RESERVOIR CAPITAL CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

NINE MONTHS ENDED JANUARY 31, 2014 AND 2013
(Unaudited)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Reservoir Capital Corp. for the nine months ended January 31, 2014 and 2013 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

RESERVOIR CAPITAL CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

	January 31, 2014	April 30, 2013
ASSETS		
Current		
Cash and cash equivalents (Note 4)	$ 170,084	$ 1,757,197
Receivables, net of provisions (Note 5)	215,852	247,437
Prepaids and advances (Note 6)	26,938	96,675
Total current assets	412,874	2,101,309
Non-current		
Equipment (Note 7)	228,086	269,918
Energy projects (Note 8)	1,166,123	1,144,003
Geothermal licenses (Note 8)	5,470	5,470
Restricted cash equivalents (Note 4)	161,319	75,000
Total non-current assets	1,560,998	1,494,391
TOTAL ASSETS	$ 1,973,872	$ 3,595,700
LIABILITIES AND EQUITY		
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 9)	$ 829,252	$ 560,223
Total liabilities	829,252	560,223
EQUITY		
Share capital (Note 10)	33,178,362	33,178,362
Share-based payments reserve (Note 10)	2,547,003	2,547,003
Deficit	(34,480,617)	(32,609,392)
Equity attributable to owners of the Company	1,244,748	3,115,973
Non-controlling interests	(100,128)	(80,496)
Total equity	1,144,620	3,035,477
TOTAL LIABILITIES AND EQUITY	$ 1,973,872	$ 3,595,700

Nature of operations and going concern (Note 1)
Event after reporting date (Note 15)

These condensed consolidated interim financial statements are approved and authorized for issuance by the Board of Directors on March 28, 2014.

______”*Miles F. Thompson*”_______ Director ______”*C. Winston Bennett*”_______ Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

RESERVOIR CAPITAL CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian dollars)

	Three months ended January 31, 2014	Three months ended January 31, 2013	Nine months ended January 31, 2014	Nine months ended January 31, 2013
OPERATIONS EXPENDITURES				
Renewable energy projects (Note 8)	$ 323,822	$ 802,797	$ 1,246,046	$ 3,689,754
GENERAL AND ADMINISTRATIVE EXPENSES				
Administrative services and office	68,002	86,077	222,009	268,658
Amortization (Note 7)	175	215	553	679
Management fees	75,000	90,000	225,000	260,204
Professional fees	16,182	26,976	41,653	105,579
Shareholder communication and investor relations	4,779	11,432	13,181	34,046
Share-based payments (Note 10)	-	-	-	832,906
Transfer agent and filing fees	4,102	30,242	21,739	61,937
Travel	23,044	25,094	86,205	80,210
	191,284	270,036	610,340	1,644,219
Loss from operations	(515,106)	(1,072,833)	(1,856,386)	(5,333,973)
Foreign exchange gain/(loss)	(4,205)	3,894	6,393	(37,986)
Interest income	-	3,971	3,867	13,684
Miscellaneous income (expense)	(4,554)	(3,566)	10,039	(321)
Gain (loss) on disposals of equipment	(1,112)	-	240	-
Bad debt expense	(55,010)	-	(55,010)	-
	(64,881)	4,299	(34,471)	(24,623)
Loss and comprehensive loss for the period	$ (579,987)	$ (1,068,534)	$ (1,890,857)	$ (5,358,596)
Attributable to:				
Equity shareholders of the Company	$ (571,080)	$ (1,063,572)	$ (1,871,225)	$ (5,337,870)
Non-controlling interests	(8,907)	(4,962)	(19,632)	(20,726)
	$ (579,987)	$ (1,068,534)	$ (1,890,857)	$ (5,358,596)
Basic and diluted loss per share	$ (0.01)	$ (0.02)	$ (0.02)	$ (0.09)
Weighted average number of common shares outstanding	84,361,726	67,124,074	84,361,726	56,779,731

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

RESERVOIR CAPITAL CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian dollars)

	Nine months ended January 31, 2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period attributable to equity shareholders	$ (1,871,225)	$ (5,337,870)
Adjustments for:		
Amortization	45,496	49,036
Share-based payments	-	832,906
Interest income	(3,867)	(13,684)
Gain on disposals of equipment	(240)	-
Unrealized foreign exchange loss on cash and cash equivalents	5,345	-
Bad debt expense	55,010	-
Loss for the period attributable to non-controlling interests	(19,632)	(20,726)
Changes in non-cash working capital items:		
Receivables	(23,425)	47,882
Prepaids and advances	69,737	104,357
Accounts payable and accrued liabilities	269,029	150,224
Net cash used in operating activities	(1,473,772)	(4,187,875)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(6,380)	(36,509)
Proceeds from disposals of equipment	2,956	-
Purchase of land for hydroelectric projects	(22,120)	(20,013)
Interest received	3,867	13,684
Redemption of restricted cash	69,250	-
Deposit for hydroelectric concessions	(155,569)	-
Net cash used in investing activities	(107,996)	(42,838)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital issued for cash	-	2,785,000
Share issue costs	-	(41,219)
Subscriptions received in advance	-	185,000
Net cash provided by financing activities	-	2,928,781
Effect of foreign exchange changes on cash and cash equivalents	(5,345)	-
Change in cash and cash equivalents during the period	(1,587,113)	(1,301,932)
Cash and cash equivalents, beginning of period	1,757,197	4,128,021
Cash and cash equivalents, end of period	$ 170,084	$ 2,826,089

Supplemental disclosure with respect to cash flows (Note 13)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

RESERVOIR CAPITAL CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian dollars)

	Number of Shares		Share Capital		Subsciptions received in advance		Share-based Payments Reserve		Deficit		Non-controlling Interest		**Total Equity**
Balance as at April 30, 2013	84,361,726	$	33,178,362	$	-	$	2,547,003	$	(32,609,392)	$	(80,496)	$	3,035,477
Loss for the period	-		-		-		-		(1,871,225)		(19,632)		(1,890,857)
Balance as at January 31, 2014	84,361,726	$	33,178,362	$	-	$	2,547,003	$	(34,480,617)	$	(100,128)	$	1,144,620

	Number of Shares		Share Capital		Subsciptions received in advance		Share-based Payments Reserve		Deficit		Non-controlling Interest		**Total Equity**
Balance as at April 30, 2012	53,293,726	$	30,220,381	$	-	$	1,746,041	$	(26,332,550)	$	(55,521)	$	5,578,351
Private placement	27,850,000		2,785,000		-		-		-		-		2,785,000
Share issue costs	1,068,000		(41,219)		-		-		-		-		(41,219)
Subscriptions received in advance			-		185,000		-		-		-		185,000
Share-based payments	-		-		-		832,906		-		-		832,906
Loss for the period	-		-		-		-		(5,337,870)		(20,726)		(5,358,596)
Balance as at January 31, 2013	82,211,726	$	32,964,162	$	185,000	$	2,578,947	$	(31,670,420)	$	(76,247)	$	3,981,442

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Reservoir Capital Corp. ("Reservoir" or the "Company") was incorporated under the Business Corporations Act (Alberta) on March 23, 2006 and was continued into British Columbia, under the Business Corporations Act (British Columbia) on November 15, 2007.

The address of the Company's head office is 501 - 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8.

The Company's principal business activities are the acquisition and development of renewable energy projects in the Republic of Serbia, Montenegro, the Federation of Bosnia and Herzegovina, and elsewhere in southeast Europe. The Company currently holds two energy licenses for run-of-river hydroelectric projects and four geothermal licenses in Serbia. The Company has been granted 30-year concessions on three hydroelectric projects in Bosnia.

The Company's hydroelectric and geothermal projects are located in emerging nations and, consequently, may be subject to a higher level of risk compared to more developed countries. Operations, the status of renewable energy and geothermal licenses and the recoverability of investments in emerging nations can be affected by changing economic, regulatory and political situations.

The Company is in the process of advancing its hydroelectric and geothermal projects held for the potential generation of commercial production of electricity and has not yet determined the economic viability of its projects. The recoverability of the Company's investment in its hydroelectric and geothermal projects is dependent upon the existence of one or more economic projects, the Company's ability to obtain the necessary financing to complete development and to secure and maintain the appropriate permits, rights and beneficial interest in the projects, and upon future profitable operations or proceeds from the sale of the projects.

These condensed consolidated interim financial statements of the Company are presented in Canadian dollars unless otherwise indicated. The condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance and Basis of Measurement

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The condensed consolidated interim financial statements of the Company have been prepared in accordance with the same accounting policies and methods of their application as the most recent audited financial statements for the years end April 30, 2013 and 2012, except that they do not include all note disclosures required for annual audited financial statements, and they include new accounting standards effective in the current period. It is suggested that the condensed consolidated interim financial statements be read in conjunction with the annual audited financial statements.

Some of the comparative figures have been reclassified to conform to the current format.

3. NEW AND FUTURE ACCOUNTING STANDARDS

New and amended IFRS pronouncements effective May 1, 2013

The Company has adopted the following new and revised standards, along with any consequential amendments, effective May 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IFRS 10 Consolidated Financial Statements ("IFRS 10") replaces the guidance on control and consolidation in IAS 27 Consolidated and Separate Financial Statements, and SIC-12, Consolidation - Special Purpose Entities. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27. The Company assessed its consolidation conclusions on May 1, 2013 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and investees.

IFRS 11 Joint Arrangements ("IFRS 11") supersedes IAS 31 Interests in Joint Ventures and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28 Investments in Associates and Joint Ventures (amended in 2011) ("IAS 28"). The other amendments to IAS 28 did not affect the Company. The Company has not entered into any joint arrangement and concluded that the adoption of IFRS 11 did not result in any changes in the accounting for its joint arrangements.

(Unaudited - Expressed in Canadian dollars)

3. NEW AND FUTURE ACCOUNTING STANDARDS (cont'd…)

New and amended IFRS pronouncements effective May 1, 2013 (cont'd…)

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12") contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structure entities. Interests are widely defined as contractual and non-contractual involvement that exposes an entity to variability of returns from the performance of the other entity. The required disclosures aim to provide information in order to enable users to evaluate that nature, and the risks associated with, an entity's interest in other entities, and the effects of those interests on the entity's financial position, financial performance and cash flows. Given the nature of the Company's interest in other entities, the amendments did not have an impact on the Company's financial position or performance.

IFRS 13 Fair Value Measurement ("IFRS 13") provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on May 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at May 1, 2013.

The Company has adopted the amendments to IAS 1 Presentation of Financial Statements ("IAS 1"). These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

4. RESTRICTED CASH

	January 31, 2014	April 30, 2013
Cash	$ 170,084	$ 1,757,197
Short-term deposits	-	-
	$ 170,084	$ 1,757,197

As at January 31, 2014, the Company held restricted cash as collaterals for its corporate credit cards and Cehotina concessions in Bosnia (Note 8), $5,750 and $155,569 respectively (April 30, 2013 - $75,000 and $Nil).

(Unaudited - Expressed in Canadian dollars)

5. RECEIVABLES, NET OF PROVISIONS

The Company's receivables arise from goods and services tax and value-added taxes ("GST/VAT") receivable from government taxation authorities and other receivables:

	January 31, 2014	April 30, 2013
GST/VAT receivables	$ 66,658	$ 133,099
Other receivables	244,297	154,431
Provisions	(95,103)	(40,093)
	$ 215,852	$ 247,437

The carrying amounts of the Company's receivables are denominated in the following currencies:

Currency	January 31, 2014	April 30, 2013
Canadian dollars	$ 60,900	$ 64,899
Serbian dinars	150,710	115,855
Other	4,242	66,683
	$ 215,852	$ 247,437

6. PREPAIDS AND ADVANCES

The Company's prepaids and advances consist of the following:

	January 31, 2014	April 30, 2013
Prepaid expenses	$ 26,938	$ 17,813
Advances to suppliers	-	78,862
	$ 26,938	$ 96,675

(Unaudited - Expressed in Canadian dollars)

7. EQUIPMENT

	Office Equipment	Field Equipment	Total
Cost			
As at April 30, 2013	$ 193,701	$ 264,266	$ 457,967
Additions	6,380	-	6,380
Disposals	-	(22,833)	(22,833)
As at January 31, 2014	200,081	241,433	441,514
Accumulated amortization			
As at April 30, 2013	63,111	124,938	188,049
Amortization	24,651	20,845	45,496
Disposals	-	(20,117)	(20,117)
As at January 31, 2014	87,762	125,666	213,428
Net book value			
As at April 30, 2013	$ 130,590	$ 139,328	$ 269,918
As at January 31, 2014	112,319	115,767	228,086

During the nine months ended January 31, 2014, amortization of $44,943 (2013 - $48,357) has been included in operations expenditures and amortization of $553 (2013 - $679) has been included in general and administrative expenses.

8. ENERGY PROJECTS AND GEOTHERMAL LICENSES

Hydroelectric Projects - Acquisition Costs

	January 31, 2014	April 30, 2013
Brodarevo project	$ 239,143	$ 239,143
Land acquisition	867,932	845,812
Cehotina concessions	59,048	59,048
	$ 1,166,123	$ 1,144,003

In February 2009, the Company, through its wholly-owned subsidiary Renewable Energy Ventures d.o.o. ("REV"), was awarded the Brodarevo-1 and Brodarevo-2 energy permits, to develop run-of-river hydroelectric projects on the River Lim in southwest Serbia. The acquisition costs consist of the cash paid for legal, government taxes and project consultant expenses directly related to the acquisition of the permits. In January 2012, the Ministry of Infrastructure and Energy of the Republic of Serbia granted three-year extensions for both energy permits. Under the terms of the new permits, the Company must begin construction within the three-year period, though subject to compliance with most other conditions, may request a one-year extension to this deadline. In January 2013, the Company, through its wholly-owned subsidiary REV d.o.o. Foca was granted certain concessions to develop and build run-of-river hydroelectric projects on the Cehotina River in Bosnia.

(Unaudited - Expressed in Canadian dollars)

8. ENERGY PROJECTS AND GEOTHERMAL LICENSES (cont'd…)

Geothermal Licenses - Acquisition Costs

The Company, through its wholly-owned subsidiary, Southern European Exploration d.o.o. ("SEE"), holds an exploration license for geothermal energy at Vranjska Banja in southern Serbia and three exploration licenses for geothermal energy in the Vojvodina Province of northern Serbia. Total amounts capitalized for the acquisition costs of the four licenses was $5,470 (April 30, 2013 - $5,470).

Renewable Energy Projects - Expenditures

During the nine months ended January 31, 2014 and 2013, the Company incurred the following expenditures on its renewable energy projects, which were expensed as incurred:

Nine months ended January 31, 2014	Brodarevo projects	Cehotina concessions	Geothermal projects	Renewable energy project investigation	**Total**
Administration	$ 294,162	$ 24,987	$ 18,862	$ 162,471	$ 500,482
Field costs	159,301	-	1,124	48	160,473
Salaries and consultants	207,067	23,612	18,520	115,533	364,732
Technical studies	37,787	70,282	2,344	22,588	133,001
Travel and related costs	53,852	6,580	-	26,926	87,358
	$ 752,169	$ 125,461	$ 40,850	$ 327,566	$ 1,246,046

Nine months ended January 31, 2013	Brodarevo projects	Cehotina concessions	Geothermal projects	Renewable energy project investigation	**Total**
Administration	$ 380,734	$ -	$ 61,334	$ 217,875	$ 659,943
Field costs	355,237	-	3,602	32,798	391,637
Salaries and consultants	1,191,322	-	62,162	463,335	1,716,819
Technical studies	741,735	-	3,036	73,972	818,743
Travel and related costs	65,663	-	-	36,949	102,612
	$ 2,734,691	$ -	$ 130,134	$ 824,929	$ 3,689,754

(Unaudited - Expressed in Canadian dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	January 31, 2014	April 30, 2013
Trade accounts payable	$ 806,752	$ 530,223
Accrued liabilities	22,500	30,000
	$ 829,252	$ 560,223

10. SHARE CAPITAL

Authorized Share Capital

Authorized share capital consists of an unlimited number of common shares without par value.

In December 2012, the Company completed the first tranche of a non-brokered private placement financing raising $2,785,000 by the issuance of 27,850,000 units at $0.10 per unit. Each unit was comprised of one common share and one non-transferable, common share purchase warrant, where each warrant entitles the holder to purchase an additional common share at $0.25 until December 18, 2014. If, after April 18, 2013, the closing price of the Company's shares on the TSX Venture Exchange ("TSX-V") is $0.35 or greater for 10 consecutive trading days, the Company may, by notice given within five trading days thereof, accelerate the expiry of the warrants to the 21st trading day after such notice. The Company paid $41,219 and issued 1,068,000 units, valued at $106,800, as finders' fees.

Stock Options

The Company has adopted a stock option plan pursuant to the policies of the TSX Venture Exchange ("TSX-V") that has been approved by the Company's shareholders. The maximum number of shares that may be reserved for issuance under the plan is limited to 10% of the issued common shares of the Company at any time. The vesting terms are determined by the Company's Board of Directors at the time of the grant.

The changes in stock options outstanding are as follows:

	Number of Options	Weighted Average Exercise Price
Balance as at April 30, 2012	1,740,000	$ 0.83
Granted	3,660,000	0.30
Cancelled/Expired	(90,000)	1.04
Balance as at April 30, 2013	5,310,000	0.46
Cancelled/Expired	(15,000)	0.20
Balance as at January 31, 2014	5,295,000	$ 0.46

(Unaudited - Expressed in Canadian dollars)

10. SHARE CAPITAL (cont'd…)

The following table summarizes the stock options outstanding and exercisable at January 31, 2014:

Date Granted	Number Outstanding	Exercise Price	Number Exercisable	Expiry Date
May 26, 2009	70,000	0.68	70,000	May 26, 2014
November 16, 2009	200,000	0.74	200,000	November 16, 2014
March 9, 2010	895,000	0.81	895,000	March 9, 2015
January 20, 2011	120,000	1.73	120,000	January 20, 2016
October 26, 2011	150,000	0.65	150,000	October 26, 2016
February 8, 2012	200,000	0.65	200,000	February 8, 2017
September 7, 2012	3,660,000	0.30	3,660,000	September 7, 2017
Total	5,295,000		5,295,000	

The weighted average remaining contractual life of the stock options is 2.95 years.

Warrants

The changes in warrants outstanding are as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance at April 30, 2012	10,051,732	$	0.92
Issued	31,068,000		0.25
Expired	(3,641,508)		0.89
Balance at April 30, 2013	37,478,224		0.38
Expired	(6,410,224)		1.00
Balance as at January 31, 2014	31,068,000	$	0.25

(Unaudited - Expressed in Canadian dollars)

10. SHARE CAPITAL (cont'd…)

Warrants (cont'd…)

Share purchase warrants outstanding and exercisable as at January 31, 2014 are as follows:

Expiry Date		Exercise Price	Number of Warrants
December 18, 2014 (1)	$	0.25	27,850,000
December 18, 2014		0.25	1,068,000
February 5, 2015 (2)		0.25	2,150,000
Total			31,068,000

(1) Expiry may be accelerated, if closing price of the Company's shares on the TSX-V is $0.35 or greater for 10 trading days after April 18, 2013.

(2) Expiry may be accelerated, if closing price of the Company's shares on the TSX-V is $0.35 or greater for 10 trading days after June 5, 2013.

The weighted average remaining contractual life of the warrants is 0.89 years.

Share-based Payments and Share-based Payment Reserve

During the nine months ended January 31, 2014, the Company granted Nil (2013 - 3,660,000) stock options to various employees, officers and directors of the Company. Using the fair value method for share-based payments, the Company recorded a charge to operations of $Nil (2013 - $832,906) for stock options granted.

The fair values were determined using the Black-Scholes option pricing model using the following assumptions:

Weighted average:	Nine months ended January 31, 2014	Nine months ended January 31, 2013
Risk free interest rate	0.00%	1.42%
Expected dividend yield	0%	0%
Expected stock price volatility	0%	97%
Expected life of options in years	-	5

The weighted average fair value of options granted during the nine months ended January 31, 2014 was $Nil (2013 - $0.23).

(Unaudited - Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

Nine months ended January 31, 2014		Salary or Fees		Share-based Payments		Total
Management	$	340,818	$	-	$	340,818
Outside directors		-		-		-
	$	340,818	$	-	$	340,818

Nine months ended January 31, 2013		Salary or Fees		Share-based Payments		Total
Management	$	338,460	$	355,010	$	693,470
Outside directors		62,204		157,023		219,227
	$	400,664	$	512,033	$	912,697

Seabord Services Corp. ("Seabord") is a management services company controlled by a director. Seabord provides a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to the Company. The Chief Financial Officer and Corporate Secretary of the Company are employees of Seabord and are not paid directly by the Company. During the nine months ended January 31, 2014, Seabord charged $154,000 (2013 - $159,300) for the above services.

Reservoir Minerals Inc. ("Minerals") is a company with common directors. The Company provides consulting services in Serbia to Minerals. During the nine months ended January 31, 2014, the Company charged Minerals $32,000 (2013 - $Nil) for the above services.

Related party assets (liabilities)	Items or Services		January 31, 2014		April 30, 2013
Included in accounts payable and accrued liabilities					
Chairman	Management fees	$	(143,560)	$	(15,173)
President	Management fees		(100,000)		(10,000)
VP Corporate Development	Management fees		(45,200)		(4,520)
Seabord Services Corp.	Administrative services		(81,700)		-
Included in prepaids and advances					
Seabord Services Corp.	Deposit for administrative services	$	10,000	$	10,000

(Unaudited - Expressed in Canadian dollars)

12. SEGMENTED INFORMATION

The Company operates in one reportable operating segment: the exploration and development of renewable energy. Summarized financial information for the geographic and operating segments the Company operates in are as follows:

As at January 31, 2014	Canada	Serbia	Bosnia	Other	**Total**
Cash and other assets	$ 171,642	$ 201,776	$ 185,503	$ 15,272	$ 574,193
Equipment	3,330	174,314	31,742	18,700	228,086
Hydroelectric licenses	-	1,107,075	59,048	-	1,166,123
Geothermal licenses	-	5,470	-	-	5,470
Total assets	$ 174,972	$ 1,488,635	$ 276,293	$ 33,972	$ 1,973,872

As at April 30, 2013	Canada	Serbia	Bosnia	Other	**Total**
Cash and other assets	$ 1,692,988	$ 213,010	$ 178,201	$ 92,110	$ 2,176,309
Equipment	3,883	201,377	37,149	27,509	269,918
Hydroelectric licenses	-	1,084,955	59,048	-	1,144,003
Geothermal licenses	-	5,470	-	-	5,470
Total assets	$ 1,696,871	$ 1,504,812	$ 274,398	$ 119,619	$ 3,595,700

Nine months ended January 31, 2014	Renewable Energy	General and Administrative	**Total**
Loss for the period	$ 1,246,046	$ 644,811	$ 1,890,857

Nine months ended January 31, 2013	Renewable Energy	General and Administrative	**Total**
Loss for the period	$ 3,689,754	$ 1,668,842	$ 5,358,596

General and administrative expenses have not been allocated to other operating segments.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the nine months ended January 31, 2014, the Company did not have any significant non-cash investing and financing activities.

During the nine months ended January 31, 2013, the Company issued 1,068,000 units, valued at $106,800, as finder's fees.

(Unaudited - Expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT

Risk and Capital Management

The Company is a junior renewable energy company whose principal business activity is the acquisition and development of hydroelectric and geothermal projects in the Republic of Serbia and southeast Europe. The Company considers items included in equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company currently has no source of revenue. In order to fund future projects and pay for administrative costs, the Company will be required to raise additional funds during fiscal 2015. As at January 31, 2014, the Company had working capital deficit of $416,378 which is not expected to be sufficient to meet the Company's corporate objectives in the next 12 months. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through public and/or private placements, sell assets, or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

Fair Value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The carrying value of receivables, and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments. As at January 31, 2014, the Company's financial instruments measured at fair value are as follows:

Financial Assets	Level 1	Level 2	Level 3	**Total**
Cash and cash equivalents	$ 170,084	$ -	$ -	$ 170,084
Restricted cash equivalents	161,319	-	-	161,319

(Unaudited - Expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT (cont'd…)

Financial Instruments

The Company classified its financial instruments as follows:

As at January 31, 2014		Loans and Receivables		Other Financial Liabilities
Cash and cash equivalents	$	170,084	$	-
Receivables, net of provisions		215,852		-
Restricted cash equivalents		161,319		-
Accounts payable and accrued liabilities		-		(829,252)
	$	547,255	$	(829,252)

As at April 30, 2013		Loans and Receivables		Other Financial Liabilities
Cash and cash equivalents	$	1,757,197	$	-
Receivables, net of provisions		247,437		-
Restricted cash equivalents		75,000		-
Accounts payable and accrued liabilities		-		(560,223)
	$	2,079,634	$	(560,223)

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

Credit Risk

The Company is exposed to credit risk by holding cash and cash equivalents. This risk is minimized by holding the funds in Canadian banks or Canadian treasury bills. The Company has accounts receivable exposure which is monitored. The Company has recognized the appropriate provision.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash and cash equivalents are held mainly in bank accounts which do not pay a significant amount of interest and therefore there is minimal interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital items to ensure its expenditures will not exceed available resources.

(Unaudited - Expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT (cont'd…)

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Serbia and Bosnia and a portion of the Company's expenses are incurred in Serbian dinars and Bosnian marks. A significant change in the currency exchange rates between the Canadian dollar relative to the Serbian dinar and the Bosnian mark could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

At January 31, 2014, the Company is exposed to currency risk through the following assets and liabilities denominated in Serbian dinars and Bosnian marks.

	Serbian dinars	Bosnian marks	**Total**
Cash and cash equivalents	$ 239,533	$ 32,916	
Receivables, net of provisions	11,449,335	5,453	
Accounts payable and accrued liabilities	(30,858,151)	(9,108)	
Net exposure	(19,169,283)	29,261	
Canadian dollar equivalent	$ (252,328)	$ 22,761	$ (229,567)

Based on the above net exposure as at January 31, 2014, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the Serbian dinar and Bosnian mark would result in an increase/decrease of approximately $23,000 in the Company's profit or loss.

15. EVENT AFTER REPORTING DATE

Subsequent to January 31, 2014, the Company completed a consolidation of its common shares on the basis of one (1) "new" common share for twenty (20) "old" common shares, with no fractional shares issued. On the Effective Date of March 14, 2014, the Company had 4,218,087 common shares outstanding and all outstanding stock options and share purchase warrants have been adjusted accordingly to reflect the share consolidation.