



ReconAfrica – Con Africa



ReconAfrica's micro-response to our report contains zero facts, addresses none of Viceroy's pertinent questions, and is loaded with promotional language.

JUNE 29, 2021 – On June 28, 2021, Reconnaissance Energy Africa responded to Viceroy Research's report, titled "ReconAfrica – No Oil? Pump Stock" (**Report** - June 24, 2021), which can be found on the link below:

<https://viceroyresearch.org/2021/06/24/reconafrika-no-oil-pump-stock/>

Given RECO's penchant for stock promotion and operational opaqueness it was entirely unsurprising that RECO management's response to our Report was **loaded with promotional language** (including anchoring statements to specialists they perceive to be reputable), **addressed no specific issues raised in our report**, and **provided zero new data for investors**.

- RECO fails to provide any further information on the in-progress 6-1 and complete 6-2 wells, **including the depth of the 6-2 well, the age of the rock in which they claim shows, show depth, and wireline /petrophysical data from the wells.**
 - This key data is immediately available and would allow investors to judge whether their geological model is correct, or as we believe, a work of fantasy.
 - Given **RECO's penchant self-promotion: the only reason this data has not been released it because the wells were failures**. RECO nonetheless continue an opaque charade destroying shareholder funds.
- Despite widespread consensus that seismic studies should be performed before drilling, **RECO talk themselves into a logical fallacy that the opposite is the proper method for this deposit.**
 - An appropriate seismic analysis would almost certainly prove or disprove their basin model straight away. If the seismic results showed a very thin sediment pile, you could pack up the project immediately without the need to drill any costly and damaging wells.
 - **RECO do not even appear to have applied for an appropriate seismic analysis permit.** It's proposed weight-drop systems are popular in the Canada oil sands when looking a few hundred meters deep and require a smaller cut line to acquire. They are ill suited to look for basins as deep as RECO claim, on proposed seismic lines up to 50km apart.
 - RECO hilariously insist stratigraphic wells are appropriate and used "for generations". This method of wildcat exploration largely outdated and even in the 70s was conducted in proven basins where hydrocarbons were already being extracted. **This method was used "generations ago", not "for generations".**
 - RECO are clearly drilling blind: the **grifters behind the curtain who suggest otherwise show immense disrespect to the fragile and important environment they are destroying, and the people of Namibia.**
- RECO defends its infatuation of self-titled "Kavango Basin" by referring investors to the man who identified the basin: RECO Technical Team employee Bill Cathey.
 - In fact, every field matter expert RECO continuously anchors itself to on promotional press releases appears to be an insider, as we alluded to in our original Report. This includes "founding shareholder" Dan Jarvie.
- RECO suggests it is not a pump and dump, stating that **management have bravely purchased shares, which were in fact stock options issued with no transparent compensation plan, exercised at up to 90% discounts.**
 - Meanwhile a similar dollar-value of shares were unloaded to the open market by RECO management.
 - RECO refuse to acknowledge and further disclose shadow directors and related party transactions. This includes the absurd Renaissance transaction and enrichment of insiders playing both sides of the deal (and fleecing RECO shareholders).



RECO completely fail to address, among many other things:

- **Management's appalling ecological and operational track record** including Chairman Jay Park's implication in bribery scandals, or shadow director Craig Steinke's disastrous environmental record.
- **Employment or retainer of Knowledge Katti**, a Namibian businessman previously embroiled in a bribery scandal for mining companies in Namibia.
- **RECO's failure to observe industry best practices regarding wastewater disposal**, evidenced by the National Geographic.
- **RECO's backflipped plan to frack in Namibia**, highlighted in all their commissioned feasibility studies and environmental assessment studies, and basis for estimate valuations sent to shareholders in paid-promotional material.
- **Promotional articles sponsored by the company targeting unsophisticated investors**, costing the company hundreds of thousands, if not millions, of dollars.

We reiterate that once RECO's promotional veil has been pulled back, we believe the company will revert to trading as a speculative, but highly unimpressive, penny-stock.



Line your pits



Attention: Whistleblowers

Viceroy encourage any parties with information pertaining to misconduct within Reconnaissance Energy Africa Ltd, its affiliates, or any other entity to file a report with the appropriate regulatory body.

We also understand first-hand the retaliation whistleblowers sometimes face for championing these issues. Where possible, Viceroy is happy act as intermediaries in providing information to regulators and reporting information in the public interest in order to protect the identities of whistleblowers.

You can contact the Viceroy team via email on viceroy@viceroyresearch.com.

About Viceroy

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Viceroy Research LLC is not associated with any environmental activists.

Viceroy Research LLC has made this report available to the SEC, CSA, The UK SFO, The Namibian Government, BaFin and IIROC.

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1. ReconAfrica was the first to recognize the deep Kavango Basin as a distinct geological feature.


RECO make the following statement regarding its infatuation with the Kavango Basin, loaded with anchoring statements and promotional language, presenting no new or relevant data:

1- ReconAfrica was the first to recognize the deep Kavango Basin as a distinct geological feature. ReconAfrica purchased aeromagnetic survey data which the Government of Namibia had commissioned, and had this data processed by Earthfield Technology, based in Houston Texas, one of the world's leading specialists in quantitative analysis of magnetic and gravity data. Earthfield's analysis yielded detailed, three-dimensional images of the basement surface of the Kavango Basin, and further defined it as geophysically separate from the Owambo Basin to the west. A new view of the regional geology resulted in the Kavango rift play that ReconAfrica is pursuing.

Figure 1 ReconAfrica Responds to Short Seller's Biased and False Short Report – 28 June, 2021

Earthfield – A RECO related party

Bill Cathey, one of 2 employees in the Earthfield Technology family business, is an employee of RECO and early shareholder. In its response, RECO self-admit that its now-employee “defined [Kavango] as geophysically separate from the Owambo Basin”. We stand behind our statement, and do not understand why this is a point of contention.



Bill Cathey
GEOPHYSICIST

Bill Cathey, President and Chief Geoscientist of Earthfield Technology, has over 25 years of potential fields interpretation experience. His clients include Chevron, ExxonMobil, ConocoPhillips and many other major and large independent oil and gas companies. Mr. Cathey performed the entire magnetic survey interpretation of the Kavango Basin for ReconAfrica.

Mr. Cathey has served as the Chairman of the Potential Fields Group of the Geophysical Society of Houston, and has been a member of the SEG, AAPG, GHS and HGS.

Figure 2 Extract from RECO's website¹

In fact, every field matter expert RECO continuously anchors itself to on promotional press releases appears to be an insider, as we alluded to in our original Report.

Even Daniel Jarvie is introduced by Jay Park as a **FOUNDING SHAREHOLDER** of RECO².

Despite commissioning this data in the 90's, none of NAMCOR or any NAMGOV's geological maps or exploration allotment maps define this basin. NAMCOR's website, still does not list the Kavango Basin as an existing sedimentary basin in Namibia. RECO bought this data in 2013.

Namibia has Four (4) offshore and Four (4) onshore sedimentary basins Basin.

Offshore Basins;

- Namibe Basin
- Walvis Basin
- Luderitz Basin
- Orange Basin

Onshore Basins;

- Owambo Basin
- Waterberg Basin (Including Huab Sub-Basin)
- Nama Basin (Including Aranos Sub-Basin)
- Warmbad Basin

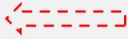
 **Kavango?**

Figure 3 Extract from NAMCOR's website³

¹ <https://web.archive.org/web/20210628150052/https://recon africa.com/about/technical-team/>

² <https://www.youtube.com/watch?v=AB8AfUCWIlg>

³ <https://web.archive.org/web/20210122005802/https://www.namcor.com.na/history/>



Elaborating on available Gravity Data

Gravity data (also commissioned by NAMGOV) shows that RECO are drilling exploration wells in gravity highs, which makes no sense to Viceroy or its industry expert consultants. Free air gravity anomaly shows the difference between the theoretical and actual gravity field.

RECO extrapolate only magnetic data to announce the discovery of a 9,000m deep basin, despite gravity highs suggesting the basin will be shallower than Etosha Petroleum's ST-1 well in 1964.

Below is a superposition of aeromagnetic and gravity maps as well as the location of wells in the region including RECO's 6-1 and 6-2 wells as well as its planned 5-2 and 5-6 wells. The contour lines denote the free air gravity level in 5 milligal contour intervals. The 6-1 and 6-2 wells are shown to be drilling on a +20 milligal contour gravity high, where the ST-1 well was drilled within a -25 milligal contour gravity low.

Strangely Recon's 5-2 and 5-6 wells are planned to drill on an even higher free air gravity level than the 6-1 and 6-2 wells.

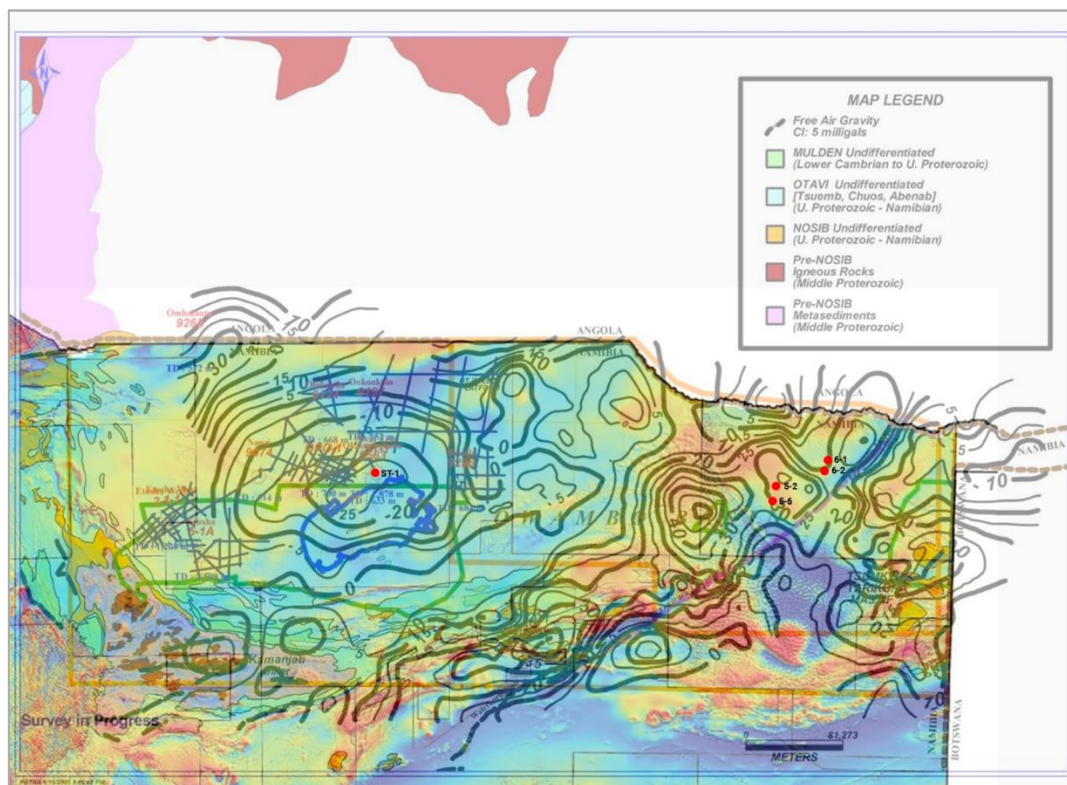


Figure 4 Superposition of Free Air Gravity Anomaly and Aeromagnetic data with drill locations

RECO have this data; they mention it in several scoping reports but appear to be ignoring it. What is clear is that RECO's rebuttal does little to assuage our doubt that the Kavango basin touted by RECO bears any similarity to reality.

As usual, RECO present zero new data and hinge update on promotional language and anchoring bias.



2. ReconAfrica worked to first establish the existence of a working petroleum system

RECO make the following statement regarding its misguided “logical” reasoning behind drilling blind in one of the world’s most unique and delicate environments:

2- ReconAfrica worked to first establish the existence of a working petroleum system. In basins which have existing wells and production, a logical next step is to acquire seismic data to identify potential reservoirs. However, there are no wells in the Kavango Basin; the nearest well is the ST-1 well drilled in the 1960s in the Owambo Basin, 375 km west of the Company's 6-2 well. Seismic data is useful to define possible reservoirs, but it cannot establish whether hydrocarbons are present, or whether there is a working petroleum system comprising source rock, maturation, migration, reservoir rock, and cap/seal. In these circumstances, the logical approach is to drill stratigraphic test wells to establish whether oil and gas has been generated in the basin, and to understand the sedimentology. Once the presence of a working petroleum system has been proven, seismic can then identify structure and potential reservoirs, leveraging the sedimentology data from the stratigraphic tests. Stratigraphic tests have been used for generations in many locations around the world to do just this.

This logical strategy for initial exploration work in the Kavango Basin is provided for in the Petroleum Agreement governing the Kavango Basin blocks and confirmed by Namibia's Ministry of Mines and Energy and ReconAfrica's industry partner NAMCOR, the Namibian state oil company.

Figure 5 ReconAfrica response to short seller’s biased and false short report – 28 June, 2021

“Logical” fallacy

It is a logical fallacy to suggest that, instead of drilling where seismic data would suggest a reservoir exists, RECO should first drill to “understand the sedimentology”. The sequencing of the exploration process is widely known and understood - even the most rudimentary resource on oil and gas exploration spells this out. The image below comes from a beginner’s textbook on hydrocarbon exploration. We seriously doubt that ReconAfrica is challenging accepted methodology on this point.

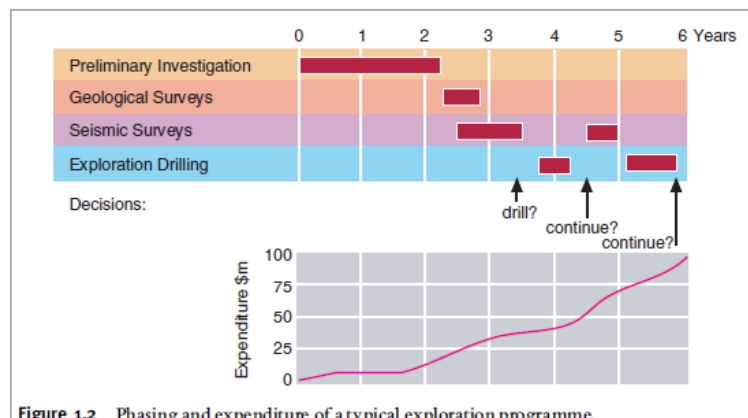


Figure 1.2 Phasing and expenditure of a typical exploration programme.
Figure 6 Hydrocarbon Exploration and Production 2nd edition by Jahn, Cook and Graham

We believe that ReconAfrica’s real reason for delaying 2d seismic surveys are because their results would almost certainly disprove their basin model.



Stratigraphic Wells

As we mentioned in our original report, stratigraphic wells have been used to drill blind, but by far larger and better capitalized companies than RECO. This method of wildcat exploration is also largely outdated and even then, was conducted in proven basins where hydrocarbons were already being extracted. **This method was used generations ago, not “for generations”.**

The company also mentions that the nearest stratigraphic well was 375km away but had no problem extrapolating the Kavango basin’s composition from areas in South Africa 1,500km away or in some cases even not on the same continent. Later in their response ReconAfrica director James Granath mentions the Middle East Zagros belt before backpedaling to avoid comparison. Management clearly believe that simply naming other producing fields is enough to strike oil.

Dr James Granath, PhD (Structural Geology), Director of ReconAfrica:

“In the Middle East, the immense productivity in Saudi Arabia, Iraq and Iran, especially the Zagros belt, are based on multiple stacked source rocks and various kinds of reservoirs including carbonates, which are involved in many types of traps. This is not to say that Kavango is the same as the Middle East, but some structures there—the Zagros in particular—are similar to what we suspect we have drilled into in the Kavango Sedimentary Basin. The 6-2 and 6-1 wells are stratigraphic tests,

Figure 7 ReconAfrica response to short seller’s biased and false short report – 28 June 2021

To be abundantly clear: drilling wells before conducting seismic analysis is absolutely not normal, nor is it logical.

RECO are clearly drilling blind, and the grifters behind the curtain who suggest otherwise show immense disrespect to the fragile and important environment they are destroying, and the people of Namibia.



4. Results from the of Initial Stratigraphic Test Wells confirms a working petroleum system.

RECO make the following statement regarding its test well results, loaded with anchoring statements and promotional language, presenting no new or relevant data.

3- Results from the of Initial Stratigraphic Test Wells confirms a working petroleum system. With the approval of the Ministry of Mines and Energy, ReconAfrica and NAMCOR have recently drilled the 6-2 stratigraphic test well, and are currently drilling ahead on the 6-1 stratigraphic test well following a short maintenance break. This second well is anticipated to reach its total planned depth of 3800 m (12500 feet) in the first week of July.

As reported on April 15, 2021, the mud/well sample log, conducted by Horizon Well Logging Inc., of the 6-2 well provides over 200 meters (over 660 feet) of light oil and natural gas indicators/shows over three discrete intervals in a stacked sequence of reservoir and source rock. Extraction of oil from these samples and subsequent fingerprinting for key characteristics of the liquids, supports an active petroleum system with multiple source intervals.

As reported on June 3 and 24, 2021, the 6-1 well has so far encountered 343 meters (1,125 feet) of oil and gas indicators/shows, further confirming an active petroleum system in the Kavango Basin.

Figure 8 ReconAfrica response to short seller's biased and false short report – 28 June 2021

RECO has failed to provide any further detail on these wells including basic, immediately available data that would quite quickly dismiss investor concern:

- The depth of the 6-2 well.
- The age of the rock in which they claim shows.
- The depth at which they encountered those intervals and the length of each interval.
- Wireline/petrophysical logs

Given RECO's penchant for wild and unchecked self-promotion, we believe the omission of this data is due to its incompatibility with their claims of a deep basin, instead intercepting shows far shallower than their target depth.

As mentioned above, based on gravity maps the company is drilling into a gravity high making it far more likely that the sediment pile is far thinner than expected. The company appears to continue this lack of this disclosure with its 6-1 well.

RECO is so unsure of its well results that it included them in the disclaimer for its rebuttal to the National Geographic, as well as its Renaissance acquisition and its commitment to ESG.

*To be abundantly clear: RECO already has this data: **this should NOT qualify as a forward-looking statement.***

Cautionary Note Regarding Forward-Looking Statements: Certain statements contained in this press release constitute forward-looking information under applicable Canadian, United States and other applicable securities laws, rules and regulations, including, without limitation, statements with respect to data from the 6-2 well providing clear evidence of a working conventional petroleum system in the Kavango Basin, statements with respect to the acquisition of Renaissance Oil Corp., and the Company's commitment to minimal disturbances in line with international best standards and its implementation of environmental and social best practices in all of its project areas. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical

Figure 9 ReconAfrica responds to National Geographic's "Hit Piece" by Environmental Activists

Viceroy will not respond to hearsay conjecture RECO have provided in its response by related and conflicted parties under the guise of independent specialists (but you would smell petroleum in a diesel-powered well-site).



5. ReconAfrica and NAMCOR are now pursuing commercial potential of the Kavango Basin.

RECO make the following statement regarding “logical” steps in its exploration project, loaded with anchoring statements and promotional language, presenting no new or relevant data.

4- ReconAfrica and NAMCOR are now pursuing commercial potential of the Kavango Basin. The next logical step in an exploration program is to acquire seismic data to expand the understanding of the Kavango Basin and assess its commercial potential. With the approval of the Ministry of Mines and Energy, ReconAfrica and NAMCOR will conduct an initial 450 km low-impact 2D seismic acquisition program in the Kavango Basin. Following a formal tender process, ReconAfrica hired Polaris Seismic International, Canada's leading international seismic contractor for a program costing less than US \$10,000 per km. Subject to permitting, seismic operations are scheduled to commence in mid-July. Part of this program will connect the 6-1 and 6-2 stratigraphic test wells (which are 16 km apart) and when combined with a vertical seismic profile planned for those wells, will provide a clearer picture of the commercial potential of the central portion of the Kavango Basin.

ReconAfrica and its joint venture partner NAMCOR will be seeking Ministry approval for the drilling of additional wells in the Namibian portion of the Kavango Basin and the acquisition of additional seismic. These joint activities will be undertaken following Ministry approval and permitting/licensing, beginning in the second half of 2021. ReconAfrica presently has CDN \$63,000,000 in cash reserves which are available to support its continued exploration work in Namibia and Botswana. The Company anticipates this will be sufficient to conduct an initial evaluation of all five sub-basins in the Kavango Sedimentary Basin.

Figure 10 ReconAfrica Responds to Short Seller's Biased and False Short Report – 28 June, 2021

RECO anticipates a cost of >USD4.5m for seismic analysis of a relatively miniscule area in relation to their total lease exploration area. This is far, far less than the cost of drilling two, unsuccessful dry wells. Their August 2020 prospectus forecast a total cost of two wells of CAD8.941m (USD7.23m).

Use of Proceeds	Approximate Amount under Minimum Offering (\$) ⁽¹⁾	Approximate Amount under Maximum Offering (\$) ⁽²⁾
First Well		
Mobilization of drilling rig to Namibia	936,110	936,110
Drilling single stratigraphic test well (35 days / 12,000 feet)	2,942,060	2,942,060
Mudlogging and communications (50 days)	133,730	133,730
Wireline logging	401,190	401,190
Sampling and analysis	133,730	133,730
Geological and project management consulting	267,460	267,460
Water supply well	28,083	28,083
Tubulars	208,619	208,619
Second Well		
Mobilization of drilling rig to Namibia	–	42,794
Drilling single stratigraphic test well (30 days / 12,000 feet)	–	2,674,600
Mudlogging and communications (50 days)	–	133,730
Wireline logging	–	401,190
Sampling and analysis	–	133,730
Geological and project management consulting	–	267,460
Water supply well	–	28,083
Tubulars	–	208,619

Figure 11 ReconAfrica Prospectus dated August 2021

From a commercial perspective, it makes no sense that the cheaper seismic survey was not completed first or that the permitting process was left this late.

It would almost certainly prove or disprove their basin model straight away. If the seismic results showed a very thin sediment pile, you could pack up the project immediately without the need to drill any costly wells.



As mentioned prior, a 450km 2d seismic survey covers a negligible portion of the lease are as shown below in a RECO planning document. These lines are also far too far apart to yield any real resolution; exploration grids typically have 1-5km between lines.

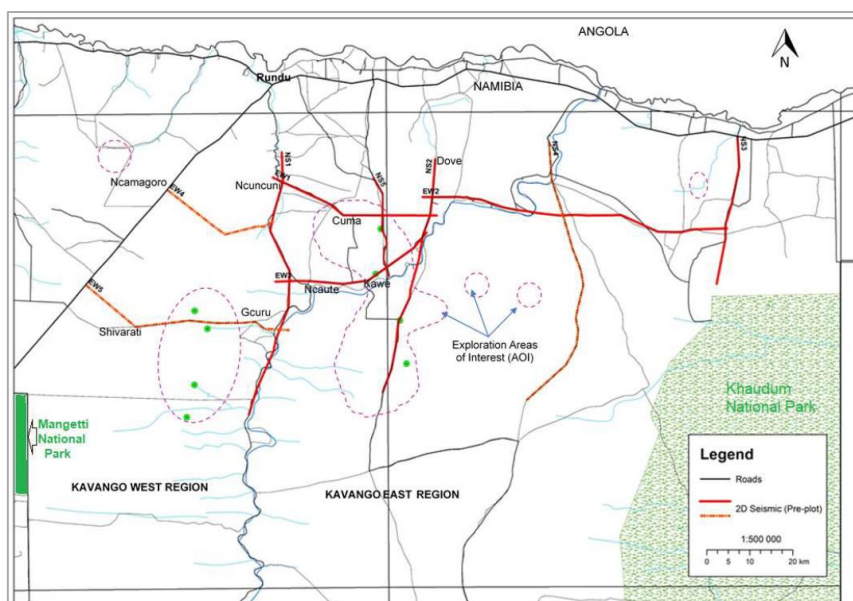


Figure 12 Detailed location of the proposed 2D seismic survey lines and key exploration Area of Interest within PEL 73

It is unfathomable that RECO will continue to blow shareholder capital without releasing ANY well data to investors. It would be easy to challenge Viceroy on this point. The reason they have not released this data is because the wells were failures, as is their geological model.

Weight drop

Industry experts consulted by Viceroy also noted that the company's choice of a weight-drop system for 2Dd seismic surveys was puzzling. While these systems are popular in the Canada oil sands when looking a few hundred meters deep and require a smaller cut line to acquire, they are ill suited to look for a basin as deep as that RECO is claiming.

We were advised that the Polaris 860 rig used by RECO is generally used to image within the 1,000 – 2,000m depth range, and marketing materials for the Polaris bear this out. We question why RECO chose such a rig when drilling to depths of 3,800m.

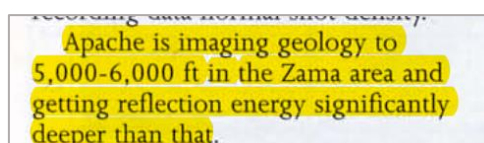


Figure 13 Seismic weight drop quest leads to improved data, costs, footprint⁴

We are sure RECO will point to the reduced environmental impact of weight drop systems however in this case the survey will be conducted along roads leaving roughly the same footprint. **It makes no sense.**

Cash

RECO's cash balance largely stems from a bought-deal arrangement with Haywood securities, considering of warrants immediately exercisable at ~\$9.50. RECO have unwittingly created a perfect storm whereby Haywood's risk management must now consider whether to hold stock in a company consistently lying to shareholders in a forced-seller scenario.

⁴ <http://www.polarisgeo.com/uploads/PDF/Oil%20and%20Gas%20Article%20March%202004.pdf>



(d) On May 27, 2021, the Company completed a bought deal financing (the "May 2021 Offering") of 4,358,040 units (the "Units") for gross proceeds of \$41,401,380. Each Unit consists of one common share in the capital of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of \$14.00.

Figure 14 ReconAfrica Q1 Financial Summary

6. The Petroleum Agreement

RECO make the following statement regarding its extensions in relinquishing their petroleum block, using anchoring statements and promotional language, presenting no new or relevant data.

The Petroleum Agreement for the Namibian portion of the Kavango Basin contemplates relinquishment of 75% of the licensed area, but excluded from this relinquishment are any areas which are subject to an application for the declaration of a petroleum field, which comprises the block with a discovery of commercial interest. ReconAfrica and NAMCOR are currently in the First Renewal Period of PEL 73, and this period can be extended by application and Ministry approval to the end of January 2023. A Second Renewal Period will follow which adds two additional years for exploration operations, and can also be extended by application for another year. Accordingly, it is reasonable to anticipate that upon application and approval, exploration in the Namibian portion of the Kavango Basin can continue until the end of January 2026. Consequently, ReconAfrica is confident that there is sufficient time to fully evaluate the entire Kavango Basin in Namibia and make production licence applications for declaration of any petroleum fields which are established as the program develops.

Figure 15 ReconAfrica Responds to Short Seller's Biased and False Short Report – 28 June, 2021

- We made it clear that RECO could effectively "pick and choose" which areas to keep but have little hope of knowing with any certainty which areas would be worth keeping. It is abundantly clear that the justification for drilling wells has less to do with gathering information and more to do with fulfilling lease requirements and issuing promotional press releases.
- RECO exclusions subject to an application for the declaration of a petroleum field are a **moot point**. RECO has consistently hid its exploration results from shareholders, and it is unfathomable that such an application will be made and approved for dry wells.
- RECO conveniently glosses over the timing of their relinquishment of 75% of the lease area: 50% following the completion of the second well (forecast from the end of July 2021) and a further 25% at the end of the first renewal period!



8. “Net Buyers”

RECO make the following statement regarding its management being granted options and selling stock, using anchoring statements and promotional language, presenting no new or relevant data.

Other Short Seller Fabrications and Distortions

The short seller report is littered with falsehoods on a variety of other topics. For the most part these are repetitions from earlier publications that ReconAfrica has previously addressed and debunked.

We reemphasize what has been stated previously: ReconAfrica directors and officers have consistently been net buyers of ReconAfrica stock. In the past 12 months, according to SEDl.ca, current officers and directors of ReconAfrica have purchased 985,289 shares for a cost of CDN \$793,428 and have only sold 112,206 shares for gross proceeds of CDN \$744,661, retaining 4,383,289 shares with a current market value of over CDN \$48 million. Companies operating any sort of “pump and dump” scheme would surely have sold significantly more shares than the officers and directors of ReconAfrica where the Company’s stock has risen 1326% in the past 12 months. Clearly, directors and officers of ReconAfrica are committed to the long term viability and success of the Company.

Despite the actions of short sellers and their enablers, ReconAfrica and our joint venture partner NAMCOR, will proceed with our plans to explore for this potentially major energy source for Namibia and Botswana in the Kavango area, in an environmentally and socially respectful manner and for the benefit of all.

Figure 16 ReconAfrica Responds to Short Seller's Biased and False Short Report – 28 June 2021

- RECO appear to suggest that management’s “purchase” of 985k shares was something other than vested stock options, for which the average issue price was CAD0.80 across the period. All management stock sales have been on-market at average prices of ~CAD6.63, an 730% premium to the average issue price, with selling all the way up to CAD10.08.
- RECO suggests that because the company stock price has risen by >1,300% in the past 12 months, this is indicative that RECO is not a pump and dump.
- Management completely ignore Viceroy’s pertinent questions relating to the fleecing of investors, including:
 - The terms under which these options were issued, and what performance milestones must be met for vesting rights.
 - The acknowledgement and further disclosures of shadow directors and related party transactions. This includes the absurd Renaissance transaction and enrichment of insiders playing both sides of the deal.



Conclusion

RECO have failed to adequately address the points raised in our original report. Apart from several glowing statements from insiders, their response contains no new information. The company failed to address at all:

- **Management's appalling ecological and operational track record** including Chairman Jay Park's implication in bribery scandals, or shadow director Craig Steinke's disastrous environmental record.
- **Employment or retainer of Knowledge Katti**, a Namibian businessman previously embroiled in a bribery scandal for mining companies in Namibia.
- **RECO's backflipped plan to frack in Namibia**, highlighted in all their commissioned feasibility studies and environmental assessment studies, and basis for estimate valuations sent to shareholders in paid-promotional material.
- **Promotional articles sponsored by the company targeting unsophisticated investors**, costing the company hundreds of thousands, if not millions, of dollars.

This is not the first time the company has issued a disappointing response. In its responses to the Globe and Mail and the National Geographic RECO failed to present any information to rebut or disprove the articles in question, resorting to name-calling and spinning old information as new.

We reiterate our belief that it is extremely unlikely that RECO finds a commercially viable petroleum system and even less likely that they can capitalize on it. Ultimately, we believe the company will revert to trading as an unremarkable penny stock.