



MANAGEMENT INFORMATION CIRCULAR

(As at August 23, 2012 (the "Record Date") and in Canadian dollars, except where indicated)

PERSONS MAKING THIS SOLICITATION OF PROXIES

This Management Information Circular ("Information Circular") is provided in connection with the solicitation by management of Reservoir Capital Corp. (the "Corporation") of proxies from the holders of common shares of the Corporation ("Common Shares") in respect of the annual general meeting of shareholders (the "Meeting") to be held at the time, location and place and for the purposes set out in the accompanying notice of meeting (the "Notice of Meeting").

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to forward the Corporation's proxy solicitation materials to the beneficial owners of the Common Shares held of record by such parties. The Corporation may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Corporation.

APPOINTMENT OF PROXYHOLDERS AND COMPLETION AND REVOCATION OF PROXIES

The persons named (the "Management Designees") in the enclosed instrument of proxy ("Instrument of Proxy") have been selected by the directors of the Corporation and have agreed to represent as proxyholder the shareholders appointing them.

A shareholder has the right to designate a person (who need not be a shareholder) other than the Management Designees to represent them at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the enclosed Instrument of Proxy the name of the person to be designated and by striking therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxyholder and provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification with them to the Meeting.

To be valid, the Instrument of Proxy must be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Instrument of Proxy). The Instrument of Proxy must then be delivered to the Corporation's transfer agent, Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Canada in accordance with its instructions (which permit telephone and Internet voting) at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Proxies received after that time may be accepted or rejected by the Chairman of the

Meeting in the Chairman's discretion, and the Chairman is under no obligation to accept or reject late proxies.

An Instrument of Proxy may be revoked by a shareholder personally attending at the Meeting and voting their Common Shares. A shareholder may also revoke their Instrument of Proxy in respect of any matter upon which a vote has not already been cast by depositing an instrument in writing (which includes an Instrument of Proxy bearing a later date) executed by the shareholder or by their authorized attorney in writing, or, if the shareholder is a company, under its corporate seal by an officer or attorney thereof duly authorized, at the office of the transfer agent at the foregoing address, the Corporation at Suite 501, 543 Granville Street, Vancouver, British Columbia, V6C 1X8, Canada or its registered office at Northwest Law Group (attn: Michael F. Provenzano), Suite 704, 595 Howe Street, Box 35, Vancouver, British Columbia V6C 2T5, Canada at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or by depositing the instrument in writing with the Chairman of such Meeting, prior to the commencement of the Meeting or any adjournment thereof.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance as many shareholders do not hold Common Shares in their own name.

Shareholders holding their Common Shares through their brokers, intermediaries, trustees or other parties (collectively, "Intermediaries" or, individually, an "Intermediary") or otherwise not holding their Common Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders appearing on the records maintained by the Corporation's transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a stock broker or securities dealer, those Common Shares, in all likelihood, will **not** be registered in the shareholder's name. Accordingly, that shareholder will be a Beneficial Shareholder. Common Shares held by Intermediaries (including stock brokers and securities dealers) can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, stock brokers and securities dealers are prohibited from voting Common Shares for their clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

There are two types of Beneficial Shareholders: those who do not object to their Intermediary disclosing certain ownership information about them to the Corporation (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "NOBOs") and those who object to their Intermediary disclosing ownership information about them to the Corporation (such Beneficial Shareholders are designated as objecting beneficial owners, or "OBOs").

As provided for in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has elected to obtain a list of its NOBOs from Intermediaries, and deliver proxy-related materials directly to its NOBOs. In addition to that proxy related material, NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from their Intermediaries instead of an Instrument of Proxy. A VIF enables a shareholder to provide instructions to the registered holder of its Common Shares as to how those shares are to be voted at the Meeting and allow the registered holder to provide a proxy voting the Common Shares in accordance with those instructions. A VIF should be completed and returned in accordance with its instructions. As indicated in the VIF, both telephone voting and Internet voting are also allowed. The results of the VIFs received from NOBOs will be tabulated and appropriate instructions respecting voting of shares to be represented at the Meeting will be provided to the registered holders.

A Beneficial Shareholder cannot use a VIF to vote Common Shares directly at the Meeting. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. Should a Beneficial Shareholder receive a VIF and wish to attend the Meeting or have someone else attend on its behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or its nominee the right to attend and vote at the Meeting.

All references to shareholders in this information circular and the accompanying Instrument of Proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

Applicable regulatory policies require Intermediaries to seek voting instructions from OBOs in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Investor Services, which mails the materials for the Meeting to OBOs and asks them to return a proxy or other voting instruction form to Broadridge. **An OBO receiving a proxy or other voting instruction form from Broadridge may not be able to use that proxy or other voting instruction form to vote shares directly at the Meeting. The proxy or other voting instruction form must be returned to Broadridge well in advance of the meeting in order to have the shares voted. The Corporation does not know the names of OBOs and as a result OBOs will not be recognized at the Meeting for the purposes of voting their shares in person or by proxy without following the procedures set out by their Intermediary.** An OBO may only revoke its proxy or other voting instruction form in accordance with the procedure established by its Intermediary.

VOTING OF PROXIES

Each Shareholder may instruct their proxyholder how to vote their Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (if the number of Shares represented by proxies that are to be voted against a motion are greater than 5% of the votes that could be cast at the Meeting) and, where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the Instrument of Proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxyholder, will vote in favour of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other person named as proxyholder, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting. If other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of the Corporation.

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an “ordinary resolution”) unless the motion requires a “special resolution” in which case a majority of 66-2/3% of the votes cast will be required.

QUORUM

The articles of the Corporation provide that a quorum for the transaction of business at any meeting of shareholders shall be two shareholders present in person or represented by proxy, representing not less than 5% of the outstanding shares entitled to vote at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation's issued shares consists of Common Shares. As at the Record Date, the Corporation had 53,293,726 Common Shares issued and outstanding. There are no other shares issued or outstanding of any class or entitled to be voted at the Meeting, and holders of Common Shares are entitled to one vote for each Common Share held. Only registered shareholders of Common Shares as shown on the shareholder list prepared as of the Record Date will be entitled to vote such Common Shares at the Meeting.

To the knowledge of the directors and executive officers (as hereinafter defined in "Executive Compensation – Compensation of Executive Officers") of the Corporation, no person or company beneficially owned, directly or indirectly, or exercised control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation as at the Record Date.

STATEMENT OF EXECUTIVE COMPENSATION

Unless otherwise noted the following information is for the Corporation's last completed financial year (which ended April 30, 2012) and, since the Corporation has subsidiaries, is prepared on a consolidated basis.

A. Named Executive Officers

For the purposes of this Circular, a Named Executive Officer ("NEO") of the Corporation means each of the following individuals:

- (a) a chief executive officer ("CEO") of the Corporation;
- (b) a chief financial officer ("CFO") of the Corporation; and
- (c) each of the Corporation's three most highly compensated executive officers, or individuals acting in a similar capacity, other than the CEO and CFO, if their individual total compensation was more than \$150,000 for that financial year,

during the most recently completed financial year.

B. Compensation Discussion and Analysis

The Compensation Committee of the Corporation's board of directors (the "Board") is responsible for ensuring that the Corporation has appropriate procedures for reviewing executive compensation and making recommendations to the Board with respect to the compensation of the Corporation's executive officers. The Compensation Committee ensures that total compensation paid to all NEOs is fair and reasonable and is consistent with the Corporation's compensation philosophy.

The Compensation Committee is also responsible for recommending compensation for the directors and granting stock options to the directors, officers and employees of, and consultants to, the Corporation pursuant to the Corporation's stock option plan (the "Option Plan").

The Compensation Committee is currently comprised of three directors, one of whom is not an independent director, Michael Winn (Chairman), and two of whom are independent (outside, non-management) directors Winston Bennett and Lewis Reford. The Board is satisfied that the composition of the Compensation Committee ensures an objective process for determining compensation. Each member of the Committee has direct experience relevant to their responsibilities on the Committee, including

acting as officers and directors of other publicly traded corporations so that they are familiar with remuneration in the Company's industry.

Philosophy

The philosophy used by the Compensation Committee in determining compensation is that the compensation should (i) reflect the Corporation's current state of development, (ii) reflect the Corporation's performance, (iii) reflect individual performance, (iv) align the interests of executives with those of the shareholders, (v) assist the Corporation in retaining key individuals, and (vi) reflect the Corporation's overall financial status.

Compensation Components

The compensation of the NEOs is comprised primarily of (i) base salary; (ii) bonus; and (iii) long-term incentive in the form of stock options granted in accordance with the Option Plan. In establishing levels of compensation and granting stock options, the executive's performance, level of expertise, responsibilities, length of service to the Corporation and comparable levels of remuneration paid to executives of other companies of comparable size and development within the renewable energy industry are considered as well as taking into account the financial and other resources of the Corporation. During the last financial year, the Compensation Committee of the Board Corporation conducted a survey and reviewed approximately 14 renewable energy companies with market capitalizations ranging from \$3.9 million to \$198 million. Such companies included Alterra Power Corp., BIOX Corporation., China Wind Power, Etrion Solar, Finavera Wind Energy, Nevada Geothermal Power Inc., Ram Power Corp., Run of River Power Inc., Sea Breeze Power Corp., Shear Wind Inc., Sprott Power Corp., Synex International Inc., US Geothermal Inc., and Western Wind Energy Corp. Stock options already held by NEOs are considered in granting new options.

The Compensation Committee also relies on the experience of its members as officers and directors at other companies in similar lines of business as the Corporation in assessing compensation levels. These other companies are identified under the heading "Disclosure of Corporate Governance Practices – Directorships" of this Circular. The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

To date, no specific formulas have been developed to assign a specific weighting to each of these components. Instead, the Board considers the Corporation's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

Base Salary

The Compensation Committee recommends, and the Board approves, the salary ranges for the NEOs. The salary for each NEO is set within that range and is based on an assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Compensation Committee, using

this information, together with budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all executive and employee compensation levels.

Annual Incentives

Awards under the annual incentive plan are made by way of cash bonuses, which are based in part on the Corporation's success in reaching its objectives and in part on individual performance. The Compensation Committee and the Board approve annual incentives.

The Board, together with the Compensation Committee, review corporate performance objectives during the year. During the last financial year, the principal objectives included:

- advancement of the Corporation's hydro-electric business including the granting of additional hydro-energy licenses for projects in Southeast Europe;
- maintaining compliance with the regulatory and disclosure framework;
- increasing investor interest in the Corporation; and
- market capitalization and the Corporation's working capital.

The success of the NEOs' contributions to the Corporation reaching its overall goals is a factor in the determination of their annual bonus. The Compensation Committee assesses each NEO's performance on the basis of his or her respective contribution to the achievement of corporate goals as well as to needs of the Corporation that arise on a day to day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board with respect to the determination of annual bonuses for the NEOs.

Long Term Compensation

The Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Compensation Committee believes that the Option Plan aligns the interests of the NEOs' with the interests of shareholders by linking a component of executive compensation to the longer term performance of the Common Shares.

Options are generally granted on an annual basis, subject to the imposition of trading black-out periods, in which case options scheduled for grant will be granted subsequent to the end of the black-out period. All options granted to NEOs during the last financial year were recommended by the Compensation Committee and approved by the Board. In monitoring stock option grants, the Compensation Committee takes into account the level of options granted by comparable companies for similar levels of responsibility and considers each NEO or employee based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Compensation Committee also makes the following determinations:

- the exercise price for each option granted;
- the date on which each option is granted;
- the vesting terms for each stock option; and
- the other materials terms and conditions of each stock option grant.

The Compensation Committee makes these determinations subject to and in accordance with the provision of the Option Plan.

C. Summary Compensation Table

The following table contains a summary of the compensation paid to the NEOs during the most recently completed financial year.

Name and principal position	Year Ended April 30	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		Pension value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans (\$)	Long term incentive plans (\$)			
Miljana Vidovic President & CEO	2012	203,716	0	0	36,000 ⁽³⁾	0	0	0	239,716
	2011	165,517	0	0	0	0	0	0	165,517
	2010	162,170	0	65,604 ⁽²⁾	0	0	0	0	227,774
Miles Thompson Chairman ⁽⁴⁾	2012	145,000	0	0	24,000 ⁽³⁾	0	0	0	169,000
	2011	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
	2010	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
Christina Cepeliauskas CFO	2012	33,300 ⁽¹⁾	0	0	3,750 ⁽³⁾	0	0	0	37,050
	2011	38,700 ⁽¹⁾	0	0	4,500 ⁽⁵⁾	0	0	0	43,200
	2010	34,650 ⁽¹⁾	0	60,032 ⁽²⁾	3,000 ⁽⁶⁾	0	0	0	97,682

- (1) Pursuant to a Management Services Agreement between the Corporation and Seaboard Services Corp., Ms. Cepeliauskas's remuneration is paid by Seaboard. See "Management Contracts" for a description of the material terms of the Management Services Agreement.
- (2) The stock option benefit is the grant date fair value and has been calculated using the Black Scholes option pricing model, which is described below, using the following assumptions: stock price - \$0.81, exercise price - \$0.81, an option life of 5 years, a risk-free interest rate of 2.79% and a volatility of 8.4%. Please see the table under "Incentive Plan Awards" for the 'in-the-money' value of these options on April 30, 2011.
- (3) This amount represents a discretionary cash bonus related to 2011.
- (4) The total compensation of Miles F. Thompson in the 2010 and 2011 financial years was not more than \$150,000, accordingly, he was not an NEO during those years.
- (5) This amount represents a discretionary cash bonus related to 2010.
- (6) This amount represents a discretionary cash bonus related to 2009.

The Corporation has calculated the "grant date fair value" amounts in the 'Option-based Awards' column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple "in-the-money" value calculation. Stock options that are well "out-of-the-money" can still have a significant "grant date fair value" based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is the total compensation of each NEO reported in the other columns. The value of the in-the-money options currently held by each director (based on share price less option exercise price) is set forth in the 'Value of Unexercised in-the-money Options' column of the "Outstanding Share-Based and Option-based Awards" table below.

Employment Agreements

The Corporation and its President and CEO, Miljana Vidovic, have entered into a Consulting Agreement dated February 2, 2007, as amended October 1, 2011, in connection with her services as the Corporation's President and CEO. The agreement provides for the remuneration of Ms. Vidovic at the rate of \$20,000 per month. Either the Corporation or Ms. Vidovic may, for any reason and in their sole discretion, terminate the consulting contract by giving 60 days written notice to the other. The Corporation shall pay Ms. Vidovic, upon her termination or voluntary resignation, the equivalent to one month salary for each year of service with a minimum payment of one month salary. In addition to the remuneration payable under this agreement, the Corporation may pay bonuses and grant stock options to Ms. Vidovic.

The Corporation and its Chairman, Miles Thompson, have entered into a Consulting Agreement dated December 1, 2010 as amended October 1, 2011, in connection with his services as the Corporation's Chairman. The agreement provides for the remuneration of Mr. Thompson at the rate of \$15,000 per month. Either the Corporation or Mr. Thompson may, for any reason and in their sole discretion, terminate the consulting contract by giving 60 days written notice to the other. The Corporation shall pay Mr. Thompson, upon his termination or voluntary resignation, the equivalent to one month salary for each year of service with a minimum payment of one month salary. In addition to the remuneration payable under this agreement, the Corporation may pay bonuses and grant stock options to Mr. Thompson.

The Corporation has not entered into any other employment or consulting contracts with its other NEO's.

D. Incentive Plan Awards

Outstanding Share-Based and Option-Based Awards

The following table sets out for each NEO, the incentive stock options to purchase Common Shares (option-based awards) held as of April 30, 2012. The closing price of the Corporation's shares on the TSX Venture Exchange on April 30, 2012 was \$0.32.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (vested-unvested)	Option exercise price (per share)	Option expiration date (m/d/y)	Value of unexercised 'in-the-money' options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Miljana Vidovic President & CEO	200,000 - 0	0.50	2/2/2012	0	0	0
Miles Thompson Chairman	120,000 - 0	0.81	3/9/2015	0	0	0
Christina Cepeliauskas CFO	40,000 - 0	0.81	3/9/2015	0	0	0
	70,000 - 0	0.68	5/26/2014	0	0	0

The Compensation Committee's approach to recommending options to be granted is consistent with prevailing practice in the mineral exploration industry. Grants of options depend on the length of service of the NEO. Therefore, there is no formula followed or performance goals or significant conditions which must be met before options will be granted. Options are always granted at the prevailing market price of the Common Shares.

Value of Share-Based and Option-Based Awards Vested or Earned During the Year

There were no incentive plan awards that vested or were earned during the year ended April 30, 2012 by the NEOs.

Option-based Awards Exercised or Granted During the Year

There were no option-based awards granted or exercised during the Corporation's last completed financial year to the NEOs.

E. Pension Plan Benefits

The Corporation does not have a pension plan or deferred compensation plan.

F. Termination and Change of Control Benefits

Other than described above under 'Summary Compensation Table – Employment Agreements', the Corporation has not provided or agreed to provide any compensation to any NEOs as a result of a change of control of the Corporation, its subsidiaries or affiliates.

G. Director Compensation

The following table describes director compensation for non-executive directors for the year ended April 30, 2012.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
Michael Winn	13,000 ⁽²⁾	0	0	0	0	0	13,000
Patrick Trufram-Eve	13,000 ⁽²⁾	0	0	0	0	0	13,000
Michael Brown ⁽¹⁾	13,000 ⁽²⁾	0	68,723 ⁽⁴⁾	0	0	5,000 ⁽⁵⁾	86,723
Winston Bennett	12,000 ⁽²⁾	0	0	0	0	0	12,000
Lewis Reford ⁽³⁾	10,387 ⁽²⁾	0	83,518 ⁽⁶⁾	0	0	18,000 ⁽⁷⁾	99,905

- (1) Mr. Brown was appointed as a director of the Corporation on October 26, 2011 and, prior thereto, did not receive any remuneration.
- (2) Fees paid to non-executive directors of the Corporation.
- (3) Compensation paid to Mr. Reford as a consultant of the Corporation.
- (4) The stock option benefit is the grant date fair value has been calculated using the Black-Scholes option pricing model, which is described below, using the following assumptions: stock price - \$0.46, exercise price - \$0.65, an option life of 5 years, a risk-free interest rate of 1.6% and a volatility of 86%.
- (5) This amount represents consulting fees paid to Mr. Brown.
- (6) The stock option benefit is the grant date fair value has been calculated using the Black-Scholes option pricing model, which is described below, using the following assumptions: stock price - \$0.42, exercise price - \$0.65, an option life of 5 years, a risk-free interest rate of 1.41% and a volatility of 87%.
- (7) This amount represents consulting fees paid to Mr. Reford.

The Corporation has calculated the "grant date fair value" amounts in the 'Option-based Awards' column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with

respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. Stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is the total compensation of each director reported in other columns. The value of the in-the-money options currently held by each director (based on share price less option exercise price) is set forth in the ‘Value of Unexercised in-the-money Options’ column of the “Outstanding Share-Based and Option-Based Awards” table below.

The methodology used for determining the remuneration of the Board is similar to that used for the remuneration of NEOs. Remuneration of committee chairmen is determined based on their own merits and circumstances after being considered in light of prevailing economic conditions – both on a corporate level and on national and international levels – and industry norms for such remuneration. Levels of remuneration of directors, committee members and committee chairmen are usually first informally discussed among the members of the Compensation Committee before being formally considered and approved by the Board.

Share-Based and Option-based Awards to Directors

The following table sets out for each director the incentive stock options to purchase Common Shares (option-based awards) held as of April 30, 2012. The closing price of the Corporation’s shares on the TSX Venture Exchange on April 30, 2012 was \$0.32.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (vested-unvested)	Option exercise price (per share)	Option expiration date (m/d/y)	Value of unexercised ‘in-the-money’ options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Michael Winn	60,000 - 0	0.81	3/9/2015	0	0	0
Patrick Trustram-Eve	20,000 – 0	0.81	3/9/2015	0	0	0
Michael Brown	150,000 – 0	0.65	10/26/2016	0	0	0
Lewis Reford	120,000 – 0	1.73	01/20/2016	0	0	0
	200,000 - 0	0.64	02/8/2017	0	0	0
Winston Bennett	120,000 - 0	0.81	3/9/2015	0	0	0

The Compensation Committee’s approach to recommending options to be granted is consistent with prevailing practice in the mineral exploration industry. Grants of options depend on the length of service of the directors. Therefore, there is no formulae followed or performance goals or significant conditions which must be met before options will be granted. Options are always granted at the prevailing market price of the Common Shares.

Value of Share-Based and Option-Based Awards Vested or Earned During the Year

The following table sets forth, for each director, the values of all incentive plan awards which vested or were earned during the year ended April 30, 2012.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael D. Winn	0	0	0
Patrick Trustram-Eve	0	0	0
Lewis Reford	83,518 ⁽¹⁾	0	0
Michael Brown	68,723 ⁽²⁾	0	0
Miles Thompson	0	0	0
Winston Bennett	0	0	0

- (1) The stock option benefit is the grant date fair value has been calculated using the Black-Scholes option pricing model, which is described below, using the following assumptions: stock price - \$0.42, exercise price - \$0.65, an option life of 5 years, a risk-free interest rate of 1.41% and a volatility of 87%. Please see the table under “Share-based and Option-based Awards to Directors” for the “in-the-money” value of these options on April 30, 2012.
- (2) The stock option benefit is the grant date fair value has been calculated using the Black-Scholes option pricing model, which is described below, using the following assumptions: stock price - \$0.46, exercise price - \$0.65, an option life of 5 years, a risk-free interest rate of 1.60% and a volatility of 86%. Please see the table under “Share-based and Option-based Awards to Directors” for the “in-the-money” value of these options on April 30, 2012.

Option-based Awards Granted During the Year

The following table sets forth the particulars of option-based awards granted during the Corporation’s last completed financial year to the directors.

Name	Date of Grant (m/d/y)	Number of Option-Based Awards Granted	Exercise Price \$	Expiry Date (m/d/y)
Michael D. Winn	N/A	0	N/A	N/A
Patrick Trustram-Eve	N/A	0	N/A	N/A
Lewis Reford	02/08/2012	200,000	\$0.65	02/08/2017
Michael Brown	10/26/2011	150,000	\$0.65	10/26/2016
Miles Thompson	N/A	0	N/A	N/A
Winston Bennett	N/A	0	N/A	N/A

Option-based Awards Exercised During the Year

There were no option-based awards exercised during the Corporation's last completed financial year by the directors.

H. Management Contracts

Pursuant to a management service agreement (the "Agreement") dated January 1, 2009 as amended on January 1, 2012 between the Corporation and Seabord Services Corp. ("Seabord") of Suite 501, 543 Granville Street, Vancouver, British Columbia, the Corporation paid \$17,700 per month to Seabord in consideration of Seabord providing office, reception, secretarial, accounting and corporate records services to the Corporation, which services include Christina Cepeliauskas in her capacity as chief financial officer of the Corporation and Kim Casswell in her capacity as corporate secretary of the Corporation.

Seabord is a private company wholly-owned by Michael D. Winn, a director of the Corporation.

Description of Stock Option Plan

The Option Plan authorizes the grant of options to directors, executive officers, employees of, and consultants to, the Corporation and its subsidiaries and employees of a person or company that provides management services to the Corporation or its subsidiaries ("Participants"). The purpose of the Option Plan is to offer to Participants the opportunity to acquire a proprietary interest in the Corporation, thereby providing an incentive to such parties to promote the best interests of the Corporation and to provide the means to the Corporation to attract qualified persons.

The Option Plan is administered by the Board. The Option Plan provides that options will be issued pursuant to option agreements which shall provide for the expiration of such options on a date not later than five years after the issuance of such option. A maximum of 10% of the issued and outstanding Common Shares, from time to time, may be reserved for issuance under the Option Plan provided that options may not be granted to an individual to purchase in excess of 5% of the then outstanding Common Shares. Options issued pursuant to the Option Plan will have an exercise price determined by the Board provided that it shall not be less than the price permitted by the TSX Venture Exchange .

There are restrictions in the Option Plan with respect to grants of options to certain persons. Options granted under the Option Plan are non-transferable and expire the earlier of five years from the date of grant or 90 days from the date the optionee ceases to be an officer, director, employee or consultant of the Corporation. In the event of death of an optionee, options held by such optionee will expire the earlier of five years from the date of grant or one year from the date of death.

The Board may from time to time alter, suspend or discontinue the Option Plan. Subject to the approval of the TSX Venture Exchange, the Board may also at any time amend or revise the terms of the Option Plan, provided that no such amendment or revision shall result in a material adverse change to the terms of any options granted under the Option Plan, unless shareholder approval or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

The following table sets out, as at the end of the Corporation's last completed financial year, information regarding outstanding options, warrants and rights (other than those granted *pro rata* to all shareholders) granted by the Corporation under its equity compensation plans.

Securities Authorized For Issuance Under Equity Compensation Plans

Plan Category	Number of shares issuable upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of shares remaining available for issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by shareholders	1,740,000	0.83	1,566,000
Equity compensation plans not approved by shareholders	N/A	N/A	N/A
Total	1,740,000	0.83	1,566,000

(1) Excluding the number of shares issuable upon exercise of outstanding options, warrants and rights shown in the second column.

At the Meeting, shareholders will be asked to approve the Option Plan. See “Particulars of Matters to be Acted Upon – Approval of Stock Option Plan.”

CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) of the Canadian securities administrators requires the Corporation to annually disclose certain information regarding its corporate governance practices. That information is disclosed below.

1. Board of Directors

The Board is responsible for supervising the management of the business and affairs of the Corporation and is comprised of six directors, of which four are independent. A director is “independent” if the director has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgement. The definition of independence in NI 58-101 is the same as in National Instrument 52-110 *Audit Committees* (“NI 52-110”). The independent directors are currently Patrick Trustram-Eve, Winston Bennett, Lewis Reford and Michael Brown. Michael Winn is not considered independent as the Corporation pays fees for management services to Seaboard Service Corp., a private company wholly-owned by Mr. Winn. See “Management Contracts” for a description of the material terms of the management services provided. Miles F. Thompson is not considered independent by virtue of him being a member of management (Executive Chairman).

The Board facilitates its exercise of independent supervision over the Corporation’s management through frequent meetings of the Board.

2. Directorships

Certain of the directors are presently a director of one or more other reporting issuers (public companies), as follows:

Director	Other Issuers
Miles Thompson	Reservoir Minerals Inc. Sypher Resources Ltd. Lara Exploration Ltd. Armada Exploration Corp.
Michael Winn	Alexco Resource Corp. Atico Mining Corporation Eurasian Minerals Inc. Iron Creek Capital Corp. Sprott Resource Corp. Lara Exploration Ltd. Nebo Capital Corp. Transatlantic Petroleum Ltd. Reservoir Minerals Corp.
Patrick Trustram-Eve	N/A
Lewis Reford	N/A
Michael Brown	N/A
Winston Bennett	N/A

3. Orientation and Continuing Education

The Board takes the following measures to ensure that all new directors receive a comprehensive orientation regarding the role of the Board, its committees and its directors, and the nature and operation of the Corporation.

The first step is to assess a new director's set of skills and professional background, since they are unique for each new director. Once that assessment has been completed, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director

The second step is taken by one or more existing directors, who may be assisted by the Corporation's management, to provide the new director with the appropriate orientation through a series of meetings, telephone calls and other correspondence.

The Corporation has a Board policy manual (the "Board Manual") that provides a comprehensive introduction to the Board and its committees. The Board Manual contains the charters of the audit committee, corporate governance committee and the compensation committee. The Board Manual also contains the Whistleblower Policy, Board Mandate, and Code of Business Ethics and Conduct.

The Board takes the following measures to provide continuing education for its directors in order that they maintain the skill and knowledge necessary for them to meet their obligations as directors:

- the Board Manual is reviewed on an annual basis and a revised copy is given annually to each director; and

- there is a technical presentation at Board meetings from time to time, focusing on either projects within the Corporation's hydro-electric business. The question and answer portions of these presentations are a valuable learning resource for the non-technical directors.

4. Ethical Business Conduct

The Board has responsibility for the stewardship of the Corporation including responsibility for strategic planning, identification of the principal risks of the Corporation's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems. To facilitate meeting this responsibility, the Board seeks to foster a culture of ethical conduct by striving to ensure the Corporation carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Board:

- has adopted a written Code of Business Conduct and Ethics (the "Code") for its directors, officers, employees and consultants. A copy of the Code is available on SEDAR at www.sedar.com under the Corporation's profile.
- has established a Corporate Governance Committee as described below under 'Other Board Committees'.
- has established a Whistleblower Policy which details complaint procedures for financial concerns as further described below in 'Audit Committee – Complaints'.
- encourages management to consult with legal and financial advisors to ensure the Corporation is meeting those requirements.
- is cognizant of the Corporation's timely disclosure obligations and reviews material disclosure documents such as financial statements, Management's Discussion & Analysis (MD&A) and press releases prior to their distribution.
- relies on its Audit Committee to annually review the systems of internal financial control and discuss such matters with the Corporation's external auditor.
- actively monitors the Corporation's compliance with the Board's directives and ensures that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management.

The Board must also comply with the conflict of interest provisions of the relevant securities regulatory instruments and stock exchange policies, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

5. Nomination of Directors

In order to identify new candidates for nomination to the Board, the Board considers the advice and input of the Corporate Governance Committee, the members of which are listed under "Particulars of Matters to be Acted Upon – Election of Directors" and which is composed of a majority of independent directors, regarding:

- the appropriate size of the Board, the necessary competencies and skills of the Board as a whole and the competencies and skills of each director individually; and
- the identification and recommendation of new individuals qualified to become new Board members. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve.

6. Compensation

The Board has established a Compensation Committee responsible for reviewing the adequacy and form of compensation (including stock options) paid to the Corporation’s executives and key employees, and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. In fulfilling its responsibilities, the Compensation Committee evaluates the performance of the chief executive officer and other senior management in light of corporate goals and objectives, and makes recommendations with respect to compensation levels based on such evaluations. For further information on the role of the Compensation Committee refer to “Statement of Executive Compensation – Compensation Discussion and Analysis”.

7. Other Board Committees

Committees of the Board are composed of a majority of independent directors. See “Particulars of Matters to be Acted Upon - 4. Election of Directors” for the members of the Board committees. In addition to the Compensation Committee, described above, and the Audit Committee, described in the next section, the Board has established a Corporate Governance Committee described below.

The Corporate Governance Committee is responsible for advising the Board of the appropriate corporate governance procedures that should be followed by the Corporation and the Board and monitoring whether they comply with such procedures. The Corporate Governance Committee is also responsible for assisting in the recruitment of new directors.

9. Assessments

The Board and the Corporate Governance Committee has established a process to regularly assess the Board and its committees with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Board, its committees or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

AUDIT COMMITTEE

Overview

The Audit Committee of the Board of Directors is principally responsible for

- recommending to the Board of Directors the external auditor to be nominated for election by the Corporation’s shareholders at each annual meeting and negotiating the compensation of such external auditor.

- overseeing the work of the external auditor.
- reviewing the Corporation’s annual and interim financial statements, Management’s Discussion & Analysis (MD&A) and press releases regarding earnings before they are reviewed and approved by the Board of Directors and publicly disseminated by the Corporation.
- reviewing the Corporation’s financial reporting procedures and internal controls to ensure adequate procedures are in place for the Corporation’s public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

The Audit Committee’s Charter

The Board of Directors has adopted a Charter for the Audit Committee (the “Charter”) which sets out the Committee’s mandate, organization, powers and responsibilities. The complete Charter is attached as Appendix “B” to this Information Circular.

Composition of the Audit Committee

The Audit Committee consists of three directors. Because it is listed on the TSX Venture Exchange the Corporation is classified as a ‘Venture Issuer’, and as such is exempt from the requirement that all of its members be independent. In addition, the Corporation’s governing corporate legislation requires the Corporation to have an Audit Committee composed of a minimum of three directors, a majority of whom are not officers or employees of the Corporation. The Audit Committee complies with this requirement.

The following table sets out the names of the members of the Audit Committee and whether they are ‘independent’ and ‘financially literate’.

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Michael Winn	No	Yes
Patrick Trustram-Eve	Yes	Yes
Winston Bennett	Yes	Yes

Notes:

- (1) To be considered to be independent, a member of the Committee must not have any direct or indirect ‘material relationship’ with the Corporation. A material relationship is a relationship which could, in the view of the Board reasonably interfere with the exercise of a member’s independent judgment.
- (2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Corporation to prepare its financial statements;

2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting,

are as follows:

Name of Member	Education	Experience
Michael Winn	Graduate course work in accounting and finance. B.Sc. (Geology) – 1985 University of Southern California Los Angeles, California	Mr. Winn is the President of Terrasearch Inc., a consulting company that provides analysis on mining and energy companies. Mr. Winn has worked in the oil and gas industry since 1983 and the mining industry since 1991. He is also a director and officer of several publicly traded companies. Mr. Winn has the business expertise to understand and evaluate financial statements, and the accounting principles applied to natural resource companies' financial statements.
Patrick Trustram-Eve	Masters Degree in Modern Languages Honours – 1995 University of Edinburgh, United Kingdom Diploma in Administrative Accounting and Financial Administration – 1997 Icare University - Chile	Mr. Trustram-Eve is the Managing Director of Translate Media, a language services provider, and a founding director of ITC Ventures, a venture capital investment group focused on small business opportunities in the media sector in South America. Prior to that, Mr. Trustram-Eve worked for five years as a financial analyst and treasury manager for Anglo American Corp. Mr. Trustram-Eve has the business expertise to evaluate all financial data relating to companies in the natural resource sector.
Winston Bennett	Bachelor of Arts, Honours Business Administration (HBA) Richard Ivey School of Business University of Western Ontario – 2003 Charter Financial Analyst Charterholder CFA Institute - 2007	Mr. Bennett is Vice President & Director of Helios Energy Inc., a developer of utility-scale solar energy facilities in Ontario, Canada where he is responsible for corporate and project financing and strategic business development. Prior to that, Mr. Bennett was Vice President of Investment Banking at Cormark Securities Inc., a leading independent Canadian investment dealer. Mr. Bennett has the business experience to evaluate renewable energy projects from both a development execution and capital markets perspective.

Complaints

The Audit Committee has established a “Whistleblower Policy” which outlines procedures for the confidential, anonymous submission by employees regarding the Corporation's accounting, auditing and financial reporting obligations, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls or financial reporting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing and forward it to the Chairman of the Audit Committee in a sealed envelope labelled “*To be opened by the Audit Committee only.*” Further, if the applicable individual wishes to discuss any matter with the Audit Committee, this request should be

indicated in the submission. Any such envelopes received by the Corporation will be forwarded promptly and unopened to the Chairman of the Audit Committee.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions.

The Audit Committee will retain as part of its records, any complaints or concerns for a period of no less than seven years. The Audit Committee will keep a written record of all such reports or inquiries and make quarterly reports on any ongoing investigation which will include steps taken to satisfactorily address each complaint.

The “Whistleblower Policy” is reviewed by the Audit Committee on an annual basis.

Audit Committee Oversight

Since the commencement of the Corporation’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Corporation’s Board of Directors.

Reliance on Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally

Since the commencement of the Corporation’s most recently completed financial year, the Corporation has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Corporation’s auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor’s annual fees charged to the Corporation, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year’s audit) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in section III.B “Powers and Responsibilities – Performance & Completion by Auditor of its Work” of the Charter.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Corporation by its external auditor during the last two financial years.

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
April 30, 2012	\$69,870	Nil	Nil	\$23,970
April 30, 2011	\$54,490	Nil	Nil	Nil

(1) The aggregate fees billed by the Corporation’s auditor for audit fees.

(2) The aggregate fees billed for assurance and related services by the Corporation’s auditor that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not disclosed in the ‘Audit Fees’ column.

(3) The aggregate fees billed for professional services rendered by the Corporation’s auditor for tax compliance, tax advice, and tax planning.

- (4) The aggregate fees billed for professional services other than those listed in the other three columns. These fees are related to the Option Plan of Arrangement with Reservoir Minerals Inc. that completed on October 14, 2011 and the auditor's review of the Corporation's compliance in relation to the conversion to International Financial Reporting Standards.

Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations

Since the Corporation is a Venture Issuer it is relying on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 *Composition of the Audit Committee* (as described in 'Composition of the Audit Committee' above) and Part 5 *Reporting Obligations* of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Corporation's Annual Information Form, if any, and this Information Circular).

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No individual who is, or who at any time during the year ended April 30, 2010 was, a director, executive officer or employee of the Corporation, a proposed nominee for election as a director of the Corporation or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Corporation or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Other than disclosed in this Circular, the Corporation is not aware of any material interest of any executive officer, director or nominee for director, or anyone who has held office as such since the beginning of the Corporation's last financial year, or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors except for the current and future directors and executive officers of the Corporation and its subsidiaries, if any, inasmuch as, in the following year, they may be granted options to purchase Common Shares pursuant to the Option Plan, approval of which will be sought at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein and the Corporation's Management's Discussion & Analysis for the last financial year, a copy of which is filed on SEDAR at www.sedar.com and which, upon request, the Corporation will promptly provide free of charge (see 'Additional Information' below), there are no material interests, direct or indirect, of current directors, executive officers, any persons nominated for election as directors, or any shareholder who beneficially owns, directly or indirectly, more than 10 percent of the outstanding Common Shares, or any know associates or affiliates of such persons, in any transaction within the last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. Financial Statements and Auditor's Report

The Board has approved the financial statements of the Corporation, including the auditor's report thereon, for the year ended April 30, 2012, which will be tabled at the Meeting. **No approval or other action needs to be taken at the Meeting in respect of these documents.**

2. Appointment and Remuneration of Auditor

Davidson & Company LLP, Chartered Accountants ("Davidson"), of Suite 1200, 609 Granville Street, Vancouver, British Columbia, is currently the auditor of the Corporation. **Unless otherwise directed, it is the intention of the Management Designees to vote the proxies in favour of the appointment of Davidson as the auditor of the Corporation for the ensuing year at a remuneration to be approved by the Audit Committee. Davidson was first appointed as auditor on March 23, 2006.**

3. Set Number of Directors to be Elected

Shareholders of the Corporation will be asked to consider and, if thought advisable, to approve and adopt an ordinary resolution setting the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that six (6) directors be elected to hold office until the next annual meeting of shareholders or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxyholder, to vote in favour of the ordinary resolution fixing the number of directors to be elected at six (6).**

4. Election of Directors

The Corporation currently has six (6) directors and, accordingly, six (6) directors are being nominated for election. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's province or state and country of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxyholder, to vote for the election of the persons named in the following table to the Board of Directors of the Corporation. Each director elected will hold office until the next annual meeting of shareholders or until their successor is duly elected, unless their office is earlier vacated in accordance with the articles of the Corporation or the provisions of the corporate law to which the Corporation is subject.

Name and Province or State and Country of Residence	Present Office and Date First Appointed a Director	Principal Occupation During the Past Five Years	Number of Common Shares ⁽⁴⁾
Miles F. Thompson Brazil South America	Chairman/Director February 2, 2007	Chairman of the Corporation; President of Lara Exploration Ltd. (publicly traded exploration company)	1,737,500
Michael D. Winn ⁽¹⁾⁽²⁾⁽³⁾ California United States of America	Director May 1, 2006	President of Terraresearch Inc. (consulting company providing analysis of mining and energy companies)	360,000
I. Patrick Trustram-Eve ⁽¹⁾ England	Director February 2, 2007	Managing Director of TranslateMedia (a language services provider); Founding Director of ITC Ventures (venture capital investment group focused on small business opportunities in the media sector).	150,000
Lewis T. Reford ⁽²⁾⁽³⁾ Ontario Canada	Director January 20, 2011	Chief Financial Officer of Schneider Power Inc., the wind and solar project development division of Quantum Technologies, a U.S. based alternative energy solutions company, 2009-present; Corporate investment consulting services provider, 2008-2009; President & CEO of MGI Securities, a full-service Canadian brokerage firm, 2006-2007.	0
Michael J. P. Brown Ontario Canada	Director October 26, 2011	Consultant to the Corporation, 2012 – present; Former Vice President of Energy at Kinross Gold Corporation, 2009 to 2011; Business Development Manager at Pacific Hydro, 2002 to 2009.	0
C. Winston Bennett ⁽¹⁾⁽²⁾⁽³⁾ Ontario Canada	Director March 8, 2010	Vice-President of Helios Energy Inc. (a developer of large-scale solar energy systems).	50,000

Notes:

- (1) Member of the Audit Committee
- (2) Member of the Compensation Committee
- (3) Member of the Corporate Governance Committee
- (4) Number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at August 23, 2012. No director, together with the director's associates and affiliates beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Corporation's shares.

To the best of the Corporation's knowledge, no proposed director is, as at the date of this circular, or was within 10 years before the date of this circular, a director, chief executive officer or chief financial officer of any company that was subject to:

- a) a cease trade or similar order or an order that denied the Corporation access to any exemption under securities legislation that was issued while the proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

- b) an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of the Corporation's knowledge, no proposed director:

- a) is, as at the date of this circular, or has been within the 10 years before the date of this circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b) has, within the 10 years before the date of this circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of the Corporation's knowledge, no proposed director has been subject to:

- a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or entered into a settlement agreement with a securities regulatory authority; or
- b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for the proposed director.

The above information has been furnished by the respective proposed directors individually.

5. Ratification of Stock Option Plan

The Option Plan is described under 'Executive Compensation – Description of Stock Option Plan'.

The policies of the TSX Venture Exchange require stock option plans which reserve for issuance up to 10% (instead of a fixed number) of a listed corporation's shares be approved annually by its shareholders. That approval is being sought at the Meeting by way of an ordinary resolution. The persons named in the accompanying Instrument of Proxy intend to vote in favour of this proposed resolution.

Following approval of the Option Plan by the shareholders any options granted pursuant to the Option Plan will not require further shareholder or Exchange approval unless the exercise price is reduced or the expiry date is extended for an option held by an insider of the Corporation.

Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution approving the Option Plan.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited**

will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Financial information for the Company's most recently completed financial year is provided in its comparative financial statements and MD&A, and are also available on the SEDAR website. Shareholders may also contact the Corporation at Suite 501, 543 Granville Street, Vancouver, British Columbia V6C 1X8, Canada by mail, telecopier (1-604-688-1157), telephone (1-604-662-8448) or e-mail (kcasswell@seabordservices.com) to request copies of the Corporation's financial statements and MD&A.

DATED this 23rd, August, 2012.

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) KIM C. CASSWELL
Secretary

**CHARTER
FOR
THE AUDIT COMMITTEE
OF
THE BOARD OF DIRECTORS
OF
RESERVOIR CAPITAL CORP.**

I. MANDATE

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Reservoir Capital Corp. (the “**Company**”) shall assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company’s financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company’s independent external auditor (the “**Auditor**”); and
4. The performance of the Company’s internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members, the majority of which shall be independent.

B. Qualifications

Each member of the Committee must be a member of the Board.

A majority of the members of the Committee shall not be officers or employees of the Company or of an affiliate of the Company.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement.

C. Appointment and Removal

In accordance with the By-Laws of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Sub-Committees

The Committee may form and delegate authority to sub-committees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such sub-committee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least once in each fiscal year, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

- 1). Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company, consistent with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.
- 2). Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
- 3). Require the Auditor to report directly to the Committee.
- 4). Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

- 5). Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
- 6). Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor.

- 7). Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the Auditor unless such non-audit services:
 - (a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of revenues paid by the Company to the Auditor during the fiscal year in which the non-audit services are provided;
 - (b) were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (c) are promptly brought to the attention of the Committee by Management and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Internal Financial Controls & Operations of the Company

- 8). Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

- 9). Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
- 10). Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
- 11). Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- 12). Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- 13). Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor or management.

- (b) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

- 14). Review the Company's annual and quarterly financial statements, management's discussion and analysis (MD&A) and press releases before the Board approves and the Company publicly discloses this information.
- 15). Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
- 16). Review any disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

- 17). Consult, to the extent it deems necessary or appropriate, with the Auditor but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- 18). Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
- 19). Have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other consultants to advise the Committee.
- 20). Meet, to the extent it deems necessary or appropriate, with management and the Auditor in separate executive sessions at least quarterly.
- 21). Make regular reports to the Board.
- 22). Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- 23). Annually review the Committee's own performance.
- 24). Provide an open avenue of communication among the Auditor to the Board.
- 25). Not delegate these responsibilities other than to one or more independent members of the Committee the authority to pre-approve, which the Committee must ratify at its next meeting, non-audit services to be provided by the Auditor.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.