



**NCP NORTHLAND**  
CAPITAL PARTNERS INC.

**SEPTEMBER 12, 2011**

Reservoir Capital Corp.  
Suite 300, 570 Granville Street  
Vancouver, British Columbia  
Canada V6C 3P1

**STRICTLY PRIVATE & CONFIDENTIAL**

**Attention: The Independent Directors of the Board of Directors**

NCP Northland Capital Partners Inc. ("NCP") understands that Reservoir Capital Corporation (the "Company") is conducting a re-organization of its business components, by way of plan of arrangement, (the "Proposed Transaction") whereby the Company will spin-out its mineral exploration assets in Serbia into a newly listed public company Reservoir Minerals Inc. ("Reservoir Minerals") as announced March 25<sup>th</sup>, 2011.

NCP understands that the Proposed Transaction will be subject to certain conditions, including, among others: (i) approval by the boards of each of the Company and Reservoir Minerals, (ii) a majority of the votes cast in respect of approving the Proposed Transaction by holders of the Company's common shares (collectively the "Shareholders") present in person or by proxy at a special meeting of Shareholders to be held to approve the Proposed Transaction (the "Special Meeting"), (iii) the entering into of the definitive agreement and arrangement agreement for the plan of arrangement ("Definitive and Arrangement Agreement"), and (iv) such other matters as are specified in the Definitive and Arrangement Agreement.

NCP understands that additional details of the Proposed Transaction will be provided in a management information circular (the "Circular") to be mailed to the Shareholders on or about September 12, 2011. NCP also understands that the Proposed Transaction and the Circular will be prepared by the Company in compliance with applicable laws, regulations, policies and rules (the "Rules").

The Independent Directors of the Board of Directors ("Independent Directors") has retained NCP to prepare and deliver to the Independent Directors its opinion (the



"Fairness Opinion") as to whether the Proposed Transaction is fair from a financial point of view to the Shareholders.

#### **ENGAGEMENT OF NCP NORTHLAND CAPITAL PARTNERS INC.**

The Independent Directors first contacted NCP early in the week of April 4<sup>th</sup>, 2011 regarding a potential engagement in connection with delivering a Fairness Opinion for the Potential Transaction. Pursuant to a letter agreement dated April 14, 2011 (the "Engagement Agreement"), NCP was formally retained by the Independent Directors for the limited purpose of preparing the Fairness Opinion in respect of the Potential Transaction. The terms of the Engagement Agreement provide that NCP shall be paid a cash fee for services to be rendered thereunder, including the preparation and delivery of the Fairness Opinion. The fee shall be inclusive of any legal and out-of-pocket expenses. NCP is to be indemnified by the Company in certain circumstances as set out in the Engagement Letter. No part of NCP's fee is contingent upon the outcome of the Proposed Transaction or any other transaction or event.

#### **CREDENTIALS OF NCP NORTHLAND CAPITAL PARTNERS INC.**

NCP is one of Canada's fastest growing independent investment banking firms, with operations in all facets of corporate finance, mergers and acquisitions, equity sales and trading and investment research. NCP and its professionals have collectively been financial advisors in a significant number of transactions throughout North America involving public companies in various industry sectors. The Fairness Opinion expressed herein represents the opinion of NCP as of September 12, 2011 and the form and content hereof have been approved by a group of NCP's directors and officers ("Fairness Committee").

#### **INDEPENDENCE OF NCP NORTHLAND CAPITAL PARTNERS INC.**

NCP acts as a trader of, and dealer in, securities both as principal and on behalf of our clients and, as such, (i) we may have had, and may in the future have, long or short positions in the securities of one or more parties to the Proposed Transaction or any of their respective related entities and, from time to time, may have executed or may execute transactions on behalf of such persons, (ii) we conduct research on securities and may, in the ordinary course of our business, provide research reports and investment advice to our clients on investment matters, including with respect to one or more parties to the Proposed Transaction, and (iii) we, or our controlling shareholder, Northland Bancorp Inc. ("Northland Bancorp"), may, in the ordinary



course of business, extend loans or provide other financial services (collectively, "Financial Services") to one or more parties of the Proposed Transaction. The Company agrees not to seek to restrict or challenge the ability of NCP, Northland Bancorp or their affiliates to conduct Financial Services that are not directly related to the Proposed Transaction, except under those restrictions set out herein. The Company acknowledges and agrees that if a potential acquirer of the Company or any of its subsidiaries or other assets seeks financing for such an acquisition, we or our controlling shareholder, Northland Bancorp, may act as underwriter, agent or lender in respect of such financing provided that we and any of our affiliates who are involved in such financing implement reasonable procedures to ensure that no confidential information relating to the Proposed Transaction or the acquisition financing, as applicable, is exchanged between the respective teams of employees and agents who are involved in the separate engagements. Neither we nor any of our affiliates will act as mergers and acquisitions adviser to any potential purchaser in respect of the Proposed Transaction.

In connection with a non-brokered private placement ("Private Placement") for subscription receipts conducted by Reservoir Minerals, certain employees of NCP participated in the Private Placement. Further, NCP received a finder's fee with respect to introducing certain investors to Reservoir Minerals that participated in the Private Placement. For greater certainty, none of the members of NCP's Fairness Committee participated in the Private Placement.

None of NCP, Northland Bancorp or any of their affiliated entities (as such term is defined for purposes of the Rules):

- (a) is an associated or affiliated entity or issuer insider (as such terms are defined for purposes of the Rules) of the Company or its respective associates or affiliates;
- (b) is a manager or co-manager of a soliciting dealer group formed in respect of the Proposed Transaction (or a member of such a group performing services beyond the customary soliciting dealer's functions or receiving more than the per security or per security holder fees payable to the other members of the group);
- (c) has a material financial incentive in respect of the conclusions reached in the Fairness Opinion;
- (d) has a material financial interest in the completion of the Proposed Transaction;



- (e) except as stated above, during the 24 months before NCP was first contacted by the Independent Directors in respect of the Proposed Transaction, it did not have a material involvement in an evaluation, appraisal or review of the financial condition of the Company or any of its respective affiliated entities, acted as a lead or co-lead underwriter of a distribution of securities of the Company or any of its respective affiliated entities or had a material financial interest in any transaction involving the Company or any of its respective affiliated entities; or
- (f) is a lead or co-lead lender or manager of a lending syndicate in respect of the Proposed Transaction or a lender of a material amount of indebtedness of the Company or of any of its respective subsidiaries.

There are no agreements or understandings between NCP and any interested parties in the Proposed Transaction concerning future business relationships.

NCP is of the view that it is "independent" of all interested parties in the Proposed Transaction for the purposes of the Rules.

## **SCOPE OF REVIEW**

In connection with the Fairness Opinion, NCP reviewed, considered and relied upon (without attempting to verify independently the completeness or accuracy thereof) or carried out, among other things, the following:

- letter of intent dated March 24<sup>th</sup>, 2011 between the Company and Reservoir Minerals;
- Definitive and Arrangement Agreement entered into between the Company and Reservoir Minerals;
- audited consolidated financial statements of the Company for the three fiscal years ended as at April 30<sup>th</sup>, 2010, April 30<sup>th</sup>, 2009 and April 30<sup>th</sup>, 2008;
- unaudited consolidated interim financial statements of the Company for the nine months ended and as at January 31<sup>st</sup>, 2011 and six months ended October 31<sup>st</sup>, 2010 with comparative figures for the same periods in the prior year;



- management's discussion and analysis of the financial condition and results of the operations of the Company for the three years ended and as at April 30<sup>th</sup>, 2010, April 30<sup>th</sup>, 2009 and April 30<sup>th</sup>, 2008;
- management's discussion and analysis of the financial condition and results of the operations of the Company for the nine months ended and as at January 31, 2011 and the six months ended October 31, 2010 with comparative figures for the same periods in the prior year;
- notices of annual meetings of Shareholders and management information circulars of the Company;
- technical report on the Parlozi property (the "Technical Report");
- discussions with management with respect to the information referred to above and other issues considered relevant, including the outlook for the Company;
- representations contained in a representation letter (the "Representation Letter") addressed to NCP dated as of September 12, 2011, signed by the Chief Executive Officer and Chief Financial Officer of the Company as to, among other things, the completeness and accuracy of the information provided by the Company upon which the Fairness Opinion is based;
- various research publications prepared by equity research analysts and independent market researchers regarding the mineral exploration industry, the Company and other selected public companies considered relevant;
- public information relating to the business, operations, financial performance and trading history of the Company and other selected public companies considered relevant;
- public information with respect to precedent transactions of a comparable nature considered relevant; and
- such other corporate, project, industry and financial market information, investigations and analyses as NCP considered necessary or appropriate in the circumstances.



NCP, to the best of its knowledge, has not been denied access by the Company to any information requested by NCP.

## **ASSUMPTIONS AND LIMITATIONS**

The Fairness Opinion is subject to the assumptions, explanations and limitations set forth below. In accordance with the Engagement Agreement, NCP has relied upon, and has assumed the completeness, accuracy and fair presentation of, all financial and other information, data, advice, opinions and representations (including those representations contained in the Representation Letter) relating to the Company obtained by it from public sources or provided by the Company or any of their respective subsidiaries or their respective directors, officers, consultants, advisors and representatives, including information, data and other materials filed on SEDAR (collectively, the "Information"). The Fairness Opinion is conditional upon the completeness, accuracy and fair presentation of the Information. Subject to the exercise of its professional judgment, NCP has not attempted to verify independently the completeness, accuracy or fair presentation of the Information.

NCP has assumed that the forecasts, projections, estimates and budgets provided to us and used in our analysis have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of management as to matters covered thereby.

Senior officers of the Company have represented to NCP in the Representation Letter that: (i) the Information provided by or on behalf of the Company to NCP for the purpose of preparing the Fairness Opinion was, at the date such Information was provided to NCP, complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the Information not misleading in light of the circumstances under which such Information was provided; and (ii) since the dates on which the information was provided to NCP, except as disclosed in writing to NCP, which is limited by knowledge, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company, as the case may be, and no material change has occurred in such Information or any part thereof that would have or could reasonably be expected to have a material effect on the Fairness Opinion.

The Independent Directors, the Chief Executive Officer and the Chief Financial Officer of the Company have each represented to NCP that the contents of the Circular will be true and correct in all material respects and will not contain any



misrepresentations (as such term is defined in the *Securities Act* (Ontario)) and the Circular will comply with all requirements under applicable laws.

In preparing the Fairness Opinion, NCP has made several assumptions, including that all of the conditions required to consummate the Proposed Transaction will be met without adverse condition or qualification, that the procedures to consummate the Proposed Transaction are valid and effective, that all required documents will be distributed to Shareholders in accordance with applicable laws, and that the disclosure in such documents will be accurate and in compliance with applicable laws.

The Fairness Opinion is rendered on the basis of securities markets', economic, financial and general business conditions prevailing as of September 12, 2011 and the condition and prospects, financial and otherwise, of the Company and its respective subsidiaries and other material interests as they were reflected in the Information reviewed by NCP. In its analyses and in preparing the Fairness Opinion, NCP made numerous judgments with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Proposed Transaction.

The Fairness Opinion is provided as of September 12, 2011, and NCP disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion of which it may become aware after September 12, 2011. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after such date, NCP reserves the right to change, modify or withdraw the Fairness Opinion.

This Fairness Opinion has been prepared and provided solely for the use of the Independent Directors and for inclusion in the Circular to be sent to the Shareholders and may not be used or relied upon by any other person without NCP's express prior written consent. Subject to the terms of the Engagement Agreement, NCP consents to the publication of the Fairness Opinion in its entirety and a summary thereof (in a form acceptable to NCP) in the Circular relating to the Proposed Transaction and to the filing thereof, as necessary, by the Company with the securities commissions or similar regulatory authorities in Canada.

We express no opinion herein concerning the future trading prices of the securities of the Company and make no recommendation to the Shareholders with respect to the Proposed Transaction.

We are not legal, tax or accounting experts and express no view as to the legal, tax or accounting aspects of the Proposed Transaction.





NCP has based the Fairness Opinion upon a variety of factors. Accordingly, NCP believes that its analyses must be considered as a whole. Selecting portions of its analyses or the factors considered by NCP, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

This Fairness Opinion has been prepared in accordance with the Disclosure Standards for Fairness Opinions of the Investment Industry Regulatory Organization of Canada ("IIROC"), but IIROC has not been involved in the preparation or review of this Fairness Opinion.

## **METHODOLOGY AND ANALYSIS**

In considering the fairness of the consideration to be received or paid in connection with the Proposed Transaction, from a financial point of view, to the Shareholders, NCP reviewed, considered and relied upon or carried out, among other things, a number of different methodologies utilized for a transaction of this nature. As a result of the early exploration stage nature of the assets to be held by Reservoir Minerals, NCP focused its analysis on the precedent transactions method which involved analyzing similar spin-out type transactions for comparable mineral exploration companies and the implied value of the spun-out assets given to existing shareholders of the parent company relative to the historical expenditures on these assets. In addition, NCP considered such other information, investigations and analyses considered necessary or appropriate in the circumstances.

NCP considered the precedent transactions approach and reviewed precedent transactions involving entities in the mineral exploration and development industry which were broadly comparable and for which there was sufficient public information to derive relevant comparable multiples.

For all transactions identified, NCP computed and reviewed available metrics, including, among others, exploration expenditures spent to date as of the time of the transaction relative to the implied spin-out transaction value. NCP compared the Proposed Transaction to the precedent transactions with respect to the foregoing metric.

NCP considered this approach to be most relevant given the early stage exploration nature and joint venture model followed by Reservoir Minerals.





## **FAIRNESS OPINION CONCLUSION**

Based upon and subject to the foregoing and such other matters as we considered relevant, NCP is of the opinion that, as of September 12, 2011, the consideration to be received or paid in connection with the Proposed Transaction is fair, from a financial point of view, to the Shareholders.

## **FAIRNESS OPINION CONCLUSION**

The Fairness Committee of NCP has approved this opinion.

Yours very truly,

*NCP Northland Capital Partners Inc.*

NCP Northland Capital Partners Inc.