

TSX Venture Exchange  
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July 13, 2023

**Re: Current share listing regarding Reconnaissance Energy Africa Ltd's should be halted**

We are writing to bring to the attention of the Toronto Stock Exchange Venture Exchange (TSXV) the ongoing ecological, cultural, human rights, and climatic impact of the activities of TSX-listed Reconnaissance Energy Africa Ltd, (ReconAfrica) (“Company”) (TSXV: RECO) in Namibia and Botswana.

The TSXV should already be aware of legal and regulatory concerns regarding the Company’s activities, some of which have already been relayed in detail to the TSXV.<sup>1</sup>

If the shareholding is allowed to proceed, the significant environmental and human rights impacts outlined in this letter could substantially increase; therefore, we believe that it is in the public interest to suspend the share listing.

From June 26 to June 28, 2023, the Company issued 20 SEDAR filings, including FORM 51-102F3s, “material change” reports, and marketing materials related to a new share issuing.<sup>2</sup>

The FORM 51-102F3 issued on June 28 outlines how: “On June 26, 2023, the Company announced that it had filed a preliminary short form prospectus in connection with an overnight marketed offering (the “Offering”) of units (the “Units”) of the Company, at a price per Unit to be determined in the context of the market. Subsequently, on June 27, 2023, the Company announced that it had entered into an underwriting agreement with Canaccord Genuity Corp. and Haywood Securities Inc. (collectively, the “Underwriters”) effective as of June 26, 2023, to sell 4,545,454 Units at a price of \$1.10 per Unit (the “Offering Price”) for aggregate gross proceeds of \$5,000,000.”

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<sup>1</sup> <https://aboveground.ngo/wp-content/uploads/2021/09/2109015-AG-CIEL-GLA-TSXV-Submission.pdf>

<sup>2</sup> <https://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00008235>

“Finally, on June 27, 2023, the Company announced that it had agreed to increase the size of the Offering to 5,909,091 Units at the Offering Price for aggregate gross proceeds of \$6,500,000.”

The company has also stated that the “Offering is expected to close on or about July 11, 2023, or such other date as agreed to between the Company and the Underwriters, and is subject to certain closing conditions, including the receipt of all necessary regulatory approvals and the acceptance of the TSX Venture Exchange.”

If the TSX Venture Exchange gives regulatory approval, the funding could have a devastating ecological, cultural, or climatic impact, which is already well documented.

For example, the drilling threatens the UNESCO World Heritage site, the Okavango Delta, home to some of the world’s most endangered species, such as the cheetah, white and black rhinoceros, African wild dog, and lion.<sup>3</sup> It also threatens the world’s largest protected international wildlife reserve, the Kavango–Zambezi Transfrontier Conservation Area (“KAZA”), which covers the five nations of Southern Africa.<sup>4</sup> Over one million people depend on the water within the Delta watershed.<sup>5</sup>

In a series of 10 articles since 2020, *National Geographic* magazine has outlined the shortcomings of the drilling operations. The magazine has highlighted how the company allegedly didn’t adequately consult with local communities about the full drilling plan as required by Namibian law;<sup>6</sup> violated its promise to line its drilling waste pits to prevent groundwater pollution;<sup>7</sup> failed to secure legally required water and land permits;<sup>8</sup> drilled inside the Kapinga Kamwalye Conservancy without legal rights,<sup>9</sup> and bulldozed roads illegally through protected areas.<sup>10</sup> A lawsuit filed by families close to the company’s

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<sup>3</sup> <https://whc.unesco.org/en/list/1432/>

<sup>4</sup> <https://www.kavangozambezi.org/about-kaza/>

<sup>5</sup>

<https://www.nationalgeographic.com/animals/article/oil-drilling-reconafrika-okavango-watershed-protected-wilderness>

<sup>6</sup> <https://www.nationalgeographic.com/animals/article/oil-drilling-fracking-planned-okavango-wilderness>

<sup>7</sup>

<https://www.nationalgeographic.com/animals/article/oil-company-reconafrika-accused-of-ignoring-communities-concerns>

<sup>8</sup> <https://www.nationalgeographic.com/animals/article/test-drilling-oil-namibia-poses-water-risk>

<sup>9</sup>

<https://www.nationalgeographic.com/environment/article/canadian-oil-company-illegally-bulldozes-protected-land-in-africa>

<sup>10</sup>

<https://www.nationalgeographic.com/environment/article/canadian-oil-company-illegally-bulldozes-protected-land-in-africa>

Mbambi drill site in Namibia accuses the company of “unlawful possession” of their land.<sup>11</sup>

According to climate experts, the region, including the Kalahari desert, is already warming at rates twice the global average and at the fastest anywhere in the Southern Hemisphere.<sup>12</sup>

Then there are concerns over human rights:

In October 2021, one legal case against the company outlined that during the company’s “consultation and engagement,” a ReconAfrica retained consultant had “justified the torrent of online harassment” against a prominent anti-ReconAfrican activist and noted that “he also takes part in the harassment. This is absolutely appalling”. The legal case also notes that local indigenous communities had been “mocked” for raising questions about displacement.<sup>13</sup>

In December 2021, *National Geographic* reported that one local community activist “believed his life was in danger for expressing concerns about the company’s oil exploration activities and treatment of local people.” This person, who was detained by the Namibian police, told the magazine that, along with an associate, “they’d received unsolicited offers to work for ReconAfrica to monitor wildlife, which they interpreted as attempted bribes.”<sup>14</sup>

In March 2023, *Rolling Stone* magazine reported how after an activist had accused the company of “harassing us” at one meeting with ReconAfrica in 2021, “A furious representative for ReconAfrica threatened to call the police, seemingly intent on having her arrested. After she took out her cellphone to record the threat, they left her alone.”<sup>15</sup>

In June 2023, *National Geographic* further reported that one local community activist had had their house broken into four times since last December. They told the magazine:

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<sup>11</sup>

<https://www.nationalgeographic.com/animals/article/oil-drilling-reconafrika-okavango-watershed-protected-wilderness?loggedin=true&rnd=1689075601193>

<sup>12</sup>

[https://www.researchgate.net/publication/325539142\\_Seasonal\\_prediction\\_and\\_regional\\_climate\\_projects\\_for\\_southern\\_Africa](https://www.researchgate.net/publication/325539142_Seasonal_prediction_and_regional_climate_projects_for_southern_Africa)

<sup>13</sup> <https://www.classaction.org/media/muller-v-reconnaissance-energy-africa-ltd-et-al.pdf>

<sup>14</sup>

<https://www.nationalgeographic.com/animals/article/oil-company-reconafrika-accused-of-drilling-in-african-wildlife-reserve>

<sup>15</sup>

<https://www.rollingstone.com/politics/politics-features/oil-drilling-africa-destroy-wild-land-namibia-recon-investors-1234697088/>

“I am very afraid and even thinking of leaving the location. We don’t know who it is, but this could be connected to my activism in the region.”<sup>16</sup>

Beyond the ecological and human rights impact, there are ongoing concerns about how the company communicates to shareholders and the public.

According to a recent article in *Rolling Stone*, the Company also spent millions on “what amounts to fake news,” pumping the stock to small-time gullible investors with paid-for infomercials and paid-for content on investment websites. “One way to think about ReconAfrica is as a mechanism for sucking millions of dollars out of the pockets of investors,” the magazine claims.<sup>17</sup> The company recently issued a press release claiming it was nominated for an award recognizing its environmental and social governance program. The event was actually sponsored by ReconAfrica Founder Jay Park's law firm.<sup>18</sup>

In May 2023, lawyers for Canadian shareholders also asserted that the company “omitted material facts” that “revealed poor prospects for achieving oil and gas production that would be commercially viable,” which were later publicly corrected by the company.<sup>19</sup> It is also subject to two class action lawsuits along with “certain of its current and former officers, directors and third-party contractors” in the US by existing shareholders.<sup>20</sup> These are believed to be ongoing. Lawyers for the plaintiffs allege the company made “materially false and misleading statements” and “blatant stock promotion.”<sup>21</sup> Reports also suggest that regulatory authorities in Canada and Germany have been investigating the company.<sup>22</sup>

The information in this letter adds to concerns already submitted to the TSXV. In September 2021, Above Ground, the Center for International Environmental Law, and the Global Law Alliance for Animals and the Environment requested that TSX Venture Exchange investigate the conduct of “the Company” “for what may be unreported

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<sup>16</sup>

<https://www.nationalgeographic.com/animals/article/canadian-oil-company-reconafrika-pause-drilling-namibia?loggedin=true&rnd=1688488240472>

<sup>17</sup>

<https://www.rollingstone.com/politics/politics-features/oil-drilling-africa-destroy-wild-land-namibia-recon-investors-1234697088/>

<sup>18</sup> <https://reconafrika.com/wp-content/uploads/AIEN-2023-Awards-Ceremony.pdf>

<sup>19</sup> <https://bergermontague.ca/wp-content/uploads/2023/05/Notice-of-Civil-Claim-Issued-May-23-2023.pdf>

<sup>20</sup>

<https://www.newswire.ca/news-releases/reconafrika-served-with-class-action-complaint-878714439.html>

<sup>21</sup> <https://www.classaction.org/media/muller-v-reconnaissance-energy-africa-ltd-et-al.pdf>

<sup>22</sup> [https://www.theglobeandmail.com/business/article-rcmp-probe-reconafrika-stocks/;](https://www.theglobeandmail.com/business/article-rcmp-probe-reconafrika-stocks/)

<https://www.nationalgeographic.com/animals/article/oil-drilling-reconafrika-okavango-watershed-protected-wilderness>

material changes to its business operations and/or material misrepresentations made in its filings on the System for Electronic Document Analysis and Retrieval (“SEDAR”) and other public communications, including on its website, in its investor presentations, and in statements to the press.”<sup>23</sup>

Given the ongoing legal and regulatory issues coupled with huge ecological, human rights, and cultural impacts, the share listing should not proceed.

Yours,

Jan Ackert, geologist, South Africa

Niki Christina Ashton MP, Canada

Climate Action Network, Canada

Earthlife Namibia, Namibia

Economic and Social Justice Trust, Namibia

Grandmothers Advocacy Network, Canada

Natural Justice, South Africa

Nutrition and Food Security Alliance of Namibia

Oil Change International, USA

Saving Okavango's Unique Life, Namibia

Geoff Styles, Carbon Impact Consultants, Canada

Women’s Leadership Centre, Namibia

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<sup>23</sup> <https://aboveground.ngo/wp-content/uploads/2021/09/2109015-AG-CIEL-GLA-TSXV-Submission.pdf>