FORM 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

The following is management's discussion and analysis ("MD&A"), dated November 23, 2022, of Reconnaissance Energy Africa Ltd.'s ("ReconAfrica" or the "Company") operating and financial results for the nine months ended September 30, 2022, 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 unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022, and 2021 (the "Financial Statements") and the audited consolidated financial statements for the year ended December 31, 2021. Additional information is available on the Company's profile on SEDAR at www.sedar.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 Statement Regarding Forward-Looking Information" on the last page of this MD&A.

OVERVIEW, OVERALL PERFORMANCE AND OPERATIONS

ReconAfrica is a Canadian-based oil and gas company working collaboratively with national governments to explore oil and gas potential in Northeast Namibia and Northwest Botswana – the Kavango basin. 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 on the TSX Venture Exchange ("TSXV") under the trading symbol "RECO" and quoted on the OTCQX under the trading symbol "RECAF".

NAMIBIA LICENCE

ReconAfrica, through its wholly owned Namibian subsidiary, holds a 90% interest in a petroleum exploration licence in northeast Namibia which covers the entire Kavango sedimentary basin (the "Namibia Licence") within Namibia. National Petroleum Company of Namibia ("NAMCOR"), a Namibian state-owned entity, holds the remaining 10% interest in the Namibia Licence on a carried (to commerciality) interest basis. The Namibia Licence, which is governed by the terms of a Petroleum Agreement among the Company, NAMCOR and the Namibian Ministry of Mines and Energy ("MME") dated January 26, 2015, provides the Company with the exclusive right and obligation to conduct exploration activities on certain licensed property covering an area of approximately 25,341.33 sq km (6.3 million acres) and based on commercial success, it entitles ReconAfrica to obtain a 25-year production licence. Based on the initial exploration results, the Kavango basin offers large scale conventional play types.

Namibia's Petroleum (Exploration and Production) Act No. 2, 1991 provides that the MME may grant petroleum exploration licences having a duration comprising three periods: Initial Period, First Renewal Period and Second Renewal Period, having terms of four years, two years and two years respectively. Each period may be extended for an extension period of one year by application to MME. A commercial discovery of oil or gas made during the exploration period entitles the holder of the exploration licence to a production licence with a 25-year term, and renewal period of up to ten years. On December 24, 2019, the MME approved the Namibia Licence for ReconAfrica's First Renewal Period and on September 23, 2021, the First Renewal Period was extended such that it now continues until January 29, 2023. On September 2, 2022, the first renewal period was extended to January 29, 2024. ReconAfrica's agreement with MME and NAMCOR calls for a minimum work program during the First Renewal Period consisting of the drilling and exploration of stratigraphic wells and 250km of 2D seismic, with an aggregate expenditure for exploration activities of US$10,000,000. The work requirements for both 2D seismic and aggregate expenditure have been satisfied, as discussed further below.

On August 11, 2022, the Company received a three-year extension to its Environmental Clearance Certificate ("ECC") from the Office of the Environmental Commissioner, Ministry of Environment, Forestry and Tourism of the Republic of Namibia, covering the entire PEL 73 permit. The extended ECC is valid for three years from August 26, 2022 until August 26, 2025.

BOTSWANA LICENCE

In June 2020, the Company through its wholly owned Botswana subsidiary, was granted a petroleum licence (the "Botswana Licence") in northwestern Botswana for 2.22 million acres (8,990 km^2). Terms of the Botswana Licence are as follows:

- 100% working interest in all petroleum rights from surface to basement
- An initial 4-year exploration period, with renewals up to an additional 10 years, in accordance with the Botswana Petroleum (Exploration and Production) Act
- Upon declaration of commercial production, the operator holds the right to enter into a 25-year production licence with a 20-year renewal period, in accordance with the Botswana Petroleum (Exploration and Production) Act
- Royalties associated with the production licence will be subject to negotiation, in accordance with the Botswana Petroleum (Exploration and Production) Act
- The Company has committed to a minimum work program of US$432,000 over the first 4-year exploration period

In June 2020, the Company, through its wholly owned Botswana subsidiary, entered into a farm-out option agreement (the "Option Agreement") with a private company, that originally generated the opportunity, which subsequently assigned its interest in the Option Agreement to Renaissance. The Option Agreement provided Renaissance with the right to acquire a 50% working interest in the Botswana Licence (the "Option"), exercisable at any time for up to a period of 36 months upon: (i) payment of $1.0 million, if the Option was exercised within 18 months of the date the Botswana Licence was awarded to the Company, or $1.5 million if the Option was exercised between 18 months and 36 months from the date the Botswana Licence was awarded to the Company; and (ii) the approval of the Botswana Ministry of Minerals and Energy to transfer the Botswana Licence upon the exercise of the Option. Upon completing the acquisition of Renaissance as discussed below, ReconAfrica regained full operational control over exploration and development as permitted by the Botswana Licence and continues to hold its rights over the full 2.22 million acres.

ReconAfrica has excluded a number of environmentally sensitive areas from the area of the Botswana License, including the Tsodilo Hills. Additionally, the project has set no-go and buffer zones to protect water that include a 10-km setback from the Okavango River and a 20-km setback from the Okavango Delta.

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 kilometers 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 1990m and 2058m, 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 (rocks 180-310 million years old) 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 (Houston, TX) 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 results of the Vertical Seismic Profile ("VSP") are being finalized and are critical for carrying out an improved time to depth conversion of the seismic data, which is necessary to map the seismic data in depth as opposed to just time.

This will be used for the selection of future drilling locations and generating thermal maturity models, crucial for establishing areas and depositional centres of source rock maturity.

The Company is currently building the access road and drilling pad for its next planned well, the Wisdom 5-1 ("5-1"), with the current objective of spudding this well by mid-December 2022. The well will principally test stacked plays in a different part of the Karoo Rift Basin. This drilling location is controlled by three seismic lines which show that the targeted structure may extend three kilometers in the strike direction. This roll-over structure (the target) lies in a deeper part of the rift basin. The main objective of this well is to penetrate an extended Karoo stratigraphy, comprising stacked source rocks, reservoir, and trapping intervals. An additional objective is to penetrate the deeper Pre-Karoo to test the source and reservoir intervals. In close proximity are other structures of interest, which could develop into a target rich exploration area, some reachable by deviating the 5-1 well.

SEISMIC OPERATIONS

The Phase 1 and Phase 2 seismic acquisition programs comprise 497 linear kilometers and 761 linear kilometers respectively. These programs were acquired in 2021 and the first half of 2022 respectively. Data from both the programs have been processed and an integrated interpretation is being finalized.

Thus far, interpretation of the final processed seismic data from the Phase 2 acquisition program has produced a series of additional leads and potential drilling targets. These additional leads will considerably expand and diversify the Company's drilling prospect and lead portfolio. Within the greater Kavango Sedimentary Basin, the Company has identified the "Karoo Rift Basin" and the multiple leads and prospects associated with this extensional basin. Phase 2 seismic data show that the Karoo Rift Basin is composed of a number of sub-basins that should open up new plays within the context of the original exploration concepts.

In addition, the 2D seismic data also identified targets in the "Damara Fold Belt", an extensive area of folded and faulted anticlines to the southwest of the Karoo Rift Basin, potentially serving as excellent structural and stratigraphic traps in the Pre-Karoo stratigraphy. Initially identified with the Phase 1 2D seismic data, the additional seismic data show an extensive area of compressional folded and faulted anticlines in the Pre Karoo, Damara Fold Belt, which extends across northern Namibia. These structures are exceptionally well imaged in the southwestern part of the greater Kavango Sedimentary Basin which is not overlayed by the Karoo Rift Basin. Pre-Karoo formations have been penetrated in each of the three wells drilled in PEL 73, including the 6-2 well which contained two intervals with significant oil shows and reservoir porosity. Augmenting the seismic data imaging, the outcrop data to the south and west show large exploration targets; anticlinal structures potentially hundreds of square kilometers in size, a significant portion of which could be under four-way dip closure.

ReconAfrica recently obtained an approved amendment to their ECC from the Ministry of Environment, Forestry and Tourism ("MEFT") to acquire up to an additional 1,500 kilometers of 2D seismic data. Mobilization of the seismic crew for this Phase 2 extension is underway, and the data acquisition should commence in November and likely continue into at least April 2023. This program will be executed by Polaris Natural Resources Inc., based in Calgary, Alberta. The seismic source equipment, which was developed in western Canada, is designed for low-environmental-impact seismic acquisition while delivering good subsurface energy penetration. Three Polaris Explorer 860 seismic acquisition tractors will be deployed, which are only three meters wide and specially designed for minimal impact to the environment.

The confirmation of the consistent structure and extent of the Damara fold belt in the southeastern quarter of PEL 73 by the Phase two seismic is a significant milestone for the project. The Phase 2 Extension project will initiate data capture in this area, with the intention of capturing several hundred kilometers of 2D data by the end of the year for processing and interpretation by the end of the first quarter of 2023. This additional seismic will drive important updates of the interpretation and earth model for both the Damara and the Rift Basin and subsequent selection of new exploratory well locations. To potentially aid in this selection, the Company is working with Austin Bridgeporth, the only provider of Enhanced Full Tensor Gradiometry ("eFTG") and Integrated Full Tensor Gradiometry ("iFTG") globally. This potential field data is designed to provide a three dimensional component to the growing 2D coverage over PEL 73 and to identify hydrocarbon trapping geometries. The goal is to have this pilot area data capture completed by the end of 2022. The ultimate goal for 2023 is to identify and drill potentially commercial hydrocarbon accumulations.

ENVIRONMENT, SOCIAL AND GOVERNANCE

ReconAfrica's environmental, social and governance ("ESG") approach to business is designed so that we conduct our business activities responsibly while working alongside communities, governments, and other stakeholders. Our ESG key sectors provide a basis for measuring our performance against global standards. This 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 MEFT to acquire up to an additional 1,500 kilometers of 2D seismic data.

The Namibian regulatory regime inclusive of legal, regulatory standards, policies and practices are followed and we work with all levels of government to ensure these important steps are valued.

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. This focus area has brought community water wells to 26 locations 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. Control of these community water wells has been handed over to MAWLR and the communities. Drilling and installation of additional solar powered community water wells is underway. Future community water wells are targeted for the banks of the Kavango river to help alleviate the human crocodile conflict.

  Further, the Company responded to calls for assistance by 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. We are also supporting regional health initiatives tied to impacts due to the COVID-19 virus. The second portion of this commitment, already underway, is for medical equipment including oxygen and breathing-related equipment for medical facilities for the populations of Kavango East and Kavango West.

- 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. 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 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.

- Community Outreach – Other Wellness Initiatives: We are providing school materials and sports equipment to numerous schools within the Phase Two 2D seismic program area. The Company has also provided funding for organizations such as 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 to and from school and otherwise. Finally, the Company's participation in the nationwide drive, We Race Together, is making a social difference in Namibia.

The Company also continues to implement ESG Operational projects including, for example: agriculturally based projects for Operational Performance research, assistance with livelihoods and other much needed projects in this critical area of livelihood development, wildlife monitoring including wild game counts and collaring efforts with the Ministry of Environment, Forestry and Tourism and conservancies.

Specifically, the Company continues to advance on several of its ESG targets including:

- Operational Performance: ReconAfrica is working on the Kawe demonstration project that includes conducting studies to review the impacts of the organic drilling fluids and reserve pit soils on agricultural product growth patterns including enhancing agricultural yields. It is important to review a variety of testing aspects and to see how the drilling fluids and reserve pit soils interact with key agricultural crops for livelihood aspects for potential community gardens and assisting local communities. The Company continues to work on data gathering and training of agricultural technical students.

- 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 is ongoing. Several collaring sessions have taken place by MEFT and their representatives.

Further wildlife monitoring, including wild game counts, outside of our lease area, with MEFT, conservancies and REN representatives is taking place as part of our mutual data gathering exercises.

For our reforestation initiatives, we continue to engage with forestry and tree experts from MEFT alongside our REN forestry consultants and have concluded on the types of local and indigenous trees for the MEFT/ReconAfrica reforestation project that also includes Conservancy and Community Forest representatives. This project is tied to Arbor Day and is a longer-term project. The Company is also completing a tree planting program as part of its ESG operations program. We continue to engage with national and international experts to move these initiatives forward in a sustainable manner.

ReconAfrica has conducted various consultation and engagement initiatives with impacted and interested stakeholders, including regulatory consultation, community engagement in various formats including with national, regional, and traditional authorities and with community headmen and headwomen, interested stakeholders and stakeholder organizations with communications being translated into the local stakeholders' languages. We also have sessions working with women and young adults as part of our consultation and fact-finding process. We conduct extensive engagement sessions for our ongoing seismic program including community liaison officers as part of our ongoing management of seismic EMP. We have also 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, our seismic activities, and any other project-related activities. We are also directly engaging with the established conservancies, Farmer's Unions, Community Forest representatives, SAN (Indigenous) representatives amongst other key interest groups throughout Namibia.

ReconAfrica 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 with our business. 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. In the second phase of 2D seismic acquisition, which started in early 2022, over 600 Namibian residents have either been hired for that phase of the 2D seismic program and/or were brought on as casual labourers. More hiring, both longer term and casual, has also taken place for our ongoing drilling, construction and ESG projects initiatives both directly by the Company and through third-party contractors. This is in addition to the more than 500 Namibian residents that have worked in such roles as: electricians; rig floorhands; project managers; seismic panga crew, material technical specialists (construction, environment, wildlife surveying, water, and hydrology); health, safety and environmental experts; administrative assistants; garden site workers; and general and casual laborers.

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. We are committed to sustainable development and to employing best practices wherever we operate to protect the environment, including support to wildlife monitoring and other related efforts.

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, and the Okavango Delta. The Company also self-imposes additional buffer zones to avoid environmentally sensitive areas.

ReconAfrica has been working collaboratively with national, regional, and local governments, traditional authorities and communities of Namibia since 2019 and proactively with the government of Botswana since 2020. We are grateful for the support and trust we have earned over this period, and we are committed to retaining their confidence as we move forward, together, to explore the vast potential of the Kavango basin. Our goal is to ensure ReconAfrica is a positive contributor to Namibia and Botswana in all ways – environmentally, socially, and economically.

PROPERTIES IN MEXICO

Amatitlán

In February 2017, 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.

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 has not been successful in migrating the Amatitlán Contract and there is no assurance it will be able to do so in the future. The Company is currently evaluating strategic alternatives for the Amatitlán block.

Chiapas Blocks

Renaissance executed licence contracts for the Chiapas blocks on May 10, 2016. The blocks amount to approximately 74 km^2 (18,335 acres) of total surface area and are located in the state of Chiapas, Mexico. Pursuant to the licence agreements, 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. The work programs have a total estimated cost of approximately US$37.8 million ($51.6 million) with approximately US$31.0 million ($42.3 million) due February 27, 2024, and approximately US$6.8 million ($9.3 million) due August 1, 2024. In failing to meet these commitments the Comisión Nacional de Hidrocarburos (the "CNH") may seek remedy through direct payment of the obligations or by acting on the surety bonds and/or seeking further action against the Company (see Commitments and Contingencies).

Mundo Nuevo

The Mundo Nuevo block is located onshore 42 km southwest of the city of Villahermosa, Tabasco with an areal extent of 27.7 km2 (6,845 acres). The Mundo Nuevo field, a middle Cretaceous fractured carbonate reservoir, was discovered in 1977. This field was developed by Mexico's state-owned oil and gas company, Pemex, through the drilling of 14 wells, reaching peak production of over 15,000 barrels per day (bbls/day) of light crude oil, in the early 1980's, with an average reservoir depth of 3,580 meters. The Mundo Nuevo field is currently producing light crude oil and natural gas from one well which is transported from the field in a pipeline for sale. The Mundo Nuevo field is delineated with 3D seismic data and was awarded to Renaissance with an additional royalty amount of 80.69%.

Malva

The Malva block is located onshore 61 km southwest of the city of Villahermosa, Tabasco with an areal extent of 21.2 km2 (5,239 acres) The Malva field, an upper Cretaceous limestone reservoir, was discovered in 2003. This field was developed by Pemex through the drilling of 4 wells, reaching peak production of over 2,000 barrels bbls/day of light crude oil, in the late 2000's, with an average reservoir depth of 2,680 meters. The Malva field is currently producing light crude oil and natural gas from one well which is transported from the field in a pipeline for sale. The Malva field is delineated with 3D seismic data and was awarded to Renaissance with an additional royalty amount of 57.39%.

Topén

The Topén block is located onshore 45 km southwest of the city of Villahermosa, Tabasco with an areal extent of 25.3 km2 (6,251 acres). The Topén field, an upper Cretaceous fractured carbonate reservoir, was discovered in 1978. This field was developed by Pemex through the drilling of 5 wells, reaching peak production of over 1,500 barrels bbls/day of medium crude oil, in the mid 1980's, with an average reservoir depth of 3,300 meters. The Topén field is delineated with 3D seismic data and was awarded to Renaissance with an additional royalty amount of 78.79%.

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%.

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. Production has been shut-in at the Topén block pending further negotiations on land access requirements. Below is a summary of the Company's production and net revenue figures for the three and nine months ended September 30, 2022:

Average Production by Product	Three months ended September 30		Nine Months Ended September 30	
	2022	2021 (i)	2022	2021 (i)
Crude oil (Bbl/d)	294	338	302	338
Natural gas (Mcf/d)	4,763	5,054	4,976	5,054
Total (Boe/d)	1,088	1,180	1,131	1,180

Revenue From Product Sales	Three months ended September 30		Nine Months Ended September 30	
	2022	2021 (i)	2022	2021 (i)
Crude oil	$ 3,673,342	$ 1,662,127	$ 10,010,836	$ 1,662,127
Natural gas	4,063,787	2,188,862	12,220,580	2,188,862
Total	$ 7,737,129	$ 3,850,989	$ 22,231,416	$ 3,850,989

Average Prices	Three months ended September 30		Nine Months Ended September 30	
	2022	2021 (i)	2022	2021 (i)
Crude oil ($/bbl)	135.66	80.44	121.36	80.44
Natural gas ($/mcf)	9.27	6.69	9.00	6.69

Royalties	Three months ended September 30		Nine Months Ended September 30	
	2022	2021 (i)	2022	2021 (i)
Charge for the period	$ 6,224,507	$ 3,089,775	$ 17,799,369	$ 3,089,775
Percentage of revenue	80.4%	80.2%	80.1%	80.2%
Per Boe	$ 62.18	$ 41.11	$ 57.63	$ 41.11

Production Costs	Three months ended September 30		Nine Months Ended September 30	
	2022	2021 (i)	2022	2021 (i)
Charge for the period	$ 410,281	$ 185,449	$ 938,917	$ 185,449
Percentage of revenue	5.3%	4.8%	4.2%	4.8%
Per Boe	$ 4.10	$ 2.47	$ 3.04	$ 2.47

(i) The acquisition of Renaissance was completed on July 27, 2021.

CORPORATE DEVELOPMENT & FINANCING

On March 1, 2022, the Company completed a bought deal financing (the "February 2022 Offering") of 7,475,000 units (the "Units") for aggregate gross proceeds of $47,466,250. Each Unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $9.00 until October 31, 2022, subject to acceleration of the expiry date to a date 30 calendar days following notice to be provided to the holders of the warrants by the Company in the event that the moving daily volume weighted average trading price of the Common Shares on the TSX Venture Exchange (the "Exchange") over any period of 20 consecutive trading days equals or exceeds C$14.00. The Company incurred share issuance costs of $3,395,277 in the form of finders 'fees and professional fees and 19,685 Units associated with the February 2022 Offering.

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. Completion of this transaction was originally anticipated for the end of 2022, however, potential delays may push completion to the first quarter of 2023.

USE OF PROCEEDS RECONCILIATION

The Company's use of proceeds disclosure set out in the final short form prospectus dated August 12, 2020, for the August 2020 Offering can be found in the Company's management discussion and analysis for the year ended December 31, 2021.

The following two tables provide a comparison of the Company's use of proceeds disclosure as set out in the Company's final short form prospectuses dated May 19, 2021, and February 24, 2022, for the May 2021 Offering and February 2022 Offering, respectively, to the actual use of proceeds as at September 30, 2022:

May 2021 Offering - Use of Proceeds	Approximate Amount ($)	Actual ($)
Long-term Standby Costs[(1)]	-	4,042,034
Fourth Well (8-2)		
Road and location	725,700	1,531,033
Drilling single test well (45 days / 12,000 feet[(2)])	7,982,700	10,283,962
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	-	3,246,831
Integrated Subsurface Interpretation Project	483,800	721,615
Environmental Impact Assessment	846,650	897,914
Seismic Acquisition and Processing		
Program designs	483,800	918,141
Mobilization	846,650	41,441
Acquisition of 2D seismic data	4,233,250	5,537,964
Processing of 2D seismic data	423,325	634,123
Total:	**32,837,925**	**27,855,059**

(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 August 2020 Offering contemplated the drilling of three wells with the May 2021 Offering including a further three wells labeled fourth, fifth and sixth. With only two wells drilled per the August 2020 Offering, the fourth well in the table above reflects costs incurred on the 8-2 well. Due to cost overruns as discussed further below, the Company is using remaining funds from the May 2021 Offering as follows:

- Drill one well instead of the three originally contemplated (8-2 well) – completed
- Drill a sidetrack of the 6-2 well – timing not yet determined
- Complete an integrated subsurface interpretation project – completed
- Complete an environmental impact assessment – ongoing
- Complete phase 2 seismic acquisition and processing – completed

The Company has incurred excess costs related to the upcoming drilling program which will result in the total cost significantly exceeding the $8,708,400 estimated for one well in the table above. The COVID-19 pandemic and resulting supply chain disruptions and travel bans significantly contributed to cost overruns totaling $4,042,034 as reflected in the table above under "Long-term Standby Costs". 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. 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 Company's management discussion and analysis for the year ended December 31, 2021.

The Phase 2 Seismic Program contemplated in the May 2021 Offering was originally planned to acquire and process 450km 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 761km 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. Including the phase 1 seismic program, ReconAfrica has acquired a total of 1,258km of seismic data.

The Company has commenced the work program as described for the February 2022 Offering in the table below, including building the access road and drilling pad for the 5-1 well, with the objective of spudding this well by mid-December 2022.

February 2022 Offering - Use of Proceeds	Approximate Amount ($)	Actual ($)
Well 1		
Road and location	381,540	955,666
Drilling single test well (45 days / 12,000 feet[1])	9,360,448	990,727
Well 2		
Road and location	1,653,340	165,524
Drilling single test well (45 days / 12,000 feet[1])	9,360,448	285,322
Well 3		
Road and location	826,670	0
Drilling single test well (45 days / 12,000 feet[1])	9,360,448	0
Surface Geochemistry	50,872	0
Integrated Subsurface Interpretation Project	210,000	491,371
Seismic Acquisition and Processing		
Mobilization and program designs	959,119	-
Acquisition of 2D seismic data	2,891,526	-
Processing of 2D seismic data	335,755	-
Vertical seismic profie processing	500,000	-
Contingency for COVID-19 related costs	1,600,000	-
Working capital for affiliates (in country)	908,334	659,499
Total:	**38,398,500**	**3,548,108**

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

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. The need to evaluate the extent and scale of this new opportunity area will require the company to acquire additional 2D seismic and other geophysical data. The approved amendment to the ECC allows the Company to acquire up to an additional 1,500 kilometers of 2D seismic data. Mobilization of the seismic crew for this Phase 2 extension is underway, and the data acquisition has commenced in November 2022 and will likely continue until at least April 2023. Management is currently evaluating the use of eFTG and iFTG to complement the seismic Phase 2 extension. The potential cost of using eFTG and iFTG is estimated at approximately US$1.0 million.

The net proceeds of the February 2022 Offering originally contemplated a further 600 kilometers of 2D seismic data. Any amounts acquired in excess of the 600 kilometers will likely result in seismic costs in excess of those originally contemplated in this offering and would require the reallocation of funds from drilling operations. A further reallocation of funds will be required should the Company proceed with the contemplated eFTG and iFTG operations.

On September 22, 2022, the Company entered into a definitive purchase and sale agreement with its partner, NAMCOR. See "Overview, Overall Performance and Operations – Corporate Development & Financing" for further details. Closing on this transaction will require the Company to pay US$2.0 million. This and the operations discussed in the preceding paragraphs will impact the Company's ability to drill all three wells originally contemplated in the February 2022 Offering.

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, 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							
	Sep-22	**Jun-22**	**Mar-22**	**Dec-21**	**Sep-21**	**Jun-21**	**Mar-21**	**Dec-20**
	$	$	$	$	$	$	$	$
Revenue	7,737,129	8,029,162	6,465,125	6,558,724	3,850,989	nil	nil	nil
Net loss	(12,931,859)	(14,323,430)	(10,662,302)	(11,972,974)	(236,767,648)	(11,774,335)	(2,892,019)	(3,069,239)
Loss per share	(0.06)	(0.07)	(0.06)	(0.06)	(1.33)	(0.07)	(0.02)	(0.07)

Revenue of $7,737,129 was earned during the three months ended September 30, 2022. Net loss was $12,931,859 for the three months ended September 30, 2022, compared with $236,767,648 in the third quarter of 2021. The primary expenses contributing to the decrease in net loss in the current period were the option agreement settlement expense and impairment expense incurred during Q3 2021, which were recognized upon the acquisition of Renaissance. Further variances from the comparable period are detailed in the following table:

	Three Months Ended	
	September 30, 2022	**September 30, 2021**
Production costs	$ 410,281	$ 185,449
Resource property evaluation	1,223,127	215,746
General and administration	8,738,220	3,967,083
Depreciation	1,073	14,011
Share-based payments	4,336,031	17,031,584
Finance expense	4,274,709	1,343,345
Settlement of option agreement	-	110,342,000
Impairment	-	105,299,108
Exchange (gain) loss	(4,506,278)	(865,689)
	$ 14,477,163	**$ 237,532,637**

Production costs are associated with operations in Mexico and are higher in the current quarter, mainly due to the acquisition of Renaissance taking place on July 27, 2021, partially impacting the comparable quarter. Resource property evaluation primarily include exploration and community services costs, which are being expensed. They are higher in the current period due to increased community service costs and the acquisition of Renaissance having a full effect in the current quarter. General and administrative costs increased in Q3 2022 compared with the same quarter in 2021 due to increased staffing, advisory and travel costs as the Company's operating activities grew significantly. Further increases resulted from approximately $2.1 million in professional fees required to successfully extend the Chiapas work program commitments deadline to February 27, 2024. Finance expense primarily includes interest recorded on royalties payable in relation to Renaissance's Chiapas properties.

Net loss was $37,917,591 for the nine-months ended September 30, 2022 (2021 – $251,434,002), with changes from the comparable period of 2021, resulting from the option agreement settlement expense and impairment expense incurred during Q3 2021. This was partially offset by increased staffing level, advisory and travel costs in the current year. The primary expenses contributing to the net loss for nine-months ended September 30, 2022 and comparable periods are detailed in the following table:

	Nine Months Ended	
	September 30, 2022	**September 30, 2021**
Production costs	$ 938,917	$ 185,449
Resource property evaluation	2,808,754	215,746
General and administration	18,192,185	10,279,704
Depreciation	35,951	14,011
Share-based payments	15,260,289	24,941,236
Finance expense	10,569,681	1,343,345
Settlement of option agreement	-	110,342,000
Impairment	-	105,299,108
Exchange (gain) loss	(5,381,431)	(420,480)
	$ 42,424,346	**$ 252,200,119**

EXPLORATION AND EVALUATION ASSETS

The following table reconciles the changes in the Company's exploration and evaluation assets:

Balance at December 31, 2021	**$ 54,388,201**
Addition to Namibia property	30,744,001
Effect of exchange rate changes	3,654,963
Balance at September 30, 2022	**$ 88,787,165**

Additions to exploration and evaluation assets reflect the drilling and seismic costs incurred on the exploration program in Namibia. As at September 30, 2022, no indicators of impairment have been identified for the exploration and evaluation assets.

ROYALTIES PAYABLE

The following table reconciles the changes in the Company's royalty liabilities:

Balance at December 31, 2021	$ 41,013,348
Addition	18,625,535
Finance expense	10,572,749
Effect of exchange rate changes	3,673,981
Balance at September 30, 2022	**$ 73,885,612**

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 $73.9 million balance above, the principal royalties payable balance is $52.9 million, while the remaining balance of $21.0 million is associated with estimated interest fees.

The Company engaged an arm's length third party to assist in obtaining exemption from all potential penalty and interest amounts resulting from non-payment of royalties. If successful, the Company will be required to pay US$1.5 million ($2.0 million) to the arm's length third party. Further strategic alternatives are being evaluated for the Chiapas properties and outstanding royalties. See "Commitments and Contingencies" in this MD&A.

LIQUIDITY

The Company's working capital consists of the following:

		September 30, 2022		December 31, 2021
Cash	$	77,082,572	$	61,153,991
Trade receivables		12,309,210		9,825,608
Receivables and prepaids		6,557,658		2,617,318
Accounts payable		(8,325,047)		(6,638,213)
Royalties payable		(73,885,612)		(41,013,348)
Working Capital	**$**	**13,738,781**	**$**	**25,945,356**

During the year, ReconAfrica received $1,836,171 from the exercise of options, $1,103,779 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. The Company's current production revenue from Mexican operations is not sufficient to fund ongoing operations.

ReconAfrica's current cash is sufficient to fund its upcoming operations including the drilling of the 5-1 well, the seismic phase 2 extension, the eFTG operations if warranted, and payment to NAMCOR for their 5% interest, provided no payments are required to be made on the outstanding royalty balance. Additional funding will be necessary should payment be required on the balance of the royalties payable in the short-term. Initial results from the upcoming operations will influence managements' strategy for further drilling locations and exploration activities, including the 6-2 sidetrack.

Historically, the Company's primary source of funding has been the issuance of equity securities for cash through prospectus offerings and private placements to sophisticated investors and institutions, and from the exercise of warrants and options. While the Company believes its ability to raise further funding will continue, its access to financing is always uncertain, and there can be no assurances of continued access to sources of significant equity or debt funding until it can generate sufficient cash from operations. Further, market trends and other factors such as the Company's share price may impact the ability to raise funds on terms advantageous to the Company. See "Risk Management and Risk Factors" in this MD&A.

CAPITAL RESOURCES

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 MME in September 2022. The work requirements for aggregate expenditure of US$10,000,000 have been satisfied.

Pursuant to the terms of the Botswana Licence, ReconAfrica is committed to a minimum work program of US$432,000 over the first 4-year exploration period from June 1, 2020.

As previously discussed, ReconAfrica completed the February 2022 Offering during the year. The Company incurred share issuance costs of $3,395,277 in the form of commissions and professional fees associated with the February 2022 Offering. The net proceeds from the February 2022 Offering and previous financings are expected to be used to fund the Company's ongoing drilling operations, with the objective of continuing to confirm a thick, active, petroleum system and potential commerciality throughout the Kavango basin Specifically, to penetrate an extended Karoo stratigraphy, comprising stacked source rock, reservoir, and trapping intervals and to penetrate the deeper Pre-Karoo once again, to test the source and reservoir intervals. In addition, the net proceeds are expected to be used for seismic studies and working capital requirements.

On August 11, 2022, the Company received a three-year extension to its ECC, from the Office of the Environmental Commissioner, Ministry of Environment, Forestry and Tourism of the Republic of Namibia, covering the entire PEL 73 permit. The extended ECC is valid for three years from August 26, 2022 until August 26, 2025.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not currently have any off-balance sheet arrangements.

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:

	Nine Months Ended			
		September 30, 2022		September 30, 2021
Directors' fees	$	919,503	$	43,500
Management salaries and benefits		1,269,183		2,719,360
Share-based payments		8,315,781		8,769,475
	$	10,504,467	$	11,532,335

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

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. This includes the definitive purchase and sale agreement with NAMCOR, previously discussed.

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. There have been no material changes to our critical accounting estimates used in applying accounting policies for the nine months ended September 30, 2022. Further information, including a discussion of critical accounting estimates, can be found in Note 2 of the audited consolidated financial statements for the year ended December 31, 2021.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

The Company did not adopt any new accounting pronouncements during the nine months ended September 30, 2022.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of 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.

RISK MANAGEMENT AND RISK FACTORS

The Company is engaged in the exploration, development and production of oil and natural gas in Namibia, Botswana and Mexico. 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. Financial risks associated with the petroleum industry include fluctuations in commodity prices, interest rates, currency exchange rates and the cost of goods and services. Financial risks also include third party credit risk, and liquidity risk. Operational risks include reservoir performance uncertainties, competition and regulatory, environmental and safety concerns. Operating in multiple countries introduces legal, political and currency risks that must be thoroughly evaluated to ensure that the level of such risks is commensurate with the Company's assessment of a specific project subject to those risks.

For a detailed discussion of these and other risks, including Infectious diseases and COVID-19, please see ReconAfrica's audited annual financial statements and management's discussion and analysis for the year ended December 31, 2021, and Annual Information Form for the year ended December 31, 2020. Other risks include:

RUSSIAN/UKRAINIAN CONFLICT

In February 2022, Russian military forces invaded Ukraine. In response, Ukrainian military personnel and civilians are actively resisting the invasion. Many countries throughout the world have provided aid to the Ukraine in the form of financial aid and in some cases military equipment and weapons to assist in their resistance to the Russian invasion. The North Atlantic Treaty Organization ("NATO") has also mobilized forces to NATO member 52 countries that are close to the conflict as deterrence to further Russian aggression in the region. The outcome of the conflict is uncertain and is likely to have wide-ranging consequences on the peace and stability of the region and the world economy. In addition, certain countries including Canada and the United States, have imposed strict financial and trade sanctions against Russia, which sanctions may have far reaching effects on the global economy. As part of the sanctions package, the German government paused the certification process for the 1,200 km Nord Stream 2 natural gas pipeline that was built to carry natural gas from Russia to Germany. Russia is a major exporter of oil and natural gas. Disruption of supplies of oil and natural gas from Russia could cause a significant worldwide supply shortage of oil and natural gas and have a significant impact on worldwide prices of oil and natural gas. A lack of supply and high prices of oil and natural gas could have a significant adverse impact on the world economy. The long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain.

INFLATION

Consumer price inflation has risen significantly in 2022 and if it continues will mean much higher costs for the Company's expenditure programs. The Company's program cost estimates could rapidly become out-of-date. If this happens, the Company will need to either raise additional funds causing equity dilution or reduce its expenditures and reducing progress. Increases in inflation usually result in central bank interest rate hikes which can trigger negative capital market conditions making financing difficult. While inflation increases have often led to higher commodity prices, there can be no assurance of that and the Company's operations and its share price could well be adversely affected by increased inflation.

RISKS OF FOREIGN OPERATIONS

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

RISKS OF OPERATING THROUGH FOREIGN SUBSIDIARIES

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

GEO-POLITICAL CHANGE

The marketability and price of oil and natural gas that may be acquired or discovered by the Company is, and will continue to be, affected by political events throughout the world that cause disruptions in the supply of oil, including the continuance or escalation of the military conflict between Ukraine and Russia and the economic sanctions imposed on

Russia in connection therewith, which have and may continue to result in increased prices for a variety of commodities, including oil and natural gas, and which could have other long-term effects on the global economy in addition to the near-term effects on Ukraine and Russia. Conflicts, or conversely peaceful developments, arising in the Middle East, Ukraine, Russia and other areas of the world, have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of the Company's future net production revenue.

The Company's assets held in Mexico requires the continued support from the Mexican government for the development of their oil and gas properties by foreign companies. There is no assurance however that future political and economic conditions of this country will not result in their government adopting different policies respecting foreign ownership of oil and gas properties, taxation, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital, restrictions on production, price controls, export controls, local beneficiation of oil and gas production, expropriation of property, foreign investment, maintenance of claims and mine safety. The possibility that a future government in Mexico may adopt substantially different policies, which might include the expropriation of assets.

POSSIBLE FAILURE TO REALIZE ANTICIPATED BENEFITS OF ACQUISITIONS

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

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

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

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

GOVERNMENTAL LAWS AND REGULATION

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

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	201,621,453
Warrants (average exercise price $8.52)	15,025,467
Compensation options (exercise price $7.88)	219,269
Share options (average exercise price $5.88)	17,988,441
Total common shares and potential common shares	**234,854,630**

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 nine months ended September 30, 2022, the Company issued 2,095,404 (2021 – 53,355,509) common shares pursuant to the exercise of 2,092,029 (2021 – 52,351,794) warrants for cash proceeds of $1,103,779 (2021 - $45,251,652) and 3,375 (2021 – 780,215) compensation options for cash proceeds $2,362 (2021 – $547,946).

During the nine months ended September 30, 2022, the Company issued common shares pursuant to the exercise of 2,811,871 (2021 – 2,174,523) stock options for cash proceeds of $1,836,171 (2021 - $2,093,590).

As of September 30, 2022, the Company had a total of 918,441 stock options outstanding with an expiry date of July 27, 2022. The expiry date of these stock options was automatically extended pursuant to the Company's stock option plan as a result of the trading blackout imposed on the insiders of the Company, pending the release of all news relating to the Company's current operations. These stock options will be exercisable for 10 business days following the lifting of the blackout. The date in which the trading blackout will be lifted is estimated to be November 28, 2022. Any stock options not exercised during the following 10 business day window will expire.

COMMITMENTS AND CONTINGENCIES

The Company has certain commitments in relation to its Namibia and Botswana licenses. The Namibia License calls for a minimum work program during the First Renewal Period comprised of the drilling and exploration of stratigraphic wells and 250km of 2D seismic, with an aggregate expenditure for exploration activities of US$10 million. The work requirements for both 2D seismic and aggregate expenditure have been satisfied. The Botswana License requires the Company to complete a minimum work program in the amount of US$0.4 million over the first 4-year exploration period, ending June 2024.

As a result of the Arrangement, ReconAfrica has become a party to certain commitments related to the Chiapas properties in Mexico. According to the terms of the associated licence agreements and extensions received, the Company is committed to the completion of certain work programs with a total estimated cost of approximately US$37.8 million ($51.6 million) with approximately US$31.0 million ($42.3 million) due February 27, 2024, and approximately US$6.8 million ($9.3 million) due August 1, 2024. Renaissance entered into four surety bond agreements with a global financial company in aggregate of approximately US$15.3 million ($20.9 million), as required by the CNH, towards the guarantee of performance of the minimum work programs. Subsequent to the quarter end, a deposit of US$12.6 million ($17.2 million) was made to the surety bond provider as collateral for the value of the bonds. This amount will be recorded as restricted funds on the balance sheet for subsequent periods. To date, US$10.8 million ($14.8 million) has been expended in operations at the blocks of which US$1.1 million ($1.5 million) relate to work program costs submitted to the CNH. The Company engaged an arm's length third party to assist in obtaining the February 27, 2024 extension and to provide support during the extension. With receipt of the latest extension, Renaissance incurred costs of US$1.5 million ($2.1 million) to this third party and also committed to pay a monthly fee of US$56,250 ($76,849) for the duration of the 20-month extension, aggregating a further US$1.125 million ($1.5 million). Further, the Company incurred additional consulting costs to support the extension process in the current quarter. 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.

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.

On October 28, 2021, the Company, along with certain of its current and former officers and directors, were named as defendants in the first of three almost identical purported class action lawsuits filed by Company shareholders in the United States District Court in Brooklyn, New York. One of the lawsuits was voluntarily dismissed 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 defendants made misleading statements about the Company's business, operations and prospects. In support of those allegations, the lead plaintiff repeats claims about the Company's oil exploration projects in Namibia and Botswana made by a short-seller of the Company's stock and free-lance writers for National Geographic magazine. The lead plaintiff claims that the alleged misleading statements caused investors who purchased the Company's stock between February 28, 2019, and September 7, 2021 to suffer unspecified monetary damages. The Company disputes the lead plaintiff's allegations and intends to vigorously defend the lawsuits.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information within the meaning of applicable Canadian securities regulations, including the Company's future plans. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking information. Such forward-looking information includes, but is not limited to, statements pertaining to the Company's future plans and management's belief as to the Company's potential, the Company's interpretation of data, models and samples relating to its assets, the amount of expenditures to be incurred or spent on the Company's assets, converting exploration successes into appraisal and development operations, the size, characteristics and features of the Company's oil and gas properties, present and future oil, natural gas and natural gas liquids reserves and the ability to commercially exploit them, present and future oil and gas production levels from the Company's properties, the Company identifying additional drilling opportunities, the Company's proposed exploration, drilling and exploitation activities and the timelines, locations and results related thereto, the potential acquisition of additional properties and the development of the Company's assets and the byproducts of such development, the Company's estimates of exploration investments, the Company's expectations of ongoing administrative costs, the first two stratigraphic wells confirming an active conventional petroleum system within the basin and the objective that the ongoing drilling operations will continue to confirm such a system or its potential commerciality, the interpretation and analysis of data, results and samples from the 6-1, 6-2 and 8-2 wells and the Company's 2D seismic program, the Company's current drilling campaign, which commenced in June 2022, including the locations and number of wells to be drilled during such campaign, the seismic data providing the Company with additional prospects and leads and to get further confirmation of existing drilling targets, the processing of seismic data, the Company's commitment of Canadian $10 million to ESG initiatives in Namibia and N$15 million to Namibia's COVID-19 vaccine rollout campaign, the Company's ESG targets, goals, objectives and key areas, the Company locating and drilling additional community waters well and working on access to potable water in the communities in which its operates, the Company continuing to work on data gathering and training of agricultural technical students, the Company's implementation of environmental and social best practices and use of technology and equipment aimed at protecting the environment, including the use of cement and steel casings and water-based drilling fluids, the use of the biodegradable water-based drilling fluids as a soil-enhancement/fertilizer as part of the Company's agriculture review projects, the Company's reforestation projects, including the conducting of ongoing meetings with subject experts in connection therewith, the completion of a tree planning program and engagement with national and international experts on reforestation initiatives, the Company's avoidance of environmentally sensitive areas, such as national preserve areas, and minimization of disturbances, the Company continuing to update communities on the Company's seismic program, stratigraphic well program and other project related activities, the Company's current and future use and employment of local, regional and national suppliers and service providers, the Company's current and future work with Namibian educational institutions to enhance training programs related to the environment and drilling and seismic activities, the Company's current and future commitment to gender diversity and hiring of women, the Company completing on-site technical training for its stratigraphic wells and 2D seismic programs, the Company's commitment to sustainable development and employment of best practices wherever it operates to protect the environment, including support to wildlife monitoring and other related efforts, the increase of the Company's presence in Botswana, the exercise of the option to acquire an additional 25% interest in the Amatitlán Contract, the Company's plans in respect of Amatitlán, including migrating the Amatitlán Contract into a contract of exploration and extraction and the negotiations related thereto, the type of work programs that the Company may undertake at the Chiapas Blocks, remedies that the CNH 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, the outcome of the class action lawsuit filed by Company shareholders in the United States District Court in Brooklyn, New York, the completion of the acquisition of half of NAMCOR's 10% carried participating interest in PEL 73 and discussions relating thereto, the expiry date of the stock options of the Company that were originally set to expire on July 27, 2022, the Company's use of proceeds from its financing activities, the Company's expectations on how it will fund its operating costs over the next 12 months, the sufficiency of the Company's current capital resources to fund its near term working capital requirements, the ability of the Company to secure the required capital to conduct the Company's planned exploration, drilling and exploitation activities and the effect on the Company's financial statements of any liability from the Company's various legal proceedings and claims. Forward-looking information is based on management's expectations regarding future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding for such expenditures), business prospects and opportunities. Forward-looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risk and uncertainties include, but are not limited to: the risks associated with the acquisition of oil and gas rights over properties which the Company has submitted applications and believes to be prospective, risks relating to oil and gas productions (including, but not limited to, operational risks with resource processing), delays or changes in plans with respect to licences for oil and gas rights on such properties, costs and expenses, health, safety and environmental risks, reliance on key personnel, the absence of dividends, competition, market volatility, the risk of commodity price and foreign exchange rate fluctuations, risks and uncertainties associated with securing necessary regulatory approvals and financing the proceed with any planned work programs, risks and uncertainties related to carrying on business in foreign countries, risks and uncertainties regarding the existence or potential oil or gas reserves or the ability to economically extract any such reserves from exploration properties, and risks and uncertainties related to infectious diseases or outbreaks of viruses, as well as those additional risk factors described under the heading "Risk Management & Risk Factors" of this MD&A, the management's discussion and analysis for the year ended December 31, 2021 and the audited annual financial statements for the year ended December 31, 2021. Although the Company has attempted to take into account important factors that could cause actual results to differ materially from those anticipated, there may be other factors that cause the results of the Company's business not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

The Company undertakes no obligation to publicly update or review the forward-looking information whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the above discussions and analysis may not necessarily indicate future results from operations.