

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

Introductory Comment and Overview

The following is management's discussion and analysis ("MD&A"), dated November 24, 2020, of Reconnaissance Energy Africa Ltd.'s (formerly Lund Enterprises Corp.) ("ReconAfrica" or the "Company") operating and financial results for the nine months ended September 30, 2020, as well as information and expectations concerning the Company's outlook based on currently available information. ReconAfrica is a junior oil & gas company whose common shares (the "Common Shares") are listed on the TSX Venture Exchange under the trading symbol "RECO". This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2020 and 2019 and the audited consolidated financial statements for the years ended December 31, 2019 and 2018 (the "Audited Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

It is fundamental for readers of this document to be aware that effective August 30, 2019 the Company underwent a reverse takeover transaction (the "RTO") as set out in Note 5 of the Audited Financial Statements. The RTO resulted in numerous highly material changes to the Company's business, including changing its name from Lund Enterprises Corp. ("Lund") to Reconnaissance Energy Africa Ltd. and acquiring all the shares of 1163631 BC Ltd. ("116") an arm's length private company holding as its principal asset, an oil & gas exploration licence in the Republic of Namibia in southern Africa.

As a consequence of the RTO, 116 became the parent company of the consolidated entity for accounting purposes, and ReconAfrica adopted the fiscal year of 116 which is December 31.

Unless otherwise noted, references to dollar amounts are in Canadian dollars. Throughout this report we refer from time to time to "ReconAfrica", "Lund", "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.*** Additional information is available on the Company's profile on SEDAR at www.sedar.com, including a posting dated February 28, 2019 of a management information circular (the "Circular") under the SEDAR heading "Proxy Circular". The Circular provides additional information on the RTO.

Overview and Overall Performance

The Company was incorporated in 1978 under the provision of the Company Act of British Columbia and is a reporting issuer in each of the Provinces of British Columbia and Alberta. Immediately prior to the RTO, the Company completed a restructuring with a group of companies detailed in Note 4 of the Audited Financial Statements and accompanying MD&A for the years ended December 31, 2019 and 2018 (the "Corporate Restructuring").

Operations

ReconAfrica holds a 90% interest in a petroleum exploration licence in northeast Namibia which covers the entire Kavango sedimentary basin in Namibia (the "Licence"). NAMCOR, a Namibian state-owned entity, holds the remaining 10% interest in the Licence on a carried interest basis. The Licence, which is governed by the terms of a Petroleum Agreement between the Company and the Namibian Ministry of Energy and Mines ("MME") dated January 26, 2015, provides the Company with the exclusive right to conduct exploration activities on certain licenced 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 a previously drilled well (ST-1/1964) and the acquisition and interpretation of a high quality (200m spacing) aeromagnetic survey, ReconAfrica has interpreted a deep, 30,000 foot, inferred Permian aged, rift sedimentary basin in northeast Namibia.

Namibia's Petroleum Act provides that the MME may grant petroleum exploration licences having a duration comprised of 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 Company announced that the MME had approved the Licence for its First Renewal Period, and accordingly, the Licence has been renewed and continues until January 25, 2022. ReconAfrica's agreement with MME and NAMCOR, the state oil company of Namibia, calls for a minimum work program during the First Renewal Period comprised of the drilling and

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exploration of stratigraphic wells and 250km of 2D seismic, with an aggregate expenditure for exploration activities of US\$10,000,000.

In June 2020, the Company was granted a petroleum licence in northwestern Botswana for 2.45 million acres (9,921 km²). Terms of the 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

The Company, through its wholly owned Botswana subsidiary, entered into a farm-out option agreement with a private company under the following terms:

- The farm-out option will carry a 3-year term providing the farmee with the right to acquire a 50% working interest in the Licence (the "Option")
- Initial payment from the farmee to ReconAfrica is \$100,000
- If the Option is exercised within 18 months of the date the licence was awarded, the farmee will pay the Company \$1,000,000 upon transfer of the licence following exercise
- If the Option is exercised between 18 months and 36 months from the date the licence was awarded to the Company, the Farmee will pay the Company \$1,500,000 upon transfer of the licence following exercise

The Agreement is subject to certain conditions, including the approval of the Botswana Department of Mines and Ministry of Mineral Resources, Green Technology and Energy Security ("MMR") to the transfer of the licence upon exercise of the Option. The Agreement may be terminated if the MMR does not provide its approval to the transfer within six months following exercise of the Option, the transfer is not completed within six months following the exercise of the Option, or by mutual agreement.

Drilling Program

During Q3 2020, the Company continued the refurbishment and upgrade of the Crown 750 to acclimatize the rig for drilling in the Kalahari Desert at greater depths and speed. These incremental improvement costs will be approximately US\$2.1 million. Therefore, all-in costs when the rig is ready to transport will be approximately US\$3.9 million. As of September 30, 2020, the Company invested US\$3,758,983 (\$4,976,631) (2019 – nil) on the Crown 750 drilling rig. In November 2020, ReconAfrica completed the refurbishment and upgrade of the Crown 750 drilling rig.

In keeping with all protocols outlined in the Environmental Impact Assessment and other pertinent regulations, site work for the 6-2 drilling pad and the associated working camp are proceeding on schedule. It is our continued commitment to adhere to and exceed all Namibian latest environmental laws and regulations. ReconAfrica is focused on a proactive environmental, social and governance (ESG) approach to business.

In July 2020, the MME sent their acknowledgement letter of the Company's request for essential services and declared that the planned drilling operations undertaken by the Company is as an essential service and gives its full support. The Company will work with MME and provide schedules for arrival of equipment and personnel.

Spudding the 6-2 well, the first of the initial three wells, is scheduled for late December 2020. There is no hydraulic fracturing or other stimulation in the well program, as the targets are conventional reservoirs. The Company will work with Namibian stakeholders and is committed to using local staff and service providers, when possible. As a result, 90% of the in-country work is being conducted by local workers and service providers, led by the Company's Namibian project manager, Pioneer Energy.

In July 2020, the Company completed a subsurface evaluation delineating large scale, prospective conventional hydrocarbon bearing structures throughout the Kavango Basin. With support of a new extended, high density Aero-Mag survey and Halliburton's advanced LithoTect® technology, and other new ancillary data, the Company's technical team has generated an understanding of how this deep Permian rift basin developed. Specifically, the Company has been able to identify the faulting system throughout the basin, responsible for developing potential conventional structural and stratigraphic hydrocarbon bearing traps.

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The Company's seismic program continues to progress, with the initial 350 km 2D seismic tendering and preliminary design now complete. The seismic Environmental Impact Assessment is now in progress. As well the open bidding process for the initial acquisition and processing program and the award with expected results is projected for the end of November 2020. Initial execution of the program is beginning in Q1 2021. This 2-D seismic program is designed to delineate conventional hydrocarbon traps throughout the Kavango Basin.

The global impact of the COVID-19, as well as recent declines in spot prices for oil and gas, have resulted in significant declines in global stock markets and has fostered a great deal of uncertainty as to the health of the global economy over the near term. Early stage companies, such as ReconAfrica, are subject to liquidity risks in maintaining capital as along with ongoing and future development and operating expenditure requirements, in instances where cash positions are unable to be maintained or appropriate financing is unavailable.

Despite the impacts of COVID-19, the Company on August 20, 2020, completed a public offering (the "Offering") of units (the "Units") for gross proceeds of approximately \$23 million, including the partial exercise of an over-allotment option. The Offering was completed by way of a short form prospectus filed in Canadian provinces, except Québec, and the Units were sold elsewhere outside of Canada on a private placement basis. Pursuant to the Offering, a total of 32,855,409 Units were sold at a price of \$0.70 per Unit. 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 \$1.00 until August 20, 2025. The Warrants are 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 daily volume weighted average trading price of the Common Shares on the Exchange for any period of 20 consecutive trading days equals or exceeds \$3.00.

Lack of Meaningful Comparability

Prior to the Corporate Restructuring of 116, the Company was part of a group of private companies related by certain common directors and shareholders but not related in accounting terms under IFRS. With the Corporate Restructuring these companies became wholly owned subsidiaries of 116. The principal activities of 116 were in financing itself and planning and carrying out the Corporate Restructuring and the RTO. The expenses and cash flows of 116 for periods prior to August 30, 2019, as set out in the Statements of Loss and Comprehensive Loss, and Statements of Cash Flows, for the nine months ended September 30, 2019 are primarily for 116 on a standalone basis.

Accordingly, management does not believe readers of this MD&A will derive significant information or insight in any analysis of changes from the 2019 period to the 2020 period.

Summary of Quarterly Results

Quarterly information is available as below.

	Three Months Ended							
	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues	nil	nil	nil	nil	nil	nil	nil	nil
Net loss	(2,313,407)	(720,472)	(1,376,557)	(1,385,153)	(1,610,218)	(31,047)	(95,160)	(150,921)
Loss per share	(0.03)	(0.01)	(0.02)	(0.05)	(0.06)	-	(0.01)	(0.02)

Per share amounts for all periods shown have been retroactively adjusted for the consolidation of the Common Shares on a 2:1 basis that occurred immediately prior to the completion of the RTO.

Net loss was \$2,313,407 for the three-month ended September 30, 2020 (Q3 2019: \$1,610,218), with changes from the first quarter of 2019 resulting from the consolidation of the group of companies involved in the Corporate Restructuring and RTO and resulting operations. The primary expenses contributing to the net loss for three-month ended September 30, 2020 and comparable periods are detailed in the following table:

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	Three Months Ended		
	September 30, 2020	December 31, 2019	September 30, 2019
Management and consulting	\$ 880,227	\$ 239,295	\$ 32,548
Listing expense (Note 5)	-	-	1,095,506
Marketing	545,032	435,436	-
Office and general	155,464	45,576	5,390
Professional fees	142,336	277,738	122,181
Share-based payments	584,148	343,697	-
Transaction costs	-	-	340,031
	\$ 2,307,207	\$ 1,341,742	\$ 1,595,656

Net loss was \$4,410,436 for the nine-month ended September 30, 2020 (Q3 2019: \$1,736,425), with changes from the first quarter of 2019 resulting from the consolidation of the group of companies involved in the Corporate Restructuring and RTO and resulting operations. The primary expenses contributing to the net loss for nine-month ended September 30, 2020 and comparable periods are detailed in the following table:

	Nine Months Ended	
	September 30, 2020	September 30, 2019
Management and consulting	\$ 1,481,793	\$ 32,548
Listing expense (Note 5)	-	1,095,506
Marketing	1,202,250	-
Office and general	253,068	5,390
Professional fees	364,913	224,818
Share-based payments	1,077,649	-
Transaction costs	-	340,031
	\$ 4,379,673	\$ 1,698,293

Liquidity

The Company's working capital consists of the following:

	September 30, 2020	December 31, 2019
Cash	\$ 18,278,054	\$ 2,547,025
Receivables and prepaids	163,194	151,774
Accounts payable	(1,226,750)	(234,318)
Promissory note payable	(37,537)	(287,354)
Working Capital	\$ 17,176,961	\$ 2,177,127

The Company has not yet generated any revenues from its operations and is required to raise new financing through the sale of shares or issuance of debt to meet working capital requirements. Accordingly, the Company's continued successful operations are dependent on its ability to obtain additional financing. Although management has been successful in raising capital in the past, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be obtained on terms advantageous to the Company.

The Company on August 20, 2020, completed the Offering of Units for gross proceeds of approximately \$23 million, including the partial exercise of an over-allotment option. The Offering was completed by way of a short form prospectus filed in all of the provinces of Canada, except Québec, and the Units were sold elsewhere outside of Canada on a private placement basis. The net proceeds from the Offering will be used for the transportation costs of shipping the Company's drilling rig from Houston, Texas to Namibia and to complete the three-well drilling program and acquire and process 2D and/or 3D seismic data in the Kavango Basin, together with working capital.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from COVID-19. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, financial performance, financial position and cash flows in 2020.

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Capital Resources

The Company has commitments related to its petroleum exploration licence in northeast Namibia as follow. On December 24, 2019, the Company received approval for its application to extend its petroleum exploration 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, 2022, which can be extended by application to January 29, 2023.

Namibian law permits licensees to apply for a second renewal exploration period. If a second renewal period is applied for and approved, the Company would be obliged to expend an additional 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. A second renewal period would extend the Company's petroleum exploration licence by two years, which can be extended by application for an additional year. Accordingly, if a Second Renewal Period is applied for and approved, the exploration period would continue to January 29, 2024. If the one-year extensions of the First Renewal Period and the Second Renewal Period are applied for and approved, the exploration period would continue to January 29, 2026.

In accordance with the Petroleum Agreement, as adjusted by the February 25, 2019 adjustment letter, Reconnaissance must relinquish at least 50% of the exploration area covered by the Licence no later than either (i) 60 days following the completion of the drilling of the second stratigraphic test well; or (ii) at the end of the first renewal exploration period, as determined by the Ministry at its discretion. A further 25% of the exploration area covered by the Licence must also be relinquished by Reconnaissance no later than 30 days before the end of the first renewal exploration period. In determining the relinquished area, any areas of the Licensed Property that have been identified as potentially productive are excluded from the relinquishment requirements.

To meet these commitments, during the nine months ended September 30, 2020, the Company completed the February 2020 Private Placement, purchased a Crown 750 drilling rig, and completed its refurbishment and upgrades. The rig is now being transported to Namibia to commence exploration and evaluation activities in satisfaction of the Petroleum Agreement. With the closing of the August 2020 Offering for gross proceeds of approximately \$23 million, the Company is well positioned to complete its planned three-well drilling program and meet these Licence commitments.

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, 2020	September 30, 2019
Directors' fees	\$ 44,759	\$ 12,000
Management salaries and benefits	532,266	79,900
Share-based payments	394,324	-
	<u>\$ 971,350</u>	<u>\$ 91,900</u>

As previously described, the Company, through its wholly owned Botswana subsidiary, entered into a farm-out option agreement with a private company owned by an insider of the Company.

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.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, receivables, accounts payable and a promissory note payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, foreign

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currency or credit risks arising from these financial instruments. Because these items have short maturities, the fair values of these financial instruments are approximately equal to their carrying values, unless otherwise noted.

The Company is a party to a promissory note entered into with a professional services provider, bearing interest at 10% and payable at maturity or earlier with no penalty for prepayment. The promissory note for \$264,410 was entered into on March 1, 2019 and was repaid \$100,000 of the principal amount on April 15, 2020 and \$164,410 on August 26, 2020.

As at September 30, 2020, accrued interest of \$37,537 (December 31, 2019 - \$22,944) was outstanding.

Management is in discussions with the promissory note holder on amending the payment terms. As of the date of this MD&A, amendments to the terms of the outstanding promissory note have not yet been finalized.

Risk Management and Risk Factors

The Company is engaged in the exploration and development of oil and natural gas in Namibia and Botswana. 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 COVID-19, please see ReconAfrica's annual information form for the year ended December 31, 2019, the Annual Financial Statements and management's discussion and analysis for the year ended December 31, 2019.

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	106,909,526
Warrants (average exercise price \$0.82)	58,446,721
Broker warrants (exercise price \$0.20)	223,500
Compensation options (exercise price \$0.70)	1,477,782
Share options (average exercise price \$0.52)	9,612,500
Total common shares and potential common shares	176,670,029

On February 4, 2020, the Company issued 5,000,000 units for \$3,400,000 pursuant to a non-brokered private placement. Each unit is comprised of one common share of the Company and one common share purchase warrant which its holder may exercise for one common share at an exercise price of \$1.00 until February 4, 2025. The Company incurred share issuance costs of \$230,044 in the form of finders' fees and professional fees associated with this non-brokered private placement.

On February 18, 2020, the Company granted to directors, officers and consultants of the Company share options to purchase an aggregate of 850,000 Common Shares at a price of \$0.76 per share for a period of up to five years.

On February 18, 2020, the Company granted 200,000 share options to consultants, exercisable at a price of \$0.76 per share for a period of three years.

On April 29, 2020, the Company granted to an officer share options to purchase an aggregate of 300,000 Common Shares at a price of \$0.31 per share for a period of up to five years. In order to accommodate this grant, certain optionees agreed to surrender for cancellation 200,000 options granted on February 18, 2020.

On August 20, 2020, the Company closed the Offering for gross proceeds of approximately \$22,998,786, through the issuance of 32,855,409 Units. 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 \$1.00 until August 20, 2025, subject to acceleration in certain circumstances.

The Offering was made through Haywood Securities Inc. (the "Agent"). The Agent received a cash commission equal to 6.0% of the gross proceeds of the Offering (other than from the sale of 7,125,639 Units to purchasers on the president's

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list for aggregate gross proceeds of approximately \$5 million, for which a 1.5% cash commission was paid). In addition, the Agent was issued compensation options in an amount equal to 6.0% of the number of Units sold under the Offering (other than with respect to those sold to purchasers on the president's list, for which no compensation options were issued) (the "Compensation Options"). Each Compensation Option entitles the holder to acquire one Unit at a price of \$0.70 until August 20, 2025.

On August 26, 2020, the Company granted 3,750,000 stock options to directors, officers, and consultants, exercisable at a price of \$0.70 per share for a period of five years and 200,000 stock options to an optionee who agreed to surrender for cancellation 200,000 options granted on February 18, 2020, at a price of \$0.76 per share for a period of five years.

During the period ended September 30, 2020, the Company issued common shares pursuant to the exercise of 179,850 broker warrants for cash proceeds of \$35,970 and 1,061,500 warrants for cash proceeds of \$530,750. The Company further issued common shares pursuant to the exercise of 1,687,500 options for cash proceeds of \$421,875.

Subsequent to September 30, 2020, the Company issued 357,118 common shares pursuant to the exercise of 357,118 warrants for cash proceeds of \$178,559; 142,000 common shares pursuant to the exercise of 142,000 compensation options for cash proceeds of \$99,400; and 100,000 common shares pursuant to the exercise of 100,000 options for cash proceeds of \$51,000.

Equipment

Equipment is recorded at cost, including costs attributable to bring the asset to intended use, less accumulated depreciation. Depreciation begins when the asset is put into service and is calculated using the straight-line method. The cost of maintenance and repairs is charged to expense as incurred. The cost of significant renewals and improvements is added to the carrying amount of the respective asset. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the balance, and any resulting gain or loss is reflected in the consolidated statement of loss and comprehensive loss.

On February 10, 2020, the Company completed the acquisition of a Crown 750 drilling rig for US\$1,800,000 (\$2,379,060). During the 3rd quarter of 2020, the Crown 750 was being upgraded with a top drive system and ancillary equipment to acclimate the rig for drilling in the Kalahari Desert.

Management Changes

Effective January 15, 2020, the Company appointed Carlos Escribano as Chief Financial Officer and Anna Tudela as Corporate Secretary.

On February 28, 2020, the Company appointed Shiraz Dhanani to the board of directors of the Company to fill a vacancy caused by the resignation of Chet Idziszek.

On April 29, 2020, the Company appointed Scot Evans as Chief Operating Officer.

On June 25, 2020, the Company appointed Nick Steinsberger as Senior Vice President, Drilling and Completions.

On July 8, 2020, the Company appointed Doug Allen as Senior Vice President Investor Relations.

On August 24, 2020, the Company appointed Scot Evans as Chief Executive Officer to succeed Jay Park who became Chairman of the Board.

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 timeline for completion of the shipment of the Company's drilling rig, the timeline for the award of service contracts to service providers, the Company's future plans (including the Company's proposed exploration and drilling activities and timelines and anticipated results thereof) and management's belief as to the Company's potential, the production of oil and gas from the Company's properties, the Company identifying additional drilling opportunities, the potential acquisition of additional properties, the Company's estimates of exploration investments, the use of the proceeds from the Company's August 2020 Offering, the Company's expectations of ongoing administrative costs and the impact of the ongoing COVID-19 pandemic on the Company's business operations. Currently, the Company has no oil and gas reserves. Statements relating to "resources" and "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future.

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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 exploration, development and production (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 resources or 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 and Risk Factors" of this MD&A, and in the Company's annual information form for the year ended December 31, 2019, the Audited Financial Statements and management discussion and analysis for the year ended December 31, 2019.

Forward-looking information is based on management's expectations, as well as assumption made by, and information currently available to, the Company regarding future growth (including the ability to add oil and natural gas resources and reserves through farm-in, acquisition and/or drilling at competitive prices), results of operations (including future oil and nature gas production levels), future commodity prices and exchange rates, future capital and other expenditures (including the amount, nature and sources of funding for such expenditures), the ability to obtain financing on acceptable terms, business prospects and opportunities.

With respect to forward-looking statements contained in this MD&A, the Company has also made assumptions regarding, among other things, the willingness of operators to conduct operations on certain properties in foreign jurisdictions; future oil and gas prices or cost of products sold; 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 information contained herein concerning the oil and gas industry and the Company's general expectations concerning this industry are based on estimates prepared by management of the Company, using data from publicly available industry sources as well as from reserve and resource reports, market research and industry analysis and on assumptions based on data and knowledge of this industry, which the Company believes to be reasonable. Although this data is generally indicative of relative market positions, market shares and performance characteristics, it is inherently imprecise. While the Company 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.

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.