient insurance;
- updates of the Company's ongoing relationships with the Namibian and Botswanan governments and key ministries therein;
- expectations regarding the development of environmental laws and regulations, including as a result of the implementation of the Paris Agreement on climate change by various countries, the future costs to the Company associated with compliance with such laws and regulations and any potential changes to public perception following ongoing changes to climate laws;
- the Company's dividend policy; and
- expectations concerning any legal proceedings that the Company is a party to, including the potential settlement of the class action lawsuits filed by Company shareholders in the United States District Court in Brooklyn, New York and in the Supreme Court of British Columbia and the Company's intention to continue 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*".

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 in the AIF under "*Risk Factors*":

- risks related to the nature of the business of the Company;
- exploration and production risks inherent in the oil and natural gas industry;
- risks related to permits, licences, approvals and authorizations;
- ongoing substantial capital requirements;

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

- dilution and further sales of Common Shares; and
- dividends.

With respect to forward-looking statements contained in this 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 (as defined herein) and other third-party contractors using data from publicly available industry sources, as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of the industry. Although this data is generally indicative of relative market positions, market shares and performance characteristics, it is inherently imprecise. While ReconAfrica is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

The above summary of major risks and assumptions related to forward-looking statements included or incorporated by reference in this 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 or incorporated by reference in this MD&A are valid only as at the date of this MD&A, 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 statement.