RESERVOIR CAPITAL CORP.

Suite 501, 543 Granville Street
Vancouver, British Columbia V6C 1X8

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 11, 2011 AND MANAGEMENT INFORMATION CIRCULAR

RELATING TO ANNUAL AND CERTAIN SPECIAL BUSINESS INCLUDING
THE PLAN OF ARRANGEMENT

involving

RESERVOIR CAPITAL CORP.

and

RESERVOIR MINERALS INC.

and

THE SHAREHOLDERS OF RESERVOIR CAPITAL CORP.

September 12, 2011

These materials are important and require your immediate attention. They require shareholders of Reservoir Capital Corp. ("**Reservoir Capital**") to make important decisions. Please carefully read this management information circular, including the appendices thereto, as it contains detailed information relating to, among other things, the plan of arrangement involving Reservoir Capital and Reservoir Minerals Inc. If you are in doubt as to how to deal with these materials or the matters they describe, please consult your financial, legal, tax or other professional advisors. The board of directors of Reservoir Capital recommends that shareholders of Reservoir Capital vote FOR the plan of arrangement and the other matters to be considered at the special meeting.

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TSX-V:REO

TO: The Shareholders of Reservoir Capital Corp.

You are invited to attend the annual and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Reservoir Capital Corp. ("**Reservoir Capital**" or the "**Corporation**") to be held at the offices of the Corporation, Suite 501, 543 Granville Street, Vancouver, British Columbia on October 11, 2011 at 10:00 a.m. (Vancouver time) for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders.

At the Meeting, in addition to annual items of business, Shareholders will be asked to consider and vote on a special resolution approving a plan of arrangement (the "**Arrangement**") under the provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") involving the Corporation, Reservoir Minerals Inc. ("**Minerals**") and the Shareholders pursuant to which the Corporation will reduce its stated capital by an amount equal to the value of the common shares of Minerals ("**Minerals Shares**") received by the Corporation from Minerals (in consideration for the transfer of the Corporation's three subsidiaries which indirectly hold the Corporation's Serbian mining assets and the transfer of the debt of the three subsidiaries to Minerals) and return such stated capital to Shareholders by the distribution of the 9,000,000 Minerals Shares in the aggregate to Shareholders such that each Shareholder will receive Minerals Shares in proportion to his/her/its interest in the Corporation (the number of Common Shares owned by the Shareholder on the effective time of the Arrangement divided by the total issued and outstanding Common Shares). For the Arrangement to proceed, the special resolution must be approved by at least two-thirds of the votes cast by Shareholders present, in person or by proxy, at the Meeting.

The purpose of the Arrangement is to enable the Corporation to spin-out its Serbian mining assets to Minerals and allow the market to independently value the Corporation's renewable energy projects and mineral exploration business. Upon completion of the Arrangement, the Corporation will be focused as a renewable energy company and Minerals will be an international mining company. Shareholders will own shares in each of the Corporation and Minerals.

The Arrangement is designed to enhance shareholder value by giving Shareholders access to two separate public companies having upside potential and giving each company the ability to pursue its own business plan that is best suited to its unique asset base.

The Board of Directors of the Corporation (the "**Board of Directors**") believes that the Arrangement is in the best interests of the Corporation and its shareholders and that Shareholders will benefit from the improved platform to maximize Shareholder value, as a result of the following factors, among others:

- providing Shareholders with ownership in two public companies with distinct businesses;
- a dedicated management team and funding for the mineral exploration business which will accelerate development of existing mineral projects and give scope for new acquisitions;

- a clear mandate for each company to pursue its own business plan and to achieve its own strategic goals;
- an opportunity to selectively finance and develop distinct businesses held through separate entities; and
- continued exposure to each company's potential upside and additional growth opportunities.

Completion of the Arrangement is subject to various conditions, including the listing of the Minerals Shares on the TSX Venture Exchange, the receipt of all regulatory, Shareholder and court approvals. If the Arrangement is approved by Shareholders and all other conditions to the implementation of the Arrangement are satisfied or waived, the Corporation anticipates that the Arrangement will become effective as soon as practicable following the granting of the final order by the court.

The Board of Directors, following consultation with its advisors, has unanimously determined that the Arrangement is fair to Reservoir Capital Shareholders, is in the best interests of Reservoir Capital and its Shareholders, and should be placed before Shareholders for their approval at the Meeting. The Board of Directors recommends that Shareholders vote in favour of the Arrangement Resolution.

Shareholders will also be asked at the Meeting to consider and vote on an ordinary resolution approving the stock option plan of Minerals. The completion of the Arrangement is not conditional upon approval of the Minerals stock option plan. Shareholders will also be asked at the Meeting to consider and vote on an ordinary resolution approving the issuance of 1,900,000 common shares in the capital of Minerals pursuant to a seed private placement.

The accompanying Management Information Circular and Proxy Statement provide a detailed description of the Arrangement and the other matters to come before the Meeting. Please give this material your careful consideration. If you require assistance, you should consult your financial, income tax or other professional advisors.

To be represented at the Meeting, you must either attend the Meeting in person or complete and sign the enclosed form of proxy and forward it so as to reach or be deposited with Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2X1, or faxed to (416) 263-9524 or 1-866-249-7775, no later than 48 hours (excluding Saturdays, Sundays and Statutory holidays) prior to the Meeting or any adjournments or postponement thereof. An envelope addressed to Computershare Trust Company of Canada is enclosed for your convenience.

If you are a non-registered Shareholder and have received these materials from your broker or another intermediary, please complete and return the voting instruction form or other authorization form provided to you by your broker or other intermediary in accordance with the instructions provided with it. Failure to do so may result in your shares not being eligible to be voted at the Meeting.

Yours very truly,

(signed) "Miles Thompson"

Executive Chairman

RESERVOIR CAPITAL CORP.

Suite 501, 543 Granville Street
Vancouver, British Columbia V6C 1X8

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual and special meeting (the "**Meeting**") of the shareholders (the "**Reservoir Capital Shareholders**") of Reservoir Capital Corp. (the "**Corporation**") will be held at the office of the Corporation, Suite 501, 543 Granville Street, Vancouver, British Columbia on Tuesday, October 11, 2011 at 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended April 30, 2011, together with the report of the auditors thereon;

2. to set the number of directors to be elected at the Meeting at five;

3. to elect directors to hold office until the next annual meeting of Reservoir Capital Shareholders or until their successors are elected or appointed;

4. to appoint Davidson & Company LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year, at a remuneration to be fixed by the board of directors;

5. to consider, and if thought advisable, pass an ordinary resolution approving and adopting the Corporation's amended and restated stock option plan;

6. to consider, pursuant to an order (the "**Interim Order**") of the Supreme Court of British Columbia (the "**Court**") dated September 12, 2011, and, if deemed advisable, to pass, with or without variation, a special resolution approving an arrangement (the "**Arrangement**") under section 288 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") which involves, among other things, to spin-out the Corporation's Serbian mining assets to Reservoir Minerals Inc. and the distribution to Reservoir Capital Shareholders of common shares of Reservoir Minerals Inc., all as more particularly described in the accompanying Management Information Circular (the "**Circular**");

7. to consider and, if thought advisable, pass an ordinary resolution to approve the seed private placement of 1,900,000 common shares in the capital of Reservoir Minerals Inc. on March 15, 2011 at a price of $0.10 per share to persons who will be integrally involved in the business of Reservoir Minerals Inc. including Serbian residents;

8. to consider and, if thought advisable, pass, with or without variation, an ordinary resolution to approve, ratify and confirm a stock option plan for Reservoir Minerals Inc.; and

9. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The completion of the Arrangement is not conditional upon approval of the stock option plan for Reservoir Minerals Inc.

A complete description of the Arrangement and related transactions is included in the Circular. The full text of the Arrangement Resolution is set forth in Appendix "A" to the Circular. The Arrangement will

be completed pursuant to the arrangement agreement dated September 12, 2011 (the "**Arrangement Agreement**"), the text of which is attached as Appendix "B" to the Circular.

The Arrangement is subject to shareholder approval pursuant to the Interim Order. Before the Arrangement can become effective, it must also be approved by a final order (the "**Final Order**") of the Court. A copy of the Interim Order and the notice of hearing for the Final Order are attached as Appendices "C" and "D", respectively, to the Circular.

Pursuant to the Interim Order, the BCBCA and the plan of arrangement providing for the Arrangement (the "Plan of Arrangement"), registered Reservoir Capital Shareholders have the right to dissent in respect of the Arrangement Resolution. If the Arrangement is completed, each Reservoir Capital Shareholder who exercises a right of dissent pursuant to the Interim Order, the BCBCA and the Plan of Arrangement (a "Dissenting Shareholder") will be entitled to be paid the fair market value of his, her or its common shares of the Corporation if the Corporation shall have received a written objection to the Arrangement Resolution from the Dissenting Shareholder by 5:00 p.m. (Vancouver time) two business days immediately preceding the day of the Meeting, or any adjournment thereof addressed to the Corporation, at Suite 501, 543 Granville Street, Vancouver, British Columbia V6C 1X8 or the chairman of the Meeting shall have received on the day of the Meeting, or any adjournment thereof, prior to its commencement, and the Dissenting Shareholder shall have otherwise complied with the dissent procedures under the BCBCA (as modified in certain respects by the Interim Order and the Plan of Arrangement). The foregoing rights of dissent are described in the Circular under the heading "Rights of Dissenting Shareholders" and in Appendix "F" to the Circular.

Only Reservoir Capital Shareholders of record at the close of business on September 9, 2011 are entitled to notice of and to vote at the Meeting and any adjournment thereof.

Registered Reservoir Capital Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and to mail it to or deposit it with the Secretary of the Corporation, care of Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Avenue, 9th Floor, Vancouver, British Columbia M5J 2Y1, or faxed to (416) 263-9524 or 1-866-249-7775. In order to be valid and acted upon at the Meeting, forms of proxy must be received at the aforesaid address no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the city of Vancouver, British Columbia) before the time of the Meeting or any adjournments or postponements thereof. If you are a non–registered Reservoir Capital Shareholder and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or the other intermediary. Failure to do so may result in your shares of the Corporation not being voted at the Meeting.

Dated at Vancouver, British Columbia on the 12th day of September, 2011.

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Kim C. Casswell"

Corporate Secretary

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RESERVOIR CAPITAL CORP.

Suite 501, 543 Granville Street
Vancouver, British Columbia V6C 1X8

MANAGEMENT INFORMATION CIRCULAR

This Circular is furnished in connection with the solicitation of proxies by management of Reservoir Capital Corp. for use at the annual and special meeting of shareholders of the Corporation to be held on October 11, 2011.

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Glossary of Terms in this Circular.

In considering whether to vote for the approval of the Arrangement Resolution, Reservoir Capital Shareholders should be aware that there are various risks, including those described in the Section entitled "Risk Factors" in this Circular. Reservoir Capital Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.

NOTICE TO UNITED STATES SHAREHOLDERS

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Minerals Shares issuable to Reservoir Capital Shareholders under the Arrangement have not been and will not be registered under the U.S. Securities Act or applicable state securities laws, and such Minerals Shares will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act and in reliance upon exemptions from registration under applicable state securities laws.

The solicitation of proxies for the Meeting by means of this Circular is not subject to the requirements of section 14(a) of the U.S. Exchange Act. Accordingly, the solicitations and transactions contemplated in this Circular are being made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Reservoir Capital Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act.

Specifically, information concerning any properties and operations of the Corporation, including any to be transferred to Minerals as part of the Arrangement, has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies. In particular, disclosure of scientific or technical information in this Circular has been made in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. For example, the terms "measured mineral resources" "indicated mineral resources", "inferred mineral resources" and "probable mineral reserves"

are used in this Circular to comply with the reporting standards in Canada. While those terms are recognized and required by Canadian regulations, the SEC does not recognize them. Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Reservoir Capital Shareholders are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. These terms have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of measured mineral resources, indicated mineral resources, inferred mineral resources or probable mineral reserves will ever be upgraded to a higher category. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. In addition, the definitions of proven and probable mineral reserves used in NI 43-101 differ from the definitions in the SEC Industry Guide 7. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations however, the SEC normally only permits issuers to report mineralization that does not constitute reserves as in place tonnage and grade without reference to unit measures. Accordingly, information contained in this Circular containing descriptions of the Corporation's mineral properties may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

Financial statements included or incorporated by reference herein have been prepared in Canadian dollars and in accordance with Canadian GAAP or IFRS, as applicable, and are subject to auditing and auditor independence standards, which differ from United States generally accepted accounting principles and United States auditing and auditor independence standards in certain material respects, and thus are not directly comparable to financial statements of companies prepared in accordance with United States generally accepted accounting principles and that are subject to United States auditing and auditor independence standards.

The enforcement by Reservoir Capital Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Corporation and Minerals are incorporated or organized under the laws of a country other than the United States, that some or all of their officers and directors and the experts named herein are residents of countries other than the United States and that all of the assets of the Corporation and Minerals are located outside the United States. As a result, it may be difficult or impossible for U.S. shareholders to effect service of process within the United States upon Reservoir Capital or Minerals, their directors or officers, or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, U.S. shareholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

Minerals Shares received pursuant to the Arrangement by persons who are "affiliates" of Minerals after the completion of the Arrangement or within 90 days prior to the completion of the Arrangement will be subject to certain restrictions on resale imposed by the U.S. Securities Act. Under certain circumstances, certain restrictions on resale under the U.S. Securities Act may also apply to persons who are "affiliates" of Reservoir Capital immediately prior to the completion of the Arrangement. See "*Part III - The Arrangement — Resale of Minerals Shares*".

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact contained herein, the information presented in this Circular constitutes forward–looking statements or information (collectively "**forward-looking statements**") within the meaning of U.S. and Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995 that involves risks and uncertainties.

Forward-looking statements include, but are not limited to, statements with respect to activities, events or developments that either the Corporation or Minerals expects or anticipates will or may occur in the future, including management's assessment of future plans and operations and statements with respect to the completion and the Effective Date of the Plan of Arrangement, the date of the hearing for the Final Order, the timing for delivery of the Minerals Share Consideration, the conversion of the Subscription Receipts, the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, capital expenditure programs, costs and timing of mineral exploration and development activities, success of exploration activities, permitting timelines, foreign-exchange rate fluctuations, labour supply, treatment under governmental regulatory regimes, the stock exchange listing of securities issued under the Arrangement, the receipt of all necessary regulatory and Court approvals to complete the Arrangement, the issuance of Minerals Options and the business plan of Reservoir Capital and the timing of Reservoir Minerals' construction projects. In certain cases, forward-looking statements can be identified by terminology such as "may", "will", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "forecast", "outlook", "potential", "continue", "should", "likely", or the negative of these terms or other comparable terminology.

Although management believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation or Minerals to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, risks and uncertainties related to: the Corporation's and Mineral's limited operating history and history of no earnings; competition; hydroelectric and geothermal project risks; determination of mineral reserves and mineral resources; industry conditions; joint ventures; changes to government laws and regulations; dependence on key personnel; general economic conditions; political and foreign exchange risks in the jurisdictions in which the Corporation and Minerals carry on, and propose to carry on, their respective business activities; commodity prices; the availability of qualified labour; the receipt of all necessary permits and approvals which the Corporation and Minerals may require for their proposed activities; title matters or claims; protection of the Corporation's and Minerals' property rights; capital expenditure programs; actual results of current exploration, development and related activities; interest rates; availability of financing; insurance limitations; environmental risks and hazards; obtaining required approvals of regulatory authorities; consummation of the Plan of Arrangement being dependent on the satisfaction of customary closing conditions; the approval of Reservoir Capital Shareholders and the approval of the Court; the conversion of the Subscription Receipts being dependent on the satisfaction of certain release conditions; and other risks factors described from time to time in the documents filed by the Corporation with applicable securities regulators, including in this Circular under the heading "*Part X – Other Matters – Risk Factors*" and in the documents incorporated by reference herein.

Forward–looking statements are made based on management's beliefs, estimates and opinions on the date the forward-looking statements are made and the Corporation undertakes no obligation to update any

forward–looking statement if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law

INFORMATION CONTAINED IN THIS CIRCULAR

The information contained in this Circular is given as at September 12, 2011, unless otherwise noted. No person has been authorized to give any information or to make any representation in connection with the Arrangement and other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Corporation.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and Reservoir Capital Shareholders are urged to consult their own professional advisers in connection therewith.

Descriptions in the body of this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are merely summaries of the terms of those documents. Reservoir Capital Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The full text of the Arrangement Agreement is attached to this Circular as Appendix "B" and the Plan of Arrangement is attached as Schedule A to the Arrangement Agreement.

INCORPORATION BY REFERENCE

Information has been incorporated by reference in this Circular and the appendices thereto from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference may be obtained on request without charge from the Corporation at Suite 501, 543 Granville Street, Vancouver, British Columbia, V6C 1X8, and are also available electronically on the SEDAR website at www.sedar.com. The following documents are incorporated in this Circular and the appendices thereto and form an integral part thereof:

(a) the audited consolidated financial statements of Reservoir Capital for the years ended April 30, 2011, 2010 and 2009;

(b) the management's discussion and analysis of Reservoir Capital for the years ended April 30, 2011, 2010 and 2009; and

(c) any material change reports (excluding confidential material change reports), interim and annual consolidated financial statements (and related management's discussion and analysis), business acquisition reports, information circulars and any other disclosure documents required to be incorporated by reference into a prospectus under National Instrument 44-101 that are filed by Reservoir Capital with various securities commissions or similar authorities in Canada after the date of this Circular and prior to the Effective Date.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Circular and its appendices to the

extent that a statement contained in this Circular or its appendices or in any other subsequently filed document which also is or is deemed to be incorporated be reference herein modifies or supersedes such statement. The modifying or superseding statement need to state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that it necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Circular or its appendices, except as so modified or superseded.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

In this Circular, unless otherwise stated, dollar amounts are expressed in Canadian dollars, US$ means United States dollars and € means Euros. On September 9, 2011, the exchange rate for one United States dollar expressed in Canadian dollars was Cdn$0.9971 based upon the Bank of Canada noon spot rate of exchange and the exchange rate for one Euro expressed in Canadian dollars was Cdn$1.3626 based upon the Bank of Canada noon spot rate of exchange.

The historical financial statements of the Corporation referred to in this Circular, as well as the *pro forma* consolidated financial statements for Reservoir Capital, are reported in Canadian dollars and have been prepared in accordance with Canadian GAAP. The historical financial statements of Minerals referred to in this Circular, as well as the *pro forma* consolidated financial statements for Minerals, are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards.

GLOSSARY OF TERMS

The following glossary of words and terms used in this document, including the cover pages and summary, is provided for ease of reference. These words and terms are not always used in the financial statements and other financial information contained herein or in the appendices hereto. Plural forms of these words and terms shall include the singular and vice-versa.

"**Affiliate**", "**associate**" and "**subsidiary**" have the meanings ascribed thereto in the *Securities Act* (British Columbia);

"**Arrangement**" means the arrangement under the provisions of section 288 of the BCBCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith or at the direction of the Court in the Final Order;

"**Arrangement Agreement**" means the arrangement agreement dated as of September, 2011 between the Corporation and Minerals, a copy of which is attached hereto as Appendix "B", as amended or supplemented prior to the Effective Date;

"**Arrangement Resolution**" means the special resolution regarding the Arrangement to be considered by the Reservoir Capital Shareholders at the Meeting, the full text of which is attached hereto as Appendix "A";

"**BCBCA**" means the *Business Corporations Act* (British Columbia), S.B.C. 2002 c.57, as from time to time as amended or re-enacted;

"**Beneficial Shareholder**" means a Reservoir Capital Shareholder who is not a Registered Shareholder;

"**Business Day**" means any day, other than a Saturday, Sunday or a statutory holiday observed in Vancouver, British Columbia;

"**BVI Mining Subsidiaries**" means Reservoir Exploration (BVI) Ltd., Reservoir Consulting (BVI) Ltd. and Rakita (BVI) Ltd., each of which is a "**BVI Mining Subsidiary**";

"**Canadian GAAP**" means generally accepted accounting principles in Canada applied consistently;

"**Circular**" means this management information circular of the Corporation dated September 12, 2011, together with the Notice of Meeting, all appendices hereto and all documents incorporated by reference herein, distributed by Reservoir Capital in connection with the Meeting;

"**Compensation Option Receipts**" means the non-transferable compensation option receipts to acquire 429,882 Minerals Units issued to finders in connection with the Private Placement;

"**Computershare**" means Computershare Trust Company of Canada;

"**Conveyance Agreements**" means the agreements between Reservoir Capital and Minerals dated as of the Effective Date transferring each of the BVI Mining Subsidiaries and the Mining Subsidiary Loans to Minerals in exchange for the issuance by Minerals of the Mineral Share Consideration to Reservoir Capital, each substantially in the form attached hereto as Appendix "K";

"**Court**" means the Supreme Court of British Columbia;

"**Dissent Completion Notice**" has the meaning ascribed thereto under "Rights of Dissenting Shareholders";

"**Dissent Procedures**" means the procedures set forth in sections 237-247 of the BCBCA, the Interim Order and the Plan required to be taken by a Registered Shareholder to exercise Dissent Rights;

"**Dissent Rights**" means the rights of a Registered Shareholder, in accordance with the Interim Order and the Plan of Arrangement, to dissent to the Arrangement Resolution and to be paid the fair value of the Reservoir Capital Shares in respect of which such Registered Shareholder dissents;

"**Dissenting Shareholder**" means a Reservoir Capital Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its Reservoir Capital Shares in accordance with the Interim Order and the Plan of Arrangement;

"**Dissenting Shares**" means the Reservoir Capital Shares in respect of which Dissenting Shareholders have exercised a right of dissent;

"**Effective Date**" means the date upon which the Arrangement becomes effective in accordance with its terms;

"**Effective Time**" means 12:01 a.m. (Vancouver time) on the Effective Date;

"**Eurasian Royalty Agreement**" means the royalty agreement dated November 8, 2007 between Eurasian Minerals Inc. ("**Eurasian**") and Preduzece Za Minarlne Sirovine SEE d.o.o. Beograd, whereby each of the Plavkovo, Brestovac, Lece, Stara Planina and Deli Jovan properties as set forth therein are subject to a 2% net smelter return royalty to Eurasian on gold and silver sold and a 1% net smelter return royalty to Eurasian on all other minerals sold;

"**Euromax Royalty Agreement**" means the royalty agreement dated March 16, 2010 between Reservoir Capital and Euromax Resources Ltd. ("**Euromax**") whereby the Durlan Potok portion of the Jasikovo Durlan Potok property and the Metovnica portion of the Brestovac Metovnica property are subject to a 0.5% net smelter return royalty to Euromax;

"**Exploration Permits**" means the exploration permits set forth in Schedule B to the Arrangement Agreement;

"**Fairness Opinion**" means the fairness opinion dated September 12, 2011 from NCP to the independent members of the Reservoir Capital Board in connection with the Arrangement, a copy of which is attached as to this Circular as Appendix "E";

"**Final Order**" means the final order of the Court, as such order may be amended by the Court (with the consent of the Parties, acting reasonably) at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied as affirmed or as amended (with the consent of the Parties, acting reasonably);

"**Freeport**" means Freeport-McMoran Exploration Corporation;

"**Freeport Earn-In Agreement**" means the earn-in agreement dated March 18, 2010 among Freeport, Reservoir Capital, Reservoir Capital (BVI) Ltd. and Rakita (BVI) Ltd., whereby Freeport is granted the right to earn an interest in the Brestovac and Jasikovo exploration permits. Under the terms of the earn-in agreement, Freeport may earn an initial 55% interest in Rakita Exploration d.o.o., an indirect wholly-

owned subsidiary of Reservoir Capital, by investing US$3 million in exploration over a four-year period. Once Freeport has earned its initial 55% interest, it may become the project operator and may elect to earn an additional 20% interest (for a total interest of 75%) by completing a scoping study within four years, a pre-feasibility study within eight years and a feasibility study within thirteen years. Pursuant to the terms of the earn-in agreement, the shares of Rakita (BVI) Ltd. comprising the earned interest are subject to escrow;

"**Governmental Authority**" means any: (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) any subdivision, agency, commission, board or authority of any of the foregoing; or (iii) any quasigovernmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"**Interim Order**" means the order made after application to the Court pursuant to section 291 of the BCBCA, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of the Parties, acting reasonably), in respect of the Arrangement, a copy of which is attached to this Circular as Appendix "C";

"**Intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders;

"**Law**" means any law, bylaw, rule, regulation, order, ordinance, protocol, code, guideline, policy, notice, direction and judgement or other requirement of any Governmental Authority;

"**Material Adverse Change**" means, in respect of either Minerals or the Mining Subsidiaries, as the case may be, any change (or any condition, event or development involving a prospective change) in the financial condition, operations, prospects, assets, liabilities, capitalization, licenses, permits, concessions, rights or privileges or business, whether contractual or otherwise, of such entities, that is, or could reasonably be expected to have, a Material Adverse Effect;

"**Material Adverse Effect**" in relation to any event or change in respect of Minerals or the Mining Subsidiaries, as the case may be, means an effect that is or would reasonably be expected to be materially adverse to the financial condition, operations, prospects, assets, liabilities, capitalization, licenses, permits, concessions, rights or privileges or business, whether contractual or otherwise, of Minerals, taken as a whole, or the Mining Subsidiaries provided that a Material Adverse Effect shall not include an adverse effect in the financial condition, operations, prospects, assets, liabilities, capitalization, licenses, permits, concessions, rights or privileges or business, whether contractual or otherwise, of Minerals or the Mining Subsidiaries, as applicable, that arises or results from or is in any way connected with, either directly or indirectly: (i) a matter that has prior to the date hereof or concurrently with the announcement of this Agreement been publicly disclosed or otherwise disclosed in the Minerals Disclosure Letter or the Reservoir Capital Disclosure Letter, as applicable, or otherwise disclosed in writing to the other Party; (ii) conditions affecting the mining industry as a whole; (iii) general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere, including any decline in crude oil or natural gas prices on a current or forward basis; (iv) relating to any change in the trading price of the Minerals Shares or value of the Reservoir Capital Shares, respectively, that arises from the announcement of execution of this Agreement; or (v) any change in Canadian GAAP; or (vi) that is consented to by the other Party or results from any matter consented to by the other Party;

"**Meeting**" means the annual and special meeting of Reservoir Capital Shareholders to be held on October 11, 2011 at 10:00 a.m. (Vancouver time), and includes any adjournments or postponements thereof;

"**Mineral Exploration Business**" means the mineral exploration business of Reservoir Capital conducted in connection with the Mining Assets;

"**Minerals**" means Reservoir Minerals Inc., duly incorporated and existing under the BCBCA;

"**Minerals Board**" means the board of directors of Minerals;

"**Minerals BVI**" means Global Reservoir Minerals BVI Inc., a corporation duly incorporated on July 12, 2011 and existing under the laws of the British Virgin Islands at the Effective time;

"**Minerals Options**" means options granted in accordance with the terms and conditions of the Minerals Stock Option Plan;

"**Minerals Private Placement**" means the private placement by Minerals of the Subscription Receipts;

"**Mineral Rights**" means all rights, whether contractual or otherwise, for the exploration for or the exploitation or extraction of mineral resources and reserves together with surface rights, water rights, royalty interests, fee interests, joint venture interests and other leases, rights of way and enurements related to any such rights;

"**Minerals Seed Private Placement**" means the private placement by Minerals of 1,900,000 common shares in the capital of Minerals at a price of $0.10 per share on March 15, 2011 as disclosed in a press release of Reservoir Capital dated March 25, 2011, to persons who will be integrally involved in the business of Reservoir Minerals Inc. including Serbian residents;

"**Minerals Share Consideration**" means 9,000,000 Minerals Shares at a price of $0.65 per share;

"**Minerals Shareholder**" means a holder of Minerals Shares;

"**Minerals Shares**" means the common shares without par value in the capital of Minerals, as constituted on the date of the Arrangement Agreement;

"**Minerals Stock Option Plan**" means the proposed common share purchase option plan of Minerals, which is subject to Reservoir Capital Shareholder approval, a copy of which is attached to this Circular as Appendix "J";

"**Minerals Unit**" means one Minerals Share and one Minerals Warrant;

"**Minerals Warrant**" means one non-transferable Minerals Share purchase warrant entitling the holder thereof to acquire one Minerals Share at: (i) a price of $0.90 per share for the first year, subject to accelerated expiry following the satisfaction of the Release Conditions; and (ii) a price of $1.00 for the second year following the satisfaction of the Release Conditions;

"**Mining Assets**" means Serbian mining assets of Reservoir Capital and includes all of the shares of the Mining Subsidiaries, the Exploration Permits, Mineral Rights of Reservoir Capital and all related tangibles, equipment, facilities and miscellaneous interests;

"**Mining Subsidiary Loans**" means the outstanding loans made by Reservoir Capital to the Mining Subsidiaries;

"**Mining Subsidiaries**" means the BVI Mining Subsidiaries and the Serbian Subsidiaries;

"**NCP**" means Northland Capital Partners Inc.;

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* adopted by the Canadian Securities Administrators;

"**Notice of Meeting**" means the notice of the Meeting dated September 12, 2011 which accompanies this Circular;

"**Orogen Earn-In Agreement**" means the earn-in agreement dated December 15, 2010 among Reservoir Capital, Reservoir Exploration (BVI) Ltd., Deli Jovan Exploration d.o.o. and Orogen Gold Limited ("**Orogen**"), whereby Orogen may earn up to a 75% interest in the Deli Jovan property by completing $3.5 million in exploration expenditures within 42 months of December, 2010;

"**Outside Date**" means the later of (i) October 17, 2011; and (ii) such later date as Reservoir Capital and Minerals may agree in writing;

"**Parties**" means Reservoir Capital and Minerals and their respective successors and permitted assigns and "**Party**" means any one of them;

"**Plan**" or "**Plan of Arrangement**" means a plan of arrangement in substantially the form and content set forth in Schedule A attached to the Arrangement Agreement, as more fully described under "The Arrangement";

"**Power Purchase Agreement**" means an agreement whereby a power producer such as Reservoir Capital's proposed Brodarevo hydroelectric project sell electricity to an energy trader or distributor on pre-agreed terms over a pre-agreed period;

"**Private Placement**" means the private placement of 14,776,150 Subscription Receipts;

"**Promissory Note**" means the loan in the principal amount of up to $300,000 from Reservoir Capital to Minerals payable upon demand, subject to certain conditions, with interest thereon of 3% per annum;

"**Proxy**" means the proxy form accompanying this Circular;

"**Record Date**" means September 9, 2011;

"**Registered Shareholder**" means a registered holder of Reservoir Capital Shares as recorded in the shareholder register of the Corporation maintained by Computershare;

"**Registrar**" means the Registrar of Companies appointed pursuant to section 400 of the BCBCA;

"**Release Conditions**" means all conditions, undertakings and other matters to be satisfied, completed and otherwise met prior to completion of the Plan of Arrangement and Acquisition pursuant to the Arrangement Agreement, including the conditional approval of the TSXV to list the Mineral Shares and necessary regulatory and Court approvals;

"**Renewable Energy Business**" means Reservoir Capital's business in which energy is generated and sold for economic benefit, where the source of energy is from renewable (naturally replenished) resources such as rivers and geothermal heat;

"**Reservoir Capital**" or the "**Corporation**" means Reservoir Capital Corp., a corporation duly incorporated and existing under the BCBCA;

"**Reservoir Capital Board**" means the board of directors of the Corporation;

"**Reservoir Capital BVI**" means Reservoir Capital Corp. (BVI), a corporation duly incorporated and existing under the laws of the British Virgin Islands;

"**Reservoir Capital Options**" means the options to purchase Reservoir Capital Shares issued pursuant to the Reservoir Capital Stock Option Plan;

"Reservoir Capital Shareholder" means a holder of Reservoir Capital Shares;

"Reservoir Capital Shares" means the common shares without par value in the capital of the Corporation, as constituted on the date of the Arrangement Agreement;

"Reservoir Capital Stock Option Plan" means the stock option plan of the Corporation;

"**Reservoir Capital Warrants**" means the warrants to purchase Reservoir Capital Shares;

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Authorities**" means, collectively, the British Columbia Securities Commission and the other applicable securities regulatory authorities in Canada, including the TSXV, each of which is a "**Securities Authority**";

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**SEE d.o.o.**" means Southern European Exploration d.o.o.;

"**SEE Share Purchase Agreement**" means the share purchase agreement dated January 26, 2007 among Eurasian Minerals Inc., Reservoir Capital, Southern European Exploration (BVI) Ltd. and Southern European Exploration Limited, whereby Reservoir Capital is obliged, until the 15th anniversary of the closing date set forth therein, to pay $500,000 in cash or shares on completion of a bankable feasibility study as defined therein completed on a different property up to, in either case, a maximum of two properties consisting of the Plavkovo, Brestovac-Zlot, Stara Planina and Deli Jovan properties;

"**Serbian Subsidiaries**" means Deli Jovan Exploration D.o.o., Balkan Exploration and Mining D.o.o. and Rakita Exploration D.o.o., each of which is a "**Serbian Subsidiary**";

"**Subscription Receipts**" means the 14,776,150 non-transferable subscription receipts of Minerals issued at a price of $0.65 per Subscription Receipt with each Subscription Receipt entitling the holder thereof to receive one non-transferable Minerals Unit upon satisfaction of the Release Conditions;

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), including the regulations promulgated thereunder, as amended from time to time;

"**TSXV**" or "**Exchange**" means the TSX Venture Exchange, being the stock exchange of that name operated by TMX Group Inc.;

"**TSXV Option Policy**" means TSXV Policy 4.4 – *Incentive Stock Options*;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

"**U.S. Holder**" has the meaning ascribed thereto under *Part VIII* - "*Income Tax Considerations — Certain United States Federal Income Tax Considerations*"; and

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

SUMMARY

The following is a summary of the information contained elsewhere in this Circular concerning a proposed reorganization of the Corporation by way of the Arrangement and certain other matters and should be read together with the more detailed information, appendices and financial data and statements contained elsewhere in this Circular and incorporated in this Circular by reference. This Circular also deals with the Minerals Private Placement, Minerals Stock Option Plan and annual meeting items of business which are not summarized in this summary. Certain capitalized words and terms used in this summary are defined in the "Glossary of Terms" above or elsewhere in this Circular. This summary is qualified in its entirety by the more detailed information and financial statements appearing or referred to elsewhere in this Circular and the schedules attached hereto.

The Meeting

The Meeting will be held at Suite 501, 543 Granville Street, Vancouver, British Columbia on October 11, 2011 commencing at 10:00 a.m. (Vancouver time). At the Meeting, in addition to annual items of business, Reservoir Capital Shareholders will be asked to pass, with or without variation, the Arrangement Resolution approving the Arrangement among Reservoir Capital, Minerals and the Reservoir Capital Shareholders. The Arrangement will consist of the distribution of Minerals Shares to the Reservoir Capital Shareholders.

Reservoir Capital Shareholders will also be requested to consider and, if thought fit, to pass an ordinary resolution ratifying and approving the adoption of the Minerals Stock Option Plan. The completion of the Arrangement is not conditional upon approval of the Minerals Stock Option Plan.

Shareholders will also be asked at the Meeting to consider and vote on an ordinary resolution approving the issuance of 1,900,000 common shares in the capital of Minerals pursuant to a seed private placement.

The Arrangement

The Corporation is a publicly traded company listed on the TSXV which carries on two businesses: the Renewable Energy Business and the Mineral Exploration Business. The Arrangement has been proposed to facilitate the separation of the two business activities. Management of the Corporation believes that separating the Corporation into two public companies offers a number of benefits to shareholders. The objective of the Arrangement is to maximize shareholder value by allowing the market to independently value the Renewable Energy Business and Mineral Exploration Business. In addition to allowing Reservoir Capital to continue to focus efforts on its renewable energy projects, Reservoir Capital is confident that having a dedicated management team and funding for the mineral exploration business will accelerate development of existing mineral projects and give scope for new acquisitions. Furthermore as the two companies will be focused on their respective industries, they will be more readily understood by, and attractive to, public investors, allowing each company to be in a better position to raise capital and align management and employee incentives with the interests of shareholders.

Pursuant to the Arrangement, Reservoir Capital will transfer to Minerals all of the outstanding shares of the Mining Subsidiaries, which companies hold the Mining Assets which include all of Reservoir Capital's right, title and interest in the Exploration Permits. In exchange for the Mining Subsidiaries and the Mining Subsidiary Loans, Minerals will issue to Reservoir Capital 9,000,000 Minerals Shares at a price of $0.65 per share.

Each Reservoir Capital Shareholder as of the Effective Time, other than a Dissenting Shareholder, will receive a *pro rata* share of the Minerals Share Consideration (calculated assuming that there are no Dissenting Shareholders) as a reduction of stated capital and which *pro rata* share will be determined

based on the number of Reservoir Capital Shares outstanding at the Effective Time. See "*The Arrangement – Details of the Arrangement*".

Principal Steps of the Arrangement

On the Effective Date of the Arrangement, the following shall occur and be deemed to occur in the following order:

(a) all of the issued and outstanding Reservoir Capital Shares held by Dissenting Shareholders shall be deemed to have been transferred to Reservoir Capital, free of any claims, and each Dissenting Shareholder shall cease to have any rights as a shareholder of Reservoir Capital other than the right to be paid by Reservoir Capital, in accordance with the Dissent Rights, the fair value of the Reservoir Capital Shares with respect to which the Reservoir Capital Shareholder has dissented and shall be removed from the register of Holders of Registered Shareholders;

(d) all of the outstanding shares of the BVI Mining Subsidiaries and the Mining Subsidiary Loans shall be transferred by Reservoir Capital to Minerals, and Minerals shall issue the Minerals Share Consideration therefor to Reservoir Capital in accordance with the terms and conditions of the Conveyance Agreements;

(e) all of the outstanding shares of the Mining Subsidiaries shall be transferred by Minerals to Minerals BVI and Minerals BVI shall issue 1,000 shares in the capital of Minerals BVI to Minerals; and

(f) with respect to each Minerals Share acquired by Reservoir Capital as described in paragraph (b) above, Reservoir Capital shall deliver to each Registered Shareholder as at the Effective Time, such Registered Shareholders *pro rata* share of the Minerals Share Consideration (calculated assuming that there are no Dissenting Shareholders) as a reduction of stated capital and which *pro rata* share is based on the number of outstanding Reservoir Capital Shares outstanding at the Effective Time.

Effect of the Arrangement

Following completion of the Arrangement, the Corporation will continue to carry on the Renewable Energy Business. Each Reservoir Capital Shareholder will continue to be a shareholder of the Corporation. See "*PART VI – Information Concerning Reservoir Capital*" for a summary description of the Corporation assuming completion of the Arrangement. See Appendix "H" or selected *pro forma* unaudited financial information for the Corporation and Minerals.

Following completion of the Arrangement, Minerals will be a public company, the shareholders of which will be the holders of Reservoir Capital Shares as of the Effective Time, subscribers to the Minerals Private Placement and certain shareholders of Minerals who participated in the Minerals Seed Private Placement. Minerals, through Minerals BVI and the Mining Subsidiaries will hold the Mining Assets and will carry on the Mineral Exploration Business. Closing of the Arrangement is conditional upon Minerals Shares being conditionally approved for listing on the TSXV. See "*PART VII – Information Concerning Minerals and Appendix "G" – Information Concerning Minerals*" for a description of the Mining Assets, corporate structure and business, including selected *pro–forma* unaudited financial information of Minerals assuming completion of the Arrangement.

Holders of convertible securities of Reservoir Capital shall not be entitled to acquire or receive any securities of Minerals pursuant to the Arrangement. Only holders of Reservoir Capital Shares shall be entitled to their *pro rata* share of the Minerals Share Consideration pursuant to the Arrangement.

No fractional Minerals Shares shall be issued pursuant to the Plan. In the event that a Reservoir Capital Shareholder would otherwise be entitled to a fractional Minerals Share hereunder, the number of Minerals Shares issued to such Reservoir Capital Shareholder shall be rounded down to the next lesser whole number of Minerals Shares. In calculating such fractional interests, all Reservoir Capital Shares registered in the name of or beneficially held by such Reservoir Capital Shareholder or their nominee shall be aggregated. In the event that the rounding down of such fractional interests results in a portion of the Minerals Share Consideration not being distributed to Reservoir Capital Shareholders, such undistributed Minerals Shares shall be registered in the name of Reservoir Capital.

Reasons for the Arrangement

Reservoir Capital believes that the Arrangement is in the best interests of Reservoir Capital for numerous reasons, including the fact that it will continue with a focus on the Renewable Energy Business with a significant market capitalization and a solid management team. Reservoir Capital expects to have broader appeal to the investment community with its focus primarily as a Renewable Energy Business. Minerals will have a focus on the Mineral Exploration Business with a strong board of directors and management team. Shareholders who continue as Reservoir Capital Shareholders will hold shares in two companies with well defined and distinct projects. Reservoir Capital believes that the Arrangement will provide both Reservoir Capital and Minerals with the ability to more effectively finance, utilize and exploit their respective assets. For further information on the reasons for the Arrangement, see "*Part III – The Arrangement – Reasons for the Arrangement*" in this Circular.

Procedure for the Issuance and Delivery of Minerals Shares

As soon as practicable following the Effective Date, Reservoir Capital will forward or cause to be forwarded by first-class mail (postage paid) to Reservoir Capital Shareholders, other than Reservoir Capital Dissenting Shareholders, as of the Effective Time at the address specified in the register of holders of Reservoir Capital Shares, a certificate(s) representing the number of Minerals Shares issued to such Holder under the Arrangement. In the event that the rounding down of such fractional interest results in a portion of the Minerals Share Consideration not being distributed to Reservoir Capital Shareholders, such undistributed Minerals Shares shall be registered in the name of Reservoir Capital.

Reservoir Capital

Reservoir Capital is a British Columbia corporation whose shares are traded on the TSXV. Reservoir Capital currently carries on the Renewable Energy Business and Mineral Exploration Business.

See "*Part VI – Information Concerning Reservoir Capital*" in this Circular for information about Reservoir Capital.

Minerals

Minerals is a corporation incorporated in British Columbia for the purpose of the Arrangement. Minerals will, on the Effective Date, indirectly hold the Mining Assets through Minerals BVI and the Mining Subsidiaries and carry on the Mineral Exploration Business.

See "*Part VI – Information Concerning Minerals* and *Appendix "G" – Information Concerning Minerals*" in this Circular for disclosure about Minerals.

Fairness Opinion

NCP has delivered the Fairness Opinion to the independent members of the Reservoir Capital Board stating that based upon and subject to the various assumptions, matters considered and limitations set forth in the Fairness Opinion, as of date thereof, the consideration to be received by the Reservoir Capital Shareholders pursuant to the Arrangement is fair, from a financial point of view.

A copy of the Fairness Opinion is attached as Appendix "E" to this Circular and should be read carefully in its entirety. The Fairness Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety. See "*Part III – The Arrangement – Fairness Opinion*". The Fairness Opinion was provided solely to the independent members of the Reservoir Capital Board in its evaluation of the fairness, from a financial point of view, of the Arrangement, and does not address any other aspect of the Arrangement and does not constitute a recommendation to any Reservoir Capital Shareholder as to how to vote or act with respect to any matters relating to the Arrangement.

Recommendation of the Reservoir Capital Board

The Reservoir Capital Board has concluded that the Arrangement is fair and reasonable to, and is in the best interests of, Reservoir Capital and the Reservoir Capital Shareholders and unanimously recommends that Reservoir Capital Shareholders vote in favour of the Arrangement Resolution. See "*Part III — The Arrangement — Recommendation of the Reservoir Capital Board*".

Conditions to the Arrangement

The Arrangement is subject to a number of specified conditions, certain of which may only be waived in accordance with the Arrangement Agreement, including:

Votes Required for the Arrangement

In order for the Arrangement to be approved, the affirmative vote of at least two-thirds of the votes cast by disinterested holders of Reservoir Capital Shares present in person or by proxy at the Meeting must be obtained. See "*Part III – The Arrangement – Shareholder Approval*".

Stock Exchange Listings

The Reservoir Capital Shares are currently listed and traded on the TSXV. The completion of the Arrangement is, among other things, conditional on: (i) the TSXV having accepted notice of the Arrangement, and (ii) the TSXV having conditionally approved the listing of the Minerals Shares.

Court Approval of the Arrangement

The BCBCA requires that an application be made to the Court for approval of the Arrangement and the Interim Order contemplates that an application for the Final Order will be made on October 12, 2011 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, at the Court at 800 Smithe Street, Vancouver, British Columbia. The full text of the notice of hearing in respect of the Final Order is set forth in Appendix "D" to this Circular.

Counsel to Reservoir Capital has advised Reservoir Capital that the Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement to the Reservoir Capital Shareholders. Counsel to Reservoir Capital has further advised Reservoir Capital that the Court has very broad discretion under the BCBCA when making orders in respect of the Arrangement and that the Court may approve the Arrangement either as proposed or as amended in any manner that the Court may direct, subject to compliance with such terms and conditions, if any, as the Court may see fit.

At the hearing of the application for the Final Order, any Reservoir Capital Shareholder who wishes to participate, be represented and present evidence or arguments may do so, subject to filing and serving upon the Corporation a notice of appearance as provided in the Interim Order.

Proxies

To be valid, a proxy must be dated and signed by the Reservoir Capital Shareholder or his attorney authorized in writing or, if the Reservoir Capital Shareholder is a corporation, by a duly authorized officer or attorney. The proxy, to be acted upon, must be received by Computershare Trust Company of Canada, 11th Floor, 100 University Avenue, Toronto, Ontario M5J 2Yl, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the city of Vancouver, British Columbia) before the time of the Meeting or any adjournments or postponements thereof.

Only Reservoir Capital Shareholders of record at the close of business (Vancouver time) on September 9, 2011 will be entitled to receive notice and vote at the Meeting, or any adjournments or postponements thereof.

Unless a Reservoir Capital Shareholder specifies otherwise, the Reservoir Capital Shares represented by a proxy furnished to Reservoir Capital will be voted in favour of the Arrangement Resolution to approve the Arrangement. See "*Part I — General Proxy Information*".

Rights of Dissent

Registered Shareholders may exercise rights of dissent pursuant to and in the manner set forth in sections 237-247 of the BCBCA, as modified by the Interim Order or the Final Order and in accordance with the procedures set forth under "*Part III –The Arrangement - Rights of Dissenting Shareholders*". See Appendix "F" for the provisions in sections 237-247 of the BCBCA.

Procedure for Receipt of Minerals Shares

As soon as practicable following the Effective Date, Reservoir Capital will forward or cause to be forwarded by first-class mail (postage paid) to Reservoir Capital Shareholders, other than Dissenting Shareholders, as of the Effective Time at the address specified in the register of holders of Reservoir Capital Shares, a certificate(s) representing the number of Minerals Shares issued to such Registered Shareholder under the Arrangement. In the event that the rounding down of such fractional interest results in a portion of the Minerals Share Consideration not being distributed to Reservoir Capital Shareholders, such undistributed Minerals Shares shall be registered in the name of Reservoir Capital.

Income Tax Considerations

Certain Canadian federal income tax considerations for Reservoir Capital Shareholders who participate in the Arrangement or who dissent from the Arrangement are set out in the summary herein entitled "*Part VIII - Income Tax Considerations – Certain Canadian Federal Income Tax Considerations*", and certain United States Federal income tax considerations for Reservoir Capital Shareholders who participate in the Arrangement or who dissent from the Arrangement are set out in the summary entitled "*Part VIII - Income Tax Considerations – Certain United States Federal Income Tax Considerations*".

Other Matters of Special Business relating to Minerals

Minerals Seed Private Placement

At the Meeting, Reservoir Capital Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution to approve the private placement of 1,900,000 common shares in the capital of

Reservoir Minerals Inc. at a price of $0.10 per share on March 15, 2011 as disclosed in a press release of Reservoir Capital dated March 25, 2011, to persons who will be integrally involved in the business of Reservoir Minerals Inc. including Serbian residents. To be adopted, the ordinary resolution must be approved by a simple majority of disinterested votes cast at the Meeting by Reservoir Capital Shareholders. See "*Part IV – Approval of Minerals Seed Private Placement*".

Minerals Stock Option Plan

At the Meeting, Reservoir Capital Shareholders will be asked to consider and, if deemed advisable, ratify and approve the adoption by Minerals of the Minerals Stock Option Plan which will authorize the Minerals Board to issue stock options to directors, officers, employees or other service providers of Minerals and its subsidiaries. To be adopted, the ordinary resolution must be approved by a simple majority of votes cast at the Meeting by Reservoir Capital Shareholders. Shareholder approval of the Minerals Stock Option Plan will be required by the TSXV. A copy of the Minerals Stock Option Plan is set out in Appendix "J" to this Circular. See "*Part V – Approval of Minerals Stock Option Plan*". **The completion of the Arrangement is not conditional upon approval of the Minerals Stock Option Plan.**

Reservoir Capital Pro-Forma Summary Financial Information

The following table sets out selected pro-forma financial information in respect of Reservoir Capital as if the Arrangement had been completed as of April 30, 2011.

The following pro-forma financial information should be considered in conjunction with the more complete information contained in the pro-forma balance sheets attached as Appendix "I" to this Circular. All currency amounts are stated in Canadian dollars.

Reservoir Capital Pro-forma Summary Information

	Year Ended April 30, 2011 ($)
Current Assets	10,053,619
Resource Properties	244,613
Total Assets	10,471,354
Total Liabilities	497,893
Shareholders' Equity	9,973,461

Minerals Pro-Forma Summary Financial Information

The following table sets out selected pro-forma financial information in respect of Minerals as if the Arrangement had been completed as of July 31, 2011. The following pro-forma financial information should be considered in conjunction with the more complete information contained in the pro-forma balance sheets attached as Appendix "H" to this Circular. All currency amounts are stated in Canadian dollars.

Minerals Pro-forma Summary Information

	Period Ended July 31, 2011 ($)
Current Assets	10,136,686
Resource Properties	249,518
Total Assets	10,410,235
Total Liabilities	969,264
Shareholders' Equity	9,440,971

Risk Factors

For a description of certain risk factors common to Reservoir Capital and Minerals, risk factors specific to Reservoir Capital and risk factors specific to Minerals, which will apply to Reservoir Capital and Minerals upon completion of the Arrangement, see "*Part X – Other Matters – Risk Factors*" contained in this Circular.

PART I - GENERAL PROXY INFORMATION

Solicitation of Proxies by Management

There is enclosed herewith a form of proxy for use at the Meeting. The Shareholders are entitled to vote and are encouraged to participate in the Meeting, or at any adjournment thereof, for the purposes set forth in the Notice of Meeting accompanying this Circular.

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the Notice of Meeting, form of proxy and this Circular will be borne by the Corporation. Management does not contemplate a solicitation of proxies other than by mail.

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 other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Reservoir Capital Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

Appointment and Revocation of Proxies

A Shareholder has the right to appoint a nominee (who need not be a Shareholder), other than the persons designated in the enclosed form of proxy (the "Management Designees"), to represent him at the Meeting, by inserting the name of his chosen nominee in the space provided for that purpose on the form of proxy or by completing another proper form of proxy. Such a Shareholder should notify the nominee of his appointment, obtain his consent to act as proxy and instruct him on how the Shareholder's shares are to be voted. In any case, the form of proxy should be dated and executed by the Shareholder or his attorney authorized in writing.

To be valid, the 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 proxy). The proxy must then be delivered to the Corporation's transfer agent, Computershare Trust Company of Canada (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Canada 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.

A proxy may be revoked by a Shareholder personally attending at the Meeting and voting their shares. A Shareholder may also revoke their proxy in respect of any matter upon which a vote has not already been cast by depositing an instrument in writing 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, either at the office of the transfer agent at the foregoing address or the Corporation at 501 - 543 Granville Street, Vancouver, British Columbia, V6C 1X8, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting, or any adjournment thereof.

Notice to Beneficial Holders of Shares

Only registered Shareholders or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Reservoir Capital Shares beneficially owned by a person (a "**Non-Registered Shareholder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**")

(including banks, trust companies, securities dealers or brokers and trustees or administrators of self administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Shareholder deals with in respect of the Reservoir Capital Shares; or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited), of which the Intermediary is a participant. In accordance with the requirements of the Canadian Securities Administrators, the Corporation will distribute copies of the Notice of Meeting, this Circular, and the enclosed form of proxy to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered Shareholders in advance of Shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Reservoir Capital Shares are voted at the Meeting. The form of proxy supplied to a Non-Registered Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Non-Registered Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Reservoir Capital Shares to be represented at the Meeting. **A Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Reservoir Capital Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Reservoir Capital Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Reservoir Capital Shares voted. If you have any questions respecting the voting of Reservoir Capital Shares held through a broker or other Intermediary, please contact that broker or other Intermediary for assistance.**

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Reservoir Capital Shares registered in the name of his broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Reservoir Capital Shares in that capacity. **Non-Registered Shareholders who wish to attend the Meeting and indirectly vote their Reservoir Capital Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

Voting of Proxies

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation and have indicated their willingness to represent as proxy the Shareholders who appoint them. Each Shareholder may instruct his proxy how to vote his shares by completing the blanks on the form of proxy.

Reservoir Capital Shares represented by properly executed proxy forms in favour of the persons designated on the enclosed proxy form will be voted for, against, or withheld from voting in accordance with the instructions made on the proxy forms, on any ballot that may be called for and, if Shareholders specify a choice as to any matters to be acted upon, such Shareholders' shares shall be voted accordingly. In the absence of such instructions or choices, such shares will be voted in favour of all matters identified in the Notice of Meeting accompanying this Circular.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. The Reservoir Capital Shares represented by the proxy will be voted on such matters in accordance with the best judgment of the person voting such shares. At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting.

Voting Shares and Principal Holders of Shares

The Corporation is authorized to issue an unlimited number of Reservoir Capital Shares. As at September 8, 2011, 46,701,698 Reservoir Capital Shares were issued and outstanding. On all matters to be considered and acted upon at the Meeting, holders of Reservoir Capital Shares are entitled to one vote for each Reservoir Capital Share held.

The Reservoir Capital Board has fixed September 9, 2011, as the Record Date for determining which Shareholders are entitled to receive notice of the Meeting. A Shareholder of record at the close of business on September 9, 2011, shall be entitled to vote the Reservoir Capital Shares registered in such Shareholder's name on that date, except to the extent that: (a) such person transfers his Reservoir Capital Shares after the Record Date; and (b) the transferee of those Reservoir Capital Shares produces properly endorsed share certificates or otherwise establishes his/her/its ownership to the Reservoir Capital Shares, and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his/her/its name be included on the Shareholders' list.

To the knowledge of the directors and executive officers of the Corporation, as at September 8, 2011, no person or company beneficially owns or controls or directs, directly or indirectly, Reservoir Capital Shares carrying more than 10% of the voting rights of the Corporation. The information as to persons or companies beneficially owning, controlling or directing more than 10% of the Reservoir Capital Shares, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information.

Quorum for Meeting

At the Meeting, a quorum shall consist of two or more persons present and holding or representing by proxy in the aggregate not less than 5% of the outstanding Reservoir Capital Shares. If a quorum is not present at a meeting within a reasonable time after the time fixed for the holding of the meeting, the Shareholders present or represented at the meeting may adjourn the meeting to a fixed time and place but may not transact any other business.

Approval Requirements

In order to approve a motion proposed at the Meeting, a simple majority 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. **The Reservoir Capital Shares represented by the Proxy will be voted "For" all resolutions hereinafter set forth unless the Shareholder specifies that the subject shares are to be voted against or withheld with respect to the resolution in question.**

PART II - ANNUAL MEETING BUSINESS

STATEMENT OF EXECUTIVE COMPENSATION

Unless otherwise noted the following information is for the Corporation's last completed financial year (which ended April 30, 2011) 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) the chief executive officer ("**CEO**") of the Corporation;

(b) the 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, at the end of, or during, the most recently completed financial year if their individual total compensation was more than $150,000 for that financial year.

The NEOs of the Corporation in the most recently completed financial year are Miljana Vidovic, President & Chief Executive Officer, and Christina Cepeliauskas, Chief Financial Officer.

B. Compensation Discussion and Analysis

The Compensation Committee of the Reservoir Capital Board is responsible for ensuring that the Corporation has appropriate procedures for reviewing executive compensation and making recommendations to the Reservoir Capital 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 Reservoir Capital Stock Option Plan.

The Compensation Committee is currently comprised of Michael Winn (Chairman), Winston Bennett and Patrick Trustram-Eve. The Reservoir Capital Board is satisfied that the composition of the Compensation Committee ensures an objective process for determining compensation.

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 Reservoir Capital Stock 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 Reservoir Capital Board conducted a survey and reviewed approximately 13 renewable energy companies with market capitalizations ranging from $8 million to $570 million. Such companies included Alterra Power Corp., Boralex Inc., China Wind Power, Etrion Solar, Finavera Wind Energy, Innergex Renewable Energy Inc., Nevada Geothermal Power Inc., Ram Power Corp., Run of River Power Inc., Sea Breeze Power Corp., Shear Wind 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 Reservoir Capital 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 and the Reservoir Capital Board approve the salary ranges for the NEOs. The salary review for each NEO 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 Reservoir Capital Board approve annual incentives.

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

- discoveries of significant mineralization on one or more of the Corporation's exploration properties;
- advancement of the hydro 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 in reaching its overall goals are factors 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 Reservoir Capital Board with respect to the determination of annual bonuses for the NEOs.

Long Term Compensation

The Corporation has a broadly-based employee stock option plan. The Reservoir Capital Stock 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 Reservoir Capital Stock 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 Reservoir Capital 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 Reservoir Capital 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 Reservoir Capital Stock 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	2011	165,517	0	0	0	0	0	0	165,517
President & CEO	2010	162,170	0	65,604[2]	0	0	0	0	227,774
	2009	135,400	0	0	0	0	0	0	135,400
Christina Cepeliauskas	2011	38,700[3]	0	0	4,500[4]	0	0	0	43,200
	2010	34,650[3]	0	60,032[2]	3,000[5]	0	0	0	97,682
CFO [1]	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael S.M. Sadhra	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Former CFO	2009	37,800	0	0	9,469[6]	0	0	0	47,269

Notes:

(1) Ms. Cepeliauskas was appointed CFO of the Corporation on May 26, 2009 in the place of Mr. Sadhra.

(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 84%. Please see the table under "Incentive Plan Awards" for the 'in-the-money' value of these options on April 30, 2011.

(3) Pursuant to a Management Services Agreement between the Corporation and Seabord Services Corp., Ms. Cepeliauskas's remuneration is paid by Seabord. See "Management Contracts" for a description of the material terms of the Management Services Agreement.

(4) This amount represents a discretionary cash bonus related to 2010.

(5) This amount represents a discretionary cash bonus related to 2009.

(6) This amount represents a discretionary cash bonus related to 2008.

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 entered into a Consulting Agreement dated February 2, 2007 with Miljana Vidovic, the Corporation's President and CEO. The agreement provides for the remuneration of Ms. Vidovic at the rate of Euros 7,000 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 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 of the Corporation (option-based awards) held as of April 30, 2011. The closing price of the Corporation's shares on the TSXV on April 30, 2011 was $1.27.

	Option-based Awards				Share-based Awards	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date (m/d/y)**	**Value of unexercised 'in-the-money' options ($)**	**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	120,000	0.81	3/9/2015	55,200	0	0
	200,000	0.50	2/2/2012	154,000	0	0
Christina Cepeliauskas CFO	40,000	0.81	3/9/2015	18,400	0	0
	70,000	0.68	5/26/2014	41,300	0	0

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, 2011 by the NEOs.

Option-based Awards Exercised or Granted During the Year

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

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, 2011.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other Compensation ($)	Total ($)
Michael D. Winn	5,000[4]	0	0	0	0	0	5,000
Patrick Trustram-Eve	5,000[4]	0	0	0	0	0	5,000
Simon Ingram[1]	0	0	0	0	0	0	0
Dale Peniuk[2]	0	0	0	0	0	0	0
Miles Thompson	82,105[5]	0	0	0	0	0	82,105
Winston Bennett	5,000[4]	0	0	0	0	0	5,000
Lewis Reford[3]	5,000[4]	0	142,972[6]	0	0	0	5,000

Notes:

(1) Mr. Ingram resigned as a director of the Corporation on January 20, 2011.

(2) Mr. Peniuk ceased to be a director of the Corporation on September 30, 2010.

(3) Mr. Reford was appointed as a director of the Corporation on January 20, 2011.

(4) Fees paid to non-executive directors of the Corporation.

(5) Compensation paid to Mr. Thompson in his capacity as the Executive Chairman of the Corporation.

(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 - $1.75, exercise price - $1.73, an option life of 5 years, a risk-free interest rate of 2.56% and a volatility of 84.9%.

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.

Share-Based and Option-based Awards to Directors

The following table sets out for each director the incentive stock options to purchase common shares of the Corporation (option-based awards) held as of April 30, 2011. The closing price of the Corporation's shares on the TSXV on April 30, 2011 was $1.27.

	Option-based Awards				Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date (m/d/y)	Value of unexercised 'in-the-money' options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Michael D. Winn	60,000	0.81	3/9/2015	27,600	0	0
	140,000	0.50	2/2/2012	107,800	0	0
Patrick Trustram-Eve	20,000	0.81	3/9/2015	9,200	0	0
	150,000	0.50	2/2/2012	115,500	0	0
Simon Ingram[(1)]	20,000	0.81	3/9/2015	9,200	0	0
	150,000	0.50	2/2/2012	115,500	0	0
Dale Peniuk[(2)]	0	N/A	N/A	N/A	0	0
Lewis Reford[(3)]	120,000	1.73	01/20/2016	0	0	0
Miles Thompson	120,000	0.81	3/9/2015	55,200	0	0
	200,000	0.50	2/2/2012	154,000	0	0
Winston Bennett	120,000	0.81	3/9/2015	55,200	0	0

Notes:
(1) Mr. Ingram resigned as a director of the Corporation on January 20, 2011.
(2) Mr. Peniuk ceased to be a director of the Corporation on September 30, 2010.
(3) Mr. Reford was appointed as a director of the Corporation on January 20, 2011.

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, 2011.

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
Simon Ingram[(1)]	0	0	0
Dale Peniuk[(2)]	0	0	0
Lewis Reford[(3)]	142,972[(4)]	0	0
Miles Thompson	0	0	0
Winston Bennett	0	0	0

Notes:
(1) Mr. Ingram resigned as a director of the Corporation on January 20, 2011.
(2) Mr. Peniuk ceased to be a director of the Corporation on September 30, 2010.

(3) Mr. Reford was appointed as a director of the Corporation on January 20, 2011.

(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 - $1.75, exercise price - $1.75, an option life of 5 years, a risk-free interest rate of 2.56% and a volatility of 84.9%. 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, 2011.

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
Simon Ingram	N/A	0	N/A	N/A
Dale Peniuk	N/A	0	N/A	N/A
Lewis Reford	01/20/2011	120,000	$1.73	01/20/2016
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

The following table sets forth the particulars of option-based awards exercised by the directors during the year ended April 30, 2011.

Name	Securities Acquired on Exercise (#)	Exercise Price	Date of Exercise (m/d/y)	Aggregate Value Realized (1) ($)
Michael D. Winn	0	N/A	N/A	N/A
Patrick Trustram-Eve	0	N/A	N/A	N/A
Simon Ingram	0	N/A	N/A	N/A
Dale Peniuk	20,000	$0.81	12/29/2010	18,000
	150,000	$0.85	12/29/2010	129,000
Lewis Reford	0	N/A	N/A	N/A
Miles Thompson	0	N/A	N/A	N/A
Winston Bennett	0	N/A	N/A	N/A

Note:

(1) Calculated using the closing market price of the Reservoir Capital Shares on the date(s) of exercise less the exercise price of the stock options multiplied by the number of shares acquired.

H. Management Contracts

Pursuant to a management service agreement (the "**Management Services Agreement**") dated January 1, 2009 as amended on January 1, 2010 between the Corporation and Seabord Services Corp. ("**Seabord**") of Suite 300, 570 Granville Street, Vancouver, British Columbia, the Corporation paid $16,800 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 Corporation has a stock option plan authorizing the grant of options to directors, executive officers, employees and consultants of 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 Reservoir Capital Stock 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 Reservoir Capital Stock Option Plan is administered by the Reservoir Capital Board. The Reservoir Capital Stock 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 number of Reservoir Capital Shares equal to 10% of the issued and outstanding Reservoir Capital Shares, from time to time, may be reserved for issuance under the Reservoir Capital Stock Option Plan provided that options may not be granted to an individual to purchase in excess of 5% of the then outstanding Reservoir Capital Shares. Options issued pursuant to the Reservoir Capital Stock Option Plan will have an exercise price determined by the directors of the Corporation provided that the exercise price shall not be less than the price permitted by the TSXV.

There are restrictions in the Reservoir Capital Stock Option Plan with respect to grants of options to certain persons. Options granted under the Reservoir Capital Stock 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 Reservoir Capital Board may from time to time alter, suspend or discontinue the Reservoir Capital Stock Option Plan. Subject to the approval of the TSXV, the Reservoir Capital Board may also at any time amend or revise the terms of the Reservoir Capital Stock 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 Reservoir Capital Stock 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	2,540,000	0.73	2,057,543
Equity compensation plans **not approved** by shareholders	Nil	Nil	Nil
Total	**2,540,000**	**0.73**	**2,057,543**

Note:
(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 Reservoir Capital Stock Option Plan. The current Plan is being amended to reflect changes to the withholding requirements pursuant to the Tax Act upon exercise of stock options, all as more particularly described in Subsection 10(f) of the amended and restated Reservoir Capital Stock Option Plan attached hereto as Appendix "L". (*See "Part II – Annual Meeting Business – Annual Matters to be Acted Upon – Approval of Reservoir Capital 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 Reservoir Capital Board, which is responsible for supervising the management of the business and affairs of the Corporation 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 Reservoir Capital 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 and Lewis Reford. Michael Winn is not considered independent as the Corporation pays fees for management services to Seabord, 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 Reservoir Capital Board facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Reservoir Capital 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 F. Thompson	Lara Exploration Ltd. Inca Pacific Resources Ltd. Sypher Resources Ltd.
Michael D. Winn	Alexco Resource Corp. Denovo Capital Corp. Eurasian Minerals Inc. Inca Pacific Resources Inc, Sprott Resource Corp. Lara Exploration Ltd. TransAtlantic Petroleum Ltd.
Patrick Trustram-Eve	N/A
Lewis Reford	Gazit America Inc.
Winston Bennett	N/A

3. Orientation and Continuing Education

The Reservoir Capital Board takes the following measures to ensure that all new directors receive a comprehensive orientation regarding the role of the Reservoir Capital 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 Reservoir Capital 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 Reservoir Capital Board policy manual (the "**Board Manual**") that provides a comprehensive introduction to the Reservoir Capital 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 Reservoir Capital 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 Reservoir Capital Board meetings from time to time, focusing on either projects within the Corporation's hydro business or properties within the Corporation's mineral exploration and development business. The question and answer portions of these presentations are a valuable learning resource for the non-technical directors.

4. Ethical Business Conduct

The Reservoir Capital 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 Reservoir Capital 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 Reservoir Capital 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 posted 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 Reservoir Capital Board's directives and ensures that all material transactions are thoroughly reviewed and authorized by the Reservoir Capital Board before being undertaken by management.

The Reservoir Capital 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 Reservoir Capital Board, the Reservoir Capital Board considers the advice and input of the Corporate Governance Committee, the members of which are

listed under "Annual Matters to be Acted Upon – Election of Directors" and which is composed of a majority of independent directors, regarding:

- the appropriate size of the Reservoir Capital Board, the necessary competencies and skills of the Reservoir Capital 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 Reservoir Capital 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 Reservoir Capital Board has established a Compensation Committee which is responsible for reviewing the adequacy and form of compensation paid to the Company'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

In addition to the Audit Committee, described in the next section, the Reservoir Capital Board has established a Compensation Committee, and a Corporate Governance Committee.

Committees of the Reservoir Capital Board are composed of a majority of independent directors. See "Annual of Matters to be Acted Upon - Election of Directors" for the members of the Reservoir Capital Board committees. The functions of these committees are described below.

Compensation Committee: The Compensation Committee is responsible for the review of all compensation (including stock options) paid by the Corporation to the Reservoir Capital Board, senior management and employees of the Corporation and any subsidiaries, to report to the Reservoir Capital Board on the results of those reviews and to make recommendations to the Reservoir Capital Board for adjustments to such compensation. For further details on the role of the Compensation Committee, refer to "Compensation Discussion and Analysis".

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

8. Assessments

The Reservoir Capital Board and the Corporate Governance Committee has established a process to regularly assess the Reservoir Capital 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 Reservoir Capital 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 Reservoir Capital Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Reservoir Capital Board.

AUDIT COMMITTEE

Overview

The Audit Committee of the Reservoir Capital Board is principally responsible for:

- recommending to the Reservoir Capital Board 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 Reservoir Capital Board 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 Reservoir Capital Board 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 "L" to this Circular.

Composition of the Audit Committee

The Audit Committee consists of three directors. Because it is listed on the TSXV, 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 D. 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 Reservoir Capital 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 D. 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 Reservoir Capital Board.

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, 2011	$50,490	Nil	Nil	Nil
April 30, 2010	$42,672	Nil	Nil	Nil

Notes:

(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.

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).

ANNUAL MATTERS TO BE ACTED UPON

1. Financial Statements and Auditor's Report

The Reservoir Capital Board has approved the financial statements of the Corporation, including the auditor's report thereon, for the year ended April 30, 2011, 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

The firm of 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 ensuring year at a remuneration to be fixed by the Reservoir Capital Board. 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 five (5) 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 proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at five (5).**

4. Election of Directors

The Corporation currently has five (5) directors and as such, five (5) 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 Reservoir Capital Shares of the Corporation 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 Reservoir Capital Board. 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 Reservoir Capital 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 (3.72%)
Michael D. Winn [1][2][3] California United States of America	Director May 1, 2006	President of Terrasearch Inc. (consulting company providing analysis of mining and energy companies)	360,000 (0.77%)
Patrick Trustram-Eve [1][2][3] 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 (3.21%)
Lewis Reford 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.	Nil
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 (0.11%)

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 of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised as at September 7, 2011. 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:

(a) was subject to 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) was subject to 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:

(a) been subject to 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) been subject to 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. Approval of Reservoir Capital Stock Option Plan

The Reservoir Capital Board has established an incentive stock option plan as described under 'Executive Compensation – Description of Stock Option Plan'.

The policies of the TSXV 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 current Reservoir Capital Stock Option Plan is being amended to reflect changes to the withholding requirements pursuant to the *Income Tax Act* (Canada) upon exercise of stock options, all as more particularly described in Subsection 10(f) of the amended and restated Reservoir Capital Stock Option Plan attached hereto as Appendix "L". The persons named in the accompanying Proxy intend to vote in favour of this proposed resolution.

The complete text of the proposed ordinary resolution (the "**Stock Option Resolution**") which management intends to place before the Meeting, for approval, confirmation and adoption, with or without modification, is as follows:

"BE IT RESOLVED as an ordinary resolution of the Corporation that:

1. the amended and restated stock option plan (the "**Plan**") of the Corporation is hereby authorized, approved and adopted in substantially the form attached as Appendix "L" to the management information circular prepared for the purposes of the annual and special meeting of holders of common shares of the Corporation;

2. any one or more directors or officers be and are hereby authorized to amend the Plan should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange on which the common shares of the Corporation are listed;

3. any one or more directors or officers be and are hereby authorized, upon the board of directors resolving to give effect to this resolution, to take all necessary acts and proceedings, to execute and deliver and file any and all applications, declarations, documents and other instruments and to do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution; and

4. notwithstanding the approval of the shareholders of the Corporation as herein provided, the board of directors of the Corporation may, in its sole discretion, revoke this resolution before it is acted upon, without further approval of the shareholders of the Corporation."

Following approval of the Reservoir Capital Stock Option Plan by the shareholders any options granted pursuant to the Reservoir Capital Stock 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.

The Stock Option Resolution must be passed by a majority of the votes cast by the Shareholders who vote at the Meeting in person or by proxy. **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 Reservoir Capital Stock Option Plan.**

PART III - THE ARRANGEMENT

General

The Corporation is a publicly traded company listed on the TSXV which carries on two businesses: the Renewable Energy Business and the Mineral Exploration Business. The Arrangement has been proposed to facilitate the separation of the two business activities. Pursuant to the Arrangement, Reservoir Capital will transfer to Minerals: (i) all of the outstanding shares of the BVI Mining Subsidiaries which companies own the Serbian Subsidiaries and hold the Mining Assets which assets include all of Reservoir Capital's right, title and interest in and to the Exploration Permits; and (ii) the Mining Subsidiary Loans. In exchange, Minerals will issue to Reservoir Capital 9,000,000 Minerals Shares at a price of $0.65 per share for an aggregate deemed price of $5,850,000. The value of the Minerals Share Consideration is derived from exploration expenditures by Reservoir Capital with respect to the Mining Assets from the incorporation of Reservoir Capital on March 23, 2006 through to October 31, 2010 as follows:

Reservoir Capital – Property expenditures from inception (March 23, 2006) through to October 31, 2010[(1)]							
Parlozi	Brestovac - Metovnica	Jasikovo Durlan Potok	Deli Jovan	Stara Planina	Bobija	Plavkovo	Lece
$550,000	$2,200,000	$400,000	$550,000	$500,000	$700,000	$550,000	$400,000

Note:
(1) Exploration expenditures inclusive of acquisition costs and corporate overheads rounded to the nearest $50,000.

Each Reservoir Capital Shareholder as of the Effective Time, other than a Dissenting Shareholder, will receive a *pro rata* share of the Minerals Share Consideration (calculated assuming that there are no Dissenting Shareholders) as a reduction of stated capital and which *pro rata* share is based on the number of Reservoir Capital Shares outstanding at the Effective Time.

Each Reservoir Capital Shareholder as of the Effective Time, other than a Dissenting Shareholder, will, immediately after the Arrangement, hold the same number of Reservoir Capital Shares it held immediately prior to the Arrangement and a *pro rata* share of the Minerals Share Consideration (calculated assuming there are no Dissenting Shareholders). Such *pro rata* share determination will be determined based on the number of Reservoir Capital Shares outstanding at the Effective Time. The effect is that, immediately after the Arrangement is effective, the Reservoir Capital Shareholders as of the Effective Time will own, as a group, (i) 100% of the issued and outstanding shares of Reservoir Capital and (ii) approximately 9,000,000 Minerals Shares, representing 34% of the issued and outstanding Minerals Shares. On the basis of 46,701,698 issued and outstanding Reservoir Capital Shares as at September 8, 2011 and 53,142,206 issued and outstanding Reservoir Capital Shares as at September 8, 2011 on a fully diluted basis, it is expected that Reservoir Capital Shareholders will receive between 0.162 and 0.189 of a Minerals Share for each Reservoir Capital Share held upon completion of the Arrangement.

Reasons for the Arrangement

The Reservoir Capital Board has determined that the separation of the Renewable Energy Business and the Mineral Exploration Business is in the best interests of the Corporation and the Reservoir Capital Shareholders. As a result, the Reservoir Capital Board approved a reorganization of the Corporation pursuant to the Arrangement, as described in this Circular.

The Reservoir Capital Board is of the view that the Arrangement will benefit the Corporation and the Reservoir Capital Shareholders. This conclusion is based on the following factors:

- Providing Reservoir Capital Shareholders with ownership in two public companies with distinct businesses.
- A clear mandate for each corporation to pursue its own business plan and to achieve its own strategic goals.
- Operating the two businesses within the same entity does not enhance the ability of the Corporation to obtain financing, and may actually hinder financing.
- Following the Arrangement, management of Reservoir Capital will be free to focus exclusively on the Renewable Energy Business, and the management team for Minerals**,** will be able to focus exclusively on the Mineral Exploration Business.
- As a distinctive renewable energy development company, Reservoir Capital will be able to access capital with a mandate to invest in renewable energy; potentially reducing Reservoir Capital's cost of capital.
- A dedicated management team and funding for the Mineral Exploration Business which will accelerate development of existing mineral projects and give scope for new acquisitions.
- An opportunity to selectively finance and develop distinct businesses held through separate entities.
- As a separate company engaged in the Mineral Exploration Business, Minerals will have direct access to public and private capital markets focused on mineral exploration and development investment opportunities.
- As separate companies, each of Reservoir Capital and Minerals will be able to establish equity based compensation arrangements to enable it to better attract, motivate and retain directors, officers and key employees with experience and expertise in the each company's particular business area.
- Continued exposure for Reservoir Capital Shareholders to each company's potential upside and additional growth opportunities.

Fairness Opinion

To assist in determining whether to recommend the Arrangement to Reservoir Capital Shareholders, the independent members of the Reservoir Capital Board retained NCP to review the Arrangement and to opine upon the fairness of the consideration offered under the Arrangement.

NCP has delivered the Fairness Opinion to the independent members of the Reservoir Capital Board stating that based upon and subject to the various assumptions, matters considered and limitations set forth in the Fairness Opinion, as of date thereof, the consideration to be received by the Reservoir Capital Shareholders pursuant to the Arrangement is fair, from a financial point of view.

A copy of the Fairness Opinion is attached as Appendix "E" to this Circular and should be read carefully in its entirety. The Fairness Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety. The Fairness Opinion was provided solely to the independent members of the Reservoir Capital Board in its evaluation of the fairness, from a financial point of view, of the Arrangement, does not address any other aspect of the Arrangement and does not constitute a recommendation to any Reservoir Capital Shareholder as to how to vote or act with respect to any matters relating to the Arrangement.

Fairness of the Arrangement

The Arrangement was determined by the Reservoir Capital Board to be fair to Reservoir Capital Shareholders based upon the following factors, among others:

1. the procedures by which the Arrangement will be approved, including the requirement for approval by two-thirds of the Reservoir Capital Shareholders voting on the Arrangement, and approval by the Court after a hearing at which fairness will be considered;

2. the condition of the Arrangement that the Minerals Shares be listed on the TSXV ensures that shareholders will have a public market on which to trade their shares;

3. the opportunity for Reservoir Capital Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to dissent from the approval of the Arrangement in accordance with the Interim Order, and to be paid fair value for their Reservoir Capital Shares;

4. the Fairness Opinion; and

5. each Reservoir Capital Shareholder at the Effective Time, (other than Dissenting Shareholders) will participate in the Arrangement and receive the Minerals Share Consideration on a *pro rata* basis.

Recommendation of the Reservoir Capital Board

After careful consideration of the factors described above, the Reservoir Capital Board has concluded that the Arrangement is fair and reasonable to, and in the best interests of, Reservoir Capital and the Reservoir Capital Shareholders and has authorized the submission of the Arrangement to Reservoir Capital Shareholders and the Court for approval. The Reservoir Capital Board unanimously recommends that Reservoir Capital Shareholders vote in favour of the Arrangement Resolution.

Details of the Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Arrangement Agreement which is attached to this Circular as Appendix "B" and the full text of the Plan of Arrangement which is attached as Schedule A to the Arrangement Agreement. Each of these documents should be read carefully in their entirety.

Pursuant to the Plan of Arrangement, the following principal steps will occur and be deemed to occur in the following chronological order commencing at the Effective Time:

(a) all of the issued and outstanding Reservoir Capital Shares held by Dissenting Shareholders shall be deemed to have been transferred to Reservoir Capital, free of any claims, and each Dissenting Shareholder shall cease to have any rights as a shareholder of

Reservoir Capital other than the right to be paid by Reservoir Capital, in accordance with the Dissent Rights, the fair value of the Reservoir Capital Shares with respect to which the Reservoir Capital Shareholder has dissented and shall be removed from the register of Registered Shareholders;

(b) all of the outstanding shares of the Mining Subsidiaries and the Mining Subsidiary Loans shall be transferred by Reservoir Capital to Minerals and Minerals shall issue the Minerals Share Consideration therefor to Reservoir Capital in accordance with the terms and conditions of the Conveyance Agreements;

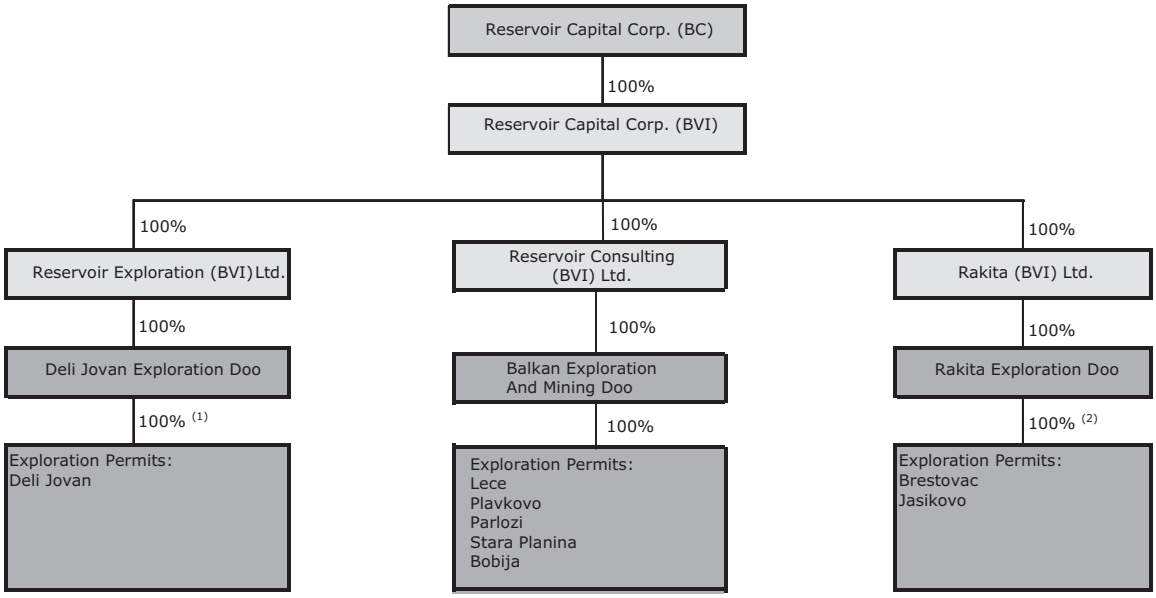
(c) all of the outstanding shares of the Mining Subsidiaries shall be transferred by Minerals to Minerals BVI and Minerals BVI shall issue 1,000 shares in the capital of Minerals BVI to Minerals; and

(d) with respect to each Minerals Share acquired by Reservoir Capital as described in subparagraph 1(b) above, Reservoir Capital shall deliver to each Registered Shareholder as at the Effective Time, such Registered Shareholder's *pro rata* share of the Minerals Share Consideration (calculated assuming that there are no Dissenting Shareholders) as a reduction of stated capital and which *pro rata* share is based on the number of outstanding Reservoir Capital Shares outstanding at the Effective Time.

Upon satisfaction of the Release Conditions of the Subscription Receipts, the Subscription Receipts and the Compensation Option Receipts will convert into Minerals Units. On completion of the Arrangement, Minerals will have 26,106,132 Minerals Shares issued and outstanding, prior to exercise of outstanding warrants to purchase 15,206,032 Minerals Shares.

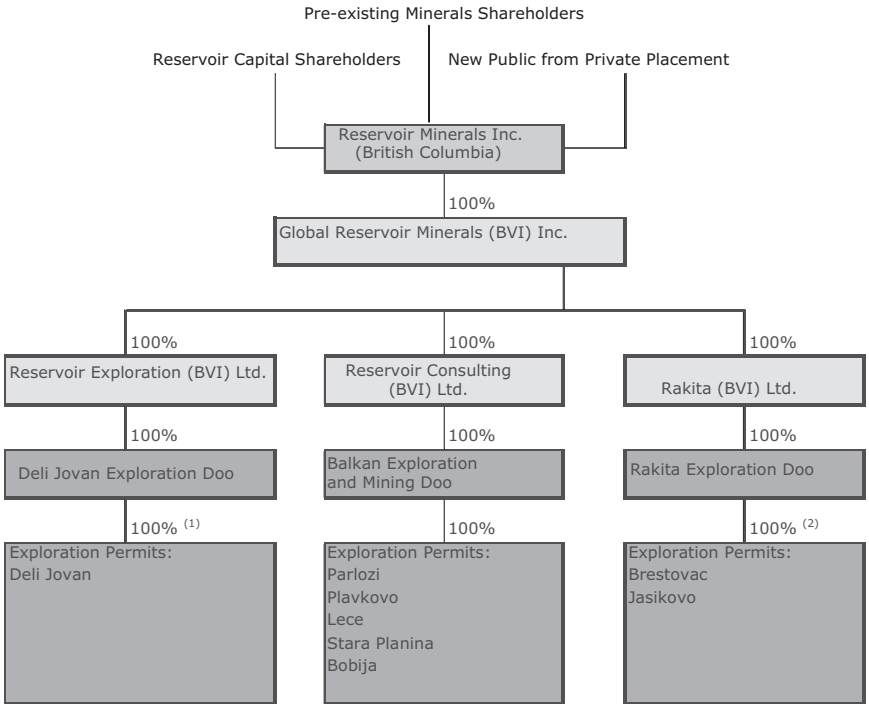
The effect of the Arrangement can be summarized by the following diagrams:

CURRENT STRUCTURE OF RESERVOIR CAPITAL WITH RESPECT TO MINING ASSETS ONLY



(1) Subject to an agreement whereby Orogen Gold Ltd. may earn a 75% interest
(2) Subject to an agreement whereby Freeport McMoRan Exploration Corp. may earn a 75% interest
(3) The BVI Mining Subsidiaries are to be transferred by Reservoir Capital BVI to Reservoir Capital immediately prior to the Arrangement.

FINAL STRUCTURE OF MINERALS UPON COMPLETION OF ARRANGEMENT



(1) Subject to an agreement whereby Orogen Gold Ltd. may earn a 75% interest
(2) Subject to an agreement whereby Freeport McMoRan Exploration Corp. may earn a 75% interest

Authority of the Reservoir Capital Board

By passing the Arrangement Resolution, the Reservoir Capital Shareholders will also be giving authority to the Reservoir Capital Board to use its best judgment to proceed with and cause the Corporation to complete the Arrangement without any requirement to seek or obtain any further approval of the Reservoir Capital Shareholders.

The Arrangement Resolution also provides that the Plan of Arrangement may be amended by the Reservoir Capital Board before or after the Meeting without further notice to Reservoir Capital Shareholders. The Reservoir Capital Board has no current intention to amend the Plan of Arrangement, however, it is possible that the Reservoir Capital Board may determine that it is appropriate that amendments be made.

Conditions to the Arrangement

The Arrangement Agreement provides that the Arrangement will be subject to the fulfillment of certain conditions at the Effective Time or such other time as is specified therein, including the following:

(a) on or prior to September 13, 2011, the Interim Order has been granted in form and substance satisfactory to the Parties, acting reasonably, and has not been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved at the Meeting by the holders of Reservoir Capital Securities on or prior to October 11, 2011 in accordance with the Interim Order and in form and substance satisfactory to each of Minerals and Reservoir Capital, acting reasonably, in accordance with the provisions of the BCBCA, the Interim Order and the requirements of any applicable Securities Authorities;

(c) the Final Order has been granted in form and substance satisfactory to the Parties, acting reasonably, and has not been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;

(d) there is not in force any Law, ruling, order or decree, and there has not been any action taken under any Law or by any Governmental Authority or other regulatory authority, that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Arrangement in accordance with the terms hereof or results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the Arrangement which is materially adverse to Minerals or Reservoir Capital;

(e) the Required Approvals shall have been obtained on terms and conditions satisfactory to each of Minerals and Reservoir Capital, acting reasonably including the conditional approval by the TSXV of the listing thereon of the Minerals Shares to be issued pursuant to the Arrangement as of the Effective Date, or as soon as possible thereafter, subject to compliance with the usual requirements of the TSXV;

(f) all consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Authority and the expiry of any waiting periods, in connection with, or required to permit, the completion of the Arrangement, the failure of which to obtain or the non expiry of which would be materially adverse to Minerals or

Reservoir Capital or materially impede the completion of the Arrangement, have been obtained or received on terms that are reasonably satisfactory to each Party;

(g) no act, action, suit or proceeding shall have been commenced before or by any domestic or foreign court, tribunal or Governmental Authority, Securities Authority or other regulatory authority or administrative agency or commission by any elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or entity) in Canada, the United States or elsewhere, whether or not having the force of law, which act, action, suit or proceeding has the aim of preventing the Arrangement; or the conversion of the Minerals Subscription Receipts into Minerals Shares and Minerals Warrants;

(h) all necessary third party and approvals which are required to complete the Arrangement have been received in writing;

(i) the conversion of the 14,776,150 Minerals Subscription Receipts into Minerals Shares and Minerals Warrants has occurred; and

(j) the Conveyance Agreements shall have been executed and delivered by the Parties.

The foregoing conditions are for the mutual benefit of the Parties and may be waived, in whole or in part, by a Party in writing at any time. If any of such conditions shall not be complied with or waived as aforesaid on or before the Outside Date or, if earlier, the date required for the performance thereof, then, subject to Section 8.4 of the Arrangement Agreement, a Party may rescind and terminate the Arrangement by written notice to the other of them in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of the Arrangement Agreement by such rescinding Party.

Minerals Conditions

The obligation of Minerals to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

(a) (i) the representations and warranties made by Reservoir Capital in this Agreement and the Conveyance Agreement(s) that are not subject to any materiality, Material Adverse Change or Material Adverse Effect qualifications contained therein shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct in all material respects as of such earlier date), (ii) the other representations and warranties made by Reservoir Capital in this Agreement and the Conveyance Agreement(s) (disregarding all materiality, Material Adverse Change or Material Adverse Effect qualifications contained therein) shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct in all material respects as of such earlier date) with, solely in the case of this clause (ii), only such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Mining Subsidiaries and the Mining Assets; and (iii) Reservoir Capital has provided to

Minerals a certificate of a senior officer of Reservoir Capital certifying to the foregoing effect;

(b) Reservoir Capital has complied in all material respects with its covenants herein, and Reservoir Capital has provided to Minerals an officer's certificate certifying that Reservoir Capital has so complied with its covenants in the Arrangement Agreement;

(c) the Reservoir Capital Board has adopted all necessary resolutions and all other necessary corporate action has been taken by Reservoir Capital to permit the consummation of the Arrangement;

(d) Reservoir Capital BVI has transferred the BVI Mining Subsidiaries and the Mining Subsidiary Loans to Reservoir Capital;

(e) there is no Material Adverse Change in respect of the Mining Subsidiaries and the Mining Assets between the date of this Agreement and the Effective Date;

(f) Minerals has received all necessary securityholder approvals, if any

(g) all of the Required Approvals to assign the Eurasian Royalty Agreement, the Euromax Royalty Agreement, the Freeport Earn-In Agreement, the Orogen Earn-In Agreement and the SEE Share Purchase Agreement to Minerals or a Mining Subsidiary, as applicable, have been received; and

(h) all of the employees of Serbian mining employees will be moved from SEE d.o.o. to BEM d.o.o. and issued contracts substantially on the terms such employees had with SEE d.o.o. and to the reasonable satisfaction of Minerals.

The foregoing conditions are for the benefit of Minerals and may be waived, in whole or in part, by Minerals in writing at any time. If any of such conditions have not been complied with or waived by Minerals on or before the Outside Date or the date required for the performance thereof, if earlier, then subject to Section 8.4 of the Arrangement Agreement, Minerals may rescind and terminate the Arrangement Agreement by written notice to Reservoir Capital in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of the Arrangement Agreement by Minerals.

Reservoir Capital Conditions

The obligation of Reservoir Capital to complete the transactions contemplated herein is subject to the fulfilment of the following additional conditions at or before the Effective Time or such other time as is specified below:

(a) (i) the representations and warranties made by Minerals in this Agreement and the Conveyance Agreement(s) that are not subject to any materiality, Material Adverse Change or Material Adverse Effect qualifications contained therein shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct in all material respects as of such earlier date), (ii) the other representations and warranties made by Minerals in this Agreement and the Conveyance Agreement(s) (disregarding all materiality, Material Adverse Change or Material Adverse Effect qualifications contained

therein) shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct in all material respects as of such earlier date) with, solely in the case of this clause (ii), only such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Minerals, and (iii) Minerals has provided to Reservoir Capital a certificate of a senior officer of Minerals certifying to the foregoing effect;

(b) Minerals has complied in all material respects with its covenants herein and Minerals has provided to Reservoir Capital an officer's certificate certifying that it has so complied with its covenants in the Arrangement Agreement;

(c) the Minerals Board has adopted all necessary resolutions and all other necessary corporate action shall have been taken by Minerals to permit the consummation of the Arrangement;

(d) holders of not more than 5% of the currently outstanding Reservoir Capital Shares have exercised rights of dissent in connection with the Arrangement that have not been withdrawn as at the Effective Date; and

(e) there is no Material Adverse Change in respect of Minerals between the date of this Agreement and the Effective Date.

The foregoing conditions are for the benefit of Reservoir Capital and may be waived, in whole or in part, by Reservoir Capital in writing at any time. If any of such conditions have not been complied with or waived by Reservoir Capital on or before the Outside Date or, if earlier, the date required for the performance thereof, then, subject to Section 8.4 of the Arrangement Agreement, Reservoir Capital may rescind and terminate the Arrangement Agreement by written notice to Minerals in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of the Arrangement Agreement by Reservoir Capital.

Management of the Corporation believes that all material consents, orders, regulations, approvals or assurances required for the completion of the Arrangement will be obtained in the ordinary course upon application therefor.

Shareholder Approval

Reservoir Capital Shareholder Approval

In order for the Arrangement to become effective, the Arrangement Resolution must be passed, with or without variation, by a special resolution of at least two-thirds (66 2/3%) of the eligible votes cast in respect of the Arrangement Resolution by disinterested Reservoir Capital Shareholders present in person or represented by proxy at the Meeting.

Court Approval

Interim Order

An arrangement under the BCBCA requires Court approval. Prior to the mailing of this Circular, upon the application of Reservoir Capital, the Interim Order was obtained for the purposes of establishing

procedures for the calling of the Meeting and prescribing the conduct of the Meeting and other matters. The full text of the Interim Order is set forth in Appendix "C" to this Circular.

Final Order

The BCBCA requires that an application be made to the Court for approval of the Arrangement and the Interim Order contemplates that an application for the Final Order will be made on October 12, 2011 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, at the Court at 800 Smithe Street, Vancouver, British Columbia. The full text of the intended notice of hearing in respect of the Final Order is set forth in Appendix "D" to this Circular.

Counsel to Reservoir Capital has advised Reservoir Capital that the Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement to the Reservoir Capital Shareholders. Counsel to Reservoir Capital has further advised Reservoir Capital that the Court has very broad discretion under the BCBCA when making orders in respect of the Arrangement and that the Court may approve the Arrangement either as proposed or as amended in any manner that the Court may direct, subject to compliance with such terms and conditions, if any, as the Court may see fit.

At the hearing of the application for the Final Order, any Reservoir Capital Shareholder who wishes to participate, be represented and present evidence or arguments may do so, subject to filing and serving upon the Corporation a notice of appearance as provided in the Interim Order.

The Minerals Shares issuable to Reservoir Capital Shareholders under the Arrangement have not been and will not be registered under the U.S. Securities Act or any state securities laws, and such Minerals Shares will be issued in reliance upon the exemption from registration provided by section 3(a)(10) of the U.S. Securities Act and in reliance upon exemptions from registration under applicable state securities laws. The Court has been advised that if the terms and conditions of the Arrangement are approved by the Court, the issuance of the Minerals Shares issuable to the Reservoir Capital Shareholders pursuant to the Arrangement will not require registration under the U.S. Securities Act.

Procedure for the Issuance and Delivery of Minerals Shares

As soon as practicable following the Effective Date, Reservoir Capital will forward or cause to be forwarded by first-class mail (postage paid) to Reservoir Capital Shareholders, other than Dissenting Shareholders, as of the Effective Time at the address specified in the register of holders of Reservoir Capital Shares, a certificate(s) representing the number of Minerals Shares issued to such shareholder under the Arrangement. In the event that the rounding down of such fractional interest results in a portion of the Minerals Share Consideration not being distributed to Reservoir Capital Shareholders, such undistributed Minerals Shares shall be registered in the name of Reservoir Capital.

Stock Exchange Listings

The Reservoir Capital Shares are listed and posted for trading on the TSXV under the symbol "REO". It is a condition of completion of the Arrangement that the Minerals Shares be conditionally approved for listing on the TSXV.

Effect of the Arrangement on Convertible Securities

Holders of convertible securities of Reservoir Capital shall not be entitled to acquire or receive any securities of Minerals pursuant to the Arrangement. Only holders of Reservoir Capital Shares shall be entitled to their *pro rata* share of the Minerals Share Consideration pursuant to the Arrangement.

Resale of Minerals Shares

Exemptions from Canadian Prospectus Requirements and Resale Restrictions

The Minerals Shares to be issued to Reservoir Capital Shareholders pursuant to the Arrangement will be made pursuant to exemptions from the registration and prospectus requirements contained in applicable provincial securities legislation in Canada. Under applicable provincial securities laws such securities may be resold in Canada without hold period restrictions, except that any person, company or combination of persons or companies holding a sufficient number of securities to affect materially the control of the issuer of such securities will be restricted from reselling such securities.

Application of United States Securities Laws

The Minerals Shares issuable to Reservoir Capital Shareholders under the Arrangement have not been and will not be registered under the U.S. Securities Act or applicable state securities laws. Such securities will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act and in reliance upon exemptions from registration under applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more bona fide outstanding securities, claims or property interests from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities, claims or property interests have been approved by any court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court granted the Interim Order on September 12, 2011 and, subject to the approval of the Arrangement by the Reservoir Capital Shareholders, a hearing on the Arrangement will be held on October 12, 2010 by the Court. See "*Part III – The Arrangement – Court Approval – Final Order*" above.

The Minerals Shares received by Reservoir Capital Shareholders pursuant to the Arrangement may generally be resold without restriction under the U.S. Securities Act, except by persons who are "affiliates" of Minerals after the completion of the Arrangement or within 90 days prior to the completion of the Arrangement. Persons who may be deemed to be "affiliates" of an issuer generally include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

Any resale of such Minerals Shares by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act and applicable state securities laws, absent an exemption or exclusion therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such Minerals Shares outside the United States without registration under the U.S. Securities Act pursuant to Regulation S thereunder. If available, such Minerals Shares held by such affiliates (and former affiliates) may also be resold in transactions completed in accordance with the volume, current public information and manner of sale limitations of Rule 144 under the U.S. Securities Act. Unless certain conditions are satisfied, Rule 144 under the U.S. Securities Act is not available for resales of securities of an issuer that has ever had (i) no or nominal operations and (ii) no or nominal assets other than cash and cash equivalents (a "shell company"). Therefore, if Minerals were to ever be deemed to be, or to have at any time previously been, a shell company, Rule 144 under the U.S. Securities Act may be unavailable for resales of Minerals Shares unless and until Minerals has satisfied the applicable conditions. In general terms, the satisfaction of such conditions would require Minerals to be a registrant under the U.S. Exchange Act, to have been in compliance with its reporting obligations

thereunder during the preceding 12 months (or for such shorter period that it was required to file reports thereunder), and to have filed certain information with the SEC at least 12 months prior to the intended resale.

In addition, notwithstanding the foregoing, if either Minerals or Reservoir Capital were to be deemed to be a shell company immediately prior to completion of the Arrangement, additional resale restrictions imposed by Rule 145 under the U.S. Securities Act would be applicable to the resale of Minerals Shares by persons who are affiliates of Reservoir Capital immediately prior to completion of the Arrangement.

The foregoing discussion is only a general overview of certain requirements of the U.S. Securities Act applicable to the resale of securities to be received upon completion of the Arrangement. All holders of securities received in connection with the Arrangement are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

Rights of Dissenting Shareholders

Sections 237 - 247 of the BCBCA provides Registered Shareholders with Dissent Rights from certain resolutions of a corporation that effect extraordinary corporate transactions or fundamental corporate changes. The Interim Order provides Reservoir Capital Shareholders with the Dissent Rights in respect of the Arrangement in accordance with section 238 of the BCBCA. The following summary of a Registered Shareholder's dissent rights is qualified in its entirety with reference to sections 237-247 of the BCBCA which is attached hereto as Appendix "F".

A Dissenting Shareholder is entitled, when the Arrangement becomes effective, to be paid by Reservoir Capital the fair value, determined as of the close of business on the last Business Day before the day of the Meeting, of the Reservoir Capital Shares held by such Dissenting Shareholder.

The following description of the rights of Dissenting Shareholders is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of the Reservoir Capital Shares held by such Dissenting Shareholder and is qualified in its entirety by reference to the full text of the Interim Order, the Plan of Arrangement and sections 237-247 of the BCBCA. The Interim Order is set forth in Appendix "C" to this Circular. A Reservoir Capital Shareholder who intends to exercise Dissent Rights should seek legal advice and carefully consider and strictly comply with the Dissent Procedures. Failure to comply with the Dissent Procedures and to adhere to the procedures established therein, may result in the loss of all rights thereunder.

Pursuant to the provisions of the Interim Order and the Plan of Arrangement, Reservoir Capital Shareholders may dissent, in accordance with the procedures set forth below, in respect of the Arrangement under section 238 of the BCBCA, and seek to become entitled to be paid by Reservoir Capital the fair of the Reservoir Capital Shares held by such Reservoir Capital Shareholders in respect of which such Dissent Right is exercised.

At the hearing of the application for the Final Order, the Court has the discretion to alter the rights of dissent described in the Interim Order based on the evidence presented at such hearing.

Persons who are beneficial owners of Reservoir Capital Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holder of Reservoir Capital Shares is entitled to dissent and, accordingly, beneficial owners of Reservoir Capital Shares wishing to dissent in respect of the Arrangement must contact the broker, custodian, nominee or other intermediary in whose name their Reservoir Capital Shares are registered in order to exercise their Dissent Rights in respect of the Arrangement.

A Dissenting Shareholder is not entitled to dissent with respect to any Reservoir Capital Shares if such Dissenting Shareholder votes any Reservoir Capital Shares in favour of the Arrangement, but such Dissenting Shareholder may abstain from voting on the Arrangement Resolution (or submitting a proxy) without affecting the Dissenting Shareholder's rights of dissent. A Dissenting Shareholder may dissent only with respect to all of the Reservoir Capital Shares held by such Dissenting Shareholder on his or her own behalf or on behalf of any one beneficial owner and registered in his or her name.

In order to dissent, a Dissenting Shareholder must send to Reservoir Capital at Suite 501, 543 Granville Street, Vancouver, British Columbia, V6C 1X8, Attention: Secretary, a written objection to the Arrangement Resolution (the "**Objection Notice**") which must be received by the Corporate Secretary of Reservoir Capital by 5:00 p.m. (Vancouver time) two business days prior to the Meeting, failing which such person will have no right to make a claim under this procedure. The execution or exercise of a proxy does not constitute an Objection Notice for the purposes of section 242 of the BCBCA.

If the Arrangement Resolution is adopted, Reservoir Capital will, promptly after the adoption of the Arrangement Resolution, send to each Dissenting Shareholder who has filed an Objection Notice a notice stating that the Arrangement Resolution has been adopted (the "**Reservoir Capital Notice**"). A Reservoir Capital Notice is not required to be sent to any Dissenting Shareholder who voted for the Arrangement Resolutions at the Meeting or who has withdrawn an Objection Notice in respect of the Reservoir Capital Shares held by such Dissenting Shareholder.

Within the month after the date of the Reservoir Capital Notice, a Dissenting Shareholder who still wishes to dissent form the Arrangement Resolution is required to send a written notice to Reservoir Capital at the address set forth above containing the Dissenting Shareholder's or beneficial owner of the Reservoir Capital Shares, as applicable, name and address, the number of Reservoir Capital Shares held by such Dissenting Shareholder or beneficial owner and the demand for Reservoir Capital to purchase the Reservoir Capital Shares (the "**Dissent Completion Notice**"). Together with the Dissent Completion Notice, the Dissenting Shareholder must send the certificate(s) representing such Reservoir Capital Shares to Reservoir Capital, failing which such Dissenting Shareholder will have no right to make a claim under the Dissent Procedures.

On sending the Dissent Completion Notice to Reservoir Capital, a Dissenting Shareholder ceases to have any rights as a Reservoir Capital Shareholder, other than the right to be paid the fair value of the Reservoir Capital Shares held by such Dissenting Shareholder unless the Dissenting Shareholder withdraws his Dissent Completion Notice, or the Reservoir Capital Board terminates the Arrangement Agreement, in which case the rights of the Dissenting Shareholder as a Reservoir Capital Shareholder will be reinstated as of the date such Dissenting Shareholder sent a Dissent Completion Notice to Reservoir Capital. **If a Dissenting Shareholder fails to comply with each of the steps required to dissent effectively, or otherwise is ultimately not entitled to be paid fair value for his, her or its Reservoir Capital Shares, or withdraws his, her or its dissent, provided the Arrangement becomes effective, the Dissenting Shareholder will be deemed to have participated in the Arrangement as and from the Effective Time on the same basis as any non-dissenting Reservoir Capital Shareholders.**

Reservoir Capital Shareholders who exercise their Dissent Rights and who: (a) are ultimately entitled to be paid fair value for their Reservoir Capital Shares shall have their Reservoir Capital Shares cancelled as of the Effective Time; or (b) for any reason are ultimately not entitled to be paid fair value for their Reservoir Capital Shares or withdraw their dissent in accordance with subsection 246(h) of the BCBCA shall be deemed to have participated in the Arrangement as of and from the Effective Time on the same basis as any non-dissenting Reservoir Capital Shareholder. **In no case shall Reservoir Capital be required to recognize such Dissenting Shareholders as holders of Reservoir Capital Shares at and after the Effective Time, and the names of Reservoir Capital Shareholders shall be deleted from Reservoir Capital's register of Reservoir Capital Shareholders on the Effective Date.**

PART IV - APPROVAL OF MINERALS SEED PRIVATE PLACEMENT

At the Meeting, Reservoir Capital Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution to approve the Minerals Seed Private Placement of 1,900,000 common shares in the capital of Minerals at a price of $0.10 per share on March 15, 2011 as disclosed in a press release of Reservoir Capital dated March 25, 2011, to persons who will be integrally involved in the business of Minerals including Serbian residents.

Minerals Seed Private Placement

The Minerals Seed Private Placement was conducted on March 15, 2011 to raise initial risk capital for Minerals to fund matters relating to: i) the organization of Minerals; ii) the Minerals Private Placement of Subscription Receipts; iii) the Arrangement, including technical matters relating to the Mining Assets; and iv) business and strategic development with respect to Minerals. Persons who will be integral to the business of Reservoir including Serbian residents subscribed to the Minerals Seed Private Placement, without any form of guarantee or assurance relating to their investment.

Approval Required

The Reservoir Capital Shareholders will be asked to consider, and if thought advisable, pass the following resolution:

> "BE IT RESOLVED THAT the private placement by Reservoir Minerals Inc. ("**Minerals**") of 1,900,000 common shares in the capital of Minerals at a price of $0.10 per share on March 15, 2011, be and is hereby authorized and approved."

To be adopted, the ordinary resolution respecting the Minerals Seed Private Placement must be approved by a simple majority of disinterested votes cast at the Meeting by Reservoir Capital Shareholders.

Unless the shareholder has specifically instructed in the enclosed form of proxy that the Reservoir Capital Shares represented by such proxy are to be voted against the authorization and approval of the Minerals Seed Private Placement, the persons named in the accompanying proxy will vote FOR the authorization and approval of the Reservoir Seed Private Placement.

PART V - APPROVAL OF MINERALS STOCK OPTION PLAN

At the Meeting, Reservoir Capital Shareholders will be asked to consider and, if thought fit, approve and ratify the adoption by Minerals of the Minerals Stock Option Plan which will authorize the Minerals Board to issue stock options to directors, officers, employees and consultants of Minerals and its subsidiaries. Approval of the Minerals Stock Option Plan will be required by the TSXV if the Minerals Shares are listed on the TSXV. The full text of the Minerals Stock Option Plan is attached to this Circular as Appendix "J". The completion of the Arrangement is not conditional upon approval of the Minerals Stock Option Plan.

Minerals Stock Option Plan

The purpose of the Minerals Stock Option Plan is to advance the interests of Minerals by encouraging the directors, officers, employees and consultants of Minerals, and of its subsidiaries and affiliates, if any, to acquire Minerals Shares, thereby increasing their proprietary interest in Minerals, encouraging them to remain associated with Minerals and furnishing them with additional incentive in their efforts on behalf of Minerals in the conduct of its affairs. It is currently the intention of the Minerals Board to issue Minerals Options to purchase 2,025,000 Minerals Shares to Minerals Stock Option Plan Participants (as defined below) upon completion of the Arrangement.

Description of the Plan

Pursuant to the TSXV Option Policy, Minerals is permitted to maintain a "rolling 10%" stock option plan. On September 12, 2011, the Minerals Board approved the Minerals Stock Option Plan, pursuant to which Minerals Options to purchase Minerals Shares may be granted.

Eligibility

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Minerals Stock Option Plan (each, a "**Minerals Stock Option Plan Participant**").

Administration

The Minerals Stock Option Plan provides for administration by the Minerals Board or by a special committee of the Minerals Board appointed from time to time by the Minerals Board pursuant to rules of procedure fixed by the Minerals Board. Minerals Options may be granted at the discretion of the Minerals Board, in such number that may be determined at the time of grant, subject to the limits set out in the Minerals Stock Option Plan.

Exercise Price

The exercise price of the Minerals Shares subject to each Minerals Option shall be determined by the Minerals Board, subject to applicable exchange approval, at the time any Minerals Option is granted. In no event shall such exercise price be lower than the exercise price permitted by the exchange on which Minerals Shares are listed for trading. The exercise price of a Minerals Option may be reduced upon receipt of Minerals Board approval, provided that in the case of Minerals Options held by insiders of Minerals (as defined in the policies of the exchange), the exercise price of a Minerals Option may be reduced only if disinterested shareholder approval is obtained.

Maximum Percentage of Minerals Shares Available

The aggregate number of Minerals Shares that may be available for issuance under the Minerals Stock Option Plan shall not exceed ten (10%) percent of the total number of Minerals Shares outstanding (on a non-diluted basis) at the time of grant.

The aggregate number of Minerals Shares so available for issuance under the Minerals Stock Option Plan or under any other security based compensation arrangements:

(a) The number of Minerals Shares subject to a Minerals Option granted to any one Minerals Stock Option Plan Participant shall be determined by the Minerals Board, but no one Minerals Stock Option Plan Participant shall be granted a Minerals Option which exceeds the maximum number permitted by the exchange on which Minerals Shares are listed for trading.

(b) No single Minerals Stock Option Plan Participant may be granted Minerals Options to purchase a number of Minerals Shares equalling more than 5% of the issued common shares of Minerals in any twelve-month period, unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable exchange requirements.

(c) Minerals Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of Minerals in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).

(d) Minerals Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Minerals Shares in any twelve month period to persons employed to provide investor relation activities. Minerals Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the Minerals Options vesting in any 3 month period.

Transferability

All benefits, rights and options accruing to any Minerals Stock Option Plan Participant in accordance with the terms and conditions of the Minerals Stock Option Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the exchange on which Minerals Shares are listed for trading. During the lifetime of a Minerals Stock Option Plan Participant, any benefits, rights and options may only be exercised by the Minerals Stock Option Plan Participant.

Term and Vesting

Each Minerals Option and all rights thereunder shall be expressed to expire on the date set out in the respective option agreement, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the exchange on which Minerals Shares are listed for trading, and if Minerals is listed on the TSXV, the maximum term may not exceed 10 years.

Early Expiration

If a Minerals Stock Option Plan Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason

(other than death), such Minerals Stock Option Plan Participant may exercise his Minerals Option to the extent that the Minerals Stock Option Plan Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within a reasonable time (such reasonable time to be established by the Minerals Board and set forth in the respective option agreement at the time of the Minerals Option grant) after the Minerals Stock Option Plan Participant ceases to be a director, officer, consultant, employee or a Management Company Employee.

In the event of the death of a Minerals Stock Option Plan Participant, the Minerals Option previously granted to him shall be exercisable only within the one (1) year after such death and then only: (a) by the person or persons to whom the Minerals Stock Option Plan Participant's rights under the Minerals Option shall pass by the Minerals Stock Option Plan Participant's will or the laws of descent and distribution; and (b) if and to the extent that such Minerals Stock Option Plan Participant was entitled to exercise the Minerals Option at the date of his death.

Change of Control

In the event of a Change of Control (as defined in the Minerals Stock Option Plan) occurring, all Minerals Options outstanding shall be immediately exercisable, notwithstanding any determination of vesting, if applicable, and the expiry date of such Minerals Options shall remain the same. In any event, upon a Change of Control, Minerals Stock Option Plan Participants shall not be treated any more favourably than Minerals Shareholders with respect to the consideration that the Minerals Stock Option Plan Participant would be entitled to receive for their Minerals Shares.

Blackout Periods

Minerals may adopt certain blackout period policies from time to time in respect of insider trading. During such blackout period, an optionee under the Minerals Stock Option Plan cannot exercise a Minerals Option or sell optioned Minerals Shares. Notwithstanding provisions contained in the Minerals Stock Option Plan, if the expiration date for a Minerals Option occurs during a blackout period applicable to the relevant optionee, or within 10 business days after the expiry of a blackout period applicable to the relevant optionee, then the expiration date for that Minerals Option shall be the date that is the 10th business day after the expiry date of the blackout period. This provision applies to all Minerals Options outstanding under the Minerals Stock Option Plan.

Amendments or Termination of the Minerals Stock Option Plan

Subject to applicable approval of the exchange on which Minerals Shares are listed for trading, the Minerals Board may, at any time, suspend or terminate the Minerals Stock Option Plan. Subject to applicable approval of the exchange, the Minerals Board may also at any time amend or revise the terms of the Minerals Stock Option Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any Minerals Options theretofore granted under the Minerals Stock Option Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

The foregoing summary is subject to the specific provisions of the Minerals Stock Option Plan attached as Appendix "J" hereto.

As of the date of this Circular, no Minerals Options have been granted under the Minerals Stock Option Plan. It is anticipated that Minerals Options will be granted to Minerals Stock Option Plan Participants following completion of the Arrangement and Shareholder approval of the Minerals Stock Option Plan.

Approval Required

At the Meeting, Reservoir Capital Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution in the following form:

> "BE IT RESOLVED as an ordinary resolution of the shareholders of Reservoir Capital Corp. ("**Reservoir Capital**") that:
>
> 1. the stock option plan of Reservoir Minerals Inc. ("**Minerals**"), on the terms described in the form attached as Appendix "J" to the management information circular of Reservoir Capital prepared for the purposes of its annual and special meeting of common shareholders be and the same is hereby authorized and approved and adopted as the stock option plan of Minerals;
>
> 2. any one director or officer of Minerals be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
>
> 3. notwithstanding that this resolution has been passed by the shareholders of Reservoir Capital, the directors of Minerals are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of Reservoir Capital or Minerals, at any time if such revocation is considered necessary or desirable by the directors."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Reservoir Capital Shareholders in person or by proxy at the Meeting on such resolution.

Unless the shareholder has specifically instructed in the enclosed form of proxy that the Reservoir Capital Shares represented by such proxy are to be voted against adoption of the Minerals Stock Option Plan, the persons named in the accompanying proxy will vote FOR the ratification and approval of the adoption of the Minerals Stock Option Plan.

PART VI - INFORMATION CONCERNING RESERVOIR CAPITAL

General Description of the Corporation

Reservoir Capital was incorporated under the *Business Corporations Act* (Alberta) on March 23, 2006 and was continued into British Columbia, under the BCBCA, on November 15, 2007. Reservoir Capital's registered and records office is located at 600-888 Dunsmuir Street, Vancouver, British Columbia, V6C 3K4. Reservoir Capital's head office is located at Suite 501 – 543 Granville Street, Vancouver, British Columbia V6C 1X8. The Reservoir Capital Shares currently are listed on the TSXV under the trading symbol "REO" and on the Frankfurt and Berlin Stock Exchanges under the trading symbol "ROC".

Reservoir Capital is a renewable energy company, carrying on the Renewable Energy Business, engaged in the development of a 58.4 MW hydroelectric project at Brodarevo in southwest Serbia. Reservoir holds two energy licenses for run-of-river hydroelectric projects and four geothermal exploration licenses in Serbia and has applied for three hydroelectric licenses on the Cehotina River in Bosnia (17.75 MW) and one hydroelectric license to develop a 32 MW project from an existing reservoir dam at Vrutci in Serbia. The Company also holds the Mining Assets subject to the Arrangement. Reservoir Capital is reviewing additional acquisition opportunities in the renewable energy sector. Reservoir Capital's continuing operations and the ability of Reservoir Capital to meet its renewable energy, and other commitments are dependent upon the ability of Reservoir Capital to continue to raise additional equity or debt financing and seeking joint venture partners.

Reservoir Capital'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 (see "*Part X – Other Matters – Risk Factors*"). Operations, the status of energy and geothermal licenses and mineral property rights and the recoverability of investments in emerging nations can be affected by changing economic, regulatory and political situations. Reservoir Capital is in the process of developing 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.

Directors

Reservoir Capital's directors and officers will continue to serve in their current capacities following completion of the Arrangement. The following table sets out the names of the current directors of Reservoir Capital, their position with Reservoir Capital , their principal occupation, the date upon which they became a director of Reservoir Capital and the number of Reservoir Capital Shares beneficially owned, controlled or directed, directly or indirectly, by them.

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 Reservoir Capital Shares
Miles F. Thompson Rio De Janeiro, Brazil	Chairman/Director February 2, 2007	Chairman of Reservoir Capital; Chairman and CEO of Lara Exploration Ltd. (publicly traded exploration company)	1,737,500

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 Reservoir Capital Shares
Michael D. Winn[(1)(2)(3)] California, USA	Director May 1, 2006	President of Terrasearch Inc. (a consulting company providing analysis of mining and energy companies)	360,000
Patrick Trustram-Eve[(1)(2)(3)] England	Director February 2, 2007	Managing Director of TranslateMedia (a language services provider); Founding Director of ITC Ventures (a venture capital investment group focused on small business opportunities in the media sector).	150,000
Lewis Reford 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
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.

The Renewable Energy Business

Following the Arrangement, Reservoir Capital will be engaged exclusively in the Renewable Energy Business with a focus on the development and construction of the Brodarevo hydroelectric projects in Serbia and other renewable energy projects in the region. References in this section of the Circular are to Reservoir Capital after giving effect to the Arrangement.

The business plan for Reservoir Capital shall be to maximize value for shareholders through acquisition, development, and operation of renewable energy (hydroelectric and geothermal) projects in Serbia, Italy, Montenegro, Bosnia and Herzegovina, and elsewhere in southeast Europe; with the intent of selling the generated energy into the Italian energy market. In Serbia, Reservoir Capital currently has two energy licenses at Brodarevo for run-of-river hydroelectric projects on the River Lim, has applied for a third license at Vrutci in the same region and has been granted four exploration licenses for geothermal energy. Reservoir Capital has also applied for three run-of-river hydroelectric licenses in Bosnia to develop 17.75

megawatts ("**MW**") on the Cehotina River and is pursuing additional renewable energy opportunities in the region.

The specific projects which Reservoir Capital is currently engaged in, and which will be the initial focus of Reservoir Capital following the Arrangement, are described below.

Hydroelectric Projects Overview - Brodarevo 1 and Brodarevo 1

Based on the prefeasibility studies conducted by Energoprojekt Hidroinzenjering Co. Ltd. ("**Energoprojekt**") for Reservoir Capital's Brodarevo 1 and Brodarevo 2 hydroelectric projects on the River Lim in southwest Serbia, the projects shall generate a combined 58.4 MW (Brodarevo 1: 26.0 MW, Brodarevo 2: 32.4MW) and 232.92 gigawatt hours per year **("GWh/yr")** (Brodarevo 1:102.33, Brodarevo 2:130.59) of electricity generation. The study has also defined dam sites, and provided recommendations for the design of the hydroelectric power plants as summarized in the table below:

License	Project Site	Water Level (m.a.s.l.)	Gross Head (m)	Discharge (Qins) (m3/s)	Capacity (MW)	Output (GWh/year)	Construction Cost (€m) *
Brodarevo 1	Junakovina	519	19.73	150.00	26.0	102.33	71.099
Brodarevo 2	Lucice	488	24.70	150.00	32.4	130.59	68.830
Total					58.4	232.84	139.929

Note:

(1) includes contingencies of 10% on the civil works, moving sections of the road, anticipated expropriation costs and transmission grid connection.

The prefeasibility studies conducted by Energoprojekt also determined that the planned construction of Brodarevo 1 and Brodarevo 2 would bring the benefits of the generation of "green" electricity, extremely low disturbance of hydrology regime of the river, mitigation of the flood flow consequences, increased protection of low waters in dry seasons, development and economic effects such as: foreign capital flow during the construction period, positive impact to national currency stabilization, possibility of engaging local construction companies, social and economic stabilisation of the region, economic development of the region in terms of employment, and improvement of the living standard of the population living in a broader vicinity of the hydropower facility.

Feasibility studies being prepared by Energoprojekt and scheduled for completion in October 2011 will include: environmental studies, geotechnical drilling, hydrological models of the dam sites prepared by the Brodarski Institute d.o.o., and Reservoir Capital has also contracted Put-Inzenjering d.o.o. to prepare technical studies and permitting for the displacement of parts of the M-21 road between Prijepolje and Bijelo Polje that will be affected by the Brodarevo reservoirs.

In June 2011, Reservoir Capital's Serbian subsidiary REV d.o.o. ("**REV**"), signed a 20-year Power Purchase Agreement for the sale of electricity from the Brodarevo hydroelectric projects, with GDF SUEZ Energia Italia S.p.A. ("**GSEI**"), a wholly-owned subsidiary of the GDF SUEZ Group. Under the terms of this agreement, electricity produced from Brodarevo will be exported for distribution into the Italian market at prevailing market prices and GSEI has furthermore agreed to purchase and pass on to Reservoir Capital the value of any incentives generated by the project. The Power Purchase Agreement is conditional on completion of at least one of the plants by the end of December 2015 and further

agreement between the parties once the arrangements for project financing and transmission are more advanced.

Hydroelectric Projects Overview - Vrutci Project Overview

Reservoir Capital currently is in the application phase with the Serbian Ministry of Infrastructure and Energy, prepared with and supported by the local community, to obtain a license to generate electricity from the existing Vrutci reservoir. Vrutci is an existing 240m-long, 77m-high dam with a water reservoir containing 64Mm3 constructed in 1984 on the Djetinja River to provide water supply and flood protection for the municipalities of Uzice and Sevojno. The 32.9 MW conceptual design with an anticipated 42.23 GWh/yr Net Annual Production capitalizing on peak power consumption is based on dividing the project into two phases:

Phase 1: Divert part of the discharge for a 5-6 MW small-hydro facility
Phase 2: Construct a tunnel to create enough head for a 32 MW peak power facility

Hydroelectric Projects Overview - Cehotina

Applications have been submitted by Reservoir Capital to the Government of the Republika Srpska (an autonomous region of Bosnia and Herzegovina) to build three run-of-river hydroelectric projects on the Cehotina River, with a combined capacity of 17.75 MW and an estimated output of 88 GWh/yr.

The Cehotina River flows from Montenegro down into the Drina River at the town of Foca. Reservoir Capital has applied for a 30-year concession covering the 26 kilometre section of the river within the Republika Srpska, which has an elevation drop of 114 metres and median flow rates ranging from 20 cubic metres per second ("**m3/s**") at the Montenegrin border to 23 m3/s where it joins the Drina.

The total natural energy capacity for this section of the river is 24 MW (211 GWh/yr) from which Reservoir Capital's consultant ENCOS Energy Consulting Services D.o.o. of Sarajevo has designed three dams; Luke, Falovici and Godijeno, with projected parameters tabulated below:

Cehotina Projects	Luke HPP	Falovici HPP	Godijeno HPP	Total
Mean Flow (m3/s)	20.75	21.00	21.80	
Installed Flow (m3/s)	30.00	30.00	32.00	
Gross Head (m)	21.00	40.00	14.25	
Net Head (m)	20.40	35.50	13.80	
Installed Power (MW)	5.00	9.00	3.75	17.75
Annual Production (GWh)	25.00	45.00	18.00	88.00

Geothermal Projects - Vranjska Banja

The Vranjska Banja exploration permit covers 17.5 square kilometres in area, which has an elevated geothermal gradient attributed to the presence of Tertiary-age intrusives. Reservoir Capital's permit surrounds an existing 200 square metre exploitation permit, where two existing geothermal wells (VG-2 and VG-3) have confirmed a high temperature gradient. Well VG-2 intercepted several hot water aquifers, the best of which measured 126 degrees centigrade between 864-890 metres depth. Well VG-3 intercepted a zone containing three intervals with measured temperatures of 124 degrees centigrade, between 1,500 and 1,575 metres depth.

The final phase of the 2010 work program included a geophysical survey which utilized geoelectrical sounding to determine the structure and depth of the collector of the geothermal waters at Vranjska Banja. The survey included 12 resistivity soundings distributed along two survey lines totalling 6 line-km. Based on preliminary results of this survey, a target has been identified approximately 120 metres southeast of VG-2, with an interpreted zone with thermal water from about 100 metres to 1,500 metres in depth.

In addition to the geophysical survey, Reservoir Capital has completed the first phase of the resource testing on VG-2 and VG-3, which included step-testing with three pressure draw-downs, and long-term simultaneous testing to determine the exploitation capacity of the existing wells. These tests concluded that VG-2 and VG-3 can be exploited with the capacity of 16.40 litres per second ("**l/s**") and 19.63 l/s respectively, with a total capacity of 36.03 l/s. Reservoir Capital will continue to measure water temperature, pressure, flow rate and chemistry through a full twelve month cycle.

Geothermal Projects - Vojvodina Province

The three permits held by Reservoir Capital in the Vojvodina Province of northern Serbia cover targets located in the Pannonian Basin that have been drilled historically during exploration for oil and gas reservoirs. In each case, the wells encountered and tested the hydrological and geothermal potential of various porous and permeable sedimentary units ranging in age from late Palaeozoic to Quaternary.

In late 2009, the Serbian government introduced feed-in tariffs in line with European Union standards, to encourage investment in renewable energy, establishing a price of 7.5 Euro cents (approximately US$0.107) per kilowatt hour for electricity derived from geothermal sources.

Ongoing Business Opportunities

Reservoir Capital is currently reviewing a number of acquisition opportunities, in Serbia, Italy, Montenegro, Bulgaria, Turkey, Bosnia and Herzegovina, with a view to acquiring additional hydroelectric and geothermal projects.

Additional Information

Reservoir Capital files reports and other information with the provincial securities commissions or similar authorities in Canada. These reports and information are available to the public free of charge on SEDAR at www.sedar.com. Reservoir Capital Shareholders may contact Reservoir Capital at its head office, at the following address, to request without charge copies of Reservoir Capital's financial statements and management's discussion and analyses: Suite 501, 543 Granville Street, Vancouver, British Columbia V6C 1X8, (Telephone: (604) 662-8448).

PART VII - INFORMATION CONCERNING MINERALS

Minerals is a corporation based in Vancouver, British Columbia, whose common shares are not currently listed on a stock exchange. Minerals was incorporated for the purpose of the Arrangement and has not conducted any active business other than in connection with the Arrangement and the identification and review of potential mineral exploration and development opportunities in international jurisdictions. For additional information regarding Minerals and the Mineral Exploration Business, please see Appendix "G" attached hereto.

PART VIII - INCOME TAX CONSIDERATIONS

Certain Canadian Federal Income Tax Considerations

Subject to the qualifications and assumptions herein, in the opinion of Borden Ladner Gervais LLP, counsel to Reservoir Capital, ("**Counsel**") the following is, as of the date hereof, a fair and adequate summary of the material Canadian federal income tax considerations pursuant to the Tax Act in respect of the Arrangement generally applicable to Reservoir Capital Shareholders who, for the purposes of the Tax Act, hold their Reservoir Capital Shares and will hold their Minerals Shares acquired under the Arrangement as capital property and deal at arm's length with, and are not affiliated with, Reservoir Capital and Minerals. Generally, Reservoir Capital Shares and Minerals Shares will be considered to be capital property for purposes of the Tax Act to the holder thereof unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Reservoir Capital Shareholder: (i) that is a "financial institution" or a "specified financial institution", as defined in the Tax Act; (ii) that is exempt from tax under Part I of the Tax Act; (iii) an interest in which would be a "tax shelter" or a "tax shelter investment" as defined in the Tax Act; or (iv) to whom the "functional currency" reporting rules in subsection 261(4) of the Tax Act apply. In addition, this summary does not address all issues relevant to holders of Minerals Shares who acquired Minerals Shares on the exercise of options or warrants. **Any such Minerals Shareholders should consult their own tax advisors with respect to the Arrangement.**

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**") in force as of the date hereof, all specific proposals to amend the Tax Act and the Regulations that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), and Counsel's understanding of the current published administrative and assessing policies and practices of the CRA. This summary assumes that the Proposed Amendments will be enacted as proposed, although there is no assurance that the Proposed Amendments will be enacted as proposed, or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law, whether by legislative, regulatory, or judicial action, or changes in administrative and assessing policies and practices of the CRA, nor does it take into account provincial, territorial or foreign tax legislation or considerations which may differ significantly from those discussed herein.

This summary also assumes that at the Effective Date under the Arrangement and all other material times thereafter that the Reservoir Capital Shares and the Minerals Shares will be listed on the TSXV. In addition, this summary also assumes that the paid-up capital of the Reservoir Capital Shares, as computed for the purposes of the Tax Act, will not be less than the fair market value of the Minerals Shares on the Effective Date, and is qualified accordingly.

Holders Resident in Canada

This portion of the summary is applicable to Reservoir Capital Shareholders and Minerals Shareholders who are, or are deemed to be, resident in Canada for purposes of the Tax Act and any applicable income tax convention at all relevant times (a "**Resident Holder**").

Reduction of Stated Capital

Provided that the fair market value of the Minerals Shares that are distributed to Resident Holders on the reduction of stated capital does not exceed the "paid-up capital", for purposes of the Tax Act, of the Reservoir Capital Shares (which Reservoir Capital has advised Counsel is expected to be the case), no portion of the amount so distributed will be deemed to be a dividend for purposes of the Tax Act and the adjusted cost base to a Resident Holder of their Reservoir Capital Shares will be reduced by the amount of such fair market value. If such fair market value exceeds the adjusted cost base to the Resident Holder of its Reservoir Capital Shares immediately before the distribution, the Resident Holder will be deemed to realize a capital gain from a disposition of their Reservoir Capital Shares equal to the amount of such excess and the adjusted cost base to the Resident Holder of their Reservoir Capital Shares will immediately thereafter be deemed to be nil. The tax treatment of capital gains is discussed below under the heading "*Taxation of Capital Gains and Capital Losses*".

If the amount paid by Reservoir Capital on the reduction of stated capital exceeds the "paid-up capital", for purposes of the Tax Act, of the Reservoir Capital Shares (which Reservoir Capital has advised Counsel is not expected to be the case) the amount of such excess will be deemed to be a dividend for purposes of the Tax Act and will not be deducted from the adjusted cost base to a Resident Holder of its Reservoir Capital Shares. *See "Holders Resident in Canada – Taxation of Dividends"* below.

Disposition of Minerals Shares

A Resident Holder who disposes of a Minerals Share will realize a capital gain (capital loss) equal to the amount by which the proceeds of disposition of the share, less reasonable costs of disposition, exceed (are exceeded by) the adjusted cost base of the share to the Resident Holder determined immediately before the disposition in accordance with the provisions of the Tax Act. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below. See "*Holders Resident in Canada – Taxation of Capital Gains and Losses*" below.

Taxation of Capital Gains and Losses

A Resident Holder who realizes a capital gain (capital loss) in a taxation year must include one half of the capital gain ("**taxable capital gain**") in income for the year, and may deduct one half of the capital loss ("**allowable capital loss**") against taxable capital gains realized in the year, and to the extent not so deducted, against taxable capital gains arising in any of the three preceding taxation years or in any subsequent taxation year, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss arising from a disposition or deemed disposition of a Minerals Share by a Resident Holder that is a corporation may, to the extent and under circumstances specified in the Tax Act, be reduced by the amount of certain dividends received or deemed to be received by the corporation on the share. Similar rules may apply if the corporation is a member of a partnership or beneficiary of a trust that owns shares, or where a partnership or trust of which the corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns shares.

A Resident Holder that is a "Canadian-controlled private corporation" for the purposes of the Tax Act throughout the relevant taxation year may be required to pay an additional refundable tax of 6 $^{2}/_{3}$% on its "aggregate investment income" for the year which will include net taxable capital gains that it realizes in that year on disposition of a Minerals Share.

Taxation of Dividends

A Resident Holder who is an individual will be required to include in income any dividend that the Resident Holder receives or is deemed to receive, on the Reservoir Capital Shares or Minerals Shares, and will be subject to the normal gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules for "eligible dividends" if so designated by Reservoir Capital or Minerals, as the case may be. A Resident Holder that is a corporation will be required to include in income any dividend that it receives or is deemed to be received on the Reservoir Capital Shares or Minerals Shares, and generally will be entitled to deduct an equivalent amount in computing its taxable income. A Resident Holder that is a "private corporation" (or a "subject corporation" within the meaning of the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax of 33⅓% on any dividend that it receives or is deemed to be received on the Reservoir Capital Shares or Minerals Shares to the extent that such dividends are deductible in computing the corporation's taxable income. Any such Part IV tax will be refundable to it at the rate of $1 for every $3 of taxable dividends that it pays on its shares. Subsection 55(2) of the Tax Act provides that where certain corporate holders of shares receive a dividend or deemed dividend in specified circumstances, and such dividend is otherwise deductible in computing the corporation's taxable income, all or part of the dividend may be treated as proceeds of disposition from the disposition of capital property.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay an additional refundable tax of 6⅔% on its "aggregate investment income" for the year which will include dividends or deemed dividends that are not deductible in computing taxable income.

Alternative Minimum Tax on Individuals

A capital gain realized, or deemed to be realized and the actual amount of taxable dividends (not including the gross-up) by a Resident Holder who is an individual (including certain trusts and estates) may give rise to liability to alternative minimum tax under the Tax Act. Any additional tax payable by an individual under the alternative minimum tax provisions may be carried forward and applied against certain tax otherwise payable in any of the seven immediately following taxation years, to the extent specified by the Tax Act.

Dissenting Resident Holders

A Resident Holder who validly exercises Dissent Rights (a "**Resident Dissenter**") and consequently is paid the fair value for the Resident Dissenter's Reservoir Capital Shares in accordance with the Arrangement will be deemed to have received a dividend equal to the amount, if any, by which the payment (other than the portion of the payment that is interest awarded by a Court) exceeds the paid-up capital of the Resident Dissenter's Reservoir Capital Shares. Any such deemed dividend will be subject to tax as discussed above under "*Holders Resident in Canada – Taxation of Dividends*". The Resident Dissenter will also realize a capital gain (capital loss) equal to the amount, if any, by which the payment, less the deemed dividend (if any) and less reasonable costs of disposition, exceeds (is exceeded by) the adjusted cost base of the shares. The Resident Dissenter will be required to include any resulting taxable capital in income, and to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to capital gains and losses. See "*Holders Resident in Canada – Taxation of Capital Gains and Losses*".

In certain circumstances, the amount of the dividend deemed to be received by a dissenting Resident Holder that is a corporation resident in Canada may be treated under the Tax Act as proceeds of disposition. See "*Holders Resident in Canada – Taxation of Dividends*".

The Resident Dissenter must also include in income any interest awarded by a court to the Resident Dissenter.

Holders Not Resident in Canada

This portion of the summary is applicable to a Reservoir Capital Shareholder or a Minerals Shareholder who is not resident in, nor deemed to be resident in Canada for purposes of the Tax Act, who does not and will not use or hold, and is not deemed to use or hold, Reservoir Capital Shares or Minerals Shares in, or in the course of, carrying on business in Canada, and is not an insurer who carries on an insurance business in Canada and elsewhere (a "**Non-Resident Holder**").

Reduction of Stated Capital

Provided that the fair market value of the Minerals Shares that are distributed to Resident Holders on the reduction of stated capital does not exceed the "paid-up capital", for purposes of the Tax Act, of the Reservoir Capital Shares (which Reservoir Capital has advised Counsel is expected to be the case) no portion of the amount so distributed will be deemed to be a dividend for purposes of the Tax Act and the adjusted cost base to a Non-Resident Holder of its Reservoir Capital Shares will be reduced by the amount of such fair market value. If such fair market value exceeds the adjusted cost base to the Non-Resident Holder of its Reservoir Capital Shares immediately before the distribution, the Non-Resident Holder will be deemed to realize a capital gain from a disposition of its Reservoir Capital Shares equal to the amount of such excess and the adjusted cost base to the Non-Resident Holder of its Reservoir Capital Shares immediately thereafter will be deemed to be nil. Such a Non-Resident Holder will be taxable in such capital gain only if such shares constitute "taxable Canadian property" and subject to an applicable income tax treaty or convention generally in the same manner as a Resident Holder.

If the amount paid by Reservoir Capital on the reduction of stated capital exceeds the "paid-up capital", for purposes of the Tax Act, of the Reservoir Capital Shares (which Reservoir Capital has advised Counsel is not expected to be the case) the amount of such excess will be deemed to be a dividend for purposes of the Tax Act and will not be deducted from the adjusted cost base to a Non-Resident Holder of its Reservoir Capital Shares. See "*Holders Not Resident in Canada – Taxation of Dividends*" below.

Taxation of Dividends

A Non-Resident Holder to whom a dividend on a Reservoir Capital Share or a Minerals Share is or is deemed to be paid, or credited, will be subject to Canadian withholding tax under the Tax Act at the rate of 25% of the gross amount of the dividend, unless reduced by an applicable income tax treaty, if any. In the case of a beneficial owner of dividends who is a resident of the United States for purposes of the Canada-U.S. Income Tax Convention (the "**U.S. Treaty**") and who is entitled to the benefits of the U.S. Treaty, the rate of withholding tax on dividends will be reduced to 15%. If the beneficial owner is a company that is a resident of the United States for the purposes of the U.S. Treaty, is entitled to the benefits of that treaty and owns at least 10% of the voting shares of Minerals, as the case may be, the applicable rate of withholding tax on dividends will be reduced to 5%.

Dissenting Non-Resident Holders

A Non-Resident Holder who validly exercises Dissent Rights (a "**Non-Resident Dissenter**") and consequently is paid the fair value for the Non-Resident Dissenter's Reservoir Capital Shares in accordance with the Arrangement, will be deemed to have received a dividend equal to the amount, if any, by which the payment exceeds the paid-up capital of the Non-Resident Dissenter's Reservoir Capital Shares. Any such deemed dividend will be subject to tax generally as discussed above under "*Holders Not Resident in Canada – Taxation of Dividends*".

A Non-Resident Dissenter will also be considered to have disposed of the Reservoir Capital Shares and will realize a capital gain (or a capital loss) to the extent that the payment received, less any deemed dividend and net of reasonable costs of disposition, exceeds (or is less than) the Non-Resident Dissenter's adjusted cost base of the Reservoir Capital Shares. A Non-Resident Dissenter will only be taxable on any such capital gain if such shares constitute "taxable Canadian property" for the purposes of the Tax Act, subject to the provisions of any applicable income tax treaty or exemption.

The Non-Resident Holder will not be subject to Canadian withholding tax on that portion of any such payment that is on account of interest.

Non-Resident Holders who are considering dissenting should consult their own tax advisors for advice regarding their particular circumstances.

Certain United States Federal Income Tax Considerations

The following is a summary of the anticipated material U.S. federal income tax consequences to U.S. Holders (as defined below) arising from and relating to the Arrangement as well as the ownership and disposition of Minerals Shares received pursuant to the Arrangement. This summary addresses only Shareholders that are U.S. Holders who are participants in the Arrangement. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax consequences that may apply to a U.S. Holder as a result of the Arrangement. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences of the Arrangement to such U.S. Holder. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. In addition, this summary does not address any tax consequences to U.S. persons that are optionholders or warrantholders with respect to their Reservoir Capital Options and Reservoir Capital Warrants.

No legal opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the "**IRS**") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement to U.S. Holders. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

Notice Pursuant to IRS Circular 230: Anything contained in this summary concerning any U.S. federal tax issue is not intended or written to be used, and it cannot be used by a U.S. Holder, for the purpose of avoiding U.S. federal tax penalties under the Code. This summary was written to support disclosure and dissemination of the transactions or matters addressed by this document (including the Arrangement). Each U.S. Holder should seek U.S. federal tax advice, based on such U.S. Holder's particular circumstances, from an independent tax advisor.

Scope of this Disclosure

Authorities

This summary is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury Regulations, published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the "**Canada U.S. Tax Convention**") and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this document. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive basis.

U.S. Holders

For purposes of this summary, a "U.S. Holder" is a Reservoir Capital Shareholder that, for U.S. federal income tax purposes, is (a) an individual who is a citizen or resident of the U.S., (b) a corporation, or any other entity classified as a corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the U.S., any state in the U.S., or the District of Columbia, (c) an estate if the income of such estate is subject to U.S. federal income tax regardless of the source of such income, or (d) a trust if (i) such trust has validly elected to be treated as a U.S. person for U.S. federal income tax purposes or (ii) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax consequences of the Arrangement to U.S. Holders that are subject to special provisions under the Code, including the following: (a) U.S. Holders that are tax exempt organizations, qualified retirement plans, individual retirement accounts, or other tax deferred accounts; (b) U.S. Holders that are financial institutions, insurance companies, real estate investment trusts, or regulated investment companies; (c) U.S. Holders that are dealers in securities or currencies or U.S. Holders that are traders in securities that elect to apply a mark to market accounting method; (d) U.S. Holders that have a "functional currency" other than the U.S. dollar; (e) U.S. Holders that own Reservoir Capital Shares (or, after the Arrangement, Reservoir Capital Shares and Minerals Shares) as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) U.S. Holders that hold Reservoir Capital Shares (or, after the Arrangement, Reservoir Capital Shares and Minerals Shares) other than as a capital asset within the meaning of Section 1221 of the Code; and (g) U.S. Holders that own (directly, indirectly, or by attribution) 10% or more of the total combined voting power of all classes of shares of Reservoir Capital (and after the Arrangement, Reservoir Capital or Minerals) entitled to vote. This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Tax Act; (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold Reservoir Capital Shares (or after the Arrangement, Reservoir Capital Shares and Minerals Shares) in connection with carrying on a business in Canada; (d) persons whose Reservoir Capital Shares or Minerals Shares constitute "taxable Canadian property" under the Tax Act; or (e) persons that have a permanent establishment in Canada for the purposes of the Canada U.S. Tax Convention. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. federal

alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences relating to the ownership and disposition of Reservoir Capital Shares or Minerals Shares.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Reservoir Capital Shares (or, after the Arrangement, Reservoir Capital Shares and Minerals Shares), the U.S. federal income tax consequences of the Arrangement and owning and disposing of such shares to such partnership and the partners of such partnership generally will depend on the activities of the partnership and the status of such partners. This summary does not address the tax consequences to any such partner. Partners of entities that are classified as partnerships for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of Reservoir Capital Shares and Minerals Shares.

Other Tax Consequences Not Addressed

This summary does not address the U.S. federal estate and gift, U.S. federal alternative minimum tax, U.S. state and local, or foreign tax consequences to U.S. Holders of the Arrangement or the ownership or disposition of Reservoir Capital Shares or Minerals Shares . Each U.S. Holder should consult its own tax advisor regarding the U.S. federal estate and gift, U.S. federal alternative minimum tax, U.S. state and local and foreign tax consequences of the Arrangement and the ownership or disposition of Reservoir Capital Shares or Minerals Shares.

U.S. FEDERAL INCOME TAX RULES APPLICABLE TO THE ARRANGEMENT

PFIC Rules

Status of the Reservoir Capital and Minerals

Special, generally adverse, U.S. federal income tax consequences apply to U.S. taxpayers who hold interests in a passive foreign investment company ("**PFIC**") as defined under Section 1297 of the Code, unless certain elections are available and timely and effectively made. As discussed below, it is believed that Reservoir Capital has been a PFIC in prior years and is expected to be one at the time of the Arrangement.

A foreign corporation generally will be a PFIC under Section 1297 of the Code if, for a taxable year, (a) 75% or more of the gross income of the foreign corporation for such taxable year is passive income (the "**income test**") or (b) 50% or more of the value of Reservoir Capital's assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the "**asset test**"). "Gross income" generally includes all sales revenues less the cost of goods sold, and "passive income" includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all of a foreign corporation's commodities are stock in trade of such foreign corporation or other property of a kind which would properly be included in inventory of such foreign corporation, or property held by such foreign corporation primarily for sale to customers in the ordinary course of business and certain other requirements are satisfied.

For purposes of the PFIC income test and assets test described above, if a foreign corporation owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, it will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes

of the PFIC income test and asset test described above, "passive income" does not include any interest, dividends, rents, or royalties that are received or accrued the foreign corporation from a "related person" (as defined in Section 954(d) (3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income.

In addition, under certain attribution rules, if Reservoir Capital or Minerals is a PFIC, U.S. Holders will be deemed to own their proportionate share of subsidiaries of Reservoir Capital or Minerals, as applicable, which are PFICs (such subsidiaries referred to as "**Subsidiary PFICs**"), and will be subject to U.S. federal income tax on (i) a distribution on the shares of a Subsidiary PFIC and (ii) a disposition of shares of a Subsidiary PFIC, both as if the holder directly held the shares of such Subsidiary PFIC.

Reservoir Capital believes it was a PFIC for prior taxable years and based on current business plans and financial expectations, Reservoir Capital expects to be a PFIC for the taxable year that includes the Arrangement. In addition, based on current business plans and financial expectations, Reservoir Capital expects that Minerals will be a PFIC for the taxable year in which the Arrangement occurs. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this document. Accordingly, there can be no assurance that the IRS will not challenge any determination made by Reservoir Capital (or a Subsidiary PFIC) concerning its PFIC status or Minerals' PFIC status. Each U.S. Holder should consult its own tax advisor regarding the PFIC status of Reservoir Capital, Minerals, and each subsidiary.

Effect of PFIC Rules on the Distribution of Minerals Shares Pursuant to the Arrangement

If Reservoir Capital is a PFIC or was a PFIC at any time during a U.S. Holder's holding period for the Reservoir Capital Shares, the effect of the PFIC rules on a U.S. Holder receiving Minerals Shares pursuant to the Arrangement will depend on whether such U.S. Holder has made a timely and effective election to treat Reservoir Capital as a "qualified electing fund" or "QEF" under Section 1295 of the Code (a "**QEF Election**") or has made a mark to market election with respect to its Reservoir Capital Shares under Section 1296 of the Code (a "**Mark to Market Election**"). In this summary, a U.S. Holder that has made a timely and effective QEF Election or a Mark to Market Election is referred to as an "Electing Shareholder" and a U.S. Holder that has not made a timely and effective QEF Election or a Mark to Market Election is referred to as a "Non Electing Shareholder." If either of these elections has been successfully made, Electing Shareholders generally would not be subject to the default rules of Section 1291 of the Code discussed below upon the receipt of the Minerals Shares pursuant to the Arrangement.

Default Rules

With respect to a Non Electing Shareholder, if Reservoir Capital is a PFIC or was a PFIC at any time during a U.S. Holder's holding period for the Reservoir Capital Shares, the default rules under Section 1291 of the Code will apply to gain recognized on any disposition of Reservoir Capital Shares and to "excess distributions" from Reservoir Capital (generally, distributions received in the current taxable year that are in excess of 125% of the average distributions received during the three preceding years (or during the U.S. Holder's holding period for the Reservoir Capital Shares, if shorter).

Under Section 1291 of the Code, any such gain recognized on the sale or other disposition of Reservoir Capital Shares and any excess distribution must be ratably allocated to each day in a Non Electing Shareholder's holding period for the Reservoir Capital Shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to years

before Reservoir Capital became a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such prior year and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such prior year. Such a Non Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible.

If the distribution of the Minerals Shares pursuant to the Arrangement constitutes an "excess distribution" with respect to a Non Electing Shareholder, such Non Electing Shareholder will be subject to the rules of Section 1291 of the Code discussed above upon the receipt of the Minerals Shares. In addition, the distribution of the Minerals Shares pursuant to the Arrangement may be treated, under proposed Treasury Regulations, as the "indirect disposition" by a Non Electing Shareholder of such Non Electing Shareholder's indirect interest in Minerals, which generally would be subject to the rules of Section 1291 of the Code discussed above.

QEF Election

If a U.S. Holder has made a timely and effective QEF Election with respect to his Reservoir Capital Shares, the default rules under Section 1291 of the Code discussed above will generally not be applicable such holder in connection with the distribution of Minerals Shares pursuant to the Arrangement. Such an Electing Shareholder would, instead, be subject to rules described under "PFIC Rules Relating to the Ownership and Disposition of Minerals Shares Received in the Arrangement—QEF Election" which generally require the current inclusion of net capital gain and ordinary earnings of Reservoir Capital but allow the holder to avoid application of the default rules described above. However, Reservoir Capital can provide no assurances that it will satisfy the record keeping and information disclosure requirements that apply to a QEF or supply U.S. Holders with the information required under the QEF rules for them to make a QEF Election. Thus, U.S. Holders may not be able to make a QEF Election with respect to their Reservoir Capital Shares.

To the extent that the distribution of Minerals Shares generates gain to Reservoir Capital under general U.S. tax rules applicable to corporations, this could increase the net capital gain an Electing Shareholder would be required to take into account under the QEF rules. To the extent the distribution of Minerals Shares represents "earnings and profits" of Reservoir Capital that were previously included in income by the Electing Shareholder because of the QEF Election, the distribution of Minerals Shares pursuant to the Arrangement will not be taxable to such holder. Subject to the foregoing sentence, in addition, a U.S. Holder who has made a timely and effective QEF Election would be subject to the tax consequences described below under "*Tax Consequences of the Distribution.*"

Even if a U.S. Holder has made a timely and effective QEF Election with respect to Reservoir Capital, in order to avoid application of the default rules described above to an indirect disposition" of an interest in Minerals deemed to occur under proposed Treasury Regulations as a result of the Arrangement, a U.S. Holder must make a separate timely and effective QEF Election with respect to Minerals.

Mark to Market Election

If a Mark to Market Election, discussed under "PFIC Rules Relating to the Ownership and Disposition of Minerals Shares Received in the Arrangement—Mark to Market Election", has been made by a U.S. Holder with respect to its Reservoir Capital Shares in a year prior to the distribution of Minerals Shares, such U.S. Holder generally will not be subject to the rules of Section 1291 of the Code discussed above upon the receipt of such Minerals Shares. However, if a U.S. Holder makes a Mark to Market Election after the beginning of such U.S. Holder's holding period for the Reservoir Capital Shares (which is

deemed to include the holding period of the Reservoir Capital Shares) and in the same year as the Minerals Shares are distributed pursuant to the Arrangement, the rules of Section 1291 of the Code discussed above would apply to the distribution of Minerals Shares.

A U.S. Holder that has made a Mark to Market Election in a year prior to the year in which Minerals Shares are distributed pursuant to the Arrangement will avoid the potential interest charge of Section 1291 on the distribution of Minerals Shares and on any "indirect disposition" of such U.S. Holder's indirect interest in Minerals deemed to occur, as described above. Instead such U.S. Holder will include in ordinary income for the taxable year in which the distribution of Minerals Shares occurs an amount equal to the excess, if any, of (a) the fair market value of the Reservoir Capital Shares as of the close of such taxable year over (b) such U.S. Holder's tax basis in such Reservoir Capital Shares. Such U.S. Holder will be allowed a deduction in an amount equal to the lesser of (a) the excess, if any, of (i) such U.S. Holder's adjusted tax basis in the Reservoir Capital Shares over (ii) the fair market value of such Reservoir Capital Shares as of the close of such taxable year or (b) the excess, if any, of (i) the amount included in ordinary income because of such Mark to Market Election for prior taxable years over (ii) the amount allowed as a deduction because of such Mark to Market Election for prior taxable years.

A U.S. Holder who has made a timely and effective Mark-to-Market Election would also be subject to the tax consequences described below under "*Tax Consequences of the Distribution.*"

A U.S. Holder that has made a Mark to Market Election generally also will adjust his or her tax basis in the Reservoir Capital Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark to Market Election. Inclusion and deductions because of the Mark to Market election are taken into account when calculating gain or loss on a future sale of Reservoir Capital Shares.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisor regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the Arrangement. In particular, each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a QEF Election or a Mark to Market Election.

Tax Consequences of the Distribution

Subject to the PFIC rules discussed above, a U.S. Holder would be required to include the fair market value of the Minerals Shares received pursuant to the Arrangement in gross income as a dividend to the extent of the current or accumulated "earnings and profits" of Reservoir Capital. To the extent the fair market value of the Minerals Shares exceeds Reservoir Capital's adjusted tax basis in such shares (as calculated for U.S. federal income tax purposes), the proposed Arrangement can be expected to generate additional earnings and profits for Reservoir Capital. To the extent that the fair market value of the Minerals Shares exceeds the current and accumulated "earnings and profits" of Reservoir Capital, the distribution of the Minerals Shares pursuant to the Arrangement will be treated (a) first, as a tax free return of capital to the extent of a U.S. Holder's tax basis in the exchanged Reservoir Capital Shares and, (b) thereafter, as gain from the sale or exchange of such Reservoir Capital Shares. Subject to the PFIC rules, preferential tax rates apply to long term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long term capital gains of a U.S. Holder that is a corporation. Reservoir Capital does not anticipate that its distributions will constitute qualified dividend income eligible for the preferential tax rates applicable to long-term capital gains. The distribution rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

U.S. FEDERAL INCOME TAX RULES APPLICABLE TO THE OWNERSHIP AND DISPOSITION OF MINERALS SHARES RECEIVED IN THE ARRANGEMENT

PFIC Rules

As noted above, based on current business plans and financial projections, it is expected that Minerals will be a PFIC for its tax year that includes the date after the Effective Date of the Arrangement. If Minerals is a PFIC, the U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Minerals Shares will depend on whether such U.S. Holder makes a QEF Election or a Mark to Market Election (both as defined above) with respect to Minerals, or the Minerals Shares, as applicable. A U.S. Holder that does not make either a QEF Election or a Mark to Market Election will be referred to in this summary as a "Non Electing U.S. Holder."

Default Rules

A Non Electing U.S. Holder will be subject to the rules of Section 1291 of the Code described above with respect to (a) any gain recognized on the sale or other taxable disposition of Minerals Shares and (b) any excess distribution received on the Minerals Shares. As previously discussed, these rules require that any such gain or excess distribution be allocated over the Non Electing U.S. Holder's holding period for the Minerals Shares and taxed at the highest tax rates applicable to ordinary income for such year with an interest charge assessed on the resulting liability as if such amount were due in such prior year and not paid. A Non Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible. If Minerals is a PFIC for any tax year during which a Non Electing U.S. Holder holds Minerals Shares , Minerals will continue to be treated as a PFIC with respect to such Non Electing U.S. Holder, regardless of whether Minerals ceases to be a PFIC in one or more subsequent tax years. A Non Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such Minerals Shares were sold on the last day of the last tax year for which Minerals was a PFIC.

QEF Election

A U.S. Holder that makes a QEF Election for the first tax year in which its holding period of its Minerals Shares begins, generally, will not be subject to the default rules of Section 1291 of the Code discussed above with respect to its Minerals Shares. However, a U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of (a) the net capital gain of Minerals, which will be long term capital gain to such U.S. Holder, and (b) and the ordinary earnings of Minerals, which will be taxed as ordinary income to such U.S. Holder. Generally, "net capital gain" is the excess of (a) net long term capital gain over (b) net short term capital loss, and "ordinary earnings" are the excess of (a) "earnings and profits" over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which Minerals is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by Minerals. However, for any tax year in which Minerals is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as "personal interest," which is not deductible.

A U.S. Holder that makes a QEF Election generally (a) may receive a tax free distribution from Minerals to the extent that such distribution represents "earnings and profits" of Minerals that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S.

Holder's tax basis in the Minerals Shares to reflect the amount included in income or allowed as a tax free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Minerals Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as "timely" if such QEF Election is made for the first year in the U.S. Holder's holding period for the Minerals Shares in which Minerals was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year.

A QEF Election will apply to the tax year for which such QEF Election is made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, Minerals ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which Minerals is not a PFIC. Accordingly, if Minerals becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which Minerals qualifies as a PFIC.

U.S. Holders should be aware that there can be no assurances that Minerals will satisfy the record keeping requirements that apply to a QEF, or that Minerals will supply U.S. Holders with information that such U.S. Holders require to report under the QEF rules, in the event that Minerals is a PFIC and a U.S. Holder wishes to make a QEF Election. Thus, U.S. Holders may not be able to make a QEF Election with respect to their Minerals Shares. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a QEF Election.

Mark to Market Election

A U.S. Holder may make a Mark to Market Election only if the Minerals Shares are marketable stock. The Minerals Shares generally will be "marketable stock" if the Minerals Shares are regularly traded on (a) a national securities exchange that is registered with the Securities and Exchange Commission, (b) the national market system established pursuant to Section 11A of the Securities and Exchange Act of 1934, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure, and other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange ensure active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be "regularly traded" for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter.

A U.S. Holder that makes a Mark to Market Election with respect to its Minerals Shares generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to the Minerals Shares. However, if a U.S. Holder does not make a Mark to Market Election beginning in the first tax year of such U.S. Holder's holding period for the Minerals Shares or such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the Minerals Shares.

A U.S. Holder that makes a Mark to Market Election will include in ordinary income, for each tax year in which Minerals is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Minerals Shares , as of the close of such tax year over (b) such U.S. Holder's tax basis in such Minerals

Shares. A U.S. Holder that makes a Mark to Market Election will be allowed a deduction in an amount equal to the excess, if any, of (i) such U.S. Holder's adjusted tax basis in the Minerals Shares, over (ii) the fair market value of such Minerals Shares (but only to the extent of the net amount of previously included income as a result of the Mark to Market Election for prior tax years).

A U.S. Holder that makes a Mark to Market Election generally also will adjust such U.S. Holder's tax basis in the Minerals Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark to Market Election. In addition, upon a sale or other taxable disposition of Minerals Shares, a U.S. Holder that makes a Mark to Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark to Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark to Market Election for prior tax years).

A Mark to Market Election applies to the tax year in which such Mark to Market Election is made and to each subsequent tax year, unless the Minerals Shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a Mark to Market Election.

Although a U.S. Holder may be eligible to make a Mark to Market Election with respect to the Minerals Shares , no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning, because such stock is not marketable. Hence, the Mark to Market Election will not be effective to eliminate the interest charge described above with respect to deemed dispositions of Subsidiary PFIC stock or distributions from a Subsidiary PFIC.

Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Minerals Shares that would otherwise be tax deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Minerals Shares are transferred.

Certain additional adverse rules will apply with respect to a U.S. Holder if Minerals is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example under Section 1298(b)(6) of the Code, a U.S. Holder that uses Minerals Shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such Minerals Shares .

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such specific rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult with their own tax advisor regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisor regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the ownership and disposition of Minerals Shares.

GENERAL U.S. FEDERAL INCOME TAX RULES APPLICABLE TO THE OWNERSHIP AND DISPOSITION OF MINERALS SHARES

A U.S. Holder's initial tax basis in the Minerals Shares received pursuant to the Arrangement will be equal to the fair market value of such Minerals Shares on the date of distribution. A U.S. Holder's holding period for the Minerals Shares received pursuant to the Arrangement will begin on the day after the date of distribution.

Distributions on Minerals Shares

Subject to the PFIC rules discussed above, a U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Minerals Common Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of Minerals, as computed for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of Minerals, such distribution will be treated first as a tax free return of capital to the extent of a U.S. Holder's tax basis in the Minerals Shares and thereafter as gain from the sale or exchange of such Minerals Shares. (See "Sale or Other Taxable Disposition of Minerals Shares " below). However, Minerals may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by Minerals with respect to the Minerals Shares will constitute ordinary dividend income. Dividends received on the Minerals Shares generally will not be eligible for the "dividends received deduction". In addition, the Minerals does not anticipate that its distributions will be eligible for the preferential tax rates applicable to long term capital gains. The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Minerals Shares

Subject to the PFIC rules discussed above, upon the sale or other taxable disposition of Minerals Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash plus the fair market value of any property received and such U.S. Holder's tax basis in the shares sold or otherwise disposed of. Subject to the PFIC rules discussed above, gain or loss recognized on such sale or other disposition generally will be long term capital gain or loss if, at the time of the sale or other disposition, the shares have been held for more than one year.

Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of Minerals Shares generally will be treated as "U.S. source" for purposes of applying the U.S. foreign tax credit rules unless the gain is subject to tax in Canada and is resourced as "foreign source" under the Canada U.S. Tax Convention and such U.S. Holder elects to treat such gain or loss as "foreign source."

Preferential rates apply to long term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Medicare Tax

Certain U.S. Holders who are individuals, estates or trusts are required to pay up to an additional 3.8% tax on, among other things, dividends and capital gains for tax years beginning after December 31, 2012. U.S. Holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of Reservoir Capital Shares and Minerals Shares.

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of Minerals Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). If the foreign currency received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in foreign currency and engages in a subsequent conversion or other disposition of the foreign currency may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Each U.S. Holder should consult its own U.S. tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

Subject to the PFIC rules discussed above, a U.S. Holder who pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on Minerals Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar for dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year by year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." In addition, this limitation is calculated separately with respect to specific categories of income. Dividends paid by Minerals generally will constitute "foreign source" income and generally will be categorized as "passive category income." The foreign tax credit rules are complex, and each U.S. Holder should consult its own tax advisor regarding the foreign tax credit rules.

Information Reporting; Backup Withholding Tax

Under U.S. federal income tax law and Treasury regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, recently enacted legislation generally imposes new U.S. return disclosure obligations (and related penalties) on U.S. Holders that hold certain specified foreign financial assets in excess of $50,000. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their Reservoir Capital Shares or Minerals Shares are held in an account at a domestic financial institution. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns.

The distribution within the U.S. or by a U.S. payor or U.S. middleman, of the Minerals Shares pursuant to the Arrangement as well as payments made within the U.S., or by a U.S. payor or U.S. middleman, of

dividends on, or proceeds arising from the sale or other taxable disposition of Reservoir Capital Shares or Minerals Shares , generally will be subject to information reporting and backup withholding tax, at the rate of 28% (and increasing to 31% for payments made after December 31, 2012), if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W 9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding tax rules.

PART IX - ELIGIBILITY FOR INVESTMENT

The Minerals Shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability tax plans and tax-free savings accounts ("**Registered Plans**") at any particular time provided that, at that time, either the shares are listed on a "designated stock exchange" or Minerals is a "public corporation" as defined for the purposes of the Tax Act. Provided that Minerals validly elects to be a "public corporation" for purposes of the Tax Act from the commencement of its first taxation year, the Minerals Shares will be qualified investments for Registered Plans from such commencement.

Notwithstanding that a Minerals Share may be a qualified investment for a TFSA Trust, a holder of a TFSA Trust will be subject to penalty tax under the Tax Act if the share is a "prohibited investment" of the TFSA Trust for the purposes of the Tax Act. Generally, a Minerals Share will not be a "prohibited investment" provided that, for the purposes of the Tax Act, the holder of the TFSA Trust deals at arm's length with Minerals and does not have a "significant interest" (as defined in the Tax Act) in Minerals, as applicable, or in a person or partnership with whom Minerals does not deal at arm's length.

PART X - OTHER MATTERS

Risk Factors

The businesses of Reservoir Capital and the business of Minerals upon completion of the Arrangement, are subject to a number of risks and uncertainties. Due to the nature of the Corporation's business, the present stage of development of its Renewable Energy Business and Mineral Exploration Business the Corporation is and Minerals will be subject to various risks.

In addition to considering the other information contained in this Circular and the information disclosed in the financial statements and in the other publicly filed documentation regarding the Corporation available on SEDAR at www.sedar.com, the reader should carefully consider the following information. Any of these risk elements could have material adverse effects on the business of the Corporation or the business to be conducted by Minerals upon completion of the Arrangement.

Risks Related to the Arrangement

In evaluating the Arrangement, Reservoir Capital Shareholders should carefully consider the following risk factors relating to the Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by Reservoir Capital, may also adversely affect the Reservoir Capital Shares, the Minerals Shares and/or the business of Reservoir Capital and Minerals following the Arrangement. In addition to the risk factors relating to the Arrangement set out below, Reservoir Capital Shareholders should also carefully consider the risk factors common to Reservoir Capital and Minerals, specific to Reservoir Capital and specific to Minerals included in this Information Circular, including the documents incorporated by reference herein.

There are risks associated with the Arrangement including: (i) market reaction to the Arrangement and the future trading prices of the Reservoir Capital Shares cannot be predicted; (ii) the Arrangement may give rise to significant adverse tax consequences to Reservoir Capital Shareholders and each Reservoir Capital Shareholder is urged to consult his own tax advisor; (iii) uncertainty as to whether the Arrangement will have a positive impact on the entities involved in the transactions; and (iv) there is no assurance that required approvals will be received or that Minerals Shares will be listed on a stock exchange.

The Arrangement may be terminated in certain circumstances

The Arrangement Agreement may be terminated by Reservoir Capital or Minerals in certain circumstances. Accordingly, there is no certainty, nor can Reservoir Capital provide any assurance, that the Arrangement Agreement will not be terminated by either Reservoir Capital or Minerals before the completion of the Arrangement. Failure to complete the Arrangement could materially negatively impact the price of the Reservoir Capital Shares. Moreover, if the Arrangement Agreement is terminated, there is no assurance that the Reservoir Capital Board will be able to find a party willing to pay an equivalent or a more attractive price for the Mining Assets than the price to be paid pursuant to the terms of the Arrangement Agreement.

There can be no certainty that all conditions precedent to the Arrangement will be satisfied

In addition, there can be no certainty that all conditions precedent to the Arrangement will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of the control of Reservoir Capital and Minerals, including the approval of the Reservoir Capital Shareholders. There is no

certainty, nor can Reservoir Capital provide any assurance, that these conditions will be satisfied. If for any reason the Arrangement is not completed, the market price of Reservoir Capital Shares may be adversely affected. Moreover, a substantial delay in obtaining satisfactory approvals could adversely affect the business, financial condition or results of operations of Reservoir Capital or result in the Arrangement not being completed.

Certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by Reservoir Capital and Minerals even if the Arrangement is not completed. Reservoir Capital and Minerals are each responsible for their own costs incurred in connection with the Arrangement.

The Arrangement may have adverse U.S. federal income tax consequences to U.S. Holders under the PFIC rule

U.S. Holders in the Reservoir Capital Shares should be aware that Reservoir Capital believes it was classified as a passive foreign investment company ("**PFIC**") for prior taxable years and based on current business plans and financial expectations, Reservoir Capital expects to be a PFIC for the taxable year that includes the Arrangement. If Reservoir Capital is a PFIC for any year during a U.S. Holder's holding period, then such U.S. Holder generally will be required to treat the distribution of Minerals Shares as a so-called "excess distribution" received on its Reservoir Capital Shares taxable as ordinary income, and to pay an interest charge on a portion of such distribution, unless the Holder makes a timely and effective "qualified electing fund" election ("**QEF Election**") or a "mark-to-market" election with respect to the Reservoir Capital Shares. A U.S. Holder who makes a QEF Election generally must report on a current basis its share of Reservoir Capital's net capital gain and ordinary earnings for any year in which Reservoir Capital is a PFIC, whether or not Reservoir Capital distributes any amounts to its shareholders. However, U.S. Holders should be aware that there can be no assurance that Reservoir Capital will satisfy record keeping requirements that apply to a qualified electing fund, or that Reservoir Capital will supply U.S. Holders with information that such U.S. Holders require to report under the QEF Election rules, in the event that Reservoir Capital is a PFIC and a U.S. Holder wishes to make a QEF Election. Thus, U.S. Holders may not be able to make a QEF Election with respect to their Reservoir Capital Shares. A U.S. Holder who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the Reservoir Capital Shares over the taxpayer's basis therein. This paragraph is qualified in its entirety by the discussion below under the heading "Certain United States Federal Income Tax Considerations." Each U.S. Holder should consult its own tax advisor regarding the PFIC rules and the U.S. federal income tax consequences of the Arrangement.

Risk Factors Common to Reservoir Capital and Minerals

Financing Risks

Neither Reservoir Capital nor Minerals currently have a source of operating cash flow, and there is no assurance that additional funding will be available to Reservoir Capital or to Minerals following the Arrangement as and when needed for further exploration and development of their projects, or to fulfill their obligations to existing creditors.

In order to continue to operate as a going concerns and to meet their corporate objectives, which in the case of Reservoir Capital consists of obtaining and developing its renewable energy projects and in the case of Minerals following completion of the Arrangement consists of exploring its mineral properties, both corporations will require additional financing through debt or equity issuances or other available means. Should either Reservoir Capital or Minerals be unable to realize their assets and discharge their liabilities in the normal course of business, the net realizable value of their assets may be materially less

than the amounts recorded on each corporations' respective balance sheet. Neither Reservoir Capital's or Minerals' consolidated interim financial statements include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should either corporation be unable to continue in existence.

No Production Revenues

To date, Reservoir Capital has not achieved a sustainable stream of revenue, from either the Renewable Energy Business or the Mineral Exploration Business. There can be no assurance that significant additional losses will not occur in the near future, or that either Reservoir Capital or Minerals will be profitable in the future. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the acquisition of new properties and other factors, many of which are beyond the control of Reservoir Capital or Minerals, as applicable. In particular, the Reservoir Capital and Minerals' operating expenses and capital expenditures may be greater in subsequent years as consultants, personnel, and equipment associated with advancing exploration, development and commercial production of its properties are added.

Minerals does not expect to receive revenues from the Mineral Exploration Business in the foreseeable future. Minerals expects to continue to incur losses until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. There can be no assurance that Minerals will generate any revenues or achieve profitability.

Political and Economic Uncertainties of Operations in Foreign Countries

Changes in the laws and regulations of foreign countries could have a material adverse impact on the business of Reservoir Capital and Minerals in respect of such countries. In particular, foreign currency exchange controls, expropriation of assets and profits, foreign ownership controls, and changes in taxation laws, could negatively affect both Reservoir Capital and Minerals and their businesses. At the present time both Reservoir Capital and Minerals are pursuing equity in projects located in countries where these conditions may occur.

Dependence on Management

The businesses and operations of both Reservoir Capital and Minerals are dependent on recruiting and retaining the services of a small number of key members of management and qualified personnel. The success of the operations and activities of Reservoir Capital and Minerals are dependent to a significant extent on the efforts and abilities of the management of each corporation. Investors must be willing to rely to a significant extent on the discretion and judgment of the management of each corporation. Furthermore, while both Reservoir Capital and Minerals believe that they will be successful in attracting qualified personnel and retaining current management teams, there can be no assurance of such success. Neither Reservoir Capital nor Minerals maintain key employee insurance on any of their respective employees.

Competition

Both Reservoir Capital and Minerals will compete with many companies and individuals that have substantially greater financial and technical resources than each respective corporation for the acquisition and development of their projects as well as for the recruitment and retention of qualified employees.

Environmental Risks and Hazards

The activities of both Reservoir Capital and Minerals are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect both Reservoir Capital's or Minerals operations. Environmental hazards may exist on properties in which both Reservoir Capital and Minerals hold interests which are unknown to either Reservoir Capital or Minerals at present.

Inability to Enforce Legal Rights in Certain Circumstances

In the event a dispute arises in another foreign jurisdiction, either Reservoir Capital or Minerals may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly to the extent that Reservoir Capital's and Minerals' assets are governed or located outside of Canada, investors may have difficulty collecting from either Reservoir Capital or Minerals any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities legislation.

Exchange Rate Fluctuations

Exchange rate fluctuations may adversely affect either Reservoir Capital's or Minerals' financial position and results. Reservoir Capital or Minerals incur certain costs and revenues in Serbian Dinar while financial results are reported in Canadian dollars. Currency exchange fluctuations may materially adversely affect the Reservoir Capital's or Minerals' future cashflows, results of operations and financial condition. Reservoir Capital or Minerals do not currently engage in hedging or have a policy in place for managing or controlling foreign currency risks.

Share Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly development stage companies, have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in Reservoir Capital's or Minerals' share prices will not occur.

Conflicts of Interest

Certain of Reservoir Capital's or Minerals' directors and officers may serve as directors or officers of other reporting companies, companies providing services to Reservoir Capital or Minerals, or companies in which they may have significant shareholdings. To the extent that such other companies may participate in ventures in which Reservoir Capital or Mineral may participate, the directors of Reservoir Capital or Minerals may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of Reservoir Capital or Minerals directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for the participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one

program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment.

In accordance with the laws of Canada, the directors of the Corporation are required to act honestly, in good faith and in the best interest of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at the time.

Dividends Unlikely

Reservoir Capital or Minerals have not declared or paid any dividends since the date of their incorporation and do not currently anticipate that dividends will be declared in the short or medium term. Earnings, if any, will be retained to finance further development of the each corporation's business.

Potential Dilution

The issue of Reservoir Capital Shares or Minerals Shares upon the exercise of outstanding options and warrants will dilute the ownership interest of the Reservoir Capital's or Minerals' current shareholders. Reservoir Capital or Mineral may also issue additional option and warrants or additional Reservoir Capital Shares or Minerals Shares from time to time in the future. If they does so, the ownership interest of Reservoir Capital's or Minerals' then current shareholders could also be diluted. It is anticipated that Reservoir Capital will be issuing additional equity in the near term to fund the Corporation's activities.

Risk Factors Specific to Reservoir Capital

Focus on Renewable Energy Business

Reservoir Capital is focusing on the Renewable Energy Business as it anticipates start of construction of Brodarevo I and Brodarevo II in the winter for 2011/2012. To this point the Mining Exploration Business has been considered a secondary business for the Corporation and a management team focused on the exploration business is required. Considering the high-profile nature of the Corporation in Serbia by being the largest greenfield investment, and demonstrating success of being able to work with the people and government of Serbia many of the key management of the Corporation will be working as a Director or Advisor to Minerals to maintain continuity of strong relationships with the various stakeholders in Serbia that are crucial to the success of Reservoir Minerals.

Hydroelectric Project Risks

The ability of Reservoir Capital to become a viable provider of renewable and clean power is dependant upon a number of factors and includes, but is not limited to, the following: successful completion of hydrological studies to confirm that water flows are sufficient to generate enough electricity to provide a suitable return on investment, environmental and other permits to build and operate the projects, the successful negotiation of a long term contract with a purchaser of electricity, the ability to obtain sufficient equity and long term financing to construct the projects, community and stakeholder support, the ability to connect the projects to a transmission system and successful construction and operation of the generation facilities and related transmission lines. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon Reservoir Capital's operations.

Geothermal Project Risks

A portion of the Reservoir Capital's business involves the exploration and development of geothermal energy resources. These activities are subject to uncertainties, which vary among different geothermal reservoirs and are in some respects similar to those typically associated with mineral and oil and gas exploration, development and exploitation, such as unproductive wells, pressure, temperature decline, corrosion and scaling, all of which could increase the capital requirements and risk. The generation of power from geothermal resources is a function of temperature and flow. Geothermal energy projects may suffer an unexpected decline in the capacity of their respective geothermal wells and are exposed to a risk of geothermal reservoirs being insufficient for sustained generation of the electrical power capacity desired over time. In addition, Reservoir Capital may fail to find commercially viable geothermal resources in the required quantities and temperatures, which would adversely affect the development of the geothermal power projects. Additionally, active geothermal areas, such as the areas in which the projects are located, are subject to frequent low-level seismic disturbances. Any of these could have an adverse impact on Reservoir Capital's geothermal business activities.

Insurance and Uninsured Risks

In the course of exploration, development and production of hydroelectric projects and geothermal projects, Reservoir Capital is subject to a number of risks and hazards in general, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in the damage to Reservoir Capital's property or facilities and equipment, personal injury or death, environmental damage to properties of Reservoir Capital or others, delays, monetary losses and possible legal liability.

Although Reservoir Capital may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. Reservoir Capital may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs, have a material adverse effect on Reservoir Capital's results and a decline in the value of the securities of Reservoir Capital.

Taxes

The tax considerations applicable to the Arrangement are complex. Reservoir Capital has not sought an advance tax ruling from any Canadian or foreign taxation authority with respect to the proposed Arrangement.

Risks Factors Specific to Minerals

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although Minerals has investigated its title to the mineral properties for which it holds concessions, mineral leases, licenses, or which are the subject of joint ventures, there can be no assurance that Minerals has valid title to such mineral properties or that its title thereto will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. Minerals does not carry title insurance with respect to any of its mineral properties in which it currently holds an interest. A successful claim that Minerals does not have

title to a mineral property could cause Minerals to lose its rights to explore or mine that property, likely without compensation for its prior expenditures relating to the property.

Risks and Hazards Relating to Mineral Exploration and Exploitation

Mineral exploration and exploitation involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. Minerals has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by Minerals will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by Minerals are affected by many factors, many outside the control of Minerals, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that Minerals' mineral exploration and exploitation activities will be successful.

Risks Relating to Government Regulation

Minerals' operations and properties are subject to laws and regulations governing mineral concession acquisition, mine development and prospecting, mining, production, occupational health and safety, labour standards, employment, waste disposal, toxic substances, land use, environmental protection, use of water, exports, taxes, royalties and other matters. It is possible that Minerals may not be able to comply with existing and future laws and regulations. In addition, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes to the terms of Minerals' permits and agreements, which could have a material adverse impact on Minerals' current operations and future development projects. Minerals may experience increased costs and delays in production as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of government authorities and there is no assurance that Minerals will be able to obtain all required permits on reasonable terms or on a timely basis.

Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in enforcement actions thereunder including the loss of Minerals' mining concessions, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, fines, penalties or other liabilities. Minerals may be required to compensate those suffering loss or damage by reason of its mining operations and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits.

Regulations and Permits

Minerals will be required to obtain certain permits in order to carry on operations at its mineral properties. There is no guarantee that such permits, if and when required, will be granted or renewed on terms acceptable to Minerals. Furthermore, Minerals may be required to obtain additional licenses and permits from various governmental authorities to continue and expand its development and production activities.

There can be no guarantee that Minerals will be able to maintain or obtain all necessary licences, permits and approvals that may be required for future development, construction and operations.

Minerals' activities are also subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species and other matters. Minerals is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of Minerals' exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of Minerals' permits that could have a significant adverse impact on Minerals' existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that Minerals will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict Minerals from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Uninsurable Risks

Mineral exploration and exploitation activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and Minerals may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect Minerals' profitability and financial position and the value of the common shares of Minerals. Minerals does not maintain insurance against environmental risks.

Commodity Prices

Factors beyond the control of Minerals may affect the marketability and price of any minerals discovered, if any. Resource prices have fluctuated widely in recent years and are affected by numerous factors beyond the control of Minerals, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors cannot be accurately predicted.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect future operations of Minerals.

Indebtedness of Directors and Executive Officers

The Corporation is not aware of any individuals who are, or who at any time during the most recently completed financial year were, a director or executive officer of the Corporation, a proposed nominee for election as a director of the Corporation, or an associate of any of those directors, executive officers or

proposed nominees, who are, or have been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries or whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year of the Corporation has 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 Informed Persons in Material Transactions

Other than as set forth in this Circular and other than transactions carried out in the ordinary course of business of the Corporation, no informed person of the Corporation, proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

Interests of Certain Persons or Companies in Matters To Be Acted Upon

Other than as disclosed in this Circular, management of the Corporation is not aware of any material interest of any director, executive officer, nominee for election as a director of the Corporation or of any associate or affiliate of any of the foregoing in respect of any manner to be acted upon at the Meeting.

Interests of Experts

As of the date hereof, the partners and associates of NCP own, directly or indirectly, less than one percent of the outstanding Reservoir Capital Shares.

Certain legal matters relating to the Arrangement are to be passed upon by Borden Ladner Gervais LLP, on behalf of Reservoir Capital. As of the date hereof, the partners and associates of Borden Ladner Gervais LLP own, directly or indirectly, less than one percent of the outstanding Reservoir Capital Shares.

Davidson & Company LLP, Chartered Accountants has confirmed that it is independent within the meaning of the Rules of Professional conduct of the Institute of Chartered Accountants of British Columbia.

As of the date hereof, Mr. A. J. Tunningley, MGeol (Hons.), MAusIMM, MSEG, the author of the Parlozi Technical Report, an "independent person" within the meaning of NI 43-101, owns, directly or indirectly, less than one percent of the outstanding Reservoir Capital Shares.

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.**

Auditors, Registrar and Transfer Agent

The auditors of the Corporation are Davidson & Company LLP, Chartered Accountants, 1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, British Columbia V7Y 1G6.

The Corporation's transfer agent and registrar is Computershare Trust Company of Canada, with registers of transfers of the Reservoir Capital Shares in Vancouver, British Columbia and Toronto, Ontario.

Additional Information

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Shareholders may contact the Corporation at Suite 501, 543 Granville Street, Vancouver, British Columbia V6C 1X9, 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. Financial information for the Corporation's most recently completed financial year and interim period is provided in its comparative financial statements and MD&A which are filed on SEDAR.

AUDITORS' CONSENT

We have read the information circular of Reservoir Capital Corp. (the "Company") dated September 12, 2011 relating to a special meeting of shareholders in respect of a plan of arrangement between the Company and Reservoir Minerals Inc. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above mentioned information circular of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at April 30, 2011 and 2010, and the consolidated statements of loss, comprehensive loss and deficit and cash flows for the years then ended. Our report is dated August 18, 2011.

We also consent to the incorporation by reference in the above mentioned information circular of our report to the shareholders of the Company on the consolidated balance sheets as at April 30, 2010 and 2009 and the consolidated statements of loss, comprehensive loss and deficit, and cash flows for the years then ended. Our report is dated August 9, 2010.

We also consent to the use in the above mentioned information circular of our report to the directors of Reservoir Minerals Inc. on the statement of financial position as at July 31, 2011 and the statement of comprehensive loss, changes in equity and cash flows for the period from incorporation on January 25, 2011 to July 31, 2011. Our report is dated September 12, 2011.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

September 12, 2011

CONSENT OF LEGAL COUNSEL

We hereby consent to the reference to our opinion and our name contained under "Certain Canadian Federal Income Tax Considerations" in the Notice of Meeting and Management Information Circular (the "**Circular**") of Reservoir Capital Corp. (the "**Corporation**") dated September 12, 2011, relating to the annual and special meeting of shareholders of the Corporation to approve the arrangement involving the Company, its shareholders and Reservoir Minerals Inc. and to the inclusion of the foregoing opinion in the Circular.

(signed) Borden Ladner Gervais LLP

Borden Ladner Gervais LLP

September 12, 2011

CONSENT OF NCP

NORTHLAND CAPITAL PARTNERS INC.

We have read the notice of meeting and management information circular (the "**Circular**") of Reservoir Capital Corp. (the "**Company**") dated September 12, 2011 relating to the annual and special meeting of shareholders of the Company to approve, among other things, the plan of arrangement involving the Company, its shareholders and Reservoir Minerals Inc. We consent to the inclusion in the Circular of our fairness opinion dated September 12, 2011 and references to our firm name and our foregoing fairness opinion in the Circular.

Vancouver, Canada — *(signed) NCP Northland Capital Partners Inc.*

September 12, 2011 — NCP Northland Capital Partners Inc.

APPROVAL OF RESERVOIR CAPITAL CORP.

The contents and mailing to Reservoir Capital Shareholders of this Management Information Circular have been approved by the Reservoir Capital Board.

Vancouver, British Columbia

September 12, 2011

(signed) Miles Thompson

Miles Thompson, Executive Chairman

APPENDIX "A" - ARRANGEMENT RESOLUTION

"BE IT RESOLVED THAT:

1. The arrangement under section 288 of the *Business Corporations Act* (British Columbia) ("**Arrangement**") substantially as set forth in the Plan of Arrangement (the "**Plan of Arrangement**") attached as Schedule A to Appendix "B" of the management information circular of Reservoir Capital Corp. ("**Reservoir Capital**") dated September 12, 2011 (the "**Information Circular**") and all transactions contemplated thereby, are hereby authorized and approved;

2. The Arrangement Agreement ("**Arrangement Agreement**") dated September 12**,** 2011, between Reservoir Capital and Reservoir Minerals Inc., a copy of which is attached as Appendix "B" together with such amendments or variations thereto made in accordance with the terms of the Arrangement Agreement as may be approved by the persons referred to in paragraph 4 hereof, such approval to be evidenced conclusively by the execution and delivery of any such amendments or variations, is hereby confirmed, ratified and approved;

3. Notwithstanding that this resolution has been duly passed by the shareholders of Reservoir Capital ("**Reservoir Capital Shareholders**") and/or has received the approval of the Supreme Court of British Columbia, the board of directors of Reservoir Capital may, without further notice to or approval of the Reservoir Capital Shareholders, subject to the terms of the Arrangement, amend or terminate the Arrangement Agreement or the Plan of Arrangement or revoke this resolution at any time prior to the Plan of Arrangement becoming effective; and

4. Any director or officer of Reservoir Capital is hereby authorized, for and on behalf of Reservoir Capital, to execute and deliver, with or without the corporate seal, all other documents and instruments and do all other things as in the opinion of such director or officer may be necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action."

APPENDIX "B" - ARRANGEMENT AGREEMENT AND PLAN OF ARRANGEMENT

ARRANGEMENT AGREEMENT

between

RESERVOIR CAPITAL CORP.

and

RESERVOIR MINERALS INC.

September 12, 2011

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ARRANGEMENT AGREEMENT

THIS AGREEMENT made as of September 12**,** 2011.

BETWEEN:

RESERVOIR CAPITAL CORP., a corporation existing under the *Business Corporations Act* (British Columbia) ("**Reservoir Capital**")

- and -

RESERVOIR MINERALS INC., a corporation existing under the *Business Corporations Act* (British Columbia) ("**Minerals**")

WHEREAS Reservoir Capital proposes to spin-out its Serbian mining assets to Minerals;

AND WHEREAS the parties hereto intend to carry out the proposed spin-out of Reservoir Capital's Serbian mining assets by way of a plan of arrangement under the provisions of the *Business Corporations Act* (British Columbia);

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

ARTICLE 1
DEFINITIONS, INTERPRETATION AND SCHEDULE

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following terms with the initial letter or letters thereof capitalized have the meaning ascribed to such capitalized term below:

(a) "**1934 Act**" means the *United States Securities Exchange Act of 1934*, as amended;

(b) "**Acquisition Proposal**" means with respect to Reservoir Capital, any inquiry or the making of any proposal to Reservoir Capital or any of the Reservoir Capital Securityholders from any person which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (i) an acquisition from Reservoir Capital of any securities of the Mining Subsidiaries, including the Mining Assets; (ii) any acquisition of a substantial amount of assets of the Mining Subsidiaries, including the Mining Assets; (iii) an amalgamation, arrangement, merger, or consolidation involving Reservoir Capital or the Mining Subsidiaries; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction involving the Mining Subsidiaries or any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement or which would or could reasonably be expected to materially reduce the benefits to Minerals under this Agreement or the Arrangement;

(c) "**affiliate**" has the meaning set forth in the Securities Act;

(d) "**Agreement**", "**this Agreement**", "**herein**", "**hereto**", and "**hereof**" and similar expressions refer to this arrangement agreement, as the same may be amended or supplemented from time to time and, where applicable, to the appropriate Schedule hereto;

(e) "**Arrangement**" means the arrangement under the provisions of section 288 of the BCBCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith or at the direction of the Court in the Final Order;

(f) "**Arrangement Resolution**" means the special resolution in respect of the Arrangement to be considered by Reservoir Capital Shareholders at the Meeting;

(g) "**BCBCA**" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as from time to time amended or re-enacted;

(h) "**BEM d.o.o.**" means Balkan Exploration and Mining d.o.o.;

(i) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday observed in Vancouver, British Columbia;

(j) "**BVI Mining Subsidiaries**" means Reservoir Exploration (BVI) Ltd., Reservoir Consulting (BVI) Ltd. and Rakita (BVI) Ltd., each of which is a "**BVI Mining Subsidiary**";

(k) "**Canadian GAAP**" means generally accepted accounting principles in Canada applied consistently;

(l) "**Compensation Option Receipts**" means the compensation option receipts of Minerals issued which have been issued to certain finders in connection with the Private Placement, with each compensation option receipt convertible into units of Minerals (with each unit being comprised of Minerals Share and one Minerals Warrant) upon the conversion of Minerals Subscription Receipts into Minerals Shares and Minerals Warrants pursuant to the satisfaction of the release conditions.

(m) "**Conveyance Agreements**" means the agreement between Reservoir Capital and Minerals to be dated as of the Effective Date transferring the BVI Mining Subsidiaries and the Mining Subsidiary Loans to Minerals in exchange for the issuance by Minerals of the Minerals Share Consideration to Reservoir Capital;

(n) "**Court**" means the Supreme Court of British Columbia;

(o) "**Current Assets**" means the current assets shown on a company's financial statements as at any date determined in accordance with Canadian GAAP;

(p) "**Current Liabilities**" means the current liabilities shown on a company's financial statements as at any date determined in accordance with Canadian GAAP;

(q) "**Debt**" means, as at any date, the aggregate of Current Assets less the aggregate of Current Liabilities calculated in accordance with Canadian GAAP, including bank debt and long-term liabilities such as long-term debt instruments and excluding asset retirement obligations and future income tax;

(r) "**Disclosure Letter**" means the disclosure letter provided by Reservoir Capital to Minerals or Minerals to Reservoir Capital, as the case may be, dated the date hereof;

(s) "**Documents of Title**" means, collectively, any and all certificates of title, leases, permits, licences, unit agreements, assignments, trust declarations, royalty agreements, operating agreements or procedures, participation agreements, farm in and farm out agreements, sale and purchase agreements, pooling agreements and other agreements by virtue of which the Mining Interests, are derived;

(t) "**Effective Date**" means the date upon which the Arrangement becomes effective in accordance with its terms;

(u) "**Effective Time**" means 12:01 a.m. (Vancouver time) on the Effective Date;

(v) "**Employment Legislation**" means any and all applicable Law relating to employment, including employment standards, workers' compensation, employment insurance, pension, occupational health and safety, and employment equity;

(w) "**Eurasian Royalty Agreement**" means the royalty agreement dated November 8, 2007 between Eurasian Minerals Inc. ("**Eurasian**") and Preduzece Za Minarlne Sirovine SEE d.o.o. Beograd ("**Preduzece**"), whereby each of the Plavkovo, Lece, Brestovac, Lece, Stara Planina and Deli Jovan properties as set forth therein are subject to a 2% net smelter return royalty to Eurasian on gold and silver sold and a 1% net smelter return royalty to Eurasian on all other minerals sold;

(x) "**Euromax Royalty Agreement**" means the royalty agreement dated March 16, 2010 between Reservoir Capital and Euromax Resources Ltd. ("**Euromax**") whereby the Durlan Potok portion of the Jasikovo Durlan Potok property and the Metovnica portion of the Brestovac Metovnica property are subject to a 0.5% net smelter return royalty to Euromax;

(y) "**Exploration Permits**" means those exploration permits set forth in Schedule B;

(z) "**Final Order**" means the order made after application to the Court pursuant to section 291 of the BCBCA approving the Plan of Arrangement as such order may be amended by the Court (with the consent of the Parties, acting reasonably) at any time prior to the Effective Time;

(aa) "**Freeport**" means Freeport-McMoRan Exploration Corporation;

(bb) "**Freeport Earn-In Agreement**" means the earn-in agreement dated March 18, 2010 among Freeport, Reservoir Capital, Reservoir Capital (BVI) Ltd. and Rakita (BVI) Ltd., whereby Freeport is granted the right to earn an interest in the Brestovac Metovnica and Jasikovo Durlan Potok exploration permits. Under the terms of the earn-in agreement, Freeport may earn an initial 55% interest in Rakita, an indirect wholly-owned subsidiary of Reservoir Capital, by investing US$3 million in exploration over a four-year period. Once Freeport has earned its initial 55% interest, it may become the project operator and may elect to earn an additional 20% interest (for a total interest of 75%) by completing a scoping study within four years, a pre-feasibility study within eight years and a feasibility study within thirteen years;

(cc) "**Governing Documents**" means either the Minerals Governing Documents or the Reservoir Capital Governing Documents, as the case may be;

(dd) "**Governmental Authority**" means any: (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) any subdivision, agency, commission, board or authority of any of the foregoing; or (iii) any quasigovernmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

(ee) "**Government Charges**" means all federal, provincial, municipal, foreign or other taxes, imposts, rates, levies, assessments and government fees, and any other charges lawfully levied, assessed or imposed against a Party, or in respect of a Party's business, including, without limitation, all Taxes and other government charges of any kind whatsoever, and assessments and includes additions to Taxes, interest, fines and penalties with respect thereto;

(ff) "**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board;

(gg) "**Information Circular**" means the management information circular to be prepared by Reservoir Capital for the Meeting;

(hh) "**Interim Order**" means the order made after application to the Court pursuant to section 291 of the BCBCA, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of the Parties, acting reasonably);

(ii) "**in writing**" means written information including documents, files, records, books and other materials made available, delivered or produced to a Party (or to its representatives) by or on behalf of another Party, including in the course of the former's due diligence review of the latter;

(jj) "**Law**" means any law, bylaw, rule, regulation, order, ordinance, protocol, code, guideline, policy, notice, direction and judgement or other requirement of any Governmental Authority;

(kk) "**Letter Agreement**" means the letter of intent dated March 24, 2011 between Minerals and Reservoir Capital;

(ll) "**Material Adverse Change**" means, in respect of either Minerals or the Mining Subsidiaries, as the case may be, any change (or any condition, event or development involving a prospective change) in the financial condition, operations, prospects, assets, liabilities, capitalization, licenses, permits, concessions, rights or privileges or business, whether contractual or otherwise, of such entities, that is, or could reasonably be expected to have, a Material Adverse Effect;

(mm) "**Material Adverse Effect**" in relation to any event or change in respect of Minerals or the Mining Subsidiaries, as the case may be, means an effect that is or would reasonably be expected to be materially adverse to the financial condition, operations, prospects, assets, liabilities, capitalization, licenses, permits, concessions, rights or privileges or business, whether contractual or otherwise, of Minerals, taken as a whole, or the Mining Subsidiaries provided that a Material Adverse Effect shall not include an adverse effect in the financial condition, operations, prospects, assets, liabilities, capitalization, licenses, permits, concessions, rights or privileges or business, whether contractual or otherwise,

of Minerals or the Mining Subsidiaries, as applicable, that arises or results from or is in any way connected with, either directly or indirectly: (i) a matter that has prior to the date hereof or concurrently with the announcement of this Agreement been publicly disclosed or otherwise disclosed in the Minerals Disclosure Letter or the Reservoir Capital Disclosure Letter, as applicable, or otherwise disclosed in writing to the other Party; (ii) conditions affecting the mining industry as a whole; (iii) general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere, including any decline in crude oil or natural gas prices on a current or forward basis; (iv) relating to any change in the trading price of the Minerals Shares or value of the Reservoir Capital Shares, respectively, that arises from the announcement of execution of this Agreement; or (v) any change in Canadian GAAP; or (vi) that is consented to by the other Party or results from any matter consented to by the other Party;

(nn) "**Meeting**" means the special meeting, including any adjournments or postponements thereof, of the Reservoir Capital Shareholders to be held, among other things, to consider, and if thought fit, authorize, approve and adopt the Arrangement in accordance with the Interim Order;

(oo) "**Mineral Exploration Business**" means the mineral exploration business of Reservoir Capital conducted in connection with the Mining Assets;

(pp) "**Mineral Rights**" means all rights, whether contractual or otherwise, for the exploration for or the exploitation or extraction of mineral resources and reserves together with surface rights, water rights, royalty interests, fee interests, joint venture interests and other leases, rights of way and enurements related to any such rights;

(qq) "**Minerals**" means Reservoir Minerals Inc., a corporation existing under the BCBCA;

(rr) "**Minerals Board**" means the board of directors of Minerals;

(ss) "**Minerals BVI**" means Global Reservoir Minerals (BVI) Inc., a corporation duly incorporated and existing under the laws of the British Virgin Islands and a wholly-owned subsidiary of Minerals;

(tt) "**Minerals Disclosed Information**" means: (i) all information disclosed pursuant to the Minerals Disclosure Letter; (ii) all information disclosed by Minerals pursuant to the Letter Agreement prior to the date hereof;

(uu) "**Minerals Entities**" means, collectively and taken as a whole, Minerals and Reservoir Minerals Corp. (BVI), and "**Minerals Entity**" means any of them;

(vv) "**Minerals Financial Statements**" has the meaning ascribed thereto in Section 4.9 hereof;

(ww) "**Minerals Governing Documents**" means, in the case of Minerals, the certificate of incorporation, articles and notice of articles of Minerals, all as amended to the date hereof;

(xx) "**Minerals Shares**" means the common shares without par value in the capital of Minerals as constituted on the date of this Agreement;

(yy) "**Minerals Share Consideration**" means 9,000,000 Minerals Shares;

(zz) "**Minerals Shareholders**" means holders of Minerals Shares at the applicable time;

(aaa) "**Minerals Subscription Receipts**" means subscription receipts of Minerals which have been issued at a price of $0.65 per subscription receipt pursuant to the Private Placement, with each subscription receipt convertible to a Minerals Share and one Minerals Warrant upon satisfaction of the Release Conditions;

(bbb) **"Mineral Unit"** means one Minerals Share and one Minerals Warrant;

(ccc) "**Minerals Warrant**" means one non-transferable Minerals Shares purchase warrant entitling the holder thereof to acquire one Minerals Share at: (i) a price of $0.90 per share for the first year, subject to accelerated expiry following the satisfaction of the Release Conditions; and (ii) a price of $1.00 for the second year following the satisfaction of the Release Conditions;

(ddd) "**Mining Assets**" means the Serbian mining assets of Reservoir Capital and includes the Exploration Permits and Mineral Rights of Reservoir Capital and all related tangibles, equipment, facilities and miscellaneous interests;

(eee) "**Mining Interests**" has the meaning ascribed thereto in Section 3.23 hereof;

(fff) "**Mining Subsidiary Loans**" means the outstanding loans made by Reservoir Capital to the Mining Subsidiaries;

(ggg) "**Mining Subsidiaries**" means the BVI Mining Subsidiaries and the Serbian Subsidiaries, each of which is **"Mining Subsidiary**";

(hhh) "**misrepresentation**" has the meaning ascribed thereto under the Securities Act;

(iii) "**Net Debt of Mining Subsidiaries**" means Current Liabilities plus Debt for the Mining Subsidiaries, less its Current Assets. For greater certainty, the Net Debt of Mining Subsidiaries is to take into account, among other things, settlements, office lease obligations, capital lease obligations, the Mining Subsidiaries severance obligations, change of control payments, tax amounts, transaction costs (including legal and accounting fees), brokerage fees, current income tax, and income tax interest and penalties, including Part XII.6 tax of the Tax Act;

(jjj) "**NI 43-101**" means National Instrument 43-101 – Standards of Disclosure for Mineral Projects;

(kkk) "**Orogen Earn-In Agreement**" means the earn-in agreement dated December 15, 2010 among Reservoir Capital, Reservoir Exploration (BVI) Ltd., Deli Jovan Exploration d.o.o. and Orogen Gold Limited ("**Orogen**"), whereby Orogen may earn up to a 75% interest in the Deli Jovan property by completing $3.5 million in exploration expenditures within 42 months of December, 2010;

(lll) "**Outside Date**" means the later of (i) October 17, 2011; and (ii) such later date as Reservoir Capital and Minerals may agree in writing;

(mmm) "**Parties**" means the parties to this Agreement and their respective successors and permitted assigns and "**Party**" means any one of them;

(nnn) "**Permitted Encumbrances**" means: (a) the terms and conditions of the Documents of Title, including the following: (i) any overriding royalties, net profits interests or other encumbrances applicable to the Mining Interests, (ii) any existing potential alteration of the Mining Interests because of a payout conversion or farm-in, farm-out, earn-in, earn-out or other such agreement, including pursuant to or in connection with a consent to assign the Eurasian Royalty Agreement, the Euromax Royalty Agreement, the Orogen Earn-In Agreement, the Freeport Earn-In Agreement and the SEE Share Purchase Agreement; and (iii) any penalty or forfeiture that applies to the Mining Interests, at the date hereof because of an election by Reservoir Capital, not to participate in a particular operation; (b) easements, rights of way, servitudes or other similar rights, including, without limitation, rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, and wires; (c) the regulations and any rights reserved to or vested in any Governmental Authority to levy taxes or to control or regulate any of the Mining Assets, as applicable, in any manner, including, without limitation, the right to control or regulate the conduct of operations; (d) statutory exceptions to title and the reservations, limitations and conditions in any grants or transfers from any Governmental Authority of any of the Mining Interests, as applicable, or interests therein; (e) undetermined or inchoate liens incurred or created in the ordinary course of business as security for Reservoir Capital's or Minerals' share, as applicable, of the costs and expenses of the development or operation of any of Mining Assets, which costs and expenses are not delinquent as of the Effective Time; (f) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Time; and (g) liens granted in the ordinary course of business to a Governmental Authority respecting operations pertaining to the Mining Assets.

(ooo) "**person**" includes any individual, a sole proprietorship, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, union, Governmental Authority, syndicate or other entity, whether or not having legal status;

(ppp) "**Plan**" or "**Plan of Arrangement**" means a plan of arrangement substantially in the form and content of the plan of arrangement attached as Schedule A hereto and any amendment or variation thereto made in accordance with Article 6 of the plan of arrangement or Sections 9.1 and 9.2 of this Agreement;

(qqq) "**Private Placement**" means the private placement of 14,776,150 Subscription Receipts;

(rrr) "**Promissory Note**" means the loan in the principal amount of up to $300,000 from Reservoir Capital to Minerals payable upon demand, subject to certain conditions, with interest thereon of 3% per annum;

(sss) "**Rakita**" means Rakita (BVI) Ltd., a corporation duly incorporated and existing under the laws of the British Virgin Islands;

(ttt) "**Release Conditions**" means all conditions, undertakings and other matters to be satisfied, completed and otherwise met prior to completion of the Plan of Arrangement and Acquisition pursuant to this Agreement, including the conditional approval of the TSXV to list the Mineral Shares and necessary regulatory and court approvals;

(uuu) "**Required Approvals**" means all consents, waivers, permits, exemptions, orders and approvals required by Reservoir Capital and Minerals in connection with the Arrangement;

(vvv) "**Reservoir Capital**" means Reservoir Capital Corp., a corporation existing under the BCBCA;

(www) "**Reservoir Capital Board**" means the board of directors of Reservoir Capital;

(xxx) "**Reservoir Capital BVI"** means Reservoir Capital Corp. (BVI), a corporation existing under the laws of the British Virgin Islands and a wholly-owned subsidiary of Reservoir;

(yyy) "**Reservoir Capital Convertible Securities**" means all options, warrants or other rights, agreements or commitments of any character whatsoever (contingent or otherwise) requiring the issuance, sale or transfer by Reservoir Capital of any securities of Reservoir Capital or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire Reservoir Capital securities;

(zzz) "**Reservoir Capital Disclosed Information**" means: (i) all information disclosed pursuant to the Reservoir Capital Disclosure Letter; (ii) all information disclosed by Reservoir Capital pursuant to the Letter Agreement prior to the date hereof; and (ii) the Reservoir Capital Public Record;

(aaaa) "**Reservoir Capital Disclosure Letter**" means the disclosure letter provided by Reservoir Capital to Minerals dated the date hereof;

(bbbb) **"Reservoir Capital Entities**" means, collectively and taken as a whole, Reservoir Capital and Reservoir Capital BVI a direct wholly-owned subsidiary of Reservoir Capital, and "**Reservoir Capital Entity**" means any of them;

(cccc) "**Reservoir Capital Financial Statements**" has the meaning ascribed thereto in Section 3.10 hereof;

(dddd) "**Reservoir Capital Governing Documents**" means, in the case of Reservoir Capital, the certificate of incorporation, articles and notice of articles of Reservoir Capital, all as amended to the date hereof;

(eeee) "**Reservoir Capital Optionholders**" means the holders of Reservoir Capital Options;

(ffff) "**Reservoir Capital Options**" means the options outstanding under the Reservoir Capital Share Option Plan, the details of which are set out in the Reservoir Capital Disclosure Letter;

(gggg) "**Reservoir Capital Public Record**" means all documents or information filed by or on behalf of Reservoir Capital, on or after the date of Reservoir Capital's most recent audited balance sheet, in compliance with or intended compliance with applicable Laws and which are accessible by a member of the general public through the System for Electronic Document Analysis and Retrieval (SEDAR) website maintained by the Canadian Securities Administrators;

(hhhh) "**Reservoir Capital Securities**" means the Reservoir Capital Shares, Reservoir Capital Options and the Reservoir Capital Warrants;

(iiii) "**Reservoir Capital Securityholders**" means, collectively, Reservoir Capital Shareholders, Reservoir Capital Optionholders, Reservoir Capital Warrantholders and any other holders of securities of Reservoir Capital;

(jjjj) "**Reservoir Capital Share Option Plan**" means that stock option plan adopted by Reservoir Capital, as amended;

(kkkk) "**Reservoir Capital Shareholders**" means the holders of Reservoir Capital Shares;

(llll) "**Reservoir Capital Shares**" means common shares in the capital of Reservoir Capital;

(mmmm) "**Reservoir Capital Warrantholders**" means the holders of Reservoir Capital Warrants;

(nnnn) "**Reservoir Capital Warrants**" means warrants to acquire Reservoir Capital Shares;

(oooo) "**Returns**" means all reports, estimates, declarations of estimated tax, information statements, elections and returns relating to, or required to be filed in connection with, any Government Charges;

(pppp) "**Securities Act**" means the *Securities Act* (British Columbia) and the rules, regulations and policies made thereunder, as now in effect and as they may be amended from time to time prior to the Effective Date;

(qqqq) "**Securities Authorities**" means, collectively, the British Columbia Securities Commission and the other applicable securities regulatory authorities in Canada, including the TSXV, each of which is a "**Securities Authority**";

(rrrr) "**SEE d.o.o.**" means Southern European Exploration d.o.o.;

(ssss) "**SEE Share Purchase Agreement**" means the share purchase agreement dated January 26, 2007 among Eurasian Minerals Inc., Reservoir Capital, Southern European Exploration (BVI) Ltd. and Southern European Exploration Limited, whereby Reservoir Capital is obliged, until the 15th anniversary of the closing date set forth therein, to pay $500,000 in cash or shares on completion of a bankable feasibility study as defined therein completed on a different property up to, in either case, a maximum of two properties consisting of the Plavkovo, Lece, Brestovac-Zlot, Lece, Stara Planina and Deli Jovan properties;

(tttt) "**Serbian Subsidiaries**" means Deli Jovan Exploration d.o.o., Balkan Exploration and Mining d.o.o. and Rakita Exploration d.o.o., each of which is a "**Serbian Subsidiary**";

(uuuu) "**Subscription Receipts**" means the 14,776,150 non-transferable subscription receipts of Minerals issued at a price of $0.65 per Subscription Receipt with each Subscription Receipt entitling the holder thereof to receive one non-transferable Minerals Unit upon satisfaction of the Release Conditions;

(vvvv) "**subsidiary**" has the meaning set forth in the BCBCA and includes all partnerships directly or indirectly owned by Minerals or Reservoir Capital, as the case may be;

(wwww) "**Superior Proposal**" has the meaning set forth in subsection 6.13(b)(v)(A);

(xxxx) "**Swaps**" means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions);

(yyyy) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), including the regulations promulgated thereunder, as amended;

(zzzz) "**Tax**" or "**Taxes**" shall mean, with respect to any person, all taxes, however denominated, including any interest, penalties or other additions thereto that may become payable in respect thereof, imposed by any federal, provincial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), capital, payroll and employee withholding taxes, labour taxes, employment insurance, employment insurance premiums, social insurance taxes, Canada Pension Plan contributions, sales and use taxes, ad valorem taxes, value added taxes, goods and services tax, harmonized sales tax, excise taxes, franchise taxes, gross receipts taxes, business licence taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers' compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing;

(aaaaa) "**Tax Returns**" shall mean all reports, estimates, elections, notices, filings, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be supplied to any Governmental Authority in connection with, any Taxes (including any attached schedules, estimated tax returns, withholding tax returns, and information returns and reports);

(bbbbb) "**Technical Report**" means the NI 43-101 compliant technical report entitled "Independent Technical Report on the Parlozi Property, Serbia" dated July 17, 2011 and prepared by Exploration Alliance Ltd.; and

(ccccc) "**TSXV**" means the TSX Venture Exchange.

1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

1.3 Number, Gender and Persons

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and words importing a person or persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

1.4 Date for any Action

If the date on which any action is required to be taken hereunder by any Party is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute, regulation or rule in force from time to time and any statute or regulation that supplements or supersedes such statute, regulation or rule.

1.6 Currency

Unless otherwise stated, all references in this Agreement to amounts of money are expressed in lawful money of Canada.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the Parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The Parties hereto will engage in good faith negotiations to replace any provision hereof which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which approximates as much as possible the invalid or unenforceable provision which it replaces.

1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement have the meanings attributable thereto under Canadian GAAP (as amended by International Financial Reporting Standards principles in force in Canada and to the extent applicable for this Agreement), and such reference shall be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor entity thereto, applicable as at the date on which such principles are to be applied or on which any calculation or determination is required to be made in accordance with generally accepted accounting principles.

1.9 Knowledge

Where the phrase "to the best of the knowledge" or "to the best of a Party's knowledge" is used, such phrase means, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the collective knowledge of the senior officers of the Party making the representation and warranty after having conducted an actual investigation as to the subject matter relating thereto, with the level of such investigation in each case being that of a reasonably prudent person investigating a material consideration in the context of a material transaction, and the use of such phrase herein constitutes a representation and warranty by the Party making the representation and warranty in each case that such investigation has been actually made.

1.10 Interpretation Not Affected by Party Drafting

The Parties acknowledge that their respective legal counsel has reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that

any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

1.11 Due Diligence

Each of the Parties is responsible for its own evaluation of the economic value of the Arrangement and is responsible for its own due diligence in respect thereof.

1.12 Schedule

The following schedule is attached to, and is deemed to be incorporated into and form part of, this Agreement:

Schedule A – Plan of Arrangement
Schedule B – Exploration Permits

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement

(a) Pursuant, and subject, to the detailed steps contained in the Plan of Arrangement holders of Reservoir Capital Shares as of the Effective Time, other than a Dissenting Shareholder, will receive a pro rata share of the Minerals Share Consideration (calculated assuming there are no Dissenting Shareholders) as a reduction of stated capital and which pro rata share will be determined based on the number of Reservoir Capital Shares outstanding at the Effective Time.

(b) The Arrangement shall be structured such that, assuming the Arrangement Resolution is approved and the Final Order is obtained, the issuance of the Minerals Shares issuable to the Reservoir Capital Shareholders under the Arrangement will not require registration under the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder, in reliance on Section 3(a)(10) thereof.

(c) As soon as is reasonably practicable after the execution of this Agreement and in any event, on or before September 13, 2011, Reservoir Capital shall apply to the Court pursuant to Section 291 of the BCBCA for the Interim Order and, in connection with such application shall:

(i) forthwith file, proceed with and diligently prosecute an application to the Court for the Interim Order which shall provide for, among other things, the calling and holding of the Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement and thereafter proceed with and diligently seek the Interim Order in form and substance satisfactory to Reservoir Capital and Minerals, acting reasonably;

(ii) subject to obtaining the approvals contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all actions and steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order; and

(iii) subject to Section 2.7 hereof and obtaining the Final Order and the satisfaction or waiver of the other conditions herein contained in favour of each Party, take all

steps as may be necessary to give effect to the Arrangement pursuant to the BCBCA.

(d) The notice of motion for the application referred to in Section 2.1(c) shall be satisfactory to each of Minerals and Reservoir Capital, acting reasonably, and shall request that the Interim Order provide, among other things:

(i) for the persons to whom notice is to be provided in respect of the Arrangement and the Meeting and for the manner in which such notice is to be provided; and

(ii) that the requisite approval of the Reservoir Capital Shareholders for the Arrangement is 66⅔% of the votes cast thereon by the holders of each of the Reservoir Capital Shares present in person or represented by proxy at the Meeting.

2.2 Withholding Tax

Minerals and Reservoir Capital shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to the Arrangement to any Reservoir Capital Shareholder who is not resident in Canada for purposes of the Tax Act or is otherwise required to have deductions made from any consideration otherwise payable to any Reservoir Capital Shareholder in connection with the Arrangement, and remit to the applicable Governmental Authority, such amounts as the Minerals and Reservoir Capital are required to deduct, withhold and remit with respect to such payment under the Tax Act and other applicable laws. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Reservoir Capital Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

2.3 Effective Date

The Arrangement shall become effective at the Effective Time on the Effective Date on the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

2.4 Consultation

Subject to Section 10.1, Minerals and Reservoir Capital agree to consult with each other prior to issuing any press release or otherwise making any public statement with respect to this Agreement or the Arrangement or making any filing with any federal, provincial or state governmental or regulatory agency or with any stock exchange with respect thereto, except as may be required by applicable law or by obligations pursuant to any listing agreement with a stock exchange and only after using its reasonable commercial efforts to consult the other Party, taking into account the time constraints to which it is subject as a result of such law or obligation. Each of Minerals and Reservoir Capital shall use its commercially reasonable efforts to enable the other of them to review and comment on all such press releases and filings prior to the release thereof. Minerals and Reservoir Capital agree to issue a joint or individual press release with respect to this Agreement as soon as practicable after the execution hereof, in a form acceptable to each of them, acting reasonably.

2.5 Pre-closing

Unless this Agreement is terminated pursuant to the provisions hereof, Minerals and Reservoir Capital shall meet at the offices of Borden Ladner Gervais LLP on the day immediately prior to the Meeting or at such other time or place or on such other date at they may mutually agree upon and each of them shall then table the documents required to be delivered by such Party hereunder to complete the

transaction contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the Arrangement becoming effective.

2.6 Privacy Issues

(a) For the purposes of this Section 2.6, the following definitions apply:

(i) "**applicable law**" means, in relation to any person, transaction or event, all applicable provisions of laws, statutes, rules, regulations, official directives and orders of and the terms of all judgments, orders and decrees issued by any authorized authority by which such person is bound or having application to the transaction or any event in question, including applicable privacy laws;

(ii) "**applicable privacy laws**" means any and all applicable laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Document Act* (Canada) and any comparable provincial law, including the *Freedom of Information and Protection of Privacy Act* (British Columbia);

(iii) "**authorized authority**" means, in relation to any person, transaction or event, any (A) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (B) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (C) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (D) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such person, transaction or event; and

(iv) "**Personal Information**" means information about an individual transferred by Minerals to Reservoir Capital or by Reservoir Capital to Minerals (or by representatives of any of the foregoing) in accordance with this Agreement or as a condition of the Arrangement.

(b) Each of Minerals and Reservoir Capital acknowledges that it is responsible for compliance at all times with applicable privacy laws which govern the collection, use and disclosure of Personal Information acquired by or disclosed to it pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**").

(c) Neither Minerals nor Reservoir Capital shall use the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement.

(d) Each of Minerals and Reservoir Capital acknowledges and confirms that the disclosure of Personal Information is necessary for the purposes of determining if the Parties will proceed with the Arrangement, and that the disclosure of Personal Information relates solely to the carrying on of the business and the completion of the Arrangement.

(e) Each of Minerals and Reservoir Capital acknowledges and confirms that it has and shall continue to employ appropriate technology and procedures in accordance with applicable law to prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.

(f) Each of Minerals and Reservoir Capital shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Each of Minerals and Reservoir Capital shall ensure that access to the Disclosed Personal Information is restricted to its employees or advisors who have a *bona fide* need to access to such information in order to complete the Arrangement.

(g) Each of Minerals and Reservoir Capital shall promptly notify each other of all inquiries, complaints, requests for access, and claims of which it is made aware in connection with the Disclosed Personal Information. Minerals and Reservoir Capital shall fully co-operate with one another, with the other persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, and claims.

(h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of the other Party, each Party shall forthwith cease all use of the Personal Information acquired by it in connection with this Agreement and shall return to the applicable other Party and cause its advisors to return to the applicable Party or, at the applicable Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies).

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF RESERVOIR CAPITAL

Reservoir Capital hereby represents and warrants to Minerals as follows and acknowledges that Minerals is relying upon such representations and warranties in connection with the entering into of this Agreement and performance of their obligations hereunder.

3.1 Organization and Qualification

Reservoir Capital is a corporation duly incorporated and validly existing under the laws of British Columbia and has the requisite corporate power and capacity to carry on business as it is now being conducted. Reservoir Capital is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on Reservoir Capital.

3.2 Subsidiaries and Partnerships

Reservoir Capital BVI is a wholly-owned subsidiary of Reservoir Capital and has good and marketable title to each of the BVI Mining Subsidiaries, free and clear of all encumbrances except Permitted Encumbrances.

The Mining Subsidiaries are direct or indirect, wholly-owned subsidiaries of Reservoir Capital and Reservoir Capital has good and marketable title to each of the outstanding securities of the Mining

Subsidiaries, free and clear of all Encumbrances. Except as set forth in the Reservoir Capital Disclosure Letter and the Freeport Earn-In Agreement and the Orogen Earn-In Agreement, no person has any agreement, commitment, arrangement or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment to purchase any Mining Assets.

Each Mining Subsidiary is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has the requisite corporate power and capacity to carry on business as its is now being conducted. Each Mining Subsidiary is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary except where the failure to be so registered or in good standing would not have a Material Adverse Effect on such subsidiary.

Except as set forth in the Reservoir Capital Disclosure Letter, neither Reservoir Capital nor any Mining Subsidiary is a partner or participant in any partnership, joint venture, profit-sharing arrangement or other business combination of any land relating solely to the Mining Assets, and is not party to any agreement under which it agrees to share any revenue or profit with any other person.

3.3 Authority Relative to this Agreement

Reservoir Capital has the requisite corporate power and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Reservoir Capital of the transactions contemplated hereby have been duly authorized by the Reservoir Capital Board, and, except as set out in the Reservoir Capital Disclosure Letter, no other corporate proceedings or other third party consents on the part of Reservoir Capital are or will be necessary to authorize the performance of its obligations under this Agreement and the completion of the transactions contemplated hereby. This Agreement has been duly executed and delivered by Reservoir Capital and constitutes a legal, valid and binding obligation of Reservoir Capital enforceable against Reservoir Capital in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to the general principles of equity.

3.4 No Violations

(a) The execution and delivery of, and the performance of and compliance with, the terms of this Agreement and the performance of any of the transactions contemplated hereby by Reservoir Capital does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under any term or provision of the Reservoir Capital Governing Documents or the constating documents of the Mining Subsidiaries or, subject to the consent of Reservoir Capital's bankers, secured lenders or secured creditors to the Arrangement, any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which Reservoir Capital or the Mining Subsidiaries is a party or by which Reservoir Capital or the Mining Subsidiaries is bound, or any law, judgement, decree, order, statute, rule or regulation applicable to Reservoir Capital, which default or breach might reasonably be expected to have a Material Adverse Effect on Reservoir Capital or the ability of Reservoir Capital to complete the transactions contemplated hereby.

(b) There is no legal impediment to Reservoir Capital's consummation of the transactions contemplated by this Agreement and no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required by Reservoir Capital in connection with the transactions contemplated hereby, except for: (i) consents or approvals required by the Interim Order or the Final Order, and such other regulatory approvals as may be required; (ii) filings with and approvals required by

Securities Authorities; (iii) any other consent, waiver, permit, order or approval referred to in Section 8.1 hereof; and (iv) such filings or registrations which, if not made, or such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect on the ability of Reservoir Capital to consummate the transactions contemplated hereby.

3.5 Capitalization

As of the date hereof, the authorized share capital of Reservoir Capital consists of an unlimited number of: (a) Reservoir Capital Shares; and (b) preferred shares, issuable in series of which 46,701,698 Reservoir Capital Shares and no preferred shares are issued and outstanding. As of the date hereof: (i) Reservoir Capital Options to acquire an aggregate of 2,570,000 Reservoir Capital Shares are outstanding at the exercise prices set out in the Reservoir Capital Disclosure Letter; and Reservoir Capital Warrants to acquire an aggregate of 3,870,508 Reservoir Capital Shares are outstanding at the exercise prices set out in the Reservoir Capital Disclosure Letter. Except for the Reservoir Capital Options and the Reservoir Capital Warrants, there are no Reservoir Capital Convertible Securities outstanding, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Reservoir Capital. No changes shall be made to the terms of any outstanding Reservoir Capital Convertible Securities without the prior written consent of Minerals. All outstanding Reservoir Capital Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights and all Reservoir Capital Shares issuable upon exercise of outstanding Reservoir Capital Options and Reservoir Capital Warrants in accordance with their respective terms will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.

Except as set forth in the Reservoir Capital Disclosure Letter, there are no securities of the Mining Subsidiaries outstanding and the Mining Subsidiaries have no other options, warrants or other rights, agreement or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by the Mining Subsidiaries of any securities of the Mining Subsidiaries.

3.6 Board Approval and Determination

The Reservoir Capital Board, following receipt of a fairness opinion in this regard, has determined that: (i) the Arrangement is fair, from a financial point of view, to Reservoir Capital Shareholders; (ii) that the Arrangement is in the best interests of Reservoir Capital; (iii) it will unanimously recommend that Reservoir Capital Shareholders vote in favour of the Arrangement; and (iv) has unanimously approved the Arrangement and the entering into of this Agreement.

3.7 No Material Adverse Change or Other Matters

Other than as disclosed in the Reservoir Capital Disclosed Information, since April 30, 2010: (i) Reservoir Capital has not amended the Reservoir Capital Governing Documents; (ii) Reservoir Capital has not disposed of any property or assets out of the ordinary course of business; (iii) Reservoir Capital has conducted its business in all material respects in the usual, ordinary and regular course and consistent with past practice; (iv) Reservoir Capital has not suffered any Material Adverse Change or any occurrences or circumstances which have resulted or might reasonably be expected to result in a Material Adverse Change in Reservoir Capital; (v) Reservoir Capital has not made any change in its accounting principles and practices as theretofore applied including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained; (vi) Reservoir Capital has maintained in effect salary and other compensation levels in accordance with its then existing salary administration program; (vii) other than the Reservoir Capital Severance Obligations,

Reservoir Capital has not entered into any agreements, whether in writing or oral, providing for payments to be made to any employees, consultants, officers or directors of Reservoir Capital in respect of loss of office or loss of employment in connection with the transactions contemplated hereby; or (viii) Reservoir Capital has not entered into any agreement or transactions with any director, officer, employee, consultant or any party not at arm's length with Reservoir Capital.

3.8 No Undisclosed Material Liabilities

Except: (a) as disclosed or reflected in the Reservoir Capital Financial Statements or as set forth or included in the Reservoir Capital Disclosed Information; and (b) for liabilities and obligations: (i) incurred in the ordinary course of business and consistent with past practice; or (ii) pursuant to the terms of this Agreement, Reservoir Capital has not incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by Canadian GAAP to be reflected on a balance sheet of Reservoir Capital) that have constituted or would be reasonably likely to constitute a Material Adverse Change in Reservoir Capital.

3.9 Brokerage Fees

Except for the fees payable to NCP Northland Capital Partners Inc. ("**NCP**") in respect of an agreement between Reservoir Capital and NCP whereby NCP will provide a fairness opinion in respect of the Arrangement (the "**Fairness Opinion Agreement**"), Reservoir Capital has not retained any consulting, financial advisor, broker, agent or finder or paid or agreed to pay any additional consulting, financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated. Reservoir Capital has provided a true and complete copy of the Fairness Opinion Agreement to Minerals, which agreement has not been amended. All of Reservoir Capital's obligations pursuant to any agency, underwriting or financial advisory agreement (except in respect of the Fairness Opinion Agreement) have been terminated.

3.10 Books and Records

The corporate records and minute books of each of the Mining Subsidiaries has been maintained in accordance with all applicable statutory requirements and are complete and up to date in all material respects.

3.11 Financial Statements

Reservoir Capital's audited consolidated financial statements as at and for the year ended April 30, 2011, 2010, and 2009 the "**Reservoir Capital Financial Statements**") have been prepared in accordance with Canadian GAAP (except as otherwise indicated in such financial statements and the notes thereto) and fairly present the financial position, results of operations and changes in financial position of Reservoir Capital as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited financial statements, to year-end audit adjustments in accordance with Canadian GAAP). Other than as disclosed in the Reservoir Capital Financial Statements, Reservoir Capital has no long term indebtedness owing.

The Mining Subsidiary Loans are approximately $314,688 as at the date hereof and such loans will be transferred from Reservoir Capital to Minerals pursuant to the Conveyance Agreements. The Net Debt of the Mining Subsidiaries is approximately $289,355 as at July 31, 2011. Since July 31, 2011, there has been no Material Adverse Change in the Mining Subsidiaries taken as a whole.

3.12 Technical Report

Reservoir Capital has made available to Exploration Alliance Ltd., prior to the issuance of the Technical Report, all material information relating to the mineral resource estimates contained therein, including all information requested by Exploration Alliance Ltd. for the purposes of preparing such report which report was prepared based on the assumptions contained therein and in all other respects compliant with NI 43-101. All information made available by Reservoir Capital to Exploration Alliance Ltd. was accurate and correct in all material respects and did not omit any information necessary to make any information provided not misleading, and there has been no Material Adverse Change in any of the information provided since the date provided. Reservoir Capital believes that the Technical Report reasonably presents, as at the effective date thereof, Reservoir Capital's mineral resources based upon the information available in respect of such resources at the time such report was prepared and the assumptions contained therein.

3.13 Compliance with Law

Reservoir Capital, Reservoir Capital BVI and the Mining Subsidiaries have each complied with and is in compliance with all Laws and regulations applicable to the operation of its Mineral Exploration Business, except where such non-compliance would not, considered individually or in the aggregate, give rise to a Material Adverse Effect on Mining Subsidiaries or the Mining Assets or materially affect the ability of Reservoir Capital or the Mining Subsidiaries to perform its obligations hereunder.

3.14 Material Agreements

All agreements, permits, licences, approvals, certificates or other rights or authorizations material to the conduct of Mineral Exploration Business are valid and subsisting and neither of the Reservoir Capital Entities nor any of the Mining Subsidiaries is not in material default under any such agreements, permits, licences, approvals, certificates and other rights and authorizations, except where a failure to hold such licences or the result of any such default would not have a Material Adverse Effect on Reservoir Capital or the Mining Subsidiaries or materially affect or delay the ability of Reservoir Capital to perform its obligations hereunder.

3.15 Employees, Consultants and Employment Legislation

Except as set out in the Reservoir Capital Disclosure Letter, none of the Mining Subsidiaries are a party to any written employment or consulting agreement or any oral employment or consulting agreement which cannot be terminated without cause upon giving such notice as may be required by law and without the payment of any additional amount or any written agreement that provides for a payment by a Mining Subsidiary on a change of control of a Mining Subsidiary or severance of employment. Prior to the completion of the Arrangement, the key employees moving from SEE d.o.o. to BEM d.o.o. will be issued contracts by BEM d.o.o. substantially on the terms set forth in the contracts such employees had with SEE d.o.o.

The Reservoir Capital Disclosure Letter contains a complete and accurate list of the names of all individuals who are full-time, part-time or casual employees or individuals engaged on contract to provide employment services or other agents or representatives of the Mining Subsidiaries as of the date of this Agreement or those individuals that are moving their employment from SEE d.o.o. to a Mining Subsidiary or employed by a Mining Subsidiary after previously working for SEE d.o.o. pursuant to this Agreement (the "**Employees**") specifying the length of hire, title or classification and rate of salary or hourly pay and commission or bonus entitlements (if any) for each such Employee. The Reservoir Capital Disclosure Letter contains a complete list of all independent consultants retained by the Mining Subsidiaries as of the date of this Agreement. Except as described in Reservoir Capital Disclosure Letter, there is no Employee who has been continually absent from work for a period in excess of one month and

who is in receipt of benefits pursuant to the provisions of a short or long term disability plan provided by Reservoir Capital, SEE d.o.o. or a Mining Subsidiairy, applicable workers' compensation or other applicable workplace safety and insurance legislation in each jurisdiction where SEE d.o.o. or the Mining Subsidiary carries on business. Each of Reservoir Capital, SEE d.o.o. and the Mining Subsidiaries is in material compliance with all Employment Legislation and there are no complaints, claims, charges, levies, assessments or penalties outstanding, or to the knowledge of the Reservoir Capital, SEE d.o.o. or a Mining Subsidiary, anticipated, nor are there any orders, decisions, directions or convictions currently registered or outstanding by any tribunal or agency against or in respect of Reservoir Capital, SEE d.o.o or any of the Mining Subsidiaries under or in respect of any Employment Legislation. Neither Reservoir Capital, SEE d.o.o or the Mining Subsidiaries are a party to any application, complaint or other proceeding under any applicable Law with respect to the Employees or any former Employee. There are no outstanding fines, penalties, pending criminal prosecutions against Reservoir Capital, SEE d.o.o or the Mining Subsidiaries or against any officers or directors of the Reservoir Capital, SEE d.o.o or the Mining Subsidiaries under any applicable Law or Employment Legislation. None of Reservoir Capital, SEE d.o.o or the Mining Subsidiaries are a party to or bound by any statutorily required re-employment of any Employee.

3.16 Employee Benefit Plans

Except as set out in the Reservoir Capital Disclosure Letter, none of the Mining Subsidiaries have any employee benefit plans, health, dental, vision, parking and vehicle allowance and short and long term disability plans of general application, and has made no promises with respect to increased benefits under such plans and has not amended such plans. Subject to applicable Laws, each of the foregoing plans is cancellable upon 30 days notice to the other parties therein or will be terminated on or prior to the Effective Date.

3.17 Reporting Issuer Status

Reservoir Capital is a "reporting issuer" or the equivalent under applicable securities Laws in the provinces of British Columbia, Alberta and Ontario.

3.18 Listing Status

The issued and outstanding Reservoir Capital Shares are listed and posted for trading on the TSXV and Reservoir Capital is in material compliance with the by-laws, rules and regulations of the TSXV.

3.19 Public Disclosure

All information or documents sent by or on behalf of Reservoir Capital to holders of Reservoir Capital Securities or otherwise filed with regulatory authorities in Canada or the United States do not, as of their respective dates, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and no material change has occurred in relation to Reservoir Capital which is not disclosed in the Reservoir Capital Public Record. Reservoir Capital has not filed any material change reports which continue to be confidential. Reservoir Capital is in material compliance with the filing and certification requirements of each of National Instrument 51-102 (Continuous Disclosure Obligations) and Multilateral Instrument 52-109 (Certificate of Disclosure in Issuers' Annual and Interim Filings).

3.20 No Cease Trade Orders

No Securities Authority or similar regulatory authority or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Reservoir Capital, no such proceeding is, to the best of the knowledge of Reservoir Capital, pending, contemplated or threatened and Reservoir Capital is not in default of any requirement of any securities laws, rules or policies applicable to Reservoir Capital or its securities.

3.21 Disclosure to Minerals

(a) The data and information in respect of the Reservoir Capital Entities, the Mining Subsidiaries and the Mining Assets provided by Reservoir Capital or Reservoir Capital's advisors to Minerals or Minerals' advisors was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof.

(b) To the knowledge of Reservoir Capital, Reservoir Capital has not withheld from Minerals any material information or documents concerning the Mining Subsidiaries and the Mining Assets during the course of Minerals' review of the Mining Subsidiaries and the Mining Assets. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document provided or to be provided to Minerals by Reservoir Capital pursuant hereto contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading.

(c) Reservoir Capital has disclosed to Minerals any information in its possession of which it is aware regarding any event, circumstance or action taken which could reasonably be expected to have a Material Adverse Effect on the Mining Subsidiaries.

3.22 Litigation

There are: (a) no actions, suits or proceedings pending or to Reservoir Capital's knowledge threatened against Reservoir Capital or the Mining Subsidiaries by any person or before or by any federal, provincial, state, local, foreign, municipal or other governmental department, commission, board, bureau, agency, court or instrumentality, which action, suit or proceeding involves the possibility of any judgment against Reservoir Capital or the Mining Subsidiaries; (b) to the best of Reservoir Capital's knowledge, no grounds upon which any such action, suits or proceedings may be commenced with reasonable likelihood of success; and (c) no actions, suits or proceedings pending or threatened by Reservoir Capital or the Mining Subsidiaries against any person.

3.23 Mineral Property Interests

Other than Permitted Encumbrances and security obligations with respect to its bank indebtedness, all of the interests of Reservoir Capital and each of the Mining Subsidiaries in its Mining Assets (the "**Mining Interests**") are free and clear of adverse claims created by, through or under the Reservoir Capital Entities or the Mining Subsidiaries, except as disclosed in the Reservoir Capital Financial Statements or those arising in the ordinary course of business and that would not have a Material Adverse Effect on the Mining Subsidiaries and, to its knowledge, Reservoir Capital holds the Mining Assets under valid and subsisting licenses, leases, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements except where the failure to so hold the Mining Assets would not have a Material Adverse Effect on the Mining Subsidiaries.

3.24 Title to Mineral Properties

Although it does not warrant title, other than Permitted Encumbrances, Reservoir Capital is not aware of any defects, failures or impairments to the title to the Mining Assets, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which taken together, could reasonably be expected to have a Material Adverse Effect on the Mining Subsidiaries.

3.25 No Encumbrances

Other than Permitted Encumbrances, neither Reservoir Capital nor the Mining Subsidiaries have encumbered or alienated their respective interests in the Mining Assets or agreed to do so and such assets are free and clear of all encumbrances except for or pursuant to: (i) encumbrances securing Reservoir Capital's current credit facility and derivative transactions with the lenders (and other affiliates) thereunder; or (ii) encumbrances arising in the ordinary course of business, which are not material in the aggregate.

3.26 Operation and Condition of Tangibles

Reservoir Capital's tangible depreciable property used or intended for use in connection with the Mining Assets for which Reservoir Capital or any Mining Subsidiary was or is operator, was or has been constructed, operated and maintained in accordance with good and prudent mining industry practices and all applicable Law during all periods in which Reservoir Capital or any Mining Subsidiary was operator thereof and is in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business.

3.27 Conduct of Operations by Third Parties

To Reservoir Capital's knowledge any and all operations by third parties, on or in respect of the Mining Assets, have been conducted in accordance with good mineral industry practices.

3.28 Outstanding AFEs

Other than as set forth in the Reservoir Capital Disclosure Letter, there are no outstanding authorizations for expenditure pertaining to any of the Mining Assets or any other commitments, approvals or authorizations pursuant to which an expenditure may be required to be made in respect of the Mining Assets after the date of the most recent Reservoir Capital Financial Statements.

3.29 Participation

Neither any Reservoir Capital Entity nor any of the Mining Subsidiaries has elected or refused to participate in any exploration, development or other operations with respect to the Mining Assets which has or may give rise to any penalties, forfeitures or reduction of interest by virtue of any conversion or other alteration occurring under the title and operating documents which govern the Mining Assets.

3.30 Documents of Title

Reservoir Capital has made available to Minerals all Documents of Title and other documents and agreements in its possession affecting the title of Reservoir Capital or the Mining Subsidiaries to the Mining Assets.

3.31 Compliance

To Reservoir Capital's knowledge (it being acknowledged that Reservoir Capital is not under an obligation to contact third parties in respect of the same), neither Reservoir Capital nor any of the Mining Subsidiaries has failed to comply with, perform, observe or satisfy any term, condition, obligation or liability which has heretofore arisen under the provisions of any of title or operating documents or any other agreements and documents to which the Mining Assets are subject, except where the failure would not have a Material Adverse Effect on the Mining Subsidiaries.

3.32 Areas of Mutual Interest

Neither Reservoir Capital nor any of the Mining Subsidiaries is bound by or subject to active area of mutual interest covenants.

3.33 Take or Pay Obligations

Neither Reservoir Capital nor any of the Mining Subsidiaries has any take or pay obligations.

3.34 Operating Limitations

There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which Reservoir Capital or any of the Mining Subsidiaries is a party or by which it is otherwise bound that would now or hereafter in any way limit its business or operations in a particular manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction of Reservoir Capital or any of the Mining Subsidiaries from engaging in its business or from competing with any person or in any geographic area, transferring or transferring any of the Mining Subsidiaries or the Mining Assets to Minerals.

3.35 Environmental

(a) Reservoir Capital is not aware of, and has not received, and is not aware of any circumstances which could lead to:

(i) any order or directive that relates to environmental matters and that requires any material work, repairs, construction or capital expenditures that is still outstanding; or

(ii) any demand or notice with respect to the material breach of any environmental, health or safety laws applicable to Reservoir Capital or the Mining Subsidiaries, including, without limitation, any regulations respecting the use, storage, treatment, transportation, or disposition of environmental contaminants that is still outstanding.

(b) Reservoir Capital has not received notice of, nor is Reservoir Capital aware of any material environmental liabilities related to the Mining Assets.

(c) All material environmental and health and safety permits, licences, approvals, consents, certificates and other authorizations of any kind or nature ("**Environmental Permits**") necessary to be held by Reservoir Capital or the Mining Subsidiaries or, to the best of Reservoir Capital's knowledge, any third party for the ownership, operation, development, maintenance, or use of any of the Mining Assets have been obtained and maintained in effect, except for properties or assets of Reservoir Capital for which

Reservoir Capital or the Mining Subsidiaries is not the operator, in which case, to the best of Reservoir Capital's knowledge, all Environmental Permits necessary to be held by Reservoir Capital or a Mining Subsidiary or any third party for the ownership, operation, development, maintenance, or use of any of the Mining Assets have been obtained and maintained in effect.

(d) Reservoir Capital, the Mining Subsidiaries, the Mining Assets and the ownership, operation, development, maintenance and use of the Mining Assets are in material compliance with all environmental laws and with all material terms and conditions of all Environmental Permits, except for the Mining Assets of Reservoir Capital for which Reservoir Capital or a Mining Subsidiary is not the operator, in which case, to the best of Reservoir Capital's knowledge, the ownership, operation, development, maintenance and use of those Mining Assets are in material compliance with all environmental laws and with all material terms and conditions of all Environmental Permits.

(e) There are no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes by Reservoir Capital, its associates or affiliates or the Mining Subsidiaries, which have not been rectified, on any of the Mining Assets owned or leased by Reservoir Capital or the Mining Subsidiaries or in which Reservoir Capital or the Mining Subsidiaries has an interest or over which Reservoir Capital or the Mining Subsidiaries has control (except for any such spills, releases, deposits or discharges which, in aggregate, would not have a Material Adverse Effect on Reservoir Capital or the Mining Subsidiaries or such spills, releases, deposits), except for the Mining Assets of Reservoir Capital for which such Reservoir Capital or a Mining Subsidiary is not the operator, in which case, to the best of Reservoir Capital's knowledge, there are no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes, which have not been rectified, on any of those properties or assets (except for any such spills, releases, deposits or discharges which, in aggregate, would not have a Material Adverse Effect on Reservoir Capital) for the period(s) that Reservoir Capital, its associates or affiliates or the Mining Subsidiaries have owned, leased or had an interest in such properties or assets.

3.36 Tax Matters

(a) Each of Reservoir Capital and the Mining Subsidiaries have (i) timely filed (or there have been filed on their behalf) with the appropriate Governmental Authority all material Tax Returns required to be filed by them (giving effect to all extensions) on or prior to the date hereof, and such Tax Returns are true, correct and complete in all material respects, and (ii) timely paid in full or made provision in accordance with GAAP (or there has been paid or provision has been made on their behalf) for the payment of all material Taxes (whether or not reflected on a Tax Return) for all periods ending through the date hereof.

(b) There are no liens for Taxes upon any property or assets of Reservoir Capital or any Mining Subsidiary, except for liens for Taxes not yet due and for which adequate reserves have been established in accordance with GAAP.

(c) There are no federal, state, local, or foreign audits, investigations, claims, suits or other proceedings presently existing, pending or threatened with regard to any material Taxes or Tax Returns of Reservoir Capital or the Mining Subsidiaries and none of Reservoir Capital or any of the Mining Subsidiaries have received any written notice of any material proposed claim, audit, investigation, claim, suit or proceeding with respect to Taxes.

(d) There are no outstanding requests, agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment of any material Taxes of the filing of any material Tax Returns, designations or similar filings related to Taxes of Reservoir Capital or any of the Mining Subsidiaries, and no power of attorney granted by either Reservoir Capital or any of the Mining Subsidiaries with respect to any material Taxes is currently in force.

(e) The Reservoir Capital Financial Statements reflect an adequate reserve, in accordance with GAAP, for all Taxes payable by Reservoir Capital and the Mining Subsidiaries accrued through the date of such Financial Statements, whether or not shown as being due on any Tax Returns and neither Reservoir Capital nor any of the Mining Subsidiaries has incurred any material Taxes since the date of such statements other than in the ordinary course of business.

(f) Reservoir Capital and each of the Mining Subsidiaries have paid, collected, withheld or remitted, or caused to be paid, collected, withheld or remitted, all taxes that are due and payable, collectible and remittable in each case, except for any such Tax Returns or Taxes the non-filing or non-payment of which are being contested in good faith.

(g) Each of Reservoir Capital and each of the Mining Subsidiaries is resident in the jurisdiction in which it was formed, and in no other jurisdiction, for purposes of the tax legislation in that jurisdiction in which it was formed and any relevant income tax treaty or convention.

3.37 Guarantees

Reservoir Capital is not a party to or bound by any agreement, guarantee, indemnification (other than in the ordinary course of business and to officers and directors pursuant to their bylaws and standard indemnity agreements and pursuant to underwriting, agency or financial advisor agreements pursuant to the standard indemnity provisions in agreements of that nature), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person.

3.38 U.S. Matters

(a) Reservoir Capital, including all entities "controlled by" Reservoir Capital for purposes of the United States *Hart-Scott-Rodino Antitrust Improvements Act of 1976*, as amended, currently holds no assets (on a fair market value basis) located in the United States and had no sales in or into the United States in its most recently completed fiscal year; and

(b) Reservoir Capital is a "foreign private issuer" as defined in Rule 3b-4 under the 1934 Act; and

(c) Reservoir Capital is not registered or required to be registered as an investment company under the United States *Investment Company Act of 1940*, as amended; and

(d) Reservoir Capital does not have a class of securities registered or required to be registered under Section 12 of the 1934 Act, as amended, or a reporting obligation under Section 15(d) of the *U.S. Exchange Act*.

3.39 Investment Canada Act

Reservoir Capital is not a "non-Canadian" within the meaning of the *Investment Canada Act* (Canada).

3.40 Information Circular

The information, data and other material (financial or otherwise) in respect of Reservoir Capital to be included in the Information Circular will be complete and correct in all material respects at the date thereof and will not contain any misrepresentations or any untrue statement of a material fact in respect of Reservoir Capital and will not omit to state a material fact in relation to Reservoir Capital necessary to make such information not misleading in light of the circumstances under which it is presented.

3.41 No Default Under Lending Agreements

There is no event of default or breach of any covenant under Reservoir Capital's existing banking and lending agreements.

3.42 No Net Profits or Other Interests

No officer, director, employee or any other person not dealing at arm's length with the Reservoir Capital or any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the Mining Assets or any revenue or rights attributed thereto.

3.43 Non-Arm's Length Debt

No director, officer, insider or other non-arm's length party to Reservoir Capital of the Mining Subsidiaries is indebted to the Mining Subsidiaries and no Mining Subsidiary is a party to or bound by any agreement, guarantee, indemnification or endorsement or like commitment of the obligations, liabilities, (contingent or otherwise) or indebtedness of any person, firm or corporation.

3.44 Voting Arrangements

Neither Reservoir Capital nor, to the best of Reservoir Capital's knowledge, any of the Reservoir Capital Securityholders is a party to any unanimous shareholder agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of Reservoir Capital.

3.45 Insurance

The policies of insurance in force at the date hereof naming Reservoir Capital or the Mining Subsidiaries as an insured and as disclosed in the Reservoir Capital Disclosed Information adequately covers all risks reasonably and prudently foreseeable in the operation and conduct of the business of Reservoir Capital which would be customary in the business carried on by Reservoir Capital or the Mining Subsidiaries in connection with the Mining Assets, and to the knowledge of Reservoir Capital, all such policies and insurance remain in force and effect and should not be cancelled or otherwise terminated as a result of the transactions contemplated herein.

3.46 No Claims

There is no claim, action, proceeding or investigation pending or, to the knowledge of Reservoir Capital, threatened against or relating to Reservoir Capital or the Mining Subsidiaries or affecting any of their respective properties or assets before any Governmental Authority that, if adversely determined, is likely to prevent or materially delay consummation of the transactions contemplated by this Agreement or the Arrangement, nor is Reservoir Capital aware of any basis of any such claim, action, proceeding or investigation. Neither Reservoir Capital nor any of the Mining Subsidiaries is not subject to any outstanding order, injunction or decree that is reasonably likely to prevent or materially delay consummation of the transaction contemplated by this Agreement or the Arrangement.

3.47 Location of Owned Real Property and Leased Real Property

The Reservoir Capital Disclosure Letter sets forth the municipal addresses of all the real property owned (the "**Mining Subsidiaries Owned Real Property**") or leased (the "**Mining Subsidiaries Leased Real Property**") by the Mining Subsidiaries and, in the case of Mining Subsidiaries Owned Real Property, all indebtedness secured against it. Except as set forth in the Reservoir Capital Disclosure Letter, the Mining Subsidiaries (a) do not own or lease and has not agreed to acquire or lease any real property or interest in real property other than the Mining Subsidiaries Owned Real Property and the Mining Subsidiaries Leased Real Property.

3.48 Intellectual Property

(a) The Mining Subsidiaries own, or is validly licensed or otherwise have the right to use, all patents, patent rights, trademarks, trade names, service marks, industrial designs, design patents, copyrights, know how and other proprietary industrial or intellectual property industrial or rights that are used in their businesses;

(b) the use by the Mining Subsidiaries of its trademarks, trade names, service marks, copyrights, industrial designs, patents, design patents, know how and other industrial or intellectual property and all applications therefor ("**Applicable IP**") does not infringe upon or breach the industrial or intellectual property rights of any other person; and

(c) none of the Mining Subsidiaries has commenced legal proceedings against any person relating to an infringement by such person of any Applicable IP,

except in each case to the extent that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Mining Subsidiaries.

3.49 Corrupt Practices

Neither Reservoir Capital nor any of the Mining Subsidiaries has, directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Entity of any jurisdiction; or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder or under any other Law of any relevant jurisdiction covering a similar subject matter applicable to Reservoir Capital or any of the Mining Subsidiaries and their respective operations and have instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF MINERALS

Minerals hereby represents and warrants to Reservoir Capital as follows and acknowledges that Reservoir Capital is relying upon such representations and warranties in connection with the entering into of this Agreement and the performance of its obligations hereunder.

4.1 Organization and Qualification

Minerals is a corporation duly incorporated and validly existing under the laws of British Columbia and has the requisite corporate power and authority to carry on its business as it is now being conducted. Each of the Minerals Entities are duly registered to do business and is in good standing in

each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on Minerals.

4.2 Subsidiaries

Other than Minerals BVI, Minerals has no direct or indirect, wholly-owned or partially-owned subsidiaries.

Except as set forth in the Minerals Disclosure Letter and pursuant to this Agreement, Minerals does not have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in any person and Minerals does not have any agreements to acquire any other business operations.

4.3 Authority Relative to this Agreement

Minerals has the requisite corporate power and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Minerals of the transactions contemplated hereby have been duly authorized by the Minerals Board and no other corporate proceedings or other third party consents on the part of Minerals are or will be necessary to authorize the performance of its obligations under this Agreement (except for obtaining TSXV approvals in respect of the listing of the Minerals Shares to be issued in connection with the Arrangement) and the completion of the transactions contemplated hereby. This Agreement has been duly executed and delivered by Minerals and constitutes a legal, valid and binding obligation of Minerals enforceable against Minerals in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to the general principles of equity.

4.4 No Violations

(a) The execution and delivery of, and the performance of and compliance with, the terms of this Agreement and the performance of any of the transactions contemplated hereby by Minerals does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under any term or provision of the Minerals Governing Documents or any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which Minerals is a party or by which Minerals is bound, or any law, judgement, decree, order, statute, rule or regulation applicable to Minerals, which default or breach might reasonably be expected to have a Material Adverse Effect on Minerals or the ability of Minerals to complete the transactions contemplated hereby.

(b) There is no legal impediment to Minerals' consummation of the transactions contemplated by this Agreement and no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required by Minerals in connection with the transactions contemplated hereby, except for: (i) consents or approvals required by the Interim Order or the Final Order; (ii) filings with and approvals required by Securities Authorities; (iii) any other consent, waiver, permit, order or approval referred to in Section 8.1 hereof; and (iv) such filings or registrations which, if not made, or such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect on the ability of Minerals to consummate the transactions contemplated hereby.

4.5 Capitalization

As of the date hereof, the authorized capital of Minerals consists of an unlimited number of: (a) Minerals Shares; and (b) preferred shares, issuable in series, of which 1,900,100 Minerals Shares and no preferred shares are issued and outstanding. As of the date hereof: (i) 14,776,150 Mineral Subscription Receipts are outstanding; and (ii) Minerals Options to acquire an aggregate of nil Minerals Shares are outstanding. Except for Minerals Options to acquire an aggregate of 2,025,000 Minerals Shares at a price of $0.65 per share to be issued at or prior to the closing of the Arrangement and other than pursuant to this Agreement and the Minerals Subscription Receipts, there are no options, warrants or other rights, agreements or commitments of any character whatsoever (contingent or otherwise) requiring the issuance, sale or transfer by Minerals of any Minerals Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire Minerals Shares, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Minerals. All outstanding Minerals Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights and all Minerals Shares issuable upon exercise of convertible securities to acquire Minerals Shares in accordance with their terms will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.

4.6 Board Approval

The Minerals Board has unanimously approved the Arrangement, the entering into of this Agreement and the issuance of Minerals Shares pursuant to the Arrangement.

4.7 No Material Adverse Change and Other Matters

Other than as disclosed in the Minerals Disclosed Information: (i) Minerals has not amended the Minerals Governing Documents; (ii) no Minerals Entity has disposed of any property or assets out of the ordinary course of business; (iii) each Minerals Entity has conducted its business in all material respects in the usual, ordinary and regular course and consistent with past practice; (iv) Minerals has not suffered any Material Adverse Change or any occurrences or circumstances which have resulted or might reasonably be expected to result in a Material Adverse Change in Minerals; (v) Minerals has not made any change in its accounting principles and practices as theretofore applied including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained; (vi) each Minerals Entity has maintained in effect salary and other compensation levels in accordance with its then existing salary administration program; or (vii) Minerals has not entered into any agreement or transactions with any director, officer, employee, consultant or any party not at arm's length with Minerals.

4.8 No Undisclosed Material Liabilities

Except: (a) as disclosed or reflected in the Minerals Financial Statements, or as set forth or included in the Minerals Disclosed Information; and (b) for liabilities and obligations: (i) incurred in the ordinary course of business and consistent with past practice; or (ii) pursuant to the terms of this Agreement, no Minerals Entity has incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by Canadian GAAP to be reflected on a balance sheet of Minerals) that have constituted or would be reasonably likely to constitute a Material Adverse Change in Minerals.

4.9 Books and Records

The corporate records and minute books of the Minerals Entities have been maintained in accordance with all applicable statutory requirements and are complete and up to date in all material respects.

4.10 Financial Statements

Minerals' audited consolidated financial statements as at and for the period ended July 31, 2011, (the "**Minerals Financial Statements**") have been prepared in accordance with IFRS (except as otherwise indicated in such financial statements and the notes thereto) and fairly present the financial position, results of operations and changes in financial position of Minerals as of the dates thereof and for the periods indicated (subject, in the case of any unaudited financial statements, to year-end audit adjustments in accordance with IFRS) except that the Promissory Note has been drawn down by Minerals in the amount of $100,000.

4.11 Compliance with Law

Each Minerals Entity has complied with and is in compliance with all Laws and regulations applicable to the operation of its business, except where such non-compliance would not, considered individually or in the aggregate, give rise to a Material Adverse Effect on Minerals or materially affect the ability of Minerals to perform its obligations hereunder.

4.12 Material Agreements

All agreements, permits, licences, approvals, certificates or other rights or authorizations material to the conduct of the Minerals Entities' businesses are valid and subsisting and the Minerals Entities are not in material default under any such agreements, permits, licences, approvals, certificates and other rights and authorizations, except where a failure to hold such licences or the result of any such default would not have a Material Adverse Effect on Minerals or materially affect or delay the ability of Minerals to perform its obligations hereunder.

4.13 Employment Matters

Minerals is not a party to any written employment or consulting agreement or any oral employment or consulting agreement which cannot be terminated without cause upon giving such notice as may be required by law and without the payment of any additional amount or any written agreement that provides for a payment by Minerals on a change of control or severance of employment.

4.14 Reporting Issuer Status

Minerals is not a "reporting issuer" or the equivalent under applicable securities laws.

4.15 Listing Status

The issued and outstanding Minerals Shares are not listed and posted for trading on a stock exchange.

4.16 Public Disclosure

All information or documents sent by or on behalf of Minerals to holders of Minerals Shares or otherwise filed with regulatory authorities in Canada or the United States do not, as of their respective dates, confirm any untrue statement of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.17 No Cease Trade Orders

No Securities Authority or similar regulatory authority in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Minerals,

no such proceeding is, to the knowledge of Minerals, pending, contemplated or threatened and Minerals is not in default of any requirement of any securities Laws, rules or policies applicable to Minerals or its securities.

4.18 Disclosure to Reservoir Capital

(a) The data and information in respect of the Minerals Entities and their assets, liabilities, business and operations provided by Minerals or Minerals' advisors to Reservoir Capital or Reservoir Capital's advisors was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof.

(b) To the knowledge of Minerals, Minerals has not withheld from Reservoir Capital any material information or documents concerning the Minerals Entities or their assets or liabilities during the course of Reservoir Capital's review of Mineral's assets. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document provided or to be provided to Reservoir Capital by Minerals pursuant hereto contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading.

(c) Minerals has disclosed to Reservoir Capital any information in its possession of which it is aware regarding any event, circumstance or action taken which could reasonably be expected to have a Material Adverse Effect on Minerals.

4.19 Litigation

There are: (a) no actions, suits or proceedings pending or to Minerals' knowledge threatened against any Minerals Entity by any person or before or by any federal, provincial, state, local, foreign, municipal or other governmental department, commission, board, bureau, agency, court or instrumentality, which action, suit or proceeding involves the possibility of any judgment against any Minerals Entity; (b) to the best of Minerals' knowledge, no grounds upon which any such action, suits or proceedings may be commenced with reasonable likelihood of success; and (c) no actions, suits or proceedings pending or threatened by a Minerals Entity against any person.

4.20 Tax Matters

(a) Each of Minerals and Minerals BVI have (i) timely filed (or there have been filed on their behalf) with the appropriate Governmental Authority all material Tax Returns required to be filed by them (giving effect to all extensions) on or prior to the date hereof, and such Tax Returns are true, correct and complete in all material respects, and (ii) timely paid in full or made provision in accordance with IFRS (or there has been paid or provision has been made on their behalf) for the payment of all material Taxes (whether or not reflected on a Tax Return) for all periods ending through the date hereof.

(b) There are no liens for Taxes upon any property or assets of Minerals or Minerals BVI, except for liens for Taxes not yet due and for which adequate reserves have been established in accordance with IFRS.

(c) There are no federal, state, local, or foreign audits, investigations, claims, suits or other proceedings presently existing, pending or threatened with regard to any material Taxes or Tax Returns of Minerals or Minerals BVI and neither Minerals nor Minerals BVI have

received any written notice of any material proposed claim, audit, investigation, claim, suit or proceeding with respect to Taxes.

(d) There are no outstanding requests, agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment of any material Taxes of the filing of any material Tax Returns, designations or similar filings related to Taxes of Minerals or Minerals BVI, and no power of attorney granted by either Minerals or Minerals BVI with respect to any material Taxes is currently in force.

(e) The Minerals Financial Statements reflect an adequate reserve, in accordance with IFRS, for all Taxes payable by Minerals and Minerals BVI accrued through the date of such Financial Statements, whether or not shown as being due on any Tax Returns and neither Minerals nor Minerals BVI has incurred any material Taxes since the date of such statements other than in the ordinary course of business.

(f) Minerals and Minerals BVI have each paid, collected, withheld or remitted, or caused to be paid, collected, withheld or remitted, all taxes that are due and payable, collectible and remittable in each case, except for any such Tax Returns or Taxes the non-filing or non-payment of which are being contested in good faith.

(g) Each of Minerals and Minerals BVI is resident in the jurisdiction in which it was formed, and in no other jurisdiction, for purposes of the tax legislation in that jurisdiction in which it was formed and any relevant income tax treaty or convention.

4.21 No Default Under Lending Agreements

There is no event of default or breach of any covenant under Minerals' existing banking and lending agreements.

4.22 No Net Profits or Other Interests

No officer, director, employee or any other person not dealing at arm's length with the Minerals Entities or any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the properties or assets of a Minerals Entity or any revenue or rights attributed thereto.

4.23 Non-Arm's Length Debt

No director, officer, insider or other non-arm's length party to the Minerals Entities is indebted to any Minerals Entity and no Minerals Entity is a party to or bound by any agreement, guarantee, indemnification or endorsement or like commitment of the obligations, liabilities, (contingent or otherwise) or indebtedness of any person, firm or corporation.

4.24 Information Circular

The information, data and other material (financial or otherwise) in respect of Minerals to be provided to Reservoir Capital for inclusion in the Information Circular will be complete and correct in all material respects at the date thereof and will not contain any misrepresentations or any untrue statement of a material fact in respect of Minerals and will not omit to state a material fact in relation to Minerals necessary to make such information not misleading in light of the circumstances under which it is presented.

4.25 Minerals Shares

All Minerals Shares to be issued pursuant to and in accordance with the Arrangement will be duly and validly issued as fully paid and non-assessable common shares.

ARTICLE 5
CONDUCT OF BUSINESS

5.1 Conduct of Business

(a) Subject to Article 6, Reservoir Capital covenants and agrees that, during the period from the date of this Agreement until the earlier of: (i) the Effective Time; or (ii) the date that this Agreement is terminated, except as required by Law or as otherwise expressly permitted or specifically contemplated by this Agreement or except with the written consent of the other Party (not to be unreasonably withheld):

(i) Reservoir Capital shall conduct the Mineral Exploration Business only in the usual and ordinary course of business and consistent with past practice, and it shall use all commercially reasonable efforts to maintain and preserve its Mineral Exploration Business, Mining Assets and advantageous business relationships in connection therewith, provided that it shall be entitled and authorized to comply with all pre-emptive rights, first purchase rights or rights of first refusal that are applicable to its Mining Assets and become operative by virtue of this Agreement or any of the transactions contemplated by this Agreement;

(ii) Reservoir Capital shall not take any action, refrain from taking any action (subject to its commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would have a Material Adverse Effect on Reservoir Capital, the Mining Subsidiaries or the Mining Assets, provided that where Reservoir Capital is required to take any such action or refrain from taking such action (subject to its commercially reasonable efforts) as a result of this Agreement, it shall immediately notify Minerals in writing of such circumstances; and

(iii) Reservoir Capital shall refrain from taking any action that would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

(b) Minerals covenants and agrees that, during the period from the date of this Agreement until the earlier of: (i) the Effective Time; or (ii) the date that this Agreement is terminated, except as required by law or as otherwise expressly permitted or specifically contemplated by this Agreement or except with the written consent of the other Party (not to be unreasonably withheld):

(i) Minerals shall conduct its business only in the usual and ordinary course of business and consistent with past practice, and shall use all commercially reasonable efforts to maintain and preserve its business, assets, employees and advantageous business relationships, provided that it shall be entitled and authorized to comply with all pre-emptive rights, first purchase rights or rights of first refusal that are applicable to its assets and become operative by virtue of this Agreement or any of the transactions contemplated by this Agreement;

(ii) Minerals shall not take any action, refrain from taking any action (subject to its commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would have a Material Adverse Effect on Minerals, provided that where Minerals is required to take any such action or refrain from taking such action (subject to its commercially reasonable efforts) as a result of this Agreement, Minerals shall immediately notify Reservoir Capital in writing of such circumstances; and

(iii) Minerals shall refrain from taking any action that would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect,

provided that Minerals may carry out any financings or arm's length third party business combinations or asset acquisitions which the Minerals Board believe to be in the best interest of Minerals.

5.2 Integration of Operations

(a) From the date hereof, Minerals and its respective representatives will be permitted reasonable access to the Reservoir Capital's offices and management personnel to permit them to be in a position to expeditiously integrate the business and operations of Reservoir Capital with those of Minerals immediately upon but not prior to, the Effective Time, provided the activities of either Party pursuant to this Section 5.2 do not cause any unreasonable disruptions to Reservoir Capital's business or operations prior to the Effective Time and all such disclosure shall still be subject to Section 10.1.

(b) Reservoir Capital shall provide Minerals with all information reasonably necessary relating to its Mineral Exploration Business and affairs, including access to officers, employees and field sites which Minerals may reasonably require in connection with the transaction contemplated hereby, which information shall be and remain subject to Section 10.1. Reservoir Capital shall conduct itself so as to keep Minerals fully informed as to its Mineral Exploration Business and affairs and as to decisions required with respect to the most advantageous methods for supplying, operating and producing from the Mining Assets and shall co-operate with the other in respect thereof.

ARTICLE 6
COVENANTS OF RESERVOIR CAPITAL

6.1 Interim Order

As soon as reasonably practicable, Reservoir Capital shall file, proceed with and diligently prosecute an application to the Court for the Interim Order on terms and conditions acceptable to Minerals and Reservoir Capital, acting reasonably.

6.2 Reservoir Capital Meeting

In a timely and expeditious manner, Reservoir Capital shall:

(a) use its commercially reasonable efforts to carry out such terms of the Interim Order as are required under the terms thereof to be carried out by Reservoir Capital, provided that nothing shall require Reservoir Capital to consent to any modifications of this

Agreement, the Plan of Arrangement or any of the obligations of Reservoir Capital hereunder or thereunder;

(b) prepare, in consultation with Minerals, and file the Information Circular in all jurisdictions where the Information Circular is required to be filed and mail the Information Circular, as ordered by the Interim Order and in accordance with all applicable Laws, in all jurisdictions where the Information Circular is required to be mailed, complying in all material respects with all applicable Laws on the date of mailing thereof and containing full, true and plain disclosure of all material facts relating to the Arrangement and Minerals (subject to provision of same by Minerals) and not containing any misrepresentation (as defined under applicable securities Laws) with respect thereto and which Information Circular shall include: (i) the unanimous determination of the Reservoir Capital Board that the Arrangement is fair, from a financial point of view, to Reservoir Capital Shareholders, and in the best interests of Reservoir Capital; (ii) the unanimous recommendation of the Reservoir Capital Board that the Reservoir Capital Shareholders vote in favour of the Arrangement; and (iii) the unanimous approval of the Reservoir Capital Board of the Arrangement and the entering into of this Agreement;

(c) convene the Meeting as soon as practicable and in any event no later than, October 11, 2011 as ordered by the Interim Order;

(d) provide notice to Minerals of the Meeting and allow representatives of Minerals to attend the Reservoir Capital Meeting unless such attendance is prohibited by the Interim Order;

(e) solicit proxies to be voted at the Meeting in favour of the Arrangement;

(f) promptly advise Minerals of the number of Reservoir Capital Securities for which Reservoir Capital receives notices of dissent or written objections to the Arrangement and provide Minerals with copies of such notices and written objections;

(g) conduct the Meeting in accordance with the Interim Order, the BCBCA, the Reservoir Capital Governing Documents and as otherwise required by applicable Laws; and

(h) take all such actions as may be required under the BCBCA in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.

6.3 Amendments

In a timely and expeditious manner, Reservoir Capital shall prepare, in consultation with Minerals, and file any mutually agreed (or otherwise required by applicable Laws) amendments or supplements to the Information Circular with respect to the Meeting and mail such amendments or supplements, as required by the Interim Order and in accordance with all applicable Laws, in all jurisdictions where such amendments or supplements are required to be mailed, complying in all material respects with all applicable legal requirements on the date of mailing thereof.

6.4 Final Order

Subject to the approval of the Arrangement at the Meeting, in accordance with the provisions of the Interim Order, Reservoir Capital shall forthwith file, proceed with and diligently prosecute an application for the Final Order.

6.5 Closing of Arrangement

Reservoir Capital shall use commercially reasonable efforts to forthwith carry out the terms of the Interim Order and the Final Order and no later than the Business Day following the receipt of the Final Order and the satisfaction or waiver of the conditions in favour of Minerals and Reservoir Capital to be agreed by Reservoir Capital and Minerals have the Arrangement become effective.

6.6 Copy of Documents

Except for non-substantive communications, Reservoir Capital shall, as soon as reasonably possible, furnish to Minerals a copy of each notice, report, schedule or other document or communication delivered, filed or received by Reservoir Capital in connection with the Arrangement, the Interim Order or the Meeting or any other meeting at which Reservoir Capital Securityholders are entitled to attend, any filings under applicable Laws and any dealings with a Governmental Authority in connection with, or in any way affecting, the transactions contemplated in this Agreement.

6.7 Insurance

Reservoir Capital shall use its reasonable commercial efforts to cause its current insurance (or reinsurance) policies with respect to the Mining Subsidiaries and the Mining Assets not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.

6.8 Certain Actions by Reservoir Capital

(a) Reservoir Capital shall not, except in connection with an internal reorganization of Reservoir Capital, implemented in conjunction with the Arrangement or as contemplated in this Agreement or except as previously disclosed in writing or otherwise without prior consultation with and the consent of Minerals, such consent not to be unreasonably withheld directly or indirectly: (i) declare, set aside or pay any dividend or make any other distribution or payment (whether in cash, securities or property) in respect of its outstanding shares; (ii) issue or agree to issue securities (including Reservoir Capital Convertible Securities), other than the issuance of Reservoir Capital Shares pursuant to the exercise of currently outstanding rights to acquire Reservoir Capital Shares or to employees hired after the date hereof in a manner consistent with past practice; (iii) redeem, purchase or otherwise acquire any of its outstanding securities or other securities; (iv) split, combine or reclassify any of its securities; (v) adopt a plan of liquidation or resolutions providing for its liquidation, dissolution, merger, consolidation or reorganization; or (vi) enter into or modify any contract, agreement, commitment or arrangement specifically with respect to any of the foregoing.

(b) Reservoir Capital shall not, except as previously disclosed in writing or otherwise without prior consultation with and the consent of Minerals, such consent not to be unreasonably withheld, directly or indirectly: (i) sell, pledge, dispose of or encumber any Mining Assets having a value in excess of $100,000; (ii) expend or commit to expend more than $100,000 individually or in the aggregate with respect to any capital expenditures with respect to the Mining Assets beyond the budget disclosed in writing to Minerals; (iii) expend or commit to expend any amounts with respect to any operating expenses other than in the ordinary course of Mineral Exploration Business; (iv) have the Mining Subsidiaries acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division

thereof which is not a subsidiary or affiliate of such party, or make any investment therein either by purchase of shares or securities, contributions of capital or property transfer; (v) acquire assets with an acquisition cost in excess of $100,000 individually or in the aggregate beyond the budget disclosed in writing to Minerals; (vi) have the Mining Subsidiaries incur any indebtedness for borrowed money in excess of existing credit facilities, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or entity, or make any loans or advances; (vii) have the Mining Subsidiaries authorize, recommend or propose any release or relinquishment or any material contract right; (viii) have the Mining Subsidiaries waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material licence, lease, contract, production sharing agreement, government land concession or other material document; (ix) have the Mining Subsidiaries enter into or terminate any hedges, swaps or other financial instruments or like transactions; or (x) have the Mining Subsidiaries authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing.

(c) Reservoir Capital shall cause the Mining Subsidiaries to not: (i) grant any officer, director, consultant, or employee an increase in compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment or grant of any severance or termination pay policies or arrangements for any directors, officers, consultants or employees; (iv) enter into or amend any, written or oral, employment or consulting agreement; (v) amend any incentive plan or the terms of any outstanding rights thereunder; or (vi) advance any loan to any officer, consultant, director or any other party not at arm's length.

(d) Reservoir Capital shall cause the Mining Subsidiaries to not adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance (except that Reservoir Capital may put in place "trailing" or "run-off" directors' and officers' liability insurance for all present and former directors and officers of the Mining Subsidiaries, which shall be for not more than a period of three years, with substantially the same coverage and amounts containing substantially similar terms and conditions as the Mining Subsidiaries current directors' and officers' liability insurance), incentive compensation, other compensation or other similar plan, agreement, stock incentive or purchase plan, fund or arrangement for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements.

(e) Reservoir Capital shall use all commercially reasonable efforts to obtain receipt of the consents of any and all lenders to Reservoir Capital whose consent is required to prevent a default or any event that with the passage of time may constitute an event of default thereunder, to the transactions contemplated herein.

(f) Reservoir Capital shall forthwith respond to any inquiries of Minerals with respect to material operational matters of the Mining Subsidiaries and the Mining Assets and Reservoir Capital shall advise Minerals of any activities of Reservoir Capital that are outside the ordinary course of business.

(g) Reservoir Capital shall promptly notify Minerals of: (i) any Material Adverse Change in Reservoir Capital, the Mining Subsidiaries or the Mining Assets or any change which could reasonably be expected to become a Material Adverse Change in respect of Reservoir Capital, the Mining Subsidiaries and the Mining Assets; (ii) any material

Governmental Authority or third person complaints, investigations or hearings (or communications indicating that the same may be contemplated); (iii) any breach by Reservoir Capital of any covenant or agreement contained in this Agreement; and (iv) any event occurring subsequent to the date hereof that would render any representation or warranty of Reservoir Capital contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or incorrect in any material respect.

(h) Reservoir Capital shall not amend or allow the amendment of the Fairness Opinion Agreement without the prior written consent of Minerals.

6.9 No Compromise

Reservoir Capital shall not settle or compromise any claim brought by any present, former or purported holder of any securities of the Mining Subsidiaries in connection with the transactions contemplated by this Agreement prior to the Effective Time without the prior written consent of Minerals, such consent not to be unreasonably withheld or delayed.

6.10 Satisfaction of Conditions

Reservoir Capital shall use all commercially reasonable efforts to satisfy or cause the satisfaction of the conditions precedent to its obligations and the obligations of Minerals hereunder set forth in Article 8 hereof to the extent the same is within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:

(a) seek the approval of Reservoir Capital Shareholders to the Arrangement, subject to the proviso set forth in Section 6.13 hereof;

(b) obtain all consents, approvals and authorizations as are required to be obtained by it under any applicable Law or from any Governmental Authority or Securities Authorities which would, if not obtained, materially impede the completion of the transactions contemplated hereby or have a Material Adverse Effect on Reservoir Capital, the Mining Subsidiaries or the Mining Assets;

(c) effect all necessary registrations, filings and submissions of information requested by a Governmental Authority or Securities Authorities required to be effected by it in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any Party before any Governmental Authority or Securities Authorities;

(d) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the transactions contemplated hereby;

(e) fulfil all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by Reservoir Capital; and

(f) co-operate with Minerals in connection with the performance by Minerals of its obligations hereunder.

6.11 Co-operation

Reservoir Capital shall make, or co-operate as necessary in the making of, all other necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.

6.12 Closing Documents

Reservoir Capital shall execute and deliver, deliver or cause to be delivered at the closing of the transactions contemplated hereby such customary certificates, resolutions and other closing documents as may be required by the other Parties, acting reasonably.

6.13 Non-Solicitation

(a) Reservoir Capital shall immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any advisors or other parties on its behalf), if any, with any third parties conducted before the date of this Agreement with respect to any Acquisition Proposal and shall immediately request the return or destruction of all information provided to any third parties who have entered into a confidentiality agreement with such party relating to an Acquisition Proposal and shall use all reasonable commercial efforts to ensure that such requests are honoured.

(b) During the period from execution of this Agreement to the earlier of the Effective Time and the date of termination of this Agreement, Reservoir Capital shall not, directly or indirectly, do or authorize or permit any of its officers, directors or employees or any financial advisor, expert or other representative retained by it to do, any of the following:

(i) solicit, facilitate, initiate or encourage any Acquisition Proposal;

(ii) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal, or furnish to any other person any information with respect to its business, properties, operations, prospects or conditions (financial or otherwise) in connection with an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other person to do or seek to do any of the foregoing;

(iii) waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits under confidential information agreements, including, without limitation, any "standstill provisions" thereunder; or

(iv) accept, recommend, approve or enter into an agreement to implement an Acquisition Proposal,

provided, however, that notwithstanding any other provision hereof, Reservoir Capital and its officers, directors and advisers may:

(v) enter into or participate in any discussions or negotiations with a third party who (without any solicitation, initiation or encouragement, directly or indirectly, after the date of this Agreement, by Reservoir Capital or any of its officers, directors or employees or any financial advisor, expert or other representative retained by Reservoir Capital) seeks to initiate such discussions or negotiations and, subject

to execution of a confidentiality agreement containing confidentiality provisions substantially similar to the confidentiality provisions contained in this Agreement (provided that such confidentiality agreement shall provide for disclosure thereof (along with all information provided thereunder) to Minerals as set out below), may furnish to such third party information concerning Reservoir Capital and its business, properties and assets, in each case if, and only to the extent that:

(A) the third party has first made a written bona fide Acquisition Proposal which the Reservoir Capital Board determines in good faith: (1) that funds or other consideration necessary for the Acquisition Proposal are or are likely to be available; (2) (after consultation with its advisors) would, if consummated in accordance with its terms, result in a transaction financially superior for securityholders of Reservoir Capital than the transaction contemplated by this Agreement; and (3) after receiving the advice of outside counsel as reflected in minutes of the Reservoir Capital Board, that the taking of such action is appropriate for the Reservoir Capital Board in discharge of its fiduciary duties under applicable Laws (a "**Superior Proposal**"); and

(B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party, Reservoir Capital provides prompt notice to Minerals to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such person or entity together with a copy of the confidentiality agreement referenced above and if not previously provided to Minerals, subject to applicable privacy laws, copies of all information provided to such third party concurrently with the provision of such information to such third party, and provided further that Reservoir Capital shall notify Minerals in writing of any inquiries, offers or proposals with respect to a Superior Proposal (which written notice shall include, without limitation, a copy of any such proposal (and any amendments or supplements thereto), the identity of the person making it, if not previously provided to Minerals, copies of all information provided to such third party and all other information reasonably requested by Minerals), within 24 hours of the receipt thereof, shall keep Minerals informed of the status and details of any such inquiry, offer or proposal and answer Minerals' questions with respect thereto; or

(vi) comply with Multilateral Instrument 62-104 - *Take-Over Bids and Issuer Bids* and similar provisions under applicable Canadian securities Laws relating to the provision of directors' circulars and make appropriate disclosure with respect thereto to its securityholders; and

(vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or implementation, the Reservoir Capital Board has concluded in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Section 6.13(c) and after receiving the advice of outside counsel as reflected in minutes of the Reservoir Capital Board, that the taking of such action is appropriate for the Reservoir Capital Board in discharge of its fiduciary duties under applicable Laws and Reservoir Capital complies with its obligations set forth in Section 6.13(c).

(c) Upon receipt by Reservoir Capital of a Superior Proposal, Reservoir Capital shall give Minerals, orally and in writing, at least 72 hours advance notice of any decision by the Reservoir Capital Board to accept, recommend, approve or enter into an agreement to

implement a Superior Proposal, which notice is to: (i) confirm that the Reservoir Capital Board has determined that such Acquisition Proposal constitutes a Superior Proposal; (ii) identify the third party making the Superior Proposal; and (iii) Reservoir Capital shall provide a true and complete copy thereof and any amendments thereto to Minerals. During such 72 hours period, Reservoir Capital agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. In addition, during such 72 hours period Reservoir Capital shall and shall cause its financial and legal advisors to, negotiate in good faith with Minerals and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable Reservoir Capital to proceed with the Arrangement as amended rather than the Superior Proposal. In the event Minerals proposes to amend this Agreement and the Arrangement to provide that the holders of the Reservoir Capital Shares are to receive a value per Reservoir Capital Share equal to or having a value greater than the value per Reservoir Capital Share provided in the Superior Proposal and so advises the Reservoir Capital Board prior to the expiry of such 72 hours Day period, the Reservoir Capital Board shall not accept, recommend, approve or enter into any agreement to implement such Superior Proposal and shall not release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement.

(d) Minerals agrees that all information that may be provided to it by Reservoir Capital with respect to any Superior Proposal pursuant to this Section 6.13 shall be subject to Section 10.1 and shall not be disclosed or used except in accordance with the provisions of this Agreement or in order to enforce its rights under this Agreement in legal proceedings.

(e) Reservoir Capital shall ensure that its officers, directors and employees and any investment bankers or other advisers or representatives retained by it are aware of the provisions of this Section 6.13. Minerals shall be responsible for any breach of this Section 6.13 by its officers, directors, employees, investment bankers, advisers or representatives, and Reservoir Capital shall be responsible for any breach of this Section 6.13 by its officers, directors, employees, investment bankers, advisers or representatives.

ARTICLE 7
COVENANTS OF MINERALS

7.1 Minerals Assistance

In a timely and expeditious manner, Minerals shall:

(a) use its commercially reasonable efforts to carry out such terms of the Interim Order and Final Order as applicable to it and will use its reasonable commercial efforts to assist Reservoir Capital in obtaining such orders, provided that nothing shall require Minerals to consent to any modifications of this Agreement, the Plan of Arrangement or any of the obligations of Minerals hereunder or thereunder;

(b) provide to Reservoir Capital the Minerals information for inclusion in the Information Circular and all other information as may be reasonably requested by Reservoir Capital or as is required by the Interim Order or applicable Laws with respect to Minerals for inclusion in the Information Circular and any amendments or supplements thereto, in

each case complying in all material respects with all applicable Laws on the date of issue thereof; and

(c) take all such commercially reasonable actions as may be required under the BCBCA in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.

7.2 Closing of Arrangement

Minerals shall, as applicable to it, use commercially reasonable efforts to carry out the terms of the Interim Order and the Final Order and, no later than the day following the receipt of the Final Order and the satisfaction or waiver of the conditions in favour of Minerals and Reservoir Capital to be agreed by Reservoir Capital and Minerals, have the Arrangement become effective.

7.3 Copy of Documents

Except for non-substantive communications, Minerals shall, as soon as reasonably possible, furnish to Reservoir Capital a copy of each notice, report, schedule or other document or communication delivered, filed or received by Minerals in connection with the Arrangement or the Interim Order, any filings under applicable Laws and any dealings with regulatory agencies (including the TSXV) in connection with, or in any way affecting, the transactions contemplated in this Agreement.

7.4 Insurance

Minerals shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.

7.5 Certain Actions

(a) After the date of the execution of this Agreement until the earlier of the completion of the Arrangement or the termination of this Agreement, Minerals shall not, except in connection with an internal reorganization of Minerals, implemented in conjunction with the Arrangement, or as contemplated in this Agreement or except as previously disclosed in writing or otherwise without prior consultation with and the consent of Reservoir Capital, such consent not to be unreasonably withheld directly or indirectly: (i) amend the Minerals Governing Documents; (ii) declare, set aside or pay any dividend or make any other distribution or payment (whether in cash, securities or property) in respect of its outstanding shares; (iii) split, combine or reclassify any of its securities; (iv) adopt a plan of liquidation or resolutions providing for its liquidation, dissolution, merger, consolidation or reorganization; or (v) enter into or modify any contract, agreement, commitment or arrangement specifically with respect to any of the foregoing.

(b) Minerals shall not take any action that would interfere with or be inconsistent with the completion of the transactions contemplated hereunder or would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time prior to the Effective Time if then made.

(c) Minerals shall use commercially reasonable efforts to obtain conditional approval of the listing of Minerals Shares issuable under the Arrangement on the TSXV prior to the mailing of the Information Circular.

(d) Minerals shall promptly notify Reservoir Capital of: (i) any Material Adverse Change in Minerals, or any change which could reasonably be expected to become a Material Adverse Change, in respect of the business or in the conduct of the business of Minerals; (ii) any material Governmental Authority or third person complaints, investigations or hearings (or communications indicating that the same may be contemplated); (iii) any breach by Minerals of any covenant or agreement contained in this Agreement; and (iv) any event occurring subsequent to the date hereof that would render any representation or warranty of Minerals contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or incorrect in any material respect.

(e) Minerals shall reserve a sufficient number of Minerals Shares for issuance upon the completion of the Arrangement.

7.6 Satisfaction of Conditions

Minerals shall use all commercially reasonable efforts to satisfy or cause the satisfaction of the conditions precedent to its obligations and the obligations of Reservoir Capital hereunder set forth in Article 8 hereof to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:

(a) obtain all consents, approvals and authorizations as are required to be obtained by Minerals under any applicable Law or from any Governmental Authority which would, if not obtained, materially impede the completion of the transactions contemplated hereby or have a Material Adverse Effect on Minerals;

(b) effect all necessary registrations, filings and submissions of information requested by a Governmental Authority required to be effected by it in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any Party before any Governmental Authority;

(c) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the transactions contemplated hereby;

(d) fulfil all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by Minerals; and

(e) co-operate with Reservoir Capital in connection with the performance by each of them of their obligations hereunder.

7.7 Co-operation

Minerals shall make, or co-operate as necessary in the making of, all other necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.

7.8 Closing Documents

Minerals shall execute and deliver, deliver or cause to be delivered at the closing of the transactions contemplated hereby such customary certificates, resolutions and other closing documents as may be required by the other Parties, acting reasonably.

7.9 Reimbursement of Mining Asset Expenses

From March 24, 2011 to the Effective Date, on the condition of closing of the Arrangement, any expenses incurred by Reservoir Capital with respect to the Mining Assets (as agreed to between the Parties in writing in advance of Reservoir Capital incurring any such expenses and as evidenced by invoices) will be reimbursed by Minerals or the applicable Mining Subsidiary to Reservoir Capital on the Effective Date.

ARTICLE 8
CONDITIONS

8.1 Mutual Conditions

The respective obligations of Minerals and Reservoir Capital to complete the transactions contemplated hereby are subject to the fulfilment of the following conditions at the Effective Time or such other time as is specified below:

(a) on or prior to September 13, 2011, the Interim Order has been granted in form and substance satisfactory to the Parties, acting reasonably, and has not been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved at the Meeting by the holders of Reservoir Capital Securities on or prior to October 11, 2011 in accordance with the Interim Order and in form and substance satisfactory to each of Minerals and Reservoir Capital, acting reasonably, in accordance with the provisions of the BCBCA, the Interim Order and the requirements of any applicable Securities Authorities;

(c) the Final Order has been granted in form and substance satisfactory to the Parties, acting reasonably, and has not been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;

(d) there is not in force any Law, ruling, order or decree, and there has not been any action taken under any Law or by any Governmental Authority or other regulatory authority, that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Arrangement in accordance with the terms hereof or results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the Arrangement which is materially adverse to Minerals or Reservoir Capital;

(e) the Required Approvals shall have been obtained on terms and conditions satisfactory to each of Minerals and Reservoir Capital, acting reasonably including the conditional approval by the TSXV of the listing thereon of the Minerals Shares to be issued pursuant to the Arrangement as of the Effective Date, or as soon as possible thereafter, subject to compliance with the usual requirements of the TSXV;

(f) all consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Authority and the expiry of any waiting periods, in connection with, or required to permit, the completion of the Arrangement, the failure of which to obtain or the non-expiry of which would be materially adverse to Minerals or Reservoir Capital or materially impede the completion of the Arrangement, have been obtained or received on terms that are reasonably satisfactory to each Party;

(g) no act, action, suit or proceeding shall have been commenced before or by any domestic or foreign court, tribunal or Governmental Authority, Securities Authority or other regulatory authority or administrative agency or commission by any elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or entity) in Canada, the United States or elsewhere, whether or not having the force of law, which act, action, suit or proceeding has the aim of preventing the Arrangement; or the conversion of the Minerals Subscription Receipts into Minerals Shares and Minerals Warrants;

(h) all necessary third party and approvals which are required to complete the Arrangement have been received in writing;

(i) the conversion of the 14,776,150 Minerals Subscription Receipts into Minerals Shares and Minerals Warrants has occurred; and

(j) the Conveyance Agreement(s) shall be executed and delivered by the Parties.

The foregoing conditions are for the mutual benefit of the Parties and may be waived, in whole or in part, by a Party in writing at any time. If any of such conditions shall not be complied with or waived as aforesaid on or before the Outside Date or, if earlier, the date required for the performance thereof, then, subject to Section 8.4 hereof, a Party may rescind and terminate this Agreement by written notice to the other of them in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by such rescinding Party.

8.2 Minerals Conditions

The obligation of Minerals to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

(a) (i) the representations and warranties made by Reservoir Capital in this Agreement and the Conveyance Agreement(s) that are not subject to any materiality, Material Adverse Change or Material Adverse Effect qualifications contained therein shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct in all material respects as of such earlier date), (ii) the other representations and warranties made by Reservoir Capital in this Agreement and the Conveyance Agreement(s) (disregarding all materiality, Material Adverse Change or Material Adverse Effect qualifications contained therein) shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct in all material respects as of such earlier date) with, solely in the case of this clause (ii), only such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the

Mining Subsidiaries and the Mining Assets; and (iii) Reservoir Capital has provided to Minerals a certificate of a senior officer of Reservoir Capital certifying to the foregoing effect;

(b) Reservoir Capital has complied in all material respects with its covenants herein, and Reservoir Capital has provided to Minerals an officer's certificate certifying that Reservoir Capital has so complied with its covenants herein;

(c) the Reservoir Capital Board has adopted all necessary resolutions and all other necessary corporate action has been taken by Reservoir Capital to permit the consummation of the Arrangement;

(d) Reservoir Capital BVI has transferred the BVI Mining Subsidiaries and the Mining Subsidiary Loans to Reservoir Capital;

(e) there is no Material Adverse Change in respect of the Mining Subsidiaries and the Mining Assets between the date of this Agreement and the Effective Date;

(f) Minerals has received all necessary securityholder approvals, if any;

(g) all of the Required Approvals to assign the Eurasian Royalty Agreement, the Euromax Royalty Agreement, the Freeport Earn-In Agreement, the Orogen Earn-In Agreement and the SEE Share Purchase Agreement to Minerals or a Mining Subsidiary, as applicable, have been received; and

(h) all of the employees of Serbian mining employees will be moved from SEE d.o.o. to BEM d.o.o. and issued contracts substantially on the terms such employees had with SEE d.o.o. and to the reasonable satisfaction of Minerals.

The foregoing conditions are for the benefit of Minerals and may be waived, in whole or in part, by Minerals in writing at any time. If any of such conditions have not been complied with or waived by Minerals on or before the Outside Date or the date required for the performance thereof, if earlier, then subject to Section 8.4 hereof, Minerals may rescind and terminate this Agreement by written notice to Reservoir Capital in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by Minerals.

8.3 Reservoir Capital Conditions

The obligation of Reservoir Capital to complete the transactions contemplated herein is subject to the fulfilment of the following additional conditions at or before the Effective Time or such other time as is specified below:

(a) (i) the representations and warranties made by Minerals in this Agreement and the Conveyance Agreement(s) that are not subject to any materiality, Material Adverse Change or Material Adverse Effect qualifications contained therein shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct in all material respects as of such earlier date), (ii) the other representations and warranties made by Minerals in this Agreement and the Conveyance Agreement(s) (disregarding all materiality, Material Adverse Change or Material Adverse Effect qualifications contained therein) shall be true and correct as of the Effective Date as if made on and as of such

date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct in all material respects as of such earlier date) with, solely in the case of this clause (ii), only such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Minerals, and (iii) Minerals has provided to Reservoir Capital a certificate of a senior officer of Minerals certifying to the foregoing effect;

(b) Minerals has complied in all material respects with its covenants herein and Minerals has provided to Reservoir Capital an officer's certificate certifying that it has so complied with its covenants herein;

(c) the Minerals Board has adopted all necessary resolutions and all other necessary corporate action shall have been taken by Minerals to permit the consummation of the Arrangement;

(d) holders of not more than 5% of the currently outstanding Reservoir Capital Shares have exercised rights of dissent in connection with the Arrangement that have not been withdrawn as at the Effective Date; and

(e) there is no Material Adverse Change in respect of Minerals between the date of this Agreement and the Effective Date.

The foregoing conditions are for the benefit of Reservoir Capital and may be waived, in whole or in part, by Reservoir Capital in writing at any time. If any of such conditions have not been complied with or waived by Reservoir Capital on or before the Outside Date or, if earlier, the date required for the performance thereof, then, subject to Section 8.4 hereof, Reservoir Capital may rescind and terminate this Agreement by written notice to Minerals in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by Reservoir Capital.

8.4 Notice and Cure Provisions

Each Party shall give prompt notice to the other hereto of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would be likely to:

(a) cause any of the representations or warranties of any other Party contained herein to be untrue or inaccurate in any material respect on the date hereof or on the Effective Date;

(b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by any other Party prior to the Effective Date; or

(c) result in the failure to satisfy any of the conditions precedent in its favour contained in Sections 8.1, 8.2 or 8.3 hereof, as the case may be.

Subject as herein provided, a Party may elect not to complete the transactions contemplated hereby pursuant to the provisions contained in Sections 8.1, 8.2 or 8.3 hereof or exercise any termination right arising therefrom; provided, however, that: (i) promptly and in any event prior to the Effective Time, the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail the breaches of covenants, representations or warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfilment of the applicable condition or termination right, as the case may be; and (ii) if any

such notice is delivered, and a Party is proceeding diligently, at its own expense, to cure such matter, if such matter is susceptible to being cured, the Party which has delivered such notice may not terminate this Agreement until the later of October 17, 2011 and the expiration of a period of five Business Days from date of delivery of such notice. If such notice has been delivered prior to the date of the Meeting, such meeting is to be postponed until the expiry of such period.

8.5 Survival

The foregoing, the representations, warranties and provisions of the Parties contained in this Agreement and any agreement, instrument, certificate or other document or undertaking executed or delivered pursuant hereto (other than those set forth at Sections 3.36 and 4.20) shall survive the closing of the transactions contemplated hereby until the second anniversary of the Effective Date and, notwithstanding such closing or any investigation made by or on behalf of a Party, shall continue in full force and effect for the benefit of such Party during such period. The representations, warranties and provisions of the Parties contained in Sections 3.36 and 4.20 shall survive the closing of the transactions contemplated hereby until the third anniversary of the Effective Date and, notwithstanding such closing or any investigation made by or on behalf of a Party, shall continue in full force and effect for the benefit of such Party during such period.

ARTICLE 9
AMENDMENT AND TERMINATION

9.1 Amendment

This Agreement may, at any time and from time to time before or after the holding of the Meeting, be amended by mutual written agreement of the Parties without, subject to applicable Law, further notice to or authorization on the part of any Reservoir Capital Securityholders, and any such amendment may, without limitation:

(a) change the time for the performance of any of the obligations or acts of any of the Parties;

(b) waive any inaccuracies in or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of any of the Parties; and

(d) waive compliance with or modify any condition herein contained,

provided that no such amendment shall materially reduce the consideration to be received by the Reservoir Capital Shareholders without the approval of the Reservoir Capital Shareholders, given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

9.2 Alternative Transaction

The Parties acknowledge and agree that, based upon tax, corporate, securities or other legal and other considerations, it may be more advantageous or appropriate to carry out the transaction contemplated herein by way of another form of plan of arrangement, amalgamation or take-over bid or other form of transaction ("**Other Transaction**"). In the event of such determination by both Parties, the Parties agree to negotiate all such agreements, documents and arrangements that may be necessary or

desirable to carry out the Other Transaction, provided that provisions hereof shall apply *mutatis mutandis*, to such Other Transaction.

9.3 Termination

Subject to Section 9.4, this Agreement may be terminated at any time prior to the Effective Date:

(a) by mutual written consent of the Parties;

(b) as provided in Sections 8.1, 8.2 or 8.3 hereof, subject to Section 8.4 hereof; and

(c) by either Minerals or Reservoir Capital in the event that the Arrangement does not become effective on or before Outside Date, subject to Section 8.4 hereof,

provided that any termination by a Party in accordance with this Section 9.3 shall be made by such Party delivering written notice to the other Party prior to the Effective Date specifying in reasonable detail the matter or matters giving rise to such termination right.

9.4 Effect of Termination

In the event of the termination of this Agreement as provided in Section 9.3, this Agreement forthwith has no further force or effect, other than Sections 2.6 and 10.1 (as provided therein) and Sections 11.2, 11.6, 11.8 and 11.9 which shall survive termination, and there shall be no obligation on the part of Reservoir Capital or Minerals hereunder except those obligations that have accrued to such date. Nothing herein shall relieve any Party from liability for any breach of this Agreement accruing prior to termination.

ARTICLE 10
CONFIDENTIALITY

10.1 Confidentiality

Each of the Parties (on their own behalf and on behalf of their respective representatives ("**Representatives**")):

(a) agree that no disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by any Party without the prior agreement of the other Party as to timing, content and method, provided that the obligations herein will not prevent any Party from making, after consultation with the other Party, such disclosure as its counsel advises is required by applicable Law or the rules and policies of the applicable Securities Authorities other regulatory authority.

(b) will ensure that all information ("**Confidential Information**") received from the disclosing Party (the "**Disclosing Party**") shall be kept and maintained as strictly confidential, except for documents available to the public or, subject to the provisions herein, are required to be disclosed by applicable Law;

(c) will safeguard and strictly control the dissemination of Confidential Information and will ensure that Confidential Information is not disclosed or released to any person other than to Representatives of the recipient Party (the "**Recipient**") of the Confidential Information who have a need to know the same in connection with an evaluation of the Arrangement. The recipient of such Confidential Information acknowledges and agrees that it is responsible for any breach of this Agreement by any of its Representatives. If

Confidential Information is disclosed to any Representatives, the Recipient will inform such Representatives at the time of such disclosure about the confidential nature of the Confidential Information and the terms of this Agreement and those Representatives are to have acknowledged being bound by the terms of this Agreement;

(d) will not disclose any Confidential Information to any person other than in accordance with the terms of this Agreement except where the Recipient is required by law or requested pursuant to legal process or regulatory policy to otherwise disclose any Confidential Information. Prior to any such disclosure, however, such Recipient will immediately provide to the Disclosing Party written notice so that the Disclosing Party may seek a protective order or other appropriate remedy, or waive compliance by the Recipient with this subparagraph. If, in the absence of a protective order, appropriate remedy or waiver by the Disclosing Party, the Recipient, in the reasonable opinion of legal counsel, is required by law or securities regulatory policy to disclose any Confidential Information or stands liable for contempt or to suffer other censure or penalty on any failure to disclose, the Recipient may, without liability hereunder, disclose that portion (and only that portion) of Confidential Information required to be disclosed, and, further, will exercise commercially reasonable efforts to obtain reasonable assurance that confidential treatment will be accorded to such disclosed Confidential Information; and

(e) at the request of the Disclosing Party, the Recipient will and will cause its Representatives to: (i) return all Documents provided hereunder and all copies or other reproductions thereof, except for documents prepared by the Recipient or its Representatives relating to the Confidential Information (in all cases whether printed, electronic, magnetic or otherwise), or (ii) with the Disclosing Party's prior written consent, destroy all such documents, except for such portions thereof that, in the reasonable opinion of the Recipient or the Recipient's Representatives, are to be retained as supporting the Recipient's corporate decisions or the Representatives' advice with respect to an evaluation of the Arrangement, and provide the Disclosing Party with written certification thereof. If a Transaction is not consummated before the Outside Date, or a business combination or similar transaction is consummated with a person other than the Recipient (or an affiliate or associate thereof), whichever occurs first, the Disclosing Party is deemed, upon such occurrence, to have made such a request pursuant to this subparagraph, and the Recipient is deemed to have received such request.

ARTICLE 11
GENERAL

11.1 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party is to be in writing and delivered by hand to each other Party to which the notice is to be given at the following addresses or sent by fax to the following numbers or to such other address or fax number as specified by a Party by like notice. Any notice, consent, waiver, direction or other communication aforesaid is, if delivered, deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by fax be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 4:00 p.m. (Calgary time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day. The address for service of each of the Parties is as follows:

(a) if to Minerals:

c/o 1200 Waterfront Centre
200 Burrard Street, P.O. Box 48600
Vancouver, British Columbia V7X 1T2

Attention: Simon Ingram, President and Chief Executive Officer
Fax No.: (604) 688-1157

with a copy to:

Borden Ladner Gervais LLP
1900, 520 - 3rd Avenue S.W.
Calgary, AB T2P 0R3

Attention: Melinda Park and Steven G. Pearson
Fax No.: (403) 266-1395

(b) if to Reservoir Capital:

Suite 501, 543 Granville Street
Vancouver, British Columbia V6C X81

Attention: Miles Thompson, Executive Chairman
Fax No.: (604) 688-1157

with a copy to:

Borden Ladner Gervais LLP
1900, 520 - 3rd Avenue S.W.
Calgary, AB T2P 0R3

Attention: Melinda Park and Steven G. Pearson
Fax No.: (403) 266-1395

11.2 Expenses

Except as expressly contemplated herein, each Party agrees to bear its own costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, the Meeting and the preparation and mailing of the Information Circular, including legal fees, accounting fees, printing costs, financial advisor fees and all disbursements by advisors.

11.3 Time of the Essence

Time is of the essence in this Agreement.

11.4 Entire Agreement

This Agreement, together with the agreements and other documents herein referred to, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof, including the Letter Agreement. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

11.5 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Plan of Arrangement.

11.6 Governing Law

This Agreement is governed by, and construed in accordance with, the Laws of the Province of British Columbia and the laws of Canada applicable therein but the reference to such Laws does not, by conflict of laws rules or otherwise, require the application of the Law of any jurisdiction other than the Province of British Columbia. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under or in relation to this Agreement.

11.7 Execution in Counterparts

This Agreement may be executed in one or more counterparts and by fax or other electronic transmissions, each of which is conclusively be deemed to be an original and all such counterparts collectively are conclusively deemed to be one and the same.

11.8 Waiver

No waiver or release by any Party is effective unless in writing and executed by the Party granting such waiver or release and any waiver or release affects only the matter, and the occurrence thereof, specifically identified and does not extend to any other matter or occurrence. Waivers may only be granted upon compliance with the provisions governing amendments set forth in Section 9.1 hereof.

11.9 Enurement and Assignment

This Agreement enures to the benefit of the Parties and their respective successors and permitted assigns and is binding upon the Parties and their respective successors. This Agreement may not be assigned by any Party without the prior written consent of each of the other Parties.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written.

RESERVOIR CAPITAL CORP.

Per: *(signed) "Miles Thompson"*
Miles Thompson
Executive Chairman

RESERVOIR MINERALS INC.

Per: *(signed) "Simon Ingram"*
Simon Ingram
President

SCHEDULE A

PLAN OF ARRANGEMENT

made pursuant to

Section 288 of the *Business Corporations Act* (British Columbia)

ARTICLE 1
DEFINITIONS

1.1 Definitions

In this Plan, unless the context otherwise requires:

(a) "**Arrangement**" means the arrangement contemplated by this Plan pursuant to Section 288 of the BCBCA;

(b) "**Arrangement Agreement**" means the arrangement agreement made as of the 12th day of September , 2011 between Minerals and Reservoir Capital to which this Plan is attached as Schedule A;

(c) "**BCBCA**" means the Business Corporations Act (British Columbia), S.B.C. 2002, c. 57, as from time to time amended or re-enacted;

(d) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday observed in Vancouver, British Columbia;

(e) "**BVI Mining Subsidiaries**" means Reservoir Exploration (BVI) Ltd., Reservoir Consulting (BVI) Ltd. and Rakita (BVI) Ltd.;

(f) "**Conveyance Agreements**" means the agreements between Reservoir Capital and Minerals dated as of the Effective Date transferring each of the BVI Mining Subsidiaries and the Mining Subsidiary Loans to Minerals in exchange for the issuance by Minerals of the Mineral Share Consideration to Reservoir Capital;

(g) "**Court**" means the Supreme Court of British Columbia;

(h) "**Dissent Rights**" means the right of a Registered Shareholder, in accordance with the Interim Order and this Plan, to dissent to the resolution approving the Arrangement and to be paid the fair value of the Reservoir Capital Shares in respect of which such Registered Shareholder dissents;

(i) "**Dissenting Shareholder**" means a Registered Shareholder who has duly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Reservoir Capital Shares in respect of which Dissent Rights are validly exercised by such Registered Shareholder;

(j) "**Effective Date**" means the date upon which Minerals and Reservoir Capital agree in writing that all conditions to the completion of the Arrangement have been satisfied or waived and that the Arrangement takes effect in accordance with its terms;

(k) "**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date;

(l) "**Final Order**" means the order made after application to the Court pursuant to section 291 of the Business Corporations Act (British Columbia) approving the Plan of Arrangement as such order may be amended by the Court (with the consent of the Parties, acting reasonably) at any time prior to the Effective Time;

(m) "**Governmental Authority**" means any: (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) any subdivision, agency, commission, board or authority of any of the foregoing; or (iii) any quasigovernmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

(n) "**Interim Order**" means the order made after application to the Court pursuant to section 291 of the BCBCA, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of the Parties, acting reasonably);

(o) "**Meeting**" means the special meeting, including any adjournments or postponements thereof, of the Reservoir Capital Shareholders to be held, among other things, to consider, and if thought fit; authorize, approve and adopt the Arrangement in accordance with the Interim Order;

(p) "**Minerals**" means Reservoir Minerals Inc., a corporation existing under the BCBCA;

(q) "**Minerals BVI**" means Global Reservoir Minerals (BVI) Inc., a corporation duly incorporated and existing under the laws of the British Virgin Islands and a wholly-owned subsidiary of Minerals;

(r) "**Minerals Share Consideration**" means 9,000,000 Minerals Shares at a price of $0.65 per share;

(s) "**Minerals Shares**" means the common shares without par value in the capital of Minerals, as constituted on the date of this Agreement;

(t) "**Mining Subsidiary Loans**" means the outstanding loans made by Reservoir Capital to the Mining Subsidiaries;

(u) "**Mining Subsidiaries**" means the BVI Mining Subsidiaries and the Serbian Subsidiaries;

(v) "**Parties**" means Reservoir Capital and Minerals and their respective successors and permitted assigns and "Party" means any one of them;

(w) "**Plan**" means this plan of arrangement, as amended or supplemented from time to time, and "hereby", "hereof", "herein", "hereunder", "herewith" and similar terms refer to this Plan and not to any particular provision of this Plan;

(x) "**Registered Shareholder**" means a registered holder of Reservoir Capital Shares as recorded in the shareholder register of the Corporation;

(y) "**Reservoir Capital**" means Reservoir Capital Corp., a corporation existing under the BCBCA;

(z) "**Reservoir Capital Shareholders**" means the holders of Reservoir Capital Shares;

(aa) "**Reservoir Capital Shares**" means the common shares without par value in the capital of Reservoir Capital, as constituted on the date of this Agreement;

(bb) "**Serbian Subsidiaries**" means Deli Jovan Exploration d.o.o., Balkan Exploration and Mining d.o.o. and Rakita Exploration d.o.o.; and

(cc) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), including the regulations promulgated thereunder, as amended.

1.2 Interpretation Not Affected by Headings

The headings contained in this Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of this Plan.

1.3 Article References

Unless the contrary intention appears, references in this Plan to an article, section, paragraph, subparagraph or schedule by number or letter or both refer to the article, section, paragraph, subparagraph or schedule bearing that designation in this Plan.

1.4 Number, Gender and Persons

In this Plan, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and words importing a person or persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture, unincorporated body of persons or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

1.5 Date for Any Action

In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 Statutory References

References in this Plan to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.7 Currency

Unless otherwise stated, all references in this Plan to amounts of money are expressed in lawful money of Canada.

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose of the Plan

The following is only intended to be a general statement of the purpose of the Plan and is qualified in its entirety by the specific provisions of the Plan.

The purpose of the Plan is to implement part of a reorganization of the business Reservoir Capital, that part resulting in: (i) certain mining assets and liabilities of Reservoir Capital being transferred to Minerals, in consideration of, amongst other things, the issue to Reservoir Capital of the Minerals Share

Consideration; and (ii) the distribution of the Minerals Share Consideration to Reservoir Capital Shareholders as a reduction of stated capital.

2.2 Plan Binding

The Plan will become effective on, and be binding on and after the Effective Time on: (i) Reservoir Capital; (ii) Minerals; and (iii) all securityholders of Reservoir Capital.

ARTICLE 3
ARRANGEMENT

3.1 The Arrangement

At the Effective Time, each of the events set out below shall occur and be deemed to occur in the sequence set out without further act or formality except as otherwise provided herein:

(a) all of the issued and outstanding Reservoir Capital Shares held by Dissenting Shareholders shall be deemed to have been transferred to Reservoir Capital, free of any claims, and each Dissenting Shareholder shall cease to have any rights as a shareholder of Reservoir Capital other than the right to be paid by Reservoir Capital, in accordance with the Dissent Rights, the fair value of the Reservoir Capital Shares with respect to which the Reservoir Capital Shareholder has dissented and shall be removed from the register of Registered Shareholders;

(b) all of the outstanding shares of the BVI Mining Subsidiaries and the Mining Subsidiary Loans shall be transferred by Reservoir Capital to Minerals and Minerals shall issue the Minerals Share Consideration therefor to Reservoir Capital in accordance with the terms and conditions of the Conveyance Agreements;

(c) all of the outstanding shares of the BVI Mining Subsidiaries shall be transferred by Minerals to Minerals BVI and Minerals BVI shall issue 1,000 shares in the capital of Minerals BVI to Minerals; and

(d) with respect to each Minerals Share acquired by Reservoir Capital as described in above in paragraph 3.1(b), Reservoir Capital shall deliver to each Registered Shareholder as at the Effective Time, such Registered Shareholder's pro rata share of the Minerals Share Consideration (assuming that there are no Dissenting Shareholders) as a reduction of stated capital and which pro rata share is based on the number of outstanding Reservoir Capital Shares outstanding at the Effective Time.

3.2 Security Register Entries

(a) Minerals shall make the appropriate entries in its securities registers to reflect the matters referred to in Section 3.1; and

(b) With respect to each Registered Shareholder, other than Dissenting Shareholders, at the Effective Time:

(i) Minerals shall allot and issue to such the number of Minerals Shares issuable to such Registered Shareholder on the basis set forth in Section 3.1(d), and the name of such Registered Shareholder shall be added to the register of holders of Minerals Shares.

3.3 Adjustment of Minerals Shares

The number of Minerals Shares issuable hereunder for each Reservoir Capital Share shall be proportionately and appropriately adjusted to reflect fully the effect of any split, reverse split, Minerals Share distribution (including any distribution of securities convertible into Minerals Shares) to all or substantially all holders of Minerals Shares, reorganization, recapitalization or other like change with respect to Minerals Shares occurring after September 12, 2011 and prior to the Effective Time.

3.4 Further Assurances

Notwithstanding that the transactions or events set out herein shall occur and shall be deemed to occur in the order set out in this Plan without further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein, including, without limitation, any resolution of directors authorizing the issue, transfer or purchase for cancellation of securities, any security transfer powers evidencing the transfer of securities and any receipt therefore, and any necessary additions to or deletions from security registers.

ARTICLE 4
OUTSTANDING CERTIFICATES AND PAYMENTS

4.1 Minerals Certificates

As soon as practicable following the Effective Date, Reservoir Capital will forward or cause to be forwarded by first class mail (postage paid) to Reservoir Capital Shareholders, other than Dissenting Shareholders, as of the Effective Time at the address specified in the register of holders of Reservoir Capital Shares, a certificate(s) representing the number of Minerals Shares issued to such Registered Shareholder under the Arrangement. In the event that the rounding down of such fractional interests results in a portion of the Minerals Share Consideration not being distributed to Reservoir Capital Shareholders, such undistributed Minerals Shares shall be registered in the name of Reservoir Capital.

4.2 Treatment of Fractional Shares

No fractional Minerals Shares shall be issued pursuant to the Plan. In the event that a Reservoir Capital Shareholder would otherwise be entitled to a fractional Minerals Share hereunder, the number of Minerals Shares issued to such Reservoir Capital Shareholder shall be rounded down to the next lesser whole number of Minerals Shares. In calculating such fractional interests, all Reservoir Capital Shares registered in the name of or beneficially held by such Reservoir Capital Shareholder or their nominee shall be aggregated.

4.3 Dividends

All dividends declared in respect of Minerals Shares to which a Reservoir Capital Shareholder is entitled in accordance with the terms of the Arrangement, but for which a certificate representing the Minerals Shares has not been delivered to such Reservoir Capital Shareholder in accordance with this Article 4, shall be paid or delivered to the Reservoir Capital to be held in trust for such Reservoir Capital Shareholder for delivery to such former Holder, net of all withholding and other taxes.

4.4 Withholdings

Minerals and Reservoir Capital shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to the Arrangement to any Reservoir Capital Shareholder who is not resident in Canada for purposes of the Tax Act or is otherwise required to have deductions made from any consideration

otherwise payable to any Reservoir Capital Shareholder in connection with the Arrangement, and remit to the applicable Governmental Authority, such amounts as the Minerals and Reservoir Capital are required to deduct, withhold and remit with respect to such payment under the Tax Act and other applicable laws. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Reservoir Capital Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

ARTICLE 5
DISSENT RIGHTS

5.1 Dissent Rights

(a) Each Registered Shareholder may exercise Dissent Rights with respect to the Arrangement in accordance with the Interim Order and as may be modified by the Final Order. A Dissenting Shareholder shall, at the Effective Time, cease to have any rights as a Registered Shareholder and shall only be entitled to be paid the fair value of the Registered Shareholder. A Dissenting Shareholder shall be deemed to have transferred the Reservoir Capital Shares to Reservoir Capital for cancellation at the Effective Time. A Reservoir Capital Shareholder who exercises Dissent Rights and who, for any reason, is not entitled to be paid the fair value of the Registered Shareholder's Reservoir Capital Shares, shall be treated as if the Registered Shareholder had participated in the Arrangement on the same basis as a Registered Shareholder who did not exercise Dissent Rights. The fair value of the Reservoir Capital Shares shall be determined as of the close of business on the last Business Day before the day of the Meeting. In no event shall Reservoir Capital be required to recognize any Dissenting Shareholder as a shareholder of Reservoir Capital after the Effective Time and the names of such Registered Shareholders shall be removed from the applicable Reservoir Capital register of shareholders as at the Effective Time.

(b) In respect of amounts paid to a Dissenting Shareholder in accordance with Section 5.1(a), there shall be deducted from the stated capital account maintained by Reservoir Capital for the Reservoir Capital Shares an amount in respect of each such Reservoir Capital Share equal to the lesser of: (i) the amount so paid; and (ii) the stated capital of such share.

(c) All payments made to a Dissenting Shareholder pursuant to this Article shall be subject to, and paid net of, all applicable withholding taxes.

(d) For greater certainty, in addition to any other restrictions in Section 238 of the BCBCA, no person who has voted (or instructs, or is deemed, by submission of an incomplete proxy, to have instructed his, her or its proxyholder to vote) in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

ARTICLE 6
AMENDMENTS

6.1 Amendment Prior to the Effective Time

Reservoir Capital reserves the right to amend, modify and/or supplement this Plan from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is: (a) agreed to by Minerals; (b) filed with the Court and, if made following the Meeting, approved by the Court; and (c) communicated to Reservoir Capital Shareholders in the manner required by the Court (if so required).

6.2 Amendment at the Meeting

Any amendment, modification or supplement to this Plan may be proposed by Reservoir Capital at any time prior to or at the Meeting (provided that Minerals shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan for all purposes.

6.3 Consent of Minerals and Reservoir Capital

Any amendment, modification or supplement to this Plan which is approved by the Court following the Meeting shall be effective only: (a) if it is consented to by Reservoir Capital; (b) if it is consented to by Minerals; and (c) if required by the Court or applicable law, it is consented to by the Reservoir Capital Shareholders.

6.4 Amendment After the Effective Time

Subject to applicable law, any amendment, modification or supplement to this Plan may be made following the Effective Time unilaterally by Minerals; provided that it concerns a matter which, in the reasonable opinion of Minerals, is of an administrative nature required to better give effect to the implementation of this Plan and is not adverse to the financial or economic interests of any former Reservoir Capital Shareholders.

SCHEDULE B

EXPLORATION PERMITS

Serbian mineral exploration permits held indirectly by Reservoir Capital:

i) Stara Planina Exploration Permit, granted to Balkan Exploration and Mining d.o.o. on May 4, 2011, covering an area of approximately 63 sq. km;

ii) Plavkovo Exploration Permit, granted to Balkan Exploration and Mining d.o.o. on March 4, 2011, covering an area of approximately 19.8 sq. km;

iii) Lece Exploration Permit, granted to Balkan Exploration and Mining d.o.o. on March 4, 2011, covering an area of approximately 51 sq. km.;

iv) Parlozi Exploration Permit, granted to Balkan Exploration and Mining d.o.o. on May 4, 2011, covering an area of approximately 91 sq. km;

v) Bobija Exploration Permit, granted to Balkan Exploration and Mining d.o.o. on May 27, 2011, covering an area of approximately 33 sq. km;

vi) Jasikovo-Durlan Potok Exploration Permit, granted to Rakita Exploration d.o.o. on February 22, 2011, originally issued in 2010 as a result of the combination of the Jasikovo Exploration Permit, covering an area of approximately 12.5 sq. km, and the Durlan Potok Exploration Permit, covering an area of approximately 56 sq. km. This combined Permit is subject to an earn-in agreement (the "**Freeport Agreement**") with Freeport McMoRan Exploration Corp. as previously announced by REO on June 21, 2010, whereby Freeport may earn an initial 55% interest in by investing US$3 million in exploration over a four-year period. Once Freeport has earned its initial 55% interest, Freeport may become the operator and may elect to earn an additional 20% interest (75% in total) by completing a scoping study within four years, a pre-feasibility study within eight years and a feasibility study within thirteen years. REO's holdings in the Durlan Potok portion of the combined Permit is additionally subject to a 0.5% net smelter return royalty with Euromax Resources Ltd.;

vii) Brestovac-Metovnica Exploration Permit, granted to Rakita Exploration d.o.o. on July 5, 2011, originally issued in 2010 as a result of the combination of the Brestovac Exploration Permit, covering an area of approximately 25.5 sq. km, and the Brestovac East Exploration Permit, covering an area of approximately 90 sq. km. This combined Permit is also subject to the Freeport Agreement with REO's holdings in the Brestovac East portion of the combined Permit being additionally subject to a 0.5% net smelter return royalty with Euromax Resources Ltd.; and

viii) Deli Jovan Exploration Permit, granted to Deli Jovan Exploration d.o.o. on October 5, 2010, covering an area of approximately 69 sq. km (subject to the earn-in agreement with Orogen Gold Ltd., as previously announced by REO on October 21, 2010, whereby Orogen may earn up to a 75% interest in the Deli Jovan gold project by completing $3.5 million in exploration expenditures within 42 months).

APPENDIX "C" - PETITION AND INTERIM ORDER OF THE COURT

S-116010
No.
Vancouver Registry

In the Supreme Court of British Columbia

In the Matter of the *Business Corporations Act*,
S.B.C. 2002 c.57,

In the Matter of a Proposed Arrangement among
Reservoir Capital Corp., its Shareholders and
Reservoir Minerals Inc.

Reservoir Capital Corp.

Petitioner

PETITION TO THE COURT

This proceeding has been started by the petitioner for the relief set out in Part 1 below.

If you intend to respond to this petition, you or your lawyer must

(a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and

(b) serve on the petitioner

(i) 2 copies of the filed response to petition, and

(ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the petitioner,

(a) if you reside anywhere within Canada, within 21 days after the date on which a copy of the filed petition was served on you,

(b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed petition was served on you,

(c) if you reside elsewhere, within 49 days after the date on which a copy of the filed petition was served on you, or

(d) if the time for response has been set by order of the court, within that time.

(1)	The address of the registry is:	800 Smithe Street Vancouver, British Columbia
(2)	The ADDRESS FOR SERVICE of the petitioner is:	BORDEN LADNER GERVAIS LLP 1200 Waterfront Centre 200 Burrard Street P.O. Box 48600 Vancouver, British Columbia V7X 1T2 Attention: Stephen Antle
	Fax number address for service (if any) of the petitioners:	None
	E-mail address for service (if any) of the petitioner:	None
(3)	The name and office address of the petitioner's lawyer is:	BORDEN LADNER GERVAIS LLP 1200 Waterfront Centre 200 Burrard Street P.O. Box 48600 Vancouver, British Columbia V7X 1T2 Attention: Stephen Antle

Claim of the Petitioner

PART 1: ORDERS SOUGHT

Interim Order

1. Reservoir Capital Corp. may call, and hold on October 11, 2011, a special meeting of the holders of its issued and outstanding common shares, to consider, and if deemed advisable to pass, with or without variation, a special resolution approving a proposed arrangement involving Reservoir Capital Corp., its shareholders and Reservoir Minerals Inc.

2. Reservoir Capital Corp. will call and hold that meeting in accordance with the *Business Corporations Act*, S.B.C. 2002, c.57 and its articles.

3. Reservoir Capital Corp. will mail or deliver to its shareholders, in paper or electronic format on CD ROM or any combination of them, notice of the meeting, a form of proxy and an information circular, the notice of meeting and information circular being in substantially the form contained in Exhibit "B" to the affidavit of Kim Casswell sworn September 9, 2011 in this

proceeding, with such amendments as counsel for Reservoir Capital Corp. may advise are necessary or desirable, provided they are not inconsistent with the terms of the interim order in this proceeding, at least 21 days before the date of the meeting, excluding the dates of mailing or delivery and the meeting, in accordance with the *Business Corporations Act* and National Instrument 54-101 of the Canadian Securities Administrators – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. That mailing or delivery will be valid and timely notice of the meeting by Reservoir Capital Corp. to its shareholders.

4. The persons entitled to receive notice of the meeting and to vote at the meeting, in person or by proxy, will be Reservoir Capital Corp.'s shareholders of record as of the close of business on September 9, 2011.

5. The accidental omission to give notice of the meeting to, or the non-receipt of notice by, any Reservoir Capital Corp. shareholder will not invalidate any resolution passed or proceeding taken at the meeting.

6. The resolution approving the arrangement will be effective if passed by not less than 66⅔% of the votes cast by Reservoir Capital Corp.'s shareholders present in person or by proxy at the meeting. Reservoir Capital Corp.'s shareholders will be entitled to one vote for each Reservoir Capital Corp. share held.

7. Reservoir Capital Corp.'s shareholders will have the right to dissent from the arrangement resolution and to be paid the fair value of their Reservoir Capital Corp. shares, as if ss. 237 to 247 of the *Business Corporations Act* applied to the proposed arrangement, except that the Reservoir Capital Corp. shares held by dissenting shareholders will, on the arrangement's effective date, be cancelled and the dissenting shareholders deemed to have transferred their shares to Reservoir Capital Corp. for cancellation and to cease to have any rights as Reservoir Capital Corp. shareholders, except to be paid the fair market value of their former shares by Reservoir Capital Corp.

8. On approval of the proposed arrangement at the meeting as described in the interim order, Reservoir Capital Corp. may apply to this Court for approval of the arrangement, at the courthouse at 800 Smithe Street, Vancouver, British Columbia, on October 12, 2011 at 9:45 a.m., or as soon afterward as practicable.

9. The mailing or delivery of the material described in the interim order will be valid and timely service of the petition and the affidavit of Ms. Casswell on, and notice of hearing of the petition to, all persons entitled to be served or receive notice. No other form of service or notice need be made or given. No other material need be served on such persons in respect of this proceeding.

10. Any Reservoir Capital Corp. shareholder may appear on the application for approval of the proposed arrangement by this Court, provided they file with this Court and deliver to the solicitors for Reservoir Capital Corp. by 4:00 p.m. (Vancouver time) on October 11, 2011 a response to petition setting out their address for service, and all evidence they intend to present to this Court.

11. Reservoir Capital Corp. is at liberty to apply to vary the interim order.

Final Order

12. The terms and the conditions of the proposed arrangement, set forth in the plan of arrangement attached as Appendix "B" to the information circular included in Exhibit "B" to the affidavit of Kim Casswell sworn September 9, 2011 in this proceeding, are procedurally and substantively fair to Reservoir Capital Corp.'s shareholders and are hereby approved by this Court. This order will serve as the basis of a claim to the exemption provided by Section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that Act with respect to the issuance of common shares of Reservoir Minerals Inc. issuable to Reservoir Capital Corp. shareholders under the plan of arrangement.

Other Orders

13. Such further and other orders as this Court may deem appropriate.

PART 2: FACTUAL BASIS

1. Reservoir Capital was incorporated under the Alberta *Business Corporations Act* on March 23, 2006 and continued under the British Columbia *Business Corporations Act* on November 15, 2007.

2. Reservoir Capital is a reporting issuer within the meaning of the *Securities Act*, R.S.B.C. 1996, c.418, and has similar status in Alberta and Ontario. Its shares are traded on the TSX Venture Exchange.

3. As of September 7, 2011, Reservoir Capital had 46,701,698 issued and outstanding shares.

4. As of September 7, 2011, Reservoir Capital had 27 registered shareholders, and as of August 31, 2011 approximately 5244 beneficial shareholders.

5. As of February 28, 2011, Reservoir Capital had 2 principal beneficial shareholders, Global Resource Investments, Ltd. and Terra Resource Investment Management, Inc., who, acting jointly beneficially, owned 5,107,789 shares, which represented 12.2% of Reservoir Capital's issued and outstanding shares.

6. As of September 7, 2011, the directors and executive officers of Reservoir Capital collectively owned, directly or indirectly, 4,137,500 additional shares, which represented an additional 8.9% of Reservoir Capital's issued and outstanding shares.

7. Reservoir Capital carries on two businesses, a renewable energy business and a mineral exploration business.

8. Reservoir Capital has determined that it is in its best interests to separate those two businesses, so they are each run by a different company.

9. Reservoir Capital has concluded that this separation can be best accomplished by a plan of arrangement, because a plan of arrangement can be structured to permit reliance on the exemption from the registration requirements of the United States Securities Act of 1933, as amended, provided by Section 3(a)(10) of that Act. As a result of the number of its U.S. resident shareholders, separating its two businesses other than through such a plan of arrangement would require Reservoir Capital to incur the significant additional expense and potential delay associated with registering under that Act and applicable state laws the Reservoir Minerals common shares issuable to Reservoir Capital shareholders.

10. Under the proposed arrangement:

(a) Reservoir Capital will transfer to Reservoir Minerals (a company incorporated under the British Columbia *Business Corporations Act* on January 25, 2011 to implement

this transaction) all the shares of its three wholly owned British Virgin Islands subsidiaries (which each wholly own a Serbian subsidiary, which in turn hold Serbian mining permits and mineral rights) and the loans owed to it by those subsidiaries, in exchange for 9 million shares of Reservoir Minerals;

(b) Reservoir Minerals will transfer those shares to its own British Virgin Islands subsidiary, in exchange for 1000 shares in that subsidiary;

(c) Reservoir Capital will deliver to each of its registered shareholders their *pro rata* share of the 9 million Reservoir Minerals shares, as a reduction of Reservoir Capital's stated capital; and

(d) Reservoir Capital's shareholders will have the right to dissent from the arrangement and be paid the fair value of their Reservoir Capital shares by Reservoir Capital (subject to it being a condition of completion of the arrangement that the holders of no more than 5% of Reservoir Capital's shares do dissent).

11. Reservoir Minerals has already issued 1,900,100 shares to seed capital investors. It intends to close a private placement which will result in its issuing a further 14,776,150 shares to investors and 429,882 shares as finder's fees, and to list its shares on the TSX Venture Exchange. When those transactions, and the plan of arrangement, are complete, Reservoir Capital's shareholders will own 34.47% of Reservoir Minerals' shares, in the same proportion as they own their Reservoir Capital shares.

12. On August 17, 2011 the TSX Venture Exchange conditionally approved the listing of Reservoir Minerals' shares.

13. Reservoir Capital wishes to proceed with the proposed arrangement because it believes it will benefit the company and its shareholders, for these reasons:

(a) It will result in Reservoir Capital's shareholders owning shares of two publicly traded companies, with distinct businesses;

(b) Each of Reservoir Capital and Reservoir Minerals will have a clear mandate to pursue its own business plan and achieve its own strategic goals;

(c) Operating the two businesses through separate companies should improve both their abilities to obtain financing;

(d) As a distinctive renewable energy development company, Reservoir Capital will be able to access capital with a mandate to invest in renewable energy, potentially reducing its cost of capital;

(e) Reservoir Minerals will have direct access to public and private capital markets focused on mineral exploration and development investment opportunities;

(f) Each compan y will have the opportunity to selectively finance and develop distinct businesses;

(g) The management of each company will be free to focus exclusively on its own business;

(h) Reservoir Minerals will have a dedicated management team and funding, which should accelerate the development of its existing mineral projects and provide scope for new acquisitions;

(i) Each company will be able to establish equity based compensation arrangements to enable it to better attract, motivate and retain directors, officers and key employees with experience and expertise in their particular business area; and

(j) Reservoir Capital's shareholders will continue to be exposed to both companies' potential upside and growth opportunities.

14. The obligations of the parties to complete the proposed arrangement are subject to several conditions precedent, including:

(a) The approval of Reservoir Capital's shareholders;

(b) The approval of this Court;

(c) Final approval by the TSX Venture Exchange of the listing of Reservoir Minerals' shares;

(d) The holders of not more than 5% of Reservoir Capital shares having exercised their rights of dissent in respect of the proposed arrangement.

PART 3: LEGAL BASIS

1. The *Business Corporation Act's* procedures for arrangements have been met.

2. This application has been put forward in good faith.

3. This arrangement is fair and reasonable:

   (a) it has a valid business purpose; and

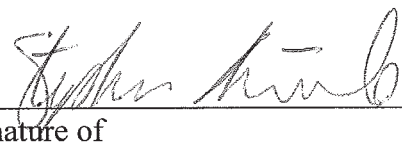
   (b) the objections of Reservoir Capital's shareholders are being resolved in a fair and balanced way.

PART 4: MATERIAL TO BE RELIED ON

1. Affidavit of Kim Casswell sworn September 9, 2011

The petitioner estimates that the hearing of the petition will take 15 minutes.

Date: September 9, 2011



Signature of
Double click on box to insert checkmark.
Double click again to remove checkmark.
☐ Petitioners ☑ lawyer for Petitioner
Stephen Antle

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs _____ of Part 1 of this petition

☐ with the following variations and additional terms:

Date: _____

Signature of ☐ Judge ☐ Master

No.
Vancouver Registry

In the Supreme Court of British Columbia

In the Matter of the Business Corporations Act,
S.B.C. 2002 c.57,

In the Matter of a Proposed Arrangement
among
Reservoir Capital Corp., its Shareholders and
Reservoir Minerals Inc.

Reservoir Capital Corp.

Petitioner

C-10

PETITION TO THE COURT

BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre
200 Burrard Street
P.O. Box 48600
Vancouver, British Columbia
V7X 1T2
Telephone: (604) 687-5744
Attn: Stephen Antle

No. S116010
Vancouver Registry

In the Supreme Court of British Columbia

In the Matter of the Business Corporations Act,
S.B.C. 2002 c.57,

In the Matter of a Proposed Arrangement among
Reservoir Capital Corp., its Shareholders and
Reservoir Minerals Inc.

Reservoir Capital Corp.

Petitioner

ORDER MADE AFTER APPLICATION

BEFORE MASTER MACNAUGHTAN) 12/SEP/2011
)

ON THE APPLICATION of the Petitioner without notice coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on September 12, 2011, on hearing Stephen Antle, counsel to the Petitioner, and on reading the affidavit of Kim Casswell, sworn September 9, 2011;

THIS COURT ORDERS that:

1. Reservoir Capital Corp. may call, and hold on October 11, 2011, a special meeting of the holders of its issued and outstanding common shares, to consider, and if deemed advisable to pass, with or without variation, a special resolution approving a proposed arrangement involving Reservoir Capital Corp., its shareholders and Reservoir Minerals Inc.

2. Reservoir Capital Corp. will call and hold that meeting in accordance with the *Business Corporations* Act, S.B.C. 2002, c.57 and its articles.

3. Reservoir Capital Corp. will mail or deliver to its shareholders, in paper or electronic format on CD ROM or any combination of them, notice of the meeting, a form of proxy and an information circular, the notice of meeting and information circular being in substantially the form contained in Exhibit "B" to the affidavit of Kim

Casswell sworn September 9, 2011 in this proceeding, with such amendments as counsel for Reservoir Capital Corp. may advise are necessary or desirable, provided they are not inconsistent with the terms of the interim order in this proceeding, at least 21 days before the date of the meeting, excluding the dates of mailing or delivery and the meeting, in accordance with the *Business Corporations Act* and National Instrument 54-101 of the Canadian Securities Administrators – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. That mailing or delivery will be valid and timely notice of the meeting by Reservoir Capital Corp. to its shareholders.

4. The persons entitled to receive notice of the meeting and to vote at the meeting, in person or by proxy, will be Reservoir Capital Corp.'s shareholders of record as of the close of business on September 9, 2011.

5. The accidental omission to give notice of the meeting to, or the non-receipt of notice by, any Reservoir Capital Corp. shareholder will not invalidate any resolution passed or proceeding taken at the meeting.

6. The resolution approving the arrangement will be effective if passed by not less than 66⅔% of the votes cast by Reservoir Capital Corp.'s shareholders present in person or by proxy at the meeting. Reservoir Capital Corp.'s shareholders will be entitled to one vote for each Reservoir Capital Corp. share held.

7. Reservoir Capital Corp.'s shareholders will have the right to dissent from the arrangement resolution and to be paid the fair value of their Reservoir Capital Corp. shares, as if ss. 237 to 247 of the *Business Corporations Act* applied to the proposed arrangement, except that the Reservoir Capital Corp. shares held by dissenting shareholders will, on the arrangement's effective date, be cancelled and the dissenting shareholders deemed to have transferred their shares to Reservoir Capital Corp. for cancellation and to cease to have any rights as Reservoir Capital Corp. shareholders, except to be paid the fair market value of their former shares by Reservoir Capital Corp.

8. On approval of the proposed arrangement at the meeting as described in the interim order, Reservoir Capital Corp. may apply to this Court for approval of the arrangement, at the courthouse at 800 Smithe Street, Vancouver, British Columbia, on October 12, 2011 at 9:45 a.m., or so soon afterward as practicable.

9. The mailing or delivery of the material described in the interim order will be valid and timely service of the petition and the affidavit of Ms. Casswell on, and notice of hearing of the petition to, all persons entitled to be served or receive notice. No other form of service or notice need be made or given. No other material need be served on such persons in respect of this proceeding.

10. Any Reservoir Capital Corp. shareholder may appear on the application for approval of the proposed arrangement by this Court, provided they file with this Court and deliver to the solicitors for Reservoir Capital Corp. by 4:00 p.m. (Vancouver time) on October 11, 2011 a response to petition setting out their address for service, and all evidence they intend to present to this Court.

11. Reservoir Capital Corp. is at liberty to apply to vary the interim order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of

☐ party ☑ lawyer for Petitioner Reservoir Capital Corp.
Stephen Antle

By the Court.

Registrar

No.
Vancouver Registry

In the Supreme Court of British Columbia

In the Matter of the Business Corporations Act, S.B.C. 2002 c.57,

In the Matter of a Proposed Arrangement among Reservoir Capital Corp., its Shareholders and Reservoir Minerals Inc.

Reservoir Capital Corp.

Petitioner

ORDER MADE AFTER APPLICATION

SA

BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre
200 Burrard Street
P.O. Box 48600
Vancouver, British Columbia
V7X 1T2
Telephone: (604) 687-5744
Attn: Stephen Antle

APPENDIX "D" - NOTICE OF HEARING FOR FINAL ORDER

No.
Vancouver Registry

In the Supreme Court of British Columbia

In the Matter of the Business Corporations Act,
S.B.C. 2002 c.57,

In the Matter of a Proposed Arrangement among
Reservoir Capital Corp., its Shareholders and
Reservoir Minerals Inc.

Reservoir Capital Corp.

Petitioner

NOTICE OF HEARING

To: [name(s) of petition respondent(s), if any]

TAKE NOTICE that the petition of Reservoir Capital Corp. dated 09/Sep/2011 will be heard at the courthouse at 800 Smithe Street, Vancouver, British Columbia on 12/Oct/2011 at 9:45 a.m.

1. **Date of hearing**

The petition is unopposed, by consent or without notice.

2. **Duration of hearing**

The hearing will take 15 minutes.

3. **Jurisdiction**

This matter is not within the jurisdiction of a master.

Date: __/__/2011

Signature of
☐ petitioner ☑ lawyer for petitioner
Stephen Antle

No.
Vancouver Registry

In the Supreme Court of British Columbia

In the Matter of the Business Corporations Act,
S.B.C. 2002 c.57,

In the Matter of a Proposed Arrangement among
Reservoir Capital Corp., its Shareholders and
Reservoir Minerals Inc.

Reservoir Capital Corp.

Petitioner

D-3

NOTICE OF HEARING

BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre
200 Burrard Street
P.O. Box 48600
Vancouver, British Columbia
V7X 1T2
Telephone: (604) 687-5744
Attn: Stephen Antle

APPENDIX "E" – FAIRNESS OPINION

SEPTEMBER 12, 2011

NCP NORTHLAND
CAPITAL PARTNERS INC.

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

STRICTLY PRIVATE & CONFIDENTIAL

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

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

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

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

The Independent Directors of the Board of Directors ("Independent Directors") has retained NCP to prepare and deliver to the Independent Directors its opinion (the "Fairness Opinion") as to whether the Proposed Transaction is fair from a financial point of view to the Shareholders.

ENGAGEMENT OF NCP NORTHLAND CAPITAL PARTNERS INC.

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

CREDENTIALS OF NCP NORTHLAND CAPITAL PARTNERS INC.

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

INDEPENDENCE OF NCP NORTHLAND CAPITAL PARTNERS INC.

NCP acts as a trader of, and dealer in, securities both as principal and on behalf of our clients and, as such, (i) we may have had, and may in the future have, long or short positions in the securities of one or more parties to the Proposed Transaction or any of their respective related entities and, from time to time, may have executed or may execute transactions on behalf of such persons, (ii) we conduct research on securities and may, in the ordinary course of our business, provide research reports and investment advice to our clients on investment matters, including with respect to one or more parties to the Proposed Transaction, and (iii) we, or our controlling shareholder, Northland Bancorp Inc. ("Northland Bancorp"), may, in the ordinary course of business, extend loans or provide other financial services (collectively, "Financial Services") to one or more parties of the Proposed Transaction. The Company agrees not to seek to restrict or challenge the ability of NCP, Northland Bancorp or their affiliates to conduct Financial Services that are not directly related to the Proposed Transaction, except under those restrictions set out herein. The Company acknowledges and agrees that if a potential acquirer of the Company or any of its subsidiaries or other assets seeks financing for such an acquisition, we or our controlling shareholder, Northland Bancorp, may act as

underwriter, agent or lender in respect of such financing provided that we and any of our affiliates who are involved in such financing implement reasonable procedures to ensure that no confidential information relating to the Proposed Transaction or the acquisition financing, as applicable, is exchanged between the respective teams of employees and agents who are involved in the separate engagements. Neither we nor any of our affiliates will act as mergers and acquisitions adviser to any potential purchaser in respect of the Proposed Transaction.

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

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

(a) is an associated or affiliated entity or issuer insider (as such terms are defined for purposes of the Rules) of the Company or its respective associates or affiliates;

(b) is a manager or co-manager of a soliciting dealer group formed in respect of the Proposed Transaction (or a member of such a group performing services beyond the customary soliciting dealer's functions or receiving more than the per security or per security holder fees payable to the other members of the group);

(c) has a material financial incentive in respect of the conclusions reached in the Fairness Opinion;

(d) has a material financial interest in the completion of the Proposed Transaction;

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

(f) is a lead or co-lead lender or manager of a lending syndicate in respect of the Proposed Transaction or a lender of a material amount of indebtedness of the Company or of any of its respective subsidiaries.

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

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

SCOPE OF REVIEW

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

- letter of intent dated March 24th, 2011 between the Company and Reservoir Minerals;
- Definitive and Arrangement Agreement entered into between the Company and Reservoir Minerals;
- audited consolidated financial statements of the Company for the three fiscal years ended as at April 30th, 2010, April 30th, 2009 and April 30th, 2008;
- unaudited consolidated interim financial statements of the Company for the nine months ended and as at January 31st, 2011 and six months ended October 31st, 2010 with comparative figures for the same periods in the prior year;
- management's discussion and analysis of the financial condition and results of the operations of the Company for the three years ended and as at April 30th, 2010, April 30th, 2009 and April 30th, 2008;
- management's discussion and analysis of the financial condition and results of the operations of the Company for the nine months ended and as at January 31, 2011 and the six months ended October 31, 2010 with comparative figures for the same periods in the prior year;
- notices of annual meetings of Shareholders and management information circulars of the Company;
- technical report on the Parlozi property (the "Technical Report");

- discussions with management with respect to the information referred to above and other issues considered relevant, including the outlook for the Company;

- representations contained in a representation letter (the "Representation Letter") addressed to NCP dated as of September 12, 2011, signed by the Chief Executive Officer and Chief Financial Officer of the Company as to, among other things, the completeness and accuracy of the information provided by the Company upon which the Fairness Opinion is based;

- various research publications prepared by equity research analysts and independent market researchers regarding the mineral exploration industry, the Company and other selected public companies considered relevant;

- public information relating to the business, operations, financial performance and trading history of the Company and other selected public companies considered relevant;

- public information with respect to precedent transactions of a comparable nature considered relevant; and

- such other corporate, project, industry and financial market information, investigations and analyses as NCP considered necessary or appropriate in the circumstances.

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

ASSUMPTIONS AND LIMITATIONS

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

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

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

The Independent Directors, the Chief Executive Officer and the Chief Financial Officer of the Company have each represented to NCP that the contents of the Circular will be true and correct in all material respects and will not contain any misrepresentations (as such term is defined in the *Securities Act* (Ontario)) and the Circular will comply with all requirements under applicable laws.

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

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

The Fairness Opinion is provided as of September 12, 2011, and NCP disclaims any undertaking or obligation to advise any person of any change in any fact or matter

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

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

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

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

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

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

METHODOLOGY AND ANALYSIS

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

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

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

The Independent Directors, the Chief Executive Officer and the Chief Financial Officer of the Company have each represented to NCP that the contents of the Circular will be true and correct in all material respects and will not contain any misrepresentations (as such term is defined in the *Securities Act* (Ontario)) and the Circular will comply with all requirements under applicable laws.

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

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

The Fairness Opinion is provided as of September 12, 2011, and NCP disclaims any undertaking or obligation to advise any person of any change in any fact or matter

APPENDIX "F" - SECTIONS 237-247 OF THE BCBCA

Division 2 — Dissent Proceedings

Definitions and application

237 (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person

who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under

subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

APPENDIX "G" – INFORMATION CONCERNING MINERALS

APPENDIX "G"
INFORMATION CONCERNING MINERALS

NOTICE TO READER

Capitalized words, phrases and abbreviations used in this Appendix "G" but not defined herein shall have the same meanings ascribed to such words, phrases and abbreviations as in the Glossary of Terms contained in the Circular to which this Appendix "G" is attached.

As at the date hereof, Minerals has not carried on any active business other than in connection with the Arrangement and the identification and review of potential mineral exploration and development opportunities in international jurisdictions. The Arrangement provides Reservoir Capital Shareholders with the opportunity to participate as a shareholder of Minerals. Assuming the Arrangement Resolution is approved, on the basis of 46,701,698 issued and outstanding Reservoir Capital Shares as at September 8, 2011 and 53,142,206 issued and outstanding Reservoir Capital Shares as at September 8, 2011 on a fully diluted basis, it is expected that a Reservoir Capital shareholder will receive, for each Reservoir Capital Share held, between 0.162 and 0.189 of a Minerals Share for each Reservoir Capital Share held upon completion of the Arrangement. See "*Part III – The Arrangement*" and "*Part III – The Arrangement – Rights of Dissenting Shareholders*" in the Circular. Unless otherwise noted, the disclosure in this Appendix has been prepared assuming the issuance of such Minerals Shares.

No securities regulatory authority has expressed an opinion about the Arrangement or the Minerals Shares to be issued pursuant to the Arrangement and it is an offence to claim otherwise.

An investment in Minerals should be considered highly speculative due to the nature of its activities and the present stage of its development. Minerals was incorporated for the sole purpose of participating in the Arrangement and has not carried on any material business other than in connection with the Arrangement and related matters. See "*Risk Factors*".

The following information is a summary of the business and affairs of Minerals and should be read together with the more detailed information and financial data and statements regarding Minerals and the Arrangement contained elsewhere in the Circular.

In this Appendix, dollar amounts are expressed in Canadian dollars unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This Appendix and the documents incorporated by reference herein contain forward-looking statements. All statements other than statements of historical fact contained in this Appendix are forward-looking statements, including but not limited to operational information, future exploration and development plans and anticipated future production and resources. Reference is made to "Information Circular – Forward-Looking Statements" in the body of the Information Circular for information regarding forward-looking statements. The forward-looking statements contained in this Appendix are expressly qualified in their entirety by the cautionary statements set forth in the body of the Information Circular under "Information Circular – Forward-Looking Statements". Readers are cautioned not to place undue reliance on forward-looking statements contained in this Appendix, which reflect the analysis of the management of Minerals only as of the date of the Information Circular. None of Reservoir Capital or Minerals undertakes any obligation to release publicly the results of any revision to these forward-looking statements which may be made to reflect events or circumstances after the date of the Circular or to reflect the occurrence of unanticipated events, except as required by applicable Canadian securities laws.

FOREIGN JURISDICTIONS

Certain proposed officers and directors of Minerals as set out in this Appendix are non-residents of Canada. Although such proposed officers and directors will appoint, prior to the closing of the Arrangement, Borden Ladner Gervais LLP, 1900, 520 – 3rd Ave S.W., Calgary, Alberta, T2P 0R3, as their respective agent for service of process in Canada, it may not be possible for an investor to enforce judgments granted by a court in Canada against such proposed officers and directors.

GLOSSARY OF TECHNICAL TERMS

"***adit***" – a horizontal or nearly horizontal passage driven from the surface for the working of a mine.

"***andesitic magmatism***" – the formation of igneous rocks of andesitic composition.

"***dacitic magmatism***" – the formation of igneous rocks of dacitic composition.

"***diamond drill***" – a type of rotary drill in which the cutting is done by abrasion rather than by percussion. The drill cuts a core of rock which is recovered in long cylindrical sections.

"***facies***" – the character of a rock expressed by its formation and composition, most commonly used when describing sedimentary or metamorphic rocks. Sedimentary facies are described based on features such as grain size, composition, fossil content and sedimentary structures. Metamorphic facies are described based on the mineral assemblage of the rock.

"***fault***" – a fracture in a rock where there has been displacement of the two sides.

"***fracture***" – breaks in a rock, usually due to intensive folding or faulting.

"***indicated mineral resource***" – mineral resources for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

"***inferred mineral resource***" – mineral resources for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological grade and continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

"***manto***" – a blanket-like replacement of rock (commonly limestone) by ore. In some districts, the term has been modified to designate a pipe-shaped deposit confined within a single stratigraphic horizon.

"***marls***" – a variety of materials, most of which occur as loose, earthy deposits consisting chiefly of an intimate mixture of clay and calcium carbonate.

"***measured mineral resource***" – the part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

"***mineral reserve***" – the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of

reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined.

"***mineralization***" or "***resources***" or "***mineral resources***" – is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

"***orogeny***" – a period of mountain building.

"***porphyry***" – an igneous rock of any composition that contains conspicuously larger crystals (known as phenocrysts) in a fine-grained ground mass.

"***probable mineral reserve***" – is the economically mineable part of an indicated, and in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

"***proven mineral reserve***" –- is the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

"***pyrite***" – a mineral containing iron sulphide.

"***pyroclastic***" – rock formed by the mechanical combination of volcanic fragments.

"***qualified person***" – is an individual who is an engineer or geoscientist with at least five years experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; and has experience relevant to the subject matter of the mineral project; and who is a member in good standing of a recognized self-regulatory organization of engineers or geoscientists.

"***slag***" – stony waste matter separated from metals during the smelting or refining of mineralized rock.

"***strike***" – the course or bearing of a layer of rock.

"***vein***" – an epigenetic mineral filling of a fault or other fracture, in tabular or sheetlike form, often with associated replacement of the host rock; a mineral deposit of this form and origin.

CORPORATE STRUCTURE

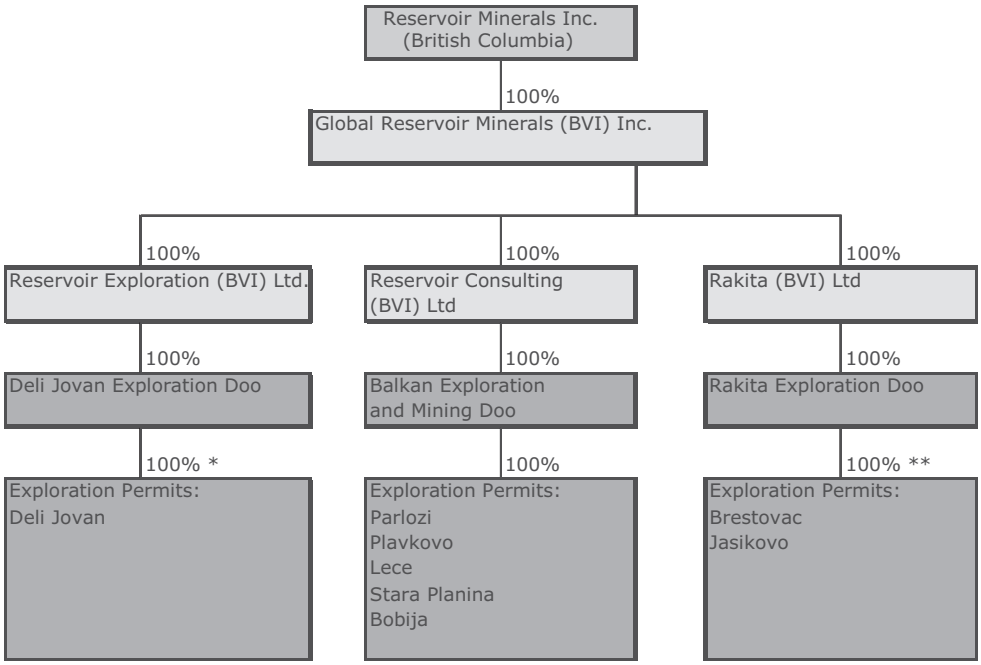
Name, Address and Incorporation

Minerals was incorporated under the BCBCA on January 25, 2011 for the purpose of effecting a spin-out of the Mining Assets. Minerals intends to file an amendment to its articles to remove its share transfer restrictions immediately prior to the Effective Time of the Arrangement. If the Arrangement is completed in accordance with its terms, Minerals will be a reporting issuer in the Provinces of Alberta, British Columbia and Ontario on the Effective Date.

Minerals' registered office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia V7X 1T2 and its corporate head office is located at 501-543 Granville Street, Vancouver, British Columbia V6C 1X8.

Intercorporate Relationships

Minerals currently has one wholly-owned subsidiary, Minerals BVI, incorporated on July 12, 2011 under the laws of the British Virgin Islands as a holding company in connection with carrying out the Mineral Exploration Business. The following diagram describes the intercorporate relationships among Minerals and its material direct and indirect subsidiaries following completion of the Arrangement.



* - subject to an agreement whereby Orogen Gold Ltd may earn a 75% interest
** - subject to an agreement whereby Freeport McMoRan Exploration Corp may earn a 75% interest

Reservoir Exploration (BVI) Ltd., Reservoir Consulting (BVI) Ltd. and Rakita (BVI) Ltd. are collectively referred to herein as the "**Minerals (BVI) Group**". The Minerals (BVI) Group and Deli Jovan

Exploration Doo, Balkan Exploration and Mining Doo and Rakita Exploration Doo are collectively referred to herein as the "**Minerals Group**".

Assuming the Arrangement Agreement is approved at the Meeting, following the Effective Time, Minerals will carry on the Mineral Exploration Business with respect to the Mining Assets as currently conducted by the Minerals Group.

GENERAL DEVELOPMENT OF THE BUSINESS

General

Minerals was incorporated for the purpose of effecting a spin-out of the Mining Assets and has not carried on any active business other than in connection with the Arrangement and the identification and review of potential mineral exploration and development opportunities in international jurisdictions. Following completion of the Arrangement, Minerals and its subsidiaries will carry on the business currently carried on by the Minerals Group. A description of the business of the Minerals Group is provided in this Appendix.

Audited financial statements for Minerals as at July 31, 2011 are attached as Schedule "A" to this Appendix, together with the auditor's report thereon, and unaudited pro forma consolidated financial statements of Minerals as at July 31, 2011, prepared as if the acquisition of the Mining Assets by Minerals had occurred on July 31, 2011, are attached as Schedule "B" to this Appendix.

Arrangement, Private Placement and Other Matters to be Considered at the Meeting

The Arrangement

Pursuant to the Arrangement, on the basis of 46,701,698 issued and outstanding Reservoir Capital Shares as at September 8, 2011 and 53,142,206 issued and outstanding Reservoir Capital Shares as at September 8, 2011 on a fully diluted basis, it is expected that a Reservoir Capital Shareholder will receive, for each Reservoir Capital share held, between 0.162 and 0.189 of a Minerals Share for each Reservoir Capital Share held upon completion of the Arrangement. See "*Part III – The Arrangement*" and "*Part III – The Arrangement – Rights of Dissenting Shareholders*" in the Circular.

Minerals Private Placement

On May 20, 2011, Minerals completed a non-brokered private placement financing of 14,776,150 non-transferable Subscription Receipts at a price of $0.65 per Subscription Receipt for aggregate gross proceeds of $9,604,498. Each Subscription Receipt will entitle the holder to receive, upon satisfaction of the Release Conditions, one Minerals Unit. Each Minerals Unit consists of one Minerals Share and one Minerals Warrant with each whole Minerals Warrant entitling the holder to purchase one Minerals Share for a period of two years from the date of conversion of the Subscription Receipts at an exercise price of $0.90 in the first year and $1.00 in the second year subject to accelerated expiry in certain circumstances.

In connection with the Private Placement, Minerals issued 429,882 non-transferable compensation option receipts ("**Compensation Option Receipts**") of Minerals to finders, equal to 4% of the aggregate number of Subscription Receipts issued to subscribers to the Private Placement introduced by such finders. Upon the conversion of the Subscription Receipts and the provision of escrowed proceeds to Minerals pursuant to a subscription receipt agreement (the "**Subscription Receipt Agreement**") between Minerals and Computershare Trust Company of Canada as escrow agent ("**Escrow Agent**"), each Compensation Option Receipt shall automatically, for no additional consideration, be exchanged for a Unit. If the

Subscription Receipts do not convert, the Compensation Option Receipts will immediately become null and void and no Units will be issued.

The Subscription Receipts are issued pursuant to the terms of the Subscription Receipt Agreement. The gross proceeds from the sale of Subscription Receipts have been deposited with the Escrow Agent pursuant to the terms of the Subscription Receipt Agreement. The Subscription Receipt Agreement provides, among other things, that upon the satisfaction of the Release Conditions, the gross proceeds and any interest thereon will be released from escrow and delivered to Minerals. In the event that the Release Conditions are not satisfied within 150 days of the closing of the Private Placement, the gross proceeds shall be returned to the subscribers to the Private Placement.

On March 15, 2011, Minerals completed an initial seed share private placement of 1,900,000 Minerals Shares at $0.10 per share. Upon incorporation on January 25, 2011, Minerals issued 100 incorporator Minerals Shares to the incorporator thereof.

TSX-V Listing and Securities Law Matters

Minerals has applied to list the Minerals Shares on the Exchange. Listing of the Minerals Shares on the Exchange will be subject to Minerals meeting the minimum listing requirements of the Exchange.

Upon completion of the Arrangement, Minerals will become a reporting issuer in the Provinces of Alberta, British Columbia and Ontario on the Effective Date, and will become subject to the informational reporting requirements under applicable Canadian securities laws.

Other Matters to be Considered at the Meeting

At the Meeting, Reservoir Capital Shareholders will be asked to consider and, if deemed advisable, ratify and approve the adoption by Minerals of the Minerals Stock Option Plan, which will authorize the Minerals Board of Directors to issue stock options to directors, officers, employees and other service providers of Minerals and its subsidiaries. To be adopted, the ordinary resolution must be approved by a simple majority of votes cast at the Meeting by Reservoir Capital Shareholders. A copy of the Minerals Stock Option Plan is set out in Appendix "J" to the Circular. See "*Part V – Approval of Minerals Stock Option Plan*" in the Circular.

Bankruptcy and Similar Procedures

There have been no bankruptcy, receivership or similar proceedings against Minerals, or any voluntary receivership, bankruptcy or similar proceedings by Minerals, within the three most recently completed financial years or completed during or proposed for the current financial year.

Material Restructuring Transactions

Other than the Arrangement, there have been no material restructuring transactions of Minerals within the three most recently completed financial years or completed during or proposed for the current financial year. See "*Part III - The Arrangement*" in the Circular.

Social and Environmental Policies

As Minerals was incorporated for the purpose of effecting a spin-out of the Mining Assets and has not carried on any active business other than in connection with the Arrangement and the identification and

review of potential mineral exploration and development opportunities in international jurisdictions, Minerals has not yet implemented any social or environmental policies.

Minerals will be committed to meeting industry standards in each jurisdiction in which it operates with respect to human rights, environment, health and safety policies. Management, employees and contractors will be governed by and required to comply with Mineral Group's pending environment, health and safety policy as well as all applicable federal, provincial and municipal legislations and regulations.

It will be the primary responsibility of the country managers, supervisors and other senior field staff of the Minerals Group to oversee safe work practices and ensure that rules, regulations, policies and procedures are being followed. Minerals will establish roles and responsibilities to facilitate effective management of this policy throughout the organization.

DESCRIPTION OF BUSINESS

Minerals was recently incorporated and has not carried on business. It was formed for the purpose of acquiring the Mining Assets and will be a Canadian based mineral exploration and development company carrying on the Mineral Exploration Business. Pursuant to the Arrangement, the Mining Assets shall be transferred by Reservoir Capital to Minerals and Minerals shall issue the Mineral Share Consideration therefor to Reservoir Capital in accordance with the term and conditions of the Arrangement Agreement. Following completion of the Arrangement and the conversion of the Subscription Receipts, including the release of the proceeds of the Private Placement to Minerals, Minerals and its subsidiaries will carry on the business currently carried on by the Minerals (BVI) Group and their subsidiaries and it is currently estimated that Minerals and the Minerals (BVI) Group will have approximately $9,100,000 of working capital immediately after closing of the Arrangement. This estimate of working capital is inherently difficult and dependent upon assumptions such as future results of operations, foreign exchange rate fluctuations, costs of the Arrangement and other factors. The actual working capital amount at the close of the Arrangement may be materially different than the current estimate.

Reservoir Exploration (BVI) Ltd., incorporated on March 16, 2010 under the laws of the British Virgin Islands, wholly owns Deli Jovan Exploration D.o.o., incorporated on July 27, 2010 under the laws of Serbia. Deli Jovan Exploration D.o.o. holds the Deli Jovan exploration permits.

Reservoir Consulting (BVI) Ltd., incorporated on July 16, 2010 under the laws of the British Virgin Islands, wholly owns Balkan Exploration and Mining D.o.o., incorporated on October 5, 2010 under the laws of Serbia. Balkan Exploration and Mining D.o.o. holds the Parlozi, Plavkovo, Lece, Stara Planina and Bobija exploration permits.

Rakita (BVI) Ltd., incorporated on February 16, 2007 under the laws of the British Virgin Islands, wholly owns Rakita Exploration D.o.o., incorporated on March 9, 2007 under the laws of Serbia. Rakita Exploration D.o.o. holds the Brestovac and Jasikovo exploration permits.

MINERAL PROJECTS

Upon completion of the Arrangement, Minerals will own the Mining Assets, consisting of a portfolio of eight mineral properties in Serbia, targeting base and precious metals, through its direct and indirect wholly-owned subsidiaries and conduct the Mineral Exploration Business.

Qualifying Property

Parlozi Property

The following summary of the Parlozi property, the Qualifying Property (as defined in the Policies of the TSXV) of the Corporation, is based upon, and in some cases may be extracted directly from, the technical report entitled "Independent Technical Report on the Parlozi Property, Serbia, NI 43-101 Technical Report" prepared by Mr. A.J. Tunningley: MGEOL (Hons), MAusIMM (CP), MSEG dated July 17, 2011 (the "**Parlozi Technical Report**"). A copy of the Parlozi Technical Report will be available on SEDAR under Minerals' SEDAR profile following the completion of the Arrangement.

(1) Project Description and Location

The Parlozi property is located in central Serbia, approximately 35 kilometres south of Belgrade.

The Parlozi property comprises a single exploration permit called the Babe-Ljuta Strana exploration permit (the "**Parlozi Permit**"), centred on latitude 44.59˚N and longitude 20.50˚E, and covers an area of 92 square kilometres. No physical staking of the property boundaries is required. Corner coordinates of the Parlozi Permit are recorded and held by the Serbian Ministry of Environment, Mining and Special Planning.

Six prospects have been recognised within the Parlozi property area to date: Parlozi, Glavcine, Maxim, Plandiste, Kosmaj and Ljuta Strana. The majority of these prospects have been subject to previous exploration and limited underground development.

The Parlozi Permit was granted to Preduzece za Mineralne Sirovine SEE d.o.o ("**SEE**"), a Serbian registered company, on September 30, 2007. SEE is a 100% owned subsidiary of Reservoir Capital and held 100% of the Parlozi Permit until April 29, 2011. On May 4, 2011 the Parlozi Permit was relinquished and reapplied for in the name of Balkan Exploration and Mining d.o.o., which is a 100 % owned Serbian subsidiary of Reservoir Capital and currently holds 100% of the Parlozi Permit.

A royalty of 3% net smelter return is payable to the Serbian government under Article 15 of the *Law on Amendments and Supplements of the Mining Law* (Serbia).

There are no other royalties, back-in rights, payments or other agreements or encumbrances on the Parlozi property.

The application procedure for the Parlozi Permit requires the applicant to obtain an environmental protection plan from the Serbian Institute for the Protection of Nature ("**SIPN**") and a technical protection plan from the Serbian Institute for the Protection of Cultural Monuments ("**SIPCM**"). Both of these documents were submitted as part of the application for the Parlozi Permit and the Parlozi Permit was subsequently granted. No environmental liabilities are presented in the Parlozi Permit or disclosed separately by SIPN or SIPCM.

The Parlozi Permit expires on May 1, 2012 but can be renewed on an annual basis assuming the following obligations are met:

- fulfillment of the previous annual work program as approved by the Serbian Ministry of Environment, Mining and Special Planning, such proposed work program currently being $228,000;

- exploration work must commence within 30 days of the date upon which the Parlozi Permit was granted; and

- results of the exploration work must be reported to the Serbian Ministry of Environment, Mining and Special Planning within 60 days of the expiry date.

Historically, Reservoir Capital and its subsidiaries have been successful in the annual renewal of mineral exploration permits with the Serbian Ministry of Environment, Mining and Special Planning, however no assurances can be made regarding future exploration permit renewals.

An exploration permit allows for all exploration activities to be conducted. Surface rights are held by private landowners for agricultural use. Forested areas are held by a state owned public enterprise.

The transfer of rights from an exploration permit to an exploitation permit are regulated under paragraph 17 of the *2005 Act on the Amendments to the Mining Act 1995* (Serbia). Subject to certain conditions, a discovery by the owner of an exploration permit within the boundaries of the exploration permit, can be transferred to an exploitation permit.

No other permits are required in order to conduct the work proposed for the property. Negotiations with the landowners are required with regards to rights of access to sites for drilling and trenching. Reservoir Capital has good relationships with local landowners and stakeholders. To date, Reservoir Capital has not had any problems in gaining access to any part of the Parlozi Permit for exploration activities, including drilling. Reservoir Capital does not foresee any problems in gaining access to the Parlozi Permit for future explorations.

(2) Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Parlozi property is readily accessed by asphalt road from Belgrade. Each prospect area can be accessed by dirt track and/or short walk from the asphalt roads. From Belgrade, asphalt trunk roads numbered 22 and 107 provide access to the western parts of the Parlozi property area, and road number 200 gives access to the eastern and southern areas. A railway and station is located at the village of Ralja, 10 kilometres east of the Parlozi prospect.

Serbia is subject to a continental climate with minimum winter temperatures (October to March) dropping to below -20˚C and maximum summer temperatures exceeding 35˚C, peaking in July. The Belgrade area enjoys an average annual temperature of 10.9˚C. Average annual precipitation is 785 millimetres including some snow in the winter. Operating season is year-round, with surface mapping partially limited by snowfall during the winter months.

The Parlozi property area is characterised by low rolling hills ranging from 160 metres to 408 metres above sea level. Narrow, shallow streams dissect the project area with seasonal flow. Pruten River in the south of the project area flows year-round. The majority of the surface area is used as agricultural land, with approximately 25-30% of the area covered by forest.

Belgrade, Serbia's capital city, is located 35 kilometres north of the Parlozi project and has an international airport and rail network. Skilled exploration and mining personnel are available in Serbia, which has an established mining industry. Numerous small villages with populations of <3,000 inhabitants are located within and proximal to the project area, and are capable of supplying unskilled labour.

An electrical power grid crosscuts the project area and could provide sufficient power for a mining operation. Water is available from the local drainages and groundwater. There are sufficient areas within the Parlozi Permit for potential future tailings storage, waste disposal, heap leach pad and other potential processing plant sites should they be required.

Surface rights for mining operations must be negotiated with landowners.

(3) History

The Parlozi property has a long history of exploration and mining of silver, lead and zinc dating back to Roman times (1st to 4th Century A.D). Evidence of this work is observed in the field around the Parlozi and Glavcine prospects as primitive, shallow pits and intermittent deposits of slag on hillsides over a total area of five square kilometres. A major slag dump is observed at the Glavcine, at surface over an area of one square kilometre, indicative of an extensive period of mining.

Exploration activity recommenced between 1889 and approximately 1939 (commencement of the Second World War) and was conducted by a number of companies including Ministry of Economy of the Kingdom of Serbia; Bergeverkaktiebolaget Kosmai; Helsingborg (Sweden); Societe Miniere et Metalurgique de Penarroya (France) and a private individual Antonijevic. During this period 14 adits, four shallow shafts and two short declines were constructed and focussed on areas previously worked during Roman times. Exact locations of these underground works are not known due to their partial collapse and vegetation growth. Results of the work are not well documented.

During the 1960s, Geozavod (Serbian Geological Survey) and later the Department for Geological Exploration, Trepca Mine, undertook various exploration programs in the Parlozi property area including geological mapping, mineralogical studies, geochemical and geophysical surveys and seven diamond drill holes totalling 2,255 metres.

Between 1976 and 1990 the Serbian Geo Institute ("**Geo Institute**") conducted geological mapping, geochemical sampling, geophysics surveys and completed 29 diamond drill holes totalling 12,850 metres.

Exploration adits are observed at the Ljuta Strana, Parlozi, Kosmaj, Maxim and Plandiste prospects. Timing of these works is unknown. Waste piles and slag are evident in large quantities in gullies at both the Parlozi and Ljuta Strana prospects, however there are no production records. Adits and shafts are in poor condition, partially collapsed and require rehabilitation prior to being accessed for further exploration work.

Based on ten of the drill holes (totalling 4,507.80 metres) completed by Geo Institute, an historic resource estimate was calculated in 1986 for the Parlozi prospect for the Serbian Ministry of Mines and Energy and classified according to the Yugoslav reporting system. The resource was not gazzetted in the Yugoslav state resource inventory. The resource estimate is based on five mineralized horizons along a strike length of approximately 300 metres and between 200 and 500 metres below surface. The total C1 plus C2 resource estimate was calculated as 6.5 million tonnes at 130 parts per million silver, 4.07 % lead, 2.12 % zinc and 0.26 % copper. Gold was not routinely assayed as part of the Geo Institute exploration program.

Due to the small number of drill intersects used in the Geo Institute historical resource estimate, the historical estimate should be considered solely as a guide in planning further exploration. The mineralized zones defined by the historic work are open at depth and along strike and are interpreted as stratabound, manto type mineralization. Given that only two sections contain more than one drill hole, further work is required to determine the orientation of and structural controls on mineralization.

This historical estimate was calculated by Radulovic in 1986. This historical resource estimate was not estimated under the guidance of the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") NI 43-101. This historical resource estimate does not meet the CIM definition standard since the estimate has been classified using a foreign code which does not comply with NI 43-101. The historical resource estimate should not be relied upon in any way. The historical resource estimate is considered as relevant as a guide to future exploration and is included for reference purposes only. Table 1 shows the key assumptions, parameters and methods used to calculate the historical resource estimate. The historical resource estimate does not use the categories set out in sections 1.2 and 1.3 of NI 43-101. For readers not familiar with Yugoslav mineral estimates, such estimates were always stated as "reserves" and classified according to the A+B+C1+C2 or "alphabetical" classification, which was derived from the Russian system and is still applied throughout many countries in southeast Europe. The reserves had to be approved by the official Commission for Ore Reserves. The A, B, C1 and C2 categories reflect the levels of confidence in the actual tonnage exploited from a reserve, with confidence levels being - 95%, 80%, 70% and 35% respectively. The alphabetical classification system has been evaluated with respect to the compliant codes in Canada and Australia, and it has concluded that A+B is comparable to "measured", C1 to "indicated" and C2 to "inferred" in internationally acceptable codes for reporting resources. However, these comparisons are only an approximation, and cannot be considered as equivalents. The historical resource estimate does not include any more recent estimates or data. In order to verify and/or upgrade the historical resource estimate as current mineral resources or mineral reserves, further drilling is required. Given that only two sections contain more than one drill hole and that historic drill core is not available, further drilling is required to determine the orientation of and structural controls on mineralization. This work would include twinning historic drill holes, additional infill drilling, and resource estimation using modern interploation methods to conform to CIM standards. A qualified person has not done sufficient work to classify the historical resource estimate as current mineral resources or mineral reserves. Neither Reservoir Capital nor Minerals is treating the historical resource estimate as current mineral resources or mineral reserves.

An additional historical resource estimate for the Parlozi property by the Serbian Ministry of Mines and Energy classified according to the Yugoslav reporting system was prepared in 2003. The historical resource estimate includes C1 category resources containing 1.79 million tonnes at 163 parts per million silver, 7.11 % lead, 1.46 % zinc and 0.16 % copper and C2 category resources containing 8.37 million tonnes at 98 parts per million silver, 2.85% lead, 3.00 % zinc and 0.2 % copper. There is no information detailing when or how the above historical resource estimate was calculated, or what data was used to calculate the historical resource estimate. As a result it is not possible to comment on what further work is required to verify and/or upgrade this historical resource estimate as a current mineral resource or mineral reserve. This historical resource estimate is considered unreliable and the historical resource estimate previously discussed is a more useful guide to future exploration and of greater relevance.

The additional historical resource estimate was calculated by Jelenkovic in 2003. This historical resource estimate was not estimated under the guidance of NI 43-101. A qualified person has not done sufficient work to classify the historical resource estimate as current mineral resources or mineral reserves, and neither Reservoir Capital or Minerals is treating the historical resource estimate as current mineral resources or mineral reserves. This historical resource estimate does not meet the Canadian Institute of Mining, Metallurgy and Petroleum definition standard since the estimate has been classified using a foreign code which does not comply with NI 43-101. The historical resource estimate should not be relied upon in any way. The historical resource estimate was calculated prior to the establishment of the NI 43-101 reporting standards in February 2001 and thus is not compliant with the NI 43-101 mineral resource reporting code and is included for reference purposes only. The key assumptions, parameters and methods used to calculate the historical resource estimate are unknown. The historical resource estimate does not use the categories set out in sections 1.2 and 1.3 of NI 43-101. For readers not familiar with Yugoslav mineral estimates, such estimates were always stated as "reserves" and classified according to

the A+B+C1+C2 or "alphabetical" classification, which was derived from the Russian system and is still applied throughout many countries in southeast Europe. The reserves had to be approved by the official Commission for Ore Reserves. The A, B, C1 and C2 categories reflect the levels of confidence in the actual tonnage exploited from a reserve, with confidence levels being – 95%, 80%, 70% and 35% respectively. The alphabetical classification system has been evaluated with respect to the compliant codes in Canada and Australia, and it has concluded that A+B is comparable to "measured", C1 to "indicated" and C2 to "inferred" in internationally acceptable codes for reporting resources. However, these comparisons are only an approximation, and cannot be considered as equivalents. The historical resource estimate does not include any more recent estimates or data. In order to verify and/or upgrade the historical resource estimate as current mineral resources or mineral reserves, further drilling is required. Given that only two sections contain more than one drill hole and that historic drill core is not available, further drilling is required to determine the orientation of and structural controls on mineralization. This work would include twinning historic drill holes, additional infill drilling, and resource estimation using modern interpolation methods to conform to CIM standards. A qualified person has not done sufficient work to classify the historical resource estimate as current mineral resources or mineral reserves. Neither Reservoir Capital nor Minerals is treating the historical resource estimate as current mineral resources or mineral reserves.

Table 1: Historical Resource Estimate, Parlozi Prospect (Radulovic, 1986)

Body	Block	Block Area (m^2)	Block length (m)	Block Volume (m^3)	Block Density (t/m^3)	Historical Resource (t)	Resource Category	Average Historical Grade Zinc (%) Lead (%)	Copper (%)		Silver (ppm)
1	1	4000	96	384000	3.2	1228800	C2	1.81	1.04	0.19	85
	2	4200	70	294000	3.2	940800	C1	5.72	1.55	0.15	163
	3	2465	70	172550	3.2	552160	C2	0.9	1.23	0.23	85
	4	600	150	90000	3.2	288000	C2	1.67	1.77	0.26	248
	5	750	160	120000	3.1	372000	C2	1.33	0.78	0.77	10
					Sub Total:	**3381760**	**C1+C2**	**2.68**	**1.25**	**0.26**	**112**
2	1	713	130	92690	3.1	287300	C2	0.74	1.54	0.18	165
	2	270	120	32400	3.5	113400	C2	11.5	3.98	0.1	218
	3	1800	60	108000	3.3	356400	C1	8.98	1.2	0.2	317
	4	1330	50	66550	3.3	219450	C2	1.11	1.59	0.61	35
	5	156	140	21840	3.2	69900	C2	1.6	1.9	0.1	134
					Sub Total:	**1046450**	**C1+C2**	**4.85**	**1.72**	**0.26**	**193**
3	1	560	110	61600	3.3	203280	C2	3.84	3.31	0.15	74
	2	340	100	34000	3.3	112200	C2	16.94	10.38	0.07	231
	3	2124	70	148680	3.3	490600	C1	8.43	1.49	0.14	119
	4	4050	60	243000	3.3	802000	C2	2.43	5.86	0.31	67
					Sub Total:	**1608080**	**C1+C2**	**5.45**	**3.52**	**0.22**	**95**
4	1	297	70	20790	3.3	68000	C2	4.41	3.59	0.16	64
					Sub Total:	**68000**	**C2**	**4.41**	**3.59**	**0.16**	**64**
5	1	525	140	73500	3.3	242550	C2	7.66	1.55	0.32	240

2	624	60	37440	3.3	123000	C2	7.2	2.05	0.6	261
3	450	60	27000	3.4	91800	C2	8.4	11.4	0.45	268
				Sub Total:	**457350**	**C2**	**7.68**	**3.66**	**0.42**	**251**
				Total Historic Resource (C1+C2)	**6561640**	**C1+C2**	**4.07**	**2.07**	**0.26**	**130**
				Total Historic Resource (C1)	**1787800**	**C1**	**7.11**	**1.46**	**0.16**	**163**
				Total Historic Resource (C2)	**4773840**	**C2**	**2.93**	**2.3**	**0.3**	**118**

This historical estimate was calculated by Radulovic in 1986. This historical resource estimate was not estimated under the guidance of NI 43-101. This historical resource estimate does not meet the CIM definition standard since the estimate has been classified using a foreign code which does not comply with NI 43-101. The historical resource estimate should not be relied upon in any way. The historical resource estimate is considered as relevant as a guide to future exploration and is included for reference purposes only. Table 1 shows the key assumptions, parameters and methods used to calculate the historical resource estimate. The historical resource estimate does not use the categories set out in sections 1.2 and 1.3 of NI 43-101. For readers not familiar with Yugoslav mineral estimates, such estimates were always stated as "reserves" and classified according to the A+B+C1+C2 or "alphabetical" classification, which was derived from the Russian system and is still applied throughout many countries in southeast Europe. The reserves had to be approved by the official Commission for Ore Reserves. The A, B, C1 and C2 categories reflect the levels of confidence in the actual tonnage exploited from a reserve, with confidence levels being - 95%, 80%, 70% and 35% respectively. The alphabetical classification system has been evaluated with respect to the compliant codes in Canada and Australia, and it has concluded that A+B is comparable to "measured", C1 to "indicated" and C2 to "inferred" in internationally acceptable codes for reporting resources. However, these comparisons are only an approximation, and cannot be considered as equivalents. The historical resource estimate does not include any more recent estimates or data. In order to verify and/or upgrade the historical resource estimate as current mineral resources or mineral reserves, further drilling is required. Given that only two sections contain more than one drill hole and that historic drill core is not available, further drilling is required to determine the orientation of and structural controls on mineralization. This work would include twinning historic drill holes, additional infill drilling, and resource estimation using modern interploation methods to conform to CIM standards. A qualified person has not done sufficient work to classify the historical resource estimate as current mineral resources or mineral reserves. Neither Reservoir Capital nor Minerals is treating the historical resource estimate as current mineral resources or mineral reserves.

(4) Geological Setting

Serbia is located in the Alpine-Balkan-Carpathian-Dinaride region ("**ABCD**") (also referred to as the Carpatho-Balkan sector) of the Alpine-Himalayan orogenic belt, which formed during the African-Eurasian convergence during closure of the Tethys Ocean approximately 100 Ma. The ABCD is an arcuate, double-vergent orogen, with mineral deposits confined to three main belts in a back-arc setting: the Late Cretaceous metallogenic Banantite Belt; the Serbomacedonian-Rhodope metallogenic belt and the Inner Carpathian-Alpine belt. Tertiary sedimentary basins occur on the peripheries of the orogenic belts.

The Parlozi property is situated in the northwest trending Vardar zone, a northern extension of the Serbomacedonian-Rhodope metallogenic belt (also referred to as the Sumadija Metallogenic Belt), which is host to the major Trepca lead-zinc-silver deposit. Lead-zinc-silver mineral deposits in the Vardar zone are related to andesitic to dacitic magmatism hosted in Triassic to Cretaceous sedimentary facies composed of interbedded siltstone, sandstone, marl and limestone.

A regional northwest structural trend is observed related to thrust faults, with localised north-south trending strike slip faults.

Outcrop at the Parlozi project comprises Upper Jurassic to Lower Cretaceous interbedded sandstone, mudstone, siltstone, marl and limestone overlain by Upper Cretaceous siltstones and mudstones representative of a flysch sequence.

Sedimentary units are intruded by coarse-grained porphyritic to pegmatitic granitic dykes and small stocks in the Ljuta Strana area. Rhyolitic to quartz latite dykes and sills are observed in the south of the project area and crop out at the Parlozi and Plandiste prospects. These intrusive units are interpreted as Tertiary age and are interpreted as being spatially and temporally related to mineralization. Immediately east of the Parlozi Permit a dolerite stock is observed. The timing and importance of this unit in relation to mineralization is unknown.

Quaternary sedimentary cover has been deposited in basins east and west of the Parlozi property area.

Northwest trending faults, interpreted as thrust faults, are observed juxtaposing Jurassic rocks over Upper Cretaceous rocks in the northeast of the Parlozi property area. North-south trending faults are inferred at the Parlozi, Plandiste and Maxim prospects and are spatially associated with mineralization. Sedimentary rocks are weakly deformed and form a series of gently folded, southeast plunging folds.

Outcrop is largely restricted to road cuts, incised gullies and hilltops due to extensive agricultural land or forested areas.

(5) Exploration

Reservoir Capital has collected 18 surface geochemical samples, drilled one diamond drill hole totalling 600 metres and completed an extensive data review at the Parlozi property, including the purchase of historic resource estimate calculations from the Serbian Ministry of Mining and Energy. Interpretation of the exploration results indicates that the Parlozi project displays good exploration potential for fault hosted and manto style, polymetallic mineralization and that further work is warranted to explore this potential.

Reservoir Capital collected seven rockchip samples from the Parlozi prospect, four rockchip samples from the Glavcine prospect and seven rockchip samples from the Ljuta Strana prospect.

Results show elevated gold, silver and lead at Ljuta Strana prospect from waste dumps of gossanous material and high lead content of slag material at the Glavcine prospect. Sampling of mineralized outcrop is limited by the extensive soil and woodland over the project area, hence the majority of the samples are taken from float or waste dumps at surface. These samples are considered representative of the mineralization on the property. A bias towards high grade minerlisation is likely where samples were collected proximal to historic workings or from waste piles.

One diamond drill hole was drilled by Reservoir Capital at the Parlozi prospect in August 2008.

Sections of drill core were sampled, prepared and analysed for gold using fire assay with AAS finish and multi-element using ICP/MS analysis. Petrology was conducted on 25 diamond drill core samples by Danica Srećković-Batoćanin (Institute for Petrology and Geochemistry: Faculty for Mining and Geology, Belgrade) which determined the presence of skarn alteration in carbonate units and widespread sericite alteration of other lithologies.

Twenty two samples from diamond drill core were submitted to Ing Slobodan Radosavljević (Institute for Technology of Nuclear and other Minerals and Raw Materials) for ore mineral petrology using polished sections. This work determined that mineralization comprises lead, zinc, copper and silver with a mineral assemblage of galena, sphalerite, chalcopyrite, tetrahedrite, freibergite, pyrite and arsenopyrite. Rare native gold, electrum and cassiterite were observed. Sulphide mineralization was reported to be hosted by quartz with minor siderite and calcite.

Reservoir Capital has acquired various data and reports relating to historic exploration of the Parlozi property area, including geology maps at various scales, drill logs and assay results, historic resource estimates, and airborne and ground based geophysical surveys. This data has been compiled into a database and has been used to prioritise areas for follow up field work. Results of this data review led to the recognition by Reservoir Capital of the Parlozi, Glavcine, Kosmaj, Maxim, Plandiste and Ljuta Strana prospect areas.

(6) Mineralization

Six prospects have been identified to date within the Parlozi Permit. Of these, Parlozi has been the focus of the majority of historic work. Mineralization varies between discordant vein type and stratabound replacement type. Mineralization at each prospect is described below.

The Parlozi prospect is hosted in shallowly dipping Upper Cretaceous siltstones, marl and limestone, intruded by rhyolitic to quartz latite dykes and sills up to five metres wide. Alteration comprises chlorite-epidote alteration of marl and limestone units distal to intrusive rocks. Silica flooding of siltstone proximal to intrusive rocks, and silica flooding of intrusive rocks with moderate, fine-grained, disseminated pyrite and arsenopyrite is observed.

Historical drilling indicates that mineralization forms a mineralized zone which strikes north over >300 metres and occurs between 200 and 500 metres below surface. Mineralization comprises more than five individual, moderately to steeply west dipping, sub-parallel massive sulphide zones. Individual sulphide zones are between 50 centimetres and two metres thick, displaying a tabular, locally discontinuous morphology. Such zones are composed of massive to strongly disseminated and blebby sulphide. The sulphide assemblage comprises arsenopyrite-pyrite-pyrrhotite proximal to intrusive rock, with pyrite-galena-sphalerite distal to intrusive rock.

Observations from drill core indicate that the sulphide zones occur as both statabound mantos and as discordant, massive sulphide filling sub-vertical fault zones. Mantos are recognised by disseminated and blebby sulphide replacing limestone, marl and volcaniclastic units. Mineralized fault zones are recognised in drill core by strong fracturing of the host rock adjacent to massive sulphide, with weak disseminated sulphide and chlorite-epidote alteration of the wall rock. Massive sulphide hosted in fault zones is commonly fractured and crosscut by chlorite veinlets and later quartz-carbonate veinlets.

The Glavcine prospect is hosted by Upper Cretaceous sedimentary rocks and comprises a north-east striking fault with numerous historic workings at surface and a large area of slag material. Workings are observed over a strike length of >300 metres. Mineralization is not observed in surface outcrop due to woodland, extensive slag, and snow at the time of the author's visit.

The Kosmaj prospect is hosted in a shallowly north dipping sandstone and siltstone sequence, and comprises a single subvertical vein. The vein is <70 centimetres wide and strikes over at least 100 metres. Vertical extent has not been tested. The vein is composed of massive hematite-goethite-limonite after sulphides. A small (15 metres long) adit has been constructed along the vein however the adit has partially collapsed.

The Maxim prospect is hosted in bedded sandstone and siltsone and has been historically explored through construction of an approximately 70 metre long adit. Access is not currently possible due to poor condition of the adit. Field observations indicate that the prospect was explored due to its high pyrite content hosted in narrow subvertical veins proximal to a rhyolitic dyke.

The Plandiste prospect is hosted in the same Upper Cretaceous units as Kosmaj, and is also proximal to a ten metre wide, subvertical rhyolitic dyke. An historic adit extends northwards 440 metres and intercepted a sulphide vein zone measuring 100 metres by 60 metres in plan, with a vertical extent of approximately 150 metres.

Mineralization at the Ljuta Strana prospect has not been observed due to snow cover and lack of access to an historic adit.

Historic exploration was targeting fault hosted iron oxide rich mineralization at the contact between granitoid dykes and limestone. Fault zones are reported to vary between <50 centimetres and three metres in width over a strike length of <700 metres. Vertical extent of the mineralization is not known. Host rocks are weakly pyrite altered, with trace disseminated galenasphalerite.

(7) Drilling

Reservoir Capital drilled one diamond drill hole totalling 600 metres to test encouraging results from historic drilling data at the Parlozi property. The drill hole collar was surveyed using hand held GPS with an accuracy of ± five metres.

Drill core was washed clean of mud and fluids, reconstructed by the driller and stored in wooden core boxes marked with drill hole number, from and to meterage and tray number. Drill core was stored at the drill rig until completion of the hole, when it was transported by Reservoir Capital to its core logging facility in Belgrade.

Drill core was initially subject to geotechnical logging and meter marked to allow for accurate geological logging. Recovery was calculated for the entire hole. Geological logging was performed using geological log sheets and recorded lithologies, alteration and visual mineralization. Each core box was photographed prior to sampling.

Drilling returned several significant gold, silver, lead, zinc and copper mineralized intervals over apparent widths associated with massive sulphide as stratabound manto type and fault hosted. Weak to moderate sulphide alteration of marl and siltstone host rocks proximal to high grade, fault hosted mineralization is observed. Anomalous copper, lead and zinc grades with weakly anomalous gold and silver is associated with manto style mineralization, spatially related to epidote-chlorite alteration. Higher grade gold, silver, lead and zinc is fault hosted.

Elevated gold grades are associated with arsenopyrite rich mineralization and silica alteration, whereas elevated silver grades are related to galena rich mineralization. Assay data indicates that there is an increase in copper grade with depth and conversley increased gold at shallow levels, indicative of a vertical base metal zonation within the hydrothermal system). These observations are based on the results of one drill hole and further test work is required to better understand the controls on mineralization. Strike and dip of the minerlized zones are unknown as there is only one drill hole and the core was not oriented.

The results of drill hole PA-1 confirm the presence of high grade silver and gold mineralization drilled historically.

(8) Sampling Method and Approach

Rockchip samples from surface were collected using a geopick and placed in a plastic sample bag, with a target weight of two to three kilograms. Bags were labelled with a sample number and tied with a ziplock.

Sample locations were recorded with a hand held GPS giving an accuracy of +/- five metres. Sample lithology, alteration and mineralization were recorded. Samples were transported directly from the field to Reservoir Capital's sample preparation facility in Belgrade where they were stored securely prior to preparation.

Reservoir Capital collected a total of 18 samples.

Drill core sampling was selective. Intervals were based on visually identifying lead and zinc sulphides. Visually mineralized intervals were sampled with a minimum sample length of 50 centimetres and a maximum sample length of two metres. Sample intervals less than two metres were determined by changes in lithology. Each sample interval was marked on the core box. Core was cut exactly in half using a core saw, with one half of the core used for sampling and one half of the core retained.

Drill core recoveries were high, averaging >98 %, and samples are considered representative with no sample bias. The author of the Parlozi Technical Report has recommended that future exploratory diamond drill programs adopt the practice of sampling the entire hole until controls on mineralization are better understood, as the author noted some sections of unsampled drill core with visible, weakly disseminated galena.

(9) Sample Preparation, Analysis and Security

All diamond drill core and rockchip samples are dried and crushed at Reservoir Capital's preparation facility in Belgrade.

The laboratory comprises a drying oven, a TM Engineering jaw crusher, a riffle splitter and a compressor for cleaning equipment. The sample preparation facility is locked unless it is in operation, in which case personnel maintain custody of the samples at all times. The sample preparation facility is staffed by internal employees and is not certified by an independent standards association.

Samples are dried and weighed before being crushed to 70 % passing two millimetres. A 250 gram split is taken from the crush and placed in a plastic bag labelled with the sample number. Equipment is cleaned with compressed air after every sample, and the equipment is cleaned with barren gravel once in every ten samples.

Sample rejects are stored in the sample preparation facility in plastic bags labelled with the sample number.

Samples are shipped to the assay laboratory by Fedex and signed for upon receipt at the assay laboratory, to maintain a proper chain of custody.

Reservoir Capital has assayed samples at both ALS Chemex, Vancouver, Canada and Stewart Group, Omac, Ireland. Both laboratories are ISO9001 certified.

ALS Chemex pulverise the 250 gram split to better than 85% passing 75 microns prior to assay. Stewart Group pulverise the 250 gram split to 100 microns. Samples are submitted for gold by 30 gram fire assay with AAS finish and multi-element ICP/MS analysis.

Reservoir Capital inserted a certified reference material sample ("**CRM**") supplied by Ore Research and Exploration Pty, Australia ("**OREAS**"), a blank sample sourced from a quartz gravel supplier in Serbia and a crush duplicate sample for every twenty drill core samples submitted. A total of 11 CRM, 11 blank samples and 11 duplicate samples were submitted.

Results of these data indicate a good level of sample quality was achieved, with no failures of blank material submitted with one exception, most likely as a result of sample misnumbering. A failed sample is considered one which assays greater than 0.1 parts per million gold or greater than one part per million silver.

Using performance gates supplied by OREAS for OREAS 62d, all certified reference material assayed within two standard deviations of the mean indicating high levels of precision for both gold and silver.

Duplicate assay results indicate a good level of repeatability where all samples fall within +/- 10 % of the original assay.

Independent drill core samples were dried and crushed to 100 % passing better than two millimetres. A one kilogram riffle split was pulverised to 100 % passing better than 100 microns. Crush duplicate samples were pulverised to 100 % passing better than 100 microns. Each sample was submitted for 30 gram gold fire assay with AAS finish and multi element ICP/MS analysis.

Results of the independent check assays indicate that a high level of precision and accuracy has been achieved by Reservoir Capital and that the presence of elevated precious and base metal mineralization is confirmed.

(10) Mineral Resource and Mineral Reserve Estimates

There are no more recent mineral resource or mineral reserve estimates at the Parlozi property than the historical mineral resource estimates described above under "History".

(11) Exploration and Development

A two phase exploration program is proposed in order to follow up on the results from diamond drill hole PA-1, to test the exploration potential displayed by the historic resource estimate, and to explore the extensive historic workings throughout the Parlozi Permit. A better understanding of strike and depth extensions at the Parlozi prospect is required, as well as exploration potential at the other five prospects where historic workings are present.

Phase 1 is planned to include scout diamond drilling at the Parlozi prospect to test mineralization up and down dip, and along strike from drill hole PA-1. Historic drill sections indicate mineralization is open updip from the known mineralization and the upper 200 meters of the Parlozi prospect is relatively untested.

Geological mapping will be undertaken at 1:1,000 scale for each prospect area, as well as 1:5,000 scale mapping for the entire project area. Rock chip sampling and trenching of known prospects will also be undertaken during the geological mapping. Trenching will also be undertaken to access mineralization at surface where appropriate.

Historic underground mining areas will be digitized from historic plans and reports. Investigations will be undertaken as to the feasibility to opening and rehabilitating old workings to enable channel sampling and mapping of geology and mineralization.

Phase 2 exploration is dependent on successful results of drilling in Phase 1. Work is to focus on an extensive drill program at the Parlozi prospect with the aim of calculating exchange compliant resources and increasing the understanding of metallurgical characteristics. Continued exploration at other prospects within the Parlozi Permit may also be warranted, but is also dependant on the results of Phase 1 exploration. This exploration work will include surface trenching and underground channel sampling of priority targets generated in Phase 1.

A budget of $1,930,000 is proposed for both phases of exploration comprising $400,000 for Phase 1 and $1,530,000 for Phase 2. Further exploration expenditure will be dependent on the results of the preceding phases of exploration. The following table itemizes the recommended work program for Phase 1 and Phase 2:

	Item	**($)**
Phase 1	Surveying	1,000
	Geological Mapping	30,000
	Geochemical Sampling	50,000
	Trenching	50,000
	Drilling (1200 metres @ CAD125/m)	150,000
	Drill core cutting and assay	36,300
	Drill program QA/QC	2,345
	Petrology	2,000
	Geophysics	20,500
	Engineering study of adits	4,000
	Satellite Imagery Acquisition	10,000
	Bench scale metallurgy study	10,000
	Contingency (10%)	36,615
	Phase 1 Total	**402,760**
Phase 2	Surveying	5,000
	Geochemical Sampling	50,000
	Drilling (8000 metres @ CAD125/m)	1,000,000
	Drill core cutting and assay	240,000
	Drill program QA/QC	15,000
	Metallurgy	50,000
	Exchange Compliant Resource Estimation	30,000
	Contingency (10%)	139,000
	Phase 2 Total	**1,529,000**
	Total	**1,931,760**

Non-Principal Properties

The following is a brief description of each of Minerals' ancillary properties following the Arrangement, all of which are located in Serbia. Each of these properties will be indirectly held by Minerals through its subsidiaries. Historically, Reservoir Capital and its subsidiaries have been successful in the annual

renewal of mineral exploration permits with the Serbian Ministry of Environment, Mining and Special Planning, however no assurances can be made regarding future exploration permit renewals.

Earn-in Agreement with Freeport McMoRan Exploration Corporation

On March 18, 2010, Reservoir Capital signed an earn-in agreement ("**Freeport Earn-In Agreement**") with Freeport McMoRan Exploration Corporation ("**Freeport**"), which grants Freeport the right to earn an interest in the Brestovac and Jasikovo exploration permits. A net smelter royalty agreement was also entered into with Euromax Resources Ltd. ("**Euromax**") to acquire the Metovnica and Durlan Potok exploration permits in the same district, which were included in the agreement with Freeport. The four original permits, totalling 18,395 hectares in area, were relinquished and reapplied for as two combined permits in the name of Rakita D.o.o., a wholly-owned subsidiary of Rakita (BVI) Ltd., ("**Rakita**"), an indirect wholly-owned subsidiary of Reservoir Capital (to be transferred to Minerals as part of the Arrangement).

Under the terms of the earn-in agreement, Freeport may earn an initial 55% interest in Rakita by investing US$3 million in exploration (US$400,000 committed for year one) over a four-year period. Once Freeport has earned its initial 55% interest, it may become the project operator and may elect to earn an additional 20% interest (for a total interest of 75%) by completing a scoping study within four years, a pre-feasibility study within eight years and a feasibility study within thirteen years.

The Brestovac portion of the Brestovac Metovnica property is subject to a 2% net smelter return royalty on gold and silver and a 1% net smelter return royalty on other minerals with Eurasian Minerals Inc. ("**Eurasian**") pursuant to a royalty agreement ("**Eurasian Royalty Agreement**"). The Durlan Potok portion of the Jasikovo Durlan Potok property and the Metovnica portion of the Brestovac Metovnica property are subject to a 0.5% net smelter return royalty with Euromax pursuant to a royalty agreement ("**Euromax Royalty Agreement**"). Reservoir Capital and its concerned subsidiaries that are a party to the Eurasian Royalty Agreement and the Euromax Royalty Agreement shall assign their rights and obligations thereunder to Minerals in connection with the Arrangement.

Freeport has provided its consent to the Arrangement and has agreed to enter into an assignment and novation agreement with Reservoir Capital, Minerals and concerned subsidiaries following the completion of the Arrangement.

Brestovac-Metovnica Property

The original Zlot-Brestovac exploration permit covered 77 square kilometres and was granted to SEE in December 2004 with the following obligations to Eurasian: (i) $500,000 payable (cash or shares) on completion of a bankable feasibility study on the first two projects; (ii) 2% net smelter return royalty on gold and silver production and 1% net smelter return royalty on other metals or minerals; and (iii) an obligation to offer back to Eurasian the permit before permanently relinquishing to the permitting authority.

The Zlot portion of the permit has been relinquished. The remaining permit on the Brestovac area of 25.5 square kilometres was relinquished in 2010 and a new permit was applied for and received for the combined Brestovac and Metovnica (Brestovac East) permit areas. The 90 square kilometre Metovnica permit was acquired from Euromax in 2010 (described below) and the combined Brestovac-Metovnica permit is part of the earn-in agreement with Freeport signed in March 2010. The new Brestovac-Metovnica permit expires on July 5, 2012 and has a proposed work program of $500,000. There is a 0.5% net smelter royalty commitment to Euromax on the Brestovac-Metovnica property, which applies only to the original Metovnica area of the new Brestovac-Metovnica license.

Exploration funding for this permit is provided by Freeport as per the terms of the earn-in agreement with Freeport.

Jasikovo Durlan Potok Property

Reservoir Capital was awarded the 12.5 square kilometre Jasikovo exploration permit in 2009. The permit was relinquished in 2010 and a new permit was applied for and received for the combined Jaskivovo and Durlan Potok permit areas. The 54 square kilometre Durlan Potok permit was acquired from Euromax in 2010 and the combined Jasikovo-Durlan Potok permit is part of the earn-in agreement with Freeport signed in March 2010. The new Jasikovo- Durlan Potok permit expires December 11, 2011 and has a proposed work program of $218,000. Exploration funding for this permit is provided by Freeport as per the terms of the earn-in agreement with Freeport.

Joint Venture with Orogen Gold Ltd.

Deli Jovan Property

The original Deli Jovan exploration permit covered 75 square kilometres and was granted to SEE in May 2006, with the following obligations to Eurasian: (i) $500,000 payable (cash or shares) on completion of a bankable feasibility study on the first two projects; (ii) 2% net smelter return royalty on gold and silver production and 1% net smelter return royalty on other metals or minerals; and (iii) an obligation to offer back to Eurasian the permit before permanently relinquishing to the permitting authority.

The existing permit on the Deli Jovan area of 69 square kilometres has a proposed work program of $265,000 and expires on October 5, 2011. This property is subject to an earn-in agreement ("**Orogen Earn-In Agreement**") with Orogen Gold Ltd. ("**Orogen**"), whereby Orogen may earn up to a 75% interest in the Deli Jovan property by completing $3.5 million in exploration expenditures within 42 months of December, 2010.

Exploration funding for this permit is provided by Orogen as per the terms of the earn-in agreement with Orogen.

Reservoir Capital shall assign its rights and obligations under the Orogen Earn-In Agreement to Minerals in connection with the Arrangement.

Stara Planina Property

The original Stara Planina exploration permit covered 63 square kilometres and was granted to SEE in March 2005 with the following obligations to Eurasian: (i) $500,000 payable (cash or shares) on completion of a bankable feasibility study on the first two projects; (ii) 2% net smelter return royalty on gold and silver production and 1% net smelter return royalty on other metals or minerals; and (iii) an obligation to offer back to Eurasian the permit before permanently relinquishing to the permitting authority. The existing permit on Stara Planina has a proposed work program of $135,000 and expires on May 1, 2012.

Minerals proposes a two-phase exploration program for the Stara Planina permit in order to follow up on encouraging results from the previous exploration. A budget of $900,000 is proposed for both phases of exploration comprising $300,000 for Phase 1 and $600,000 for Phase 2. Phase 2 exploration is dependent on successful results of drilling in Phase 1. Further exploration will be dependent on the results of the preceding phases of exploration.

Bobija Property

In September 2007, Reservoir Capital was awarded the Bobija exploration permit, a 33 square kilometre exploration permit. The Bobija exploration permit expires on May 1, 2012 and has a proposed work program of $65,000.

Minerals proposes a two-phase exploration program for the Bobija exploration permit in order to identify mineralization peripheral and below the current Bobija pit. A budget of $700,000 is proposed for both phases of exploration comprising $200,000 for Phase 1 and $500,000 for Phase 2. Phase 2 exploration is dependent on successful results of drilling in Phase 1. Further exploration will be dependent on the results of the preceding phases of exploration.

Plavkovo Property

The original Plavkovo exploration permit covered 35 square kilometres and was granted to SEE in February 2004 with the following obligations to Eurasian: (i) $500,000 payable (cash or shares) on completion of a bankable feasibility study on the first two projects; (ii) 2% net smelter return royalty on gold and silver production and 1% net smelter return royalty on other metals or minerals; and (iii) an obligation to offer back to Eurasian the permit before permanently relinquishing to the permitting authority.

The existing permit on the Plavkovo area of 20 square kilometres has a proposed work program of $138,000 and expires on December 31, 2011.

Minerals proposes a two-phase exploration program for the Plavkovo permit in order to follow up on the previous encouraging results. A budget of $600,000 is proposed for both phases of exploration comprising $200,000 for Phase 1 and $400,000 for Phase 2. Phase 2 exploration is dependent on successful results of drilling in Phase 1. Further exploration will be dependent on the results of the preceding phases of exploration.

Lece Property

The original Lece exploration permit covered 51 square kilometres and was granted to SEE in June 2003 with the following obligations to Eurasian: (i) $500,000 payable (cash or shares) on completion of a bankable feasibility study on the first two projects; (ii) 2% net smelter return royalty on gold and silver production and 1% net smelter return royalty on other metals or minerals; and (iii) an obligation to offer back to Eurasian the permit before permanently relinquishing to the permitting authority. The existing permit on the Lece area of 40 square kilometres has a proposed work program of $144,000 and expires on December 31, 2011.

Minerals proposes a two-phase exploration program for the Lece permit in order to follow up on the previous encouraging exploration results. A budget of $400,000 is proposed for both phases of exploration comprising $150,000 for Phase 1 and $250,000 for Phase 2. Phase 2 exploration is dependent on successful results of drilling in Phase 1. Further exploration will be dependent on the results of the preceding phases of exploration.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

After giving effect to the Arrangement and the release of proceeds of the Minerals Private Placement, Minerals is expected to have minimum working capital available to it of up to approximately $9,340,000 as follows:

	$'000s
Minerals Initial Seed Share Financing	190
Minerals Private Placement	9,604
Expenses[(1)]	(450)
Total	9,344

Note:
(1) Expected expenses and costs relating to the Arrangement, general and administrative costs and expenses relating to mineral exploration and development project identification.

Minerals intends to use such available funds as follows:

	($) '000	($) '000	($) '000
Serbia Exploration costs	**Phase1**	**Phase 2**	**Phase 1+2**
Parlozi	400	1,530	1,930
Stara Planina	300	600	900
Bobija Exploration Permit	200	500	700
Plavkovo Exploration Permit	200	400	600
Lece Exploration Permit	150	250	400
Generative Exploration Serbia	300	300	600
Total Exploration Serbia	**1,550**	**3,580**	**5,130**

Identification and Evaluation of Mineral Exploration and Development Opportunities (2 years)	**1,100**

General and Administrative Costs, Working Capital (2 years)	
Management fees and salaries	360
Administration services and office	708
Travel	200
Investor relations and shareholders' communications	132
Transfer agent and regulatory fees	154
Professional fees	306
Total General and Administrative Costs, Working Capital (2 years)	**1,860**

Total Minerals Budget	**8,090**
Unallocated Working Capital	**1,254**

Due to the nature of mineral exploration and development, budgets are regularly reviewed in light of success of the expenditures and other opportunities which may become available to Minerals. Accordingly, while Minerals anticipates that it will spend the funds available to it as stated herein, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Minerals has not completed a financial year and presently has no assets or liabilities other than: the sum of $10.00 received from the issuance of 100 Minerals Shares for the purpose of incorporating Minerals on

January 25, 2011 and the sum of $190,000 received from the issuance of 1,900,000 Minerals Shares pursuant to a seed share financing completed on March 15, 2011. Aggregate gross proceeds of $9,604,498 relating to the Private Placement of Subscription Receipts closed on May 20, 2011 are held in escrow by the Escrow Agent, Computershare Trust Company of Canada, pursuant to the terms and conditions of the Subscription Receipt Agreement.

The audited consolidated financial statements of Reservoir Capital for each of the three most recently completed financial years ended April 30, 2009, 2010 and 2011 disclose historical information on the Mining Assets. See also the pro-forma consolidated financial statements of Reservoir Capital attached as Appendix "H" to this Circular.

OUTSTANDING SECURITIES

Minerals is authorized to issue an unlimited number of Minerals Shares. As at the date of the Circular, there are 1,900,100 issued and outstanding Minerals Shares, 14,776,150 Subscription Receipts and 429,882 Compensation Option Receipts.

Upon completion of the Arrangement, including payment of the Minerals Share Consideration and conversion of the 14,776,150 Subscription Receipts and 429,882 Compensation Option Receipts, 26,106,132 Minerals Shares and 15,206,032 Minerals Warrants shall be issued and outstanding as fully paid and non assessable.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Financial Information

The following tables set out certain selected financial information of Minerals for the period from incorporation on January 25, 2011 to July 31, 2011 derived from Minerals' audited financial statements for the period from incorporation to July 31, 2011. The following information should be read in conjunction with Minerals' financial statements and notes thereto attached to this Circular in Appendices H and I. Minerals' audited financial statements are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

Income Statement Data	**Period from incorporation on January 25, 2011 to July 31, 2011 ($)**
Total Expenses	470,469
Net Income (loss)	(460,900)
Balance Sheet Data	**As at July 31, 2011 ($)**
Cash and Cash Equivalents	110,081
Restricted Cash	9,643,253
Total Assets	9,768,874
Total Liabilities	444,979
Shareholders' Equity	9,323,895

Management's Discussion and Analysis

This discussion and analysis ("**MD&A**") of financial position and results of operation is prepared as at July 31, 2011 and should be read in conjunction with the audited financial statements of Minerals for the period from incorporation, January 25, 2011 to July 31, 2011. Those financial statements have been prepared using accounting policies in compliance with IFRS as issued by the IASB. Except where otherwise disclosed, all dollar figures included therein are quoted in Canadian dollars.

Description of Business

Minerals was incorporated on January 25, 2011 under the laws of British Columbia. On March 24, 2011, the Company entered into a letter of intent with Reservoir Capital regarding the proposed re-organization of Reservoir's business components into two separately listed public corporations by the spin-out of the Mining Assets to Minerals by means of the Arrangement. Minerals has not carried on any active business other than in connection with the Arrangement and the identification and review of potential mineral exploration and development opportunities in international jurisdictions. The Arrangement will result in Minerals being an exploration company focused on Serbian mining exploration holding the Mining Assets.

Minerals has no revenues and the ability of Minerals to ensure viable operations is dependent on the completion of the Arrangement, the discovery of economically recoverable reserves, confirmation of Minerals' interest in the underlying mineral claims, and the ability of Minerals to obtain necessary financing to complete exploration activities, development and future profitable production.

Overall Performance

From January 25, 2011 (date of incorporation) to July 31, 2011 and to the date of this Circular, Minerals has not carried on any active business other than in connection with the Arrangement and the identification and review of potential mineral exploration and development opportunities in international jurisdictions.

Minerals and Reservoir Capital have entered into the Arrangement Agreement pursuant to which the Arrangement will occur, subject to certain conditions including shareholder and regulatory approval.

As at July 31, 2011, Minerals had working capital of $9,323,886. Minerals had cash and restricted cash of $9,753,334. The cash and restricted cash balance resulted from gross proceeds of $190,000 relating to the March 15, 2011 seed share financing and gross proceeds of $9,604,498, subject to restriction, relating to the May 20, 2011 Private Placement, $100,000 received from the Promissory Note and interest received of $10,004 (see "*Liquidity and Capital Resources*" below).

Quarterly Information

Minerals is not a reporting issuer and has not prepared quarterly financial statements for any quarter prior to July 31, 2011.

Results of Operations

The Corporation was recently incorporated and has no operating revenue.

From the date of incorporation (January 25, 2011) to July 31, 2011

Minerals net loss totaled $460,900 from the date of incorporation (January 25, 2011) to July 31, 2011, with basic and diluted loss per share of $0.27. The loss is made up of:

- Professional fees of $257,396 relating to the Arrangement and Private Placement
- Consulting fees of $169,246 were incurred for corporate strategic consulting.
- Travel, transfer agent, filing and other costs relating to the Arrangement amounted to $43,827.

Set forth in the table below are the plans related to proposed expenditures by Minerals on the Mining Assets following completion of the Arrangement within a term of 24 months.

	($) '000	**($) '000**	**($) '000**
Serbia Exploration costs[(1)]	**Phase 1**	**Phase 2**	**Phase 1+2**
Parlozi	400	1,530	1,930
Stara Planina	300	600	900
Bobija Exploration Permit	200	500	700
Plavkovo Exploration Permit	200	400	600
Lece Exploration Permit	150	250	400
Generative Exploration Serbia	300	300	600
Total Exploration Serbia	**1,550**	**3,580**	**5,130**

Identification and Evaluation of Mineral Exploration and Development Opportunities (2 years)	**1,100**

Total General and Administrative Costs, Working Capital (2 years)	**1,860**

Total Minerals Budget	**8,090**
Unallocated Working Capital	**1,254**

Note:

(1) Phase 2 exploration is dependent on successful results of drilling in Phase 1. Further exploration will be dependent on the results of the preceding phases of exploration. See "*Mineral Projects*" and "*Available Funds and Principal Purposes*" in this Appendix to the Circular.

Liquidity and Capital Resources

As at July 31, 2011, Minerals had cash of $110,081 and restricted cash of $9,643,253. The available cash on hand of $110,081 is the result of Minerals issuing 1,900,000 Minerals Shares pursuant to an initial seed share private placement completed on March 15, 2011 and proceeds from the Promissory Note of $100,000 offset by cash spent on operations.

The restricted cash of $9,643,253 relates to the gross proceeds of the Private Placement of 14,776,150 Subscription Receipts, completed on May 20, 2011, at a price of $0.65 per Subscription Receipt for aggregate gross proceeds of $9,604,498, $28,750 GIC collateral for a corporate credit card, and interest earned of $10,004. There is no assurance that equity capital will be available to Minerals in the amounts or at the times desired by Minerals or on terms that are acceptable to Minerals, if at all.

The restricted proceeds from the Private Placement of $9,604,498 was placed in an escrow account with the Escrow Agent pursuant to the terms and conditions of the Subscription Receipt Agreement. Such restricted proceeds will remain to be held by the Escrow Agent until the Release Conditions are satisfied. In the event that the Release Conditions are not satisfied within 150 days of the closing of the Private Placement, the gross proceeds shall be returned to the subscribers to the Private Placement.

In connection with the Private Placement, Minerals issued 429,882 Compensation Option Receipts to finders. Upon the conversion of the Subscription Receipts and the provision of escrowed proceeds to Minerals pursuant to the Subscription Receipt Agreement between Minerals and the Escrow Agent, each Compensation Option Receipt shall be automatically exchanged for a Unit.

During the period ended July 31, 2011, Minerals entered into an agreement with Reservoir Capital for the Promissory Note of up to $300,000 bearing interest at 3% per annum due on the earlier of seven (7) days after: a) the conversion of Subscription Receipts in connection with the Arrangement or b) September 21, 2011. As at July 31, 2011, Minerals owed Reservoir Capital an aggregate balance of $100,042 in connection with the Promissory Note, which included accrued interest of $42.

As at July 31, 2011, Minerals had a working capital of $9,323,895 which is made up of cash in bank of $110,081, restricted cash of $9,643,253, and receivables of $15,540 offset by accounts payable and accrued liabilities of $444,979.

Minerals will require additional funds from equity sources to complete the development of the Mining Assets, if warranted. Minerals may attempt to raise future private placements for the Mining Assets. If Minerals does not raise these funds or other funds, as necessary, its project will be put on hold until such time as the funds are raised.

Minerals has an aggregate Phase 1 and Phase 2 exploration budget of $5,130,000 with respect to the Mining Assets (included therein are expenditures of $1,693,000 for work programs attached to the Mining Assets to maintain registry status) along with $1,100,000 budgeted for the identification and evaluation of mineral exploration and development opportunities within the next two years. In all cases, Phase 2 exploration on a property is dependent upon the results of Phase 1 exploration. Minerals estimates its total general and administrative costs and allocated working capital for the ensuing two year period following completion of the Arrangement to be $1,860,000. Minerals' management believes that the current cash and restricted cash position is sufficient to meet its general and administrative and exploration expenditures for the ensuing two years following the completion of the Arrangement.

Transactions with Related Parties

(a) On January 25, 2011, the date of incorporation, a director of Minerals subscribed for 100 Minerals Shares at a price of $0.10 per share.

(b) Minerals paid or accrued $84,000 to Simon Ingram, President and Chief Executive Officer of Minerals for strategic management services provided to July 31, 2011.

(c) On March 15, 2011, directors and officers of Minerals subscribed for 1,000,000 Minerals Shares for aggregate cash proceeds of $100,000.

(d) On May 20, 2011, directors and officers of Minerals subscribed for 175,000 Subscription Receipts for aggregate cash proceeds of $113,750.

(e) On July 26, 2011, Reservoir Capital advanced $100,000 to Minerals in connection with the Promissory Note.

The above transactions are measured at the exchange amounts (the amounts established and agreed to by the related parties) which approximate the arm's length equivalent value. All balances due to related parties are included in accounts payable and accrued liabilities.

Off-Balance Sheet Arrangements

As of the date of this MD&A, Minerals does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Minerals, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

There are no proposed transactions of a material nature being considered by Minerals other than the Arrangement. However, Minerals continues to evaluate properties that it may acquire in the future.

Critical Accounting Estimates

The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates, including deferred income taxes, are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Outstanding Share Data

As at July 31, 2011, there were 1,900,100 Minerals Shares, 14,776,150 Subscription Receipts and 429,882 Compensation Option Receipts issued and outstanding.

Accounting Policies

During the period from incorporation (January 25, 2011) to July 31, 2011, Minerals adopted the following new accounting policies:

Basis of preparation

The financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board

("IASB"). These 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 financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Foreign currency translation

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the balance sheet date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

Exploration and evaluation

The acquisitions of mineral property interests are initially measured at cost. Mineral property acquisition costs and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company are capitalized until the property to which they relate is placed into production, sold or allowed to lapse.

Exploration and evaluation costs incurred prior to determination of the feasibility of mining operations are expensed as incurred. Re-imbursement of previously expensed exploration and evaluation costs are recognized as other income in profit or loss.

Mineral property acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interests pursuant to the terms of the relevant agreements. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred.

When there is little prospect of further work on a property being carried out by Minerals or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount. The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

Impairment of long-lived assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset, or a cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of long-lived assets which at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Estimates of future cash flows used to test recoverability of a long-lived asset include only the future cash flows that are directly

associated with, and that are expected to arise as a direct result of, its use and eventual disposition. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Share-based payments

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Restricted cash

Restricted cash includes cash held in trust to be released upon the issue of common shares related to subscriptions received.

Share capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

Subscription receipts are issued pursuant to the terms of the Subscription Receipt Agreement. The gross proceeds from the sale of subscription receipts have been deposited with the escrow agent pursuant to the terms of the Subscription Receipt Agreement.

Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Accounts payable and accrued liabilities

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method.

Current and deferred income tax

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period (excluding shares held in escrow). Diluted loss per share is determined by adjusting the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Chief Executive Officer.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("**FVTPL**") - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there

is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

Available-for-sale ("**AFS**") - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

Impairment of financial assets

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liabilities were acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payable and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash and restricted cash as at fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

New Accounting Pronouncements

Accounting standards issued for adoption in future periods

Minerals has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after January 1, 2011. These include:

Accounting standards issued and effective on January 1, 2012

IAS 12 - Income Taxes (Amended), introduces an exception to the general measurement requirements of IAS 12 in respect of investment properties measured at fair value;
IFRS 7 - Financial instruments: Disclosures (Amended) require additional disclosures on transferred financial assets;

Accounting standards issued and effective on January 1, 2013

IFRS 9 - Financial Instruments: Classification and Measurement, which is intended to replace IAS 39 - Financial Instruments: Recognition and Measurement, introduces new criteria for the classification and measurement of financial instruments with only two classification: amortized cost and fair value; and
IFRS 13 - Fair Value Measurement defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 - Share-based Payment; leasing transactions within the scope of IAS 17 - Leases; measurements that have some similarities to fair value but that are not fair value, such as net realisable value in IAS 2 - Inventories or value in use in IAS 36 - Impairment of Assets. The Company anticipates that, except for additional disclosures, the adoption of this standard and interpretations in future periods will have no material effect on the financial statements of the Company.

Risks and Uncertainties

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Minerals' credit risk is primarily attributable to cash, restricted cash amounts receivable and loan receivable. Cash is held by one major Canadian chartered bank and restricted cash is retained in an

escrow account held by the Escrow Agent, from which management believes the risk of loss to be minimal.

Financial instruments included in amounts receivable are 15,540. Amounts receivable are in good standing as at July 31, 2011. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that Minerals will not have sufficient cash resources to meet its financial obligations as they come due. Minerals' liquidity and operating results may be adversely affected if Minerals' access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to Minerals. Minerals generates cash flow primarily from its financing activities. As at July 31, 2011, Minerals had a cash and restricted cash balance of $9,753,334 to settle current liabilities of $444,979. Minerals financial liabilities have contractual maturities of 30 days and are subject to normal trade terms. Minerals regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Market risk

(a) Interest rate risk

Minerals has cash and restricted cash balances and the Promissory Note of up to $300,000 bearing interest at 3% per annum due on the earlier of seven (7) days after: a) the conversion of Subscription Receipts in connection with the Arrangement, or b) September 21, 2011. As at July 31, 2011, Minerals owed Reservoir Capital an aggregate balance of $100,042 in connection with the Promissory Note, which included accrued interest of $42. Minerals current policy is to invest excess cash in interest bearing accounts of select major Canadian chartered banks. Minerals regularly monitors compliance to its cash management policy. As of July 31, 2011, cash was in a non-interest bearing account and restricted cash was in an interest bearing account.

(b) Political and foreign currency risk

Following completion of the Arrangement, Minerals will operate in countries that currently have varied political environments. Changing political situations may affect the manner in which Minerals operates. The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its expenditures in local currencies or in US dollars. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against the US dollar, Serbian dinar and other currencies could have an adverse impact on the amount of exploration conducted.

(c) Commodity price risk

Minerals is exposed to commodity price risk. Declines in the market price of gold, silver and other metals may adversely affect Minerals' ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount Minerals would receive on the disposition of one of its mineral properties to a third party.

DESCRIPTION OF CAPITAL STRUCTURE

The following is a summary of the rights, privileges, restrictions and conditions which will be attached to the Minerals Shares and the Minerals Warrants on the Effective Date:

Minerals Shares

Holders of Minerals Shares (common shares) are entitled to notice of, and to one vote per share at, all meetings of Minerals Shareholders, to receive dividends as and when declared by the Minerals Board and to receive a pro rata share of the assets of Minerals available for distribution to holders of common shares in the event of liquidation, dissolution or winding-up of Minerals.

Minerals Warrants

Holders of non-transferable Minerals Warrants are entitled to acquire one Minerals Share at: (i) a price of $0.90 per share for the first year, subject to accelerated expiry following the satisfaction of the Release Conditions; and (ii) a price of $1.00 for the second year following the satisfaction of the Release Conditions. The Minerals Warrants are expected to be issued under an indenture to be entered into between Minerals and Computershare Trust Company of Canada on the Effective Date. Minerals Warrantholders will not have any voting or pre-emptive rights or any other rights which a holder of Minerals Shares would have.

The Minerals Warrants and Minerals Shares issuable upon exercise thereof have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States. The Minerals Warrants may not be exercised in the United States or by, or for the account or benefit of, a U.S. Person as defined in Regulations S under the U.S. Securities Act, unless an exemption is available from the registration requirements of the U.S. Securities Act and any applicable state securities laws and the holder has delivered an opinion of counsel or other evidence reasonably satisfactory to Minerals to such effect.

Minerals has applied to list the Minerals Shares on the TSXV (Tier 2). Such listing will be subject to Minerals fulfilling all the minimum listing requirements of the TSXV. There can be no assurance that the TSXV will list the Minerals Shares.

DIVIDENDS OR DISTRIBUTIONS

Minerals has not declared or paid dividends on any of its shares and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any decision to pay dividends on its shares will be made by the Minerals Board on the basis of Minerals' financial condition, earnings, results of operations, financial requirements and other conditions existing at such time.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Minerals, both before and after giving effect to the Arrangement and the conversion of Subscription Receipts and Compensation Option Receipts issued pursuant to the Private Placement. See the unaudited pro forma consolidated financial statements of Minerals attached as Schedule "B" to this Appendix and the audited consolidated financial statement of Minerals attached as Schedule "A" to this Appendix.

Designation	Amount Authorized	Outstanding as at the date hereof prior to giving effect to the Arrangement and the conversion of the Subscription Receipts and Compensation Option Receipts[1]	Outstanding after giving effect to the Arrangement and conversion of the Subscription Receipts and Compensation Option Receipts
Minerals Shares	Unlimited	1,900,100 $190,010	26,106,132 [2] [3] $10,101,871
Subscription Receipts	14,776,150	14,776,150 $9,604,498[4]	Nil
Compensation Option Receipts	429,882	429,882	Nil
Minerals Warrants	15,206,032	Nil	15,206,032
Long Term Debt	N/A	Nil	Nil

Notes:

(1) The deficit of Minerals as at July 31, 2011 was $460,900.

(2) This amount includes the 15,206,032 Minerals Shares to be issued upon the Arrangement becoming effective to holders of 14,776,150 Subscription Receipts and 429,882 Compensation Option Receipts and assumes the issuance of an estimated 9,000,000 Minerals Shares issued at a price of $0.65 per share as Minerals Share Consideration pursuant to the Arrangement.

(3) Does not include Minerals Options to purchase up to 2,025,000 Minerals Shares anticipated to be granted following completion of the Arrangement to directors, officers, employees or other service providers of Minerals and its subsidiaries. See "*Fully Diluted Share Capital*" and "*Options to Securities*" below.

(4) Aggregate gross proceeds of the Private Placement of Subscription Receipts are held in escrow pursuant to a subscription receipt agreement dated May 20, 2011 between Minerals and the Escrow Agent.

FULLY DILUTED SHARE CAPITAL

The following table sets forth the fully diluted share capital after giving effect to the Arrangement and the conversion of Subscription Receipts issued pursuant to the Private Placement. See the unaudited pro forma consolidated financial statements of Minerals attached as Schedule "B" to this Appendix.

	Number of Minerals Shares (Diluted)	Percentage of Minerals Shares (Diluted)
Issued and outstanding as at the date of the Circular	1,900,100	4.38%
Issued as Minerals Shares Consideration pursuant to the Arrangement	9,000,000	20.77%
Issued pursuant to the conversion of Subscription Receipts	14,776,150	34.10%
Issued pursuant to the conversion of Compensation Option Receipts	429,882	0.99%
Minerals Shares reserved for issuance on exercise of the Minerals Warrants issued upon conversion of the Subscription Receipts and Compensation Option Receipts	15,206,032	35.09%
SUBTOTAL[(1)]	41,312,164	95.33%
Minerals Shares reserved for issuance pursuant to Minerals Options to be granted in connection with the completion of the Arrangement[(2)]	2,025,000	4.67%
FULLY DILUTED TOTAL	43,337,164	100%

Notes:

(1) Assumes completion of the Arrangement and the issuance of 15,206,032 Minerals Shares and 15,206,032 Minerals Warrants pursuant to the conversion of the Subscription Receipts and Compensation Option Receipts upon completion of the Arrangement, including the issuance of an estimated 9,000,000 Minerals Shares as Minerals Share Consideration pursuant to the Arrangement. This amount does not include any Minerals Shares issued as a result of the exercise of Reservoir Capital Warrants and Reservoir Capital Options prior to the Effective Date.

(2) The number of Minerals Shares reserved pursuant to the Minerals Stock Option Plan is to be a maximum of 10% of the number of Minerals Shares issued and outstanding, which upon completion of the Arrangement and conversion of the Subscription Receipts and Compensation Option Receipts totals 2,610,613 Minerals Shares assuming 26,106,132 Minerals Shares then issued and outstanding. Minerals anticipates issuing 2,025,000 Minerals Options upon completion of the Arrangement.

OPTIONS TO PURCHASE SECURITIES

At the Meeting, Reservoir Capital Shareholders will be asked to consider and, if deemed advisable, ratify and approve the adoption by Minerals of the Minerals Stock Option Plan, which will authorize the Minerals Board of Directors to issue stock options to directors, officers, employees and other service providers of Minerals and its subsidiaries. To be adopted, the ordinary resolution must be approved by a simple majority of votes cast at the Meeting by Reservoir Capital Shareholders. Approval of the Minerals Stock Option Plan by Reservoir Capital Shareholders will be required by the Exchange. A copy of the Minerals Stock Option Plan is set out in Appendix "J" to the Circular. See "*Part V – Approval of Minerals Stock Option Plan*" in the Circular.

It is anticipated that upon completion of the Arrangement, Minerals will grant 2,025,000 Minerals Options to purchase Minerals Shares for a term of 5 years to directors, officers, employees or other service providers of Minerals and its subsidiaries as follows:

Category of Optionee	Number of Options to Purchase Minerals Shares	Exercise Price	Expiry Date	Market Value on Date of Grant
Simon Ingram Director, President and Chief Executive Officer	500,000	$0.65	5 years from date of grant(1)	$0.65
Miles Thompson Director, Chairman	150,000	$0.65	5 years from date of grant(1)	$0.65
Miljana Vidovic Proposed Director	150,000	$0.65	5 years from date of grant(1)	$0.65
Michael Winn Proposed Director	150,000	$0.65	5 years from date of grant(1)	$0.65
Geoff Chater Proposed Director	75,000	$0.65	5 years from date of grant(1)	$0.65
David Knox Proposed Director	75,000	$0.65	5 years from date of grant(1)	$0.65
Aleksandar Obrenovic Proposed Vice President Exploration	150,000	$0.65	5 years from date of grant(1)	$0.65
Christopher MacIntyre Proposed Vice President Corporate Development	150,000	$0.65	5 years from date of grant(1)	$0.65
Employees of Serbian Subsidiaries and other service providers	625,000	$0.65	5 years from date of grant(1)	$0.65
TOTAL	**2,025,000**	**$0.65**	**5 years from date of grant(1)**	**$0.65**

Note:
(1) These options are expected to be granted immediately following the completion of the Arrangement.

PRIOR SALES

As at the date of this Circular, Minerals has issued the following Minerals Shares since the incorporation of Minerals on January 25, 2011:

Pursuant to the Arrangement, Minerals will issue 9,000,000 Minerals Shares as payment in full for the Mining Assets. It is anticipated that there will be 26,106,132 Minerals Shares issued and outstanding upon completion of the Arrangement.

On May 20, 2011, Minerals completed a non-brokered private placement financing of 14,776,150 non-transferable Subscription Receipts at a price of $0.65 per Subscription Receipt for aggregate gross proceeds of $9,604,498. Each Subscription Receipt will entitle the holder to receive, upon satisfaction of the Release Conditions, one Minerals Unit. Each Minerals Unit consists of one Minerals Share and one Minerals Warrant with each whole Minerals Warrant entitling the holder to purchase one Minerals Share for a period of two years from the date of conversion of the Subscription Receipts at an exercise price of $0.90 in the first year and $1.00 in the second year subject to accelerated expiry in certain circumstances.

In connection with the Private Placement, Minerals issued 429,882 non-transferable compensation option receipts ("**Compensation Option Receipts**") of Minerals to finders, equal to 4% of the aggregate number of Subscription Receipts issued to subscribers to the Private Placement introduced by such finders. Upon the conversion of the Subscription Receipts and the provision of escrowed proceeds to Minerals pursuant to a subscription receipt agreement (the "**Subscription Receipt Agreement**") between Minerals and Computershare Trust Company of Canada as escrow agent ("**Escrow Agent**"), each Compensation

Option Receipt shall automatically, for no additional consideration, be exchanged for a Unit. If the Subscription Receipts do not convert, the Compensation Option Receipts will immediately become null and void and no Units will be issued.

The Subscription Receipts are issued pursuant to the terms of the Subscription Receipt Agreement. The gross proceeds from the sale of Subscription Receipts have been deposited with the Escrow Agent pursuant to the terms of the Subscription Receipt Agreement. The Subscription Receipt Agreement provides, among other things, that upon the satisfaction of the Release Conditions, the gross proceeds and any interest thereon will be released from escrow and delivered to Minerals. In the event that the Release Conditions are not satisfied within 150 days of the closing of the Private Placement, the gross proceeds shall be returned to the subscribers to the Private Placement.

On March 15, 2011, Minerals completed an initial seed share private placement of 1,900,000 Minerals Shares at $0.10 per share. Upon incorporation on January 25, 2011, Minerals issued 100 incorporator Minerals Shares to the incorporator thereof.

TRADING PRICE AND VOLUME

The Minerals Shares are not currently traded or quoted on a Canadian marketplace. Minerals has applied to list the Minerals Shares on the Exchange (Tier 2). The Exchange has conditionally approved the listing of the Minerals Shares on the Exchange. Such listing will be subject to Minerals fulfilling the initial listing requirements of the Exchange. There can be no assurance that the Exchange will list the Minerals Shares.

ESCROWED SECURITIES

To the knowledge of Minerals, 2,393,215 Minerals Shares to be held by Principals (as defined by the TSXV) upon closing of the Arrangement will be placed in escrow as "value securities" in connection with the Arrangement on terms to be set by the TSXV and agreed to by the holders thereof, as set forth below.

For Tier 2 Issuers (as defined by the policies of the TSXV – it is anticipated that Minerals will be a Tier 2 Issuer), securities which are escrowed and viewed by the TSXV as "value securities" will be released as to 10% thereof following issuance by the TSXV of the Final Exchange Bulletin (as defined by the policies of the TSXV) in respect of the listing of Minerals Shares for trading on the TSXV and as to 15% thereof on each of the 6, 12, 18, 24, 30 and 36-month anniversaries of the Final Exchange Bulletin. The release from escrow of the Escrowed Minerals Shares may be accelerated if Minerals is classified as a Tier 1 issuer listed on the TSXV. The following table summarizes the securities anticipated by Minerals to be subject to escrow.

Security	**Number of Minerals Shares to be held in escrow**(1)	**Percentage of Minerals Shares to be held in escrow upon completion of the Arrangement and conversion of the Subscription Receipts and Compensation Option Receipts**
Minerals Shares	2,393,215	9.17%

Note:
(1) Escrowed Minerals Shares shall be deposited with Computershare Trust Company of Canada.

PRINCIPAL SHAREHOLDERS

To the knowledge of Minerals, as of the date of the Circular, there are no persons who will, immediately following the completion of the Arrangement and conversion of the Subscription Receipts issued pursuant to the Private Placement, directly or indirectly, own or exercise control or direction over, securities carrying more than 10% of the voting rights attached to any class of voting securities of Minerals.

DIRECTORS AND EXECUTIVE OFFICERS

The names, municipalities of resident, positions with Minerals and the principal occupations of the persons who will serve as directors and executive officers of Minerals after giving effect to the Arrangement are set out below, together with their holdings of Minerals Shares.

Name and Municipality of Residence	Position and Date Appointed Director / Officer	Principal Occupation (for last 5 years)	Minerals Shares Beneficially Held or Controlled as at the date hereof	Minerals Shares Beneficially Held or Controlled Assuming Completion of Arrangement and conversion of the Subscription Receipts[4]
Simon Ingram London, UK	President, Chief Executive Officer and Director January 25, 2011	Managing Director, AuVerdi Capital DMCC, Dubai, United Arab Emirates (a private exploration and mining consulting company) since May 2007. Managing Director, Ankobra Resource Services Limited (a private exploration and mining consulting company) from 1998 to 2007.	400,000 (21%)	500,000 (1.92%)
Miles F. Thompson Rio de Janeiro, Brazil	Director, Non-Executive Chairman January 25, 2011	Chairman of Reservoir Capital; Chairman and Chief Executive Officer of Lara Exploration Ltd. (TSXV: LRA) since January 2006.	400,000 (21%)	1,446,258 (5.54%)
Michael Winn Laguna Beach, CA United States	Director Upon closing of the Arrangement	President of Terrasearch Inc. (private mining and energy consulting company) since 1997.	300,000[1] (16%)	661,239 [5] (2.53%)
Miljana Vidovic Belgrade, Serbia	Director Upon closing of the Arrangement	President, Chief Executive Officer and Director of Reservoir Capital since February 2007; Serbian Representative of Gold Fields International from May 2004 to February 2006; Business Development Manager of Tractebel from April 1999 to July 2006.	200,000 (11%)	1,088,806 (4.17%)

Geoff Chater Maple Ridge, British Columbia	Director Upon closing of the Arrangement	Corporate communications consultant, Namron Advisors, 1997 to present.	Nil	Nil
David Knox London, UK	Director Upon closing of the Arrangement	Senior Executive Officer, BBY Limited (an Australian independent financial services group which holds an Australian Financial Services Licence), from 2008 to present. Head, Energy Group / Exco Resource Banking, Standard Bank, from 2000 to 2006.	Nil	Nil
Christina Cepeliauskas(2) New Westminster, British Columbia	Chief Financial Officer Upon closing of the Arrangement	Chief Financial Officer of Eurasian Minerals Inc. since September 2008; Chief Financial Officer of Reservoir Capital since 2009; Chief Financial Officer of Aura Minerals Inc. from September 2007 – May 2008; Chief Financial Officer of Yukon Zinc Corporation from March 2007 to September 2007.	Nil	Nil
Aleksander Obrenovic Belgrade, Serbia	Vice President Exploration / Managing Director – Serbia Upon closing of the Arrangement	Managing Director, Southeach European Exploration D.o.o., a subsidiary of Reservoir Capital, since June 2006.	150,000 (8%)	150,000 (0.57%)
Chris MacIntyre(3) Toronto, Ontario	Vice President Corporate Development Upon closing of the Arrangement	Vice President Corporate Development, Reservoir Capital, since April 2010; Vice President Corporate Development, Lara Exploration Ltd. since February 2011; Manager, Corporate Development, Universal Power Corp. from October 2008 to March 2010	200,100 (11%)	490,169 (1.88%)

Notes:

(1) Held by Seabord Services Corp., a company wholly-owned and controlled by Mr. Winn, and engaged to provide corporate administrative services to Minerals (see "*Compensation of Executive Officers and Directors – Corporate Services Agreement*").

(2) Currently, Mr. Doug Reed serves as Chief Financial Officer of Minerals pursuant to his appointment on May 16, 2011. Upon closing of the Arrangement, Mr. Reed will resign and Ms. Cepeliauskas will be appointed as Chief Financial Officer.

(3) Mr. MacIntyre has been a director of Minerals since its incorporation on January 25, 2011. Upon closing of the Arrangement, Mr. MacIntyre will resign as a director and will be appointed as Vice President Corporate Development.

(4) Assumes 46,701,698 Reservoir Capital Shares issued and outstanding, the number of Reservoir Capital Shares issued and outstanding on September 8, 2011.

(5) See Note 1 in relation to 300,000 Minerals Shares. 158,260 Minerals Shares will be held by MDW & Associates LLC, a company wholly-owned by Mr. Winn and 80,000 Minerals Shares will be controlled by Mr. Winn's spouse.

Other Reporting Issuer Experience

The following table sets out the directors and executive officers of Minerals, that are, or have been within the last five years, directors, officers or promoters of other reporting issuers.

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Simon Ingram	Reservoir Capital Corp.	TSXV	Director	September 2007	January 2011
Miles Thompson	Reservoir Capital Cop.	TSXV	Chairman and Director	February 2007	Present
	Lara Exploration Ltd.	TSXV	President, CEO and Director	January 2006	Present
	Inca Pacific Resources Inc.	TSXV	Director	May 2009	Present
	Sypher Resources Ltd.	CNSX	Director	March 2010	Present
Michael Winn	Alexco Resource Corp.	TSX/AMEX	Director	January 2005	Present
			Chairman	December 2007	May 2010
	Denovo Capital Corp.	TSXV	Director	April 2010	Present
	Eurasian Minerals Inc.	TSXV	Director	November 2003	Present
	Inca Pacific Resources Inc.	TSXV	CEO/Director	June 2009	Present
	Iron Creek Capital Corp.	TSXV	CEO/Director	April 2008	Present
	Sprott Resource Corp.	TSX	Director	June 2003	Present
	Lara Exploration Ltd.	TSXV	Director	April 2006	Present
	TransAtlantic Petroleum Ltd.	TSX	Director	May 2004	Present
			Chairman	December 2004	May 2008
	Reservoir Capital Corp.	TSXV	Director	May 2006	Present
	Mena Resources Inc.	TSXV	Director	June 2002	March 2007
	Quest Capital Corp.	TSX/AMEX	Director	July 2002	December 2007
	Sanu Resources Ltd.	TSXV	Director	January 2004	August 2009
	NGEx Resources Inc.	TSXV	Director	August 2009	November 2010

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
	Lake Shore Gold Corp.	TSX	Director	December 2002	May 2010
	Buffalo Resources Corp.	TSXV	Director	January 2009	October 2009
Miljana Vidovic	Reservoir Capital Corp.	TSXV	President and CEO	February 2007	Present
Geoff Chater	Bearing Resources Ltd.	TSXV	President, CEO and Director	March 2011	Present
	Kiska Metals Corporation	TSXV	Director	June 2010	Present
	Esperanza Resources Corp.	TSXV	Director	June 2010	June 2011
	Levon Resources Ltd.	TSXV	Director	March 2011	April 2011
	Valley High Ventures Ltd.	TSXV	President and Director	August 2010	March 2011
	Greystar Resources Ltd.	TSX AIM	Vice President Corporate Development and Director	April 2006 April 2006	June 2010 August 2009
Christina Cepeliauskas	Reservoir Capital Corp.	TSXV	Chief Financial Officer	May 2009	Present
	Eurasian Minerals Inc.	TSXV	Chief Financial Officer	September 2008	Present
	Aura Minerals Inc.	TSX	Chief Financial Officer	September 2007	May 2008
	Yukon Zinc Corporation	TSXV	Chief Financial Officer	March 2007	September 2007
Chris MacIntyre	Reservoir Capital Corp.	TSXV	Vice President Corporate Development	April 2010	Present
	Lara Exploration Ltd.	TSXV	Vice President Corporate Development	February 2011	Present

In connection with the closing of the Arrangement, the Minerals Board will appoint an audit committee whose composition will comply with the requirements of the BCBCA, applicable Canadian securities laws and the TSXV. The Minerals Board may from time to time establish additional committees. The mandates of each of the committees will be established following completion of the Arrangement and will be in compliance with applicable legal and regulatory requirements.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, no Director or Executive Officer of Minerals is, as at the date hereof, or was within the previous 10 years, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade or similar order or an order that denied access to any exemption under securities legislation, in effect for more than 30 consecutive days that was issued while the Director or Executive Officer was acting in the capacity as director, chief executive officer or chief financial officer, or that was issued after the Director or Executive Officer 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 Minerals' knowledge, no Director or Executive Officer of Minerals or a shareholder holding a sufficient number of Minerals Shares to affect materially control of Minerals: (a) as at the date hereof or within the previous 10 years, either personally, or was a director or executive officer of any company that, while acting 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 his or its assets; or (b) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the Directors and Executive Officers of Minerals may be subject in connection with the operations of Minerals. In particular, certain of the Directors and Executive Officers are involved in managerial or director positions with other mineral resource issuers whose operations may, from time to time, be in direct competition with those of Minerals or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of Minerals. Conflicts, if any, will be subject to the procedures and remedies available under the BCBCA. The BCBCA provides that in the event that a Director has an interest in a contract or proposed contract or agreement, the Director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the BCBCA.

BACKGROUND OF MANAGEMENT

Profiles of the officers and other key personnel of Minerals upon completion of the Arrangement are set forth below.

Simon Ingram – President and Chief Financial Officer, Age 41

Dr. Ingram currently serves as the President and Chief Executive Officer of Minerals. Dr. Ingram was a founding director of Reservoir Capital (TSXV: REO) and has 20 years international experience in the exploration and mining industry. He is the founder and principal of a resource services firm, through which he has provided technical and managerial expertise to exploration and mining companies worldwide, throughout the project cycle from early-stage exploration projects to feasibility studies, mine start up and production. Projects that Dr. Ingram has been a consultant and advisor to include; Petropavlovsk Plc (LSE: POG), a London-listed mining and exploration company with its principal assets located in Russia, Anglo American Zambia copper mine production and expansion, Rio Tinto Technical

Services for resource definition to mine start up in the Middle East and the resource expansion, mining start up and subsequent sale of a polymetallic mine in Armenia for a private Swiss company. Dr Ingram holds a B.Sc. (Hon) in Exploration and Mining Geology and Ph.D in Mineral Resource Evaluation from Cardiff University.

Christina Cepeliauskas – Chief Financial Officer, Age 47

Ms. Cepeliauskas will become the Chief Financial Officer of Minerals upon completion of the Arrangement. Ms. Cepeliauskas is a Certified General Accountant with more than 15 years of financial accounting and treasury experience in the mineral exploration and mining industry and is currently the Chief Financial Officer of Eurasian Minerals Inc. (TSXV: EMX) and Reservoir Capital (TSXV: REO). Prior to joining Eurasian Minerals Inc., Ms. Cepeliauskas held the position of Chief Financial Officer with Aura Minerals Inc. (TSX: ORA) and Yukon Zinc Corporation.

Aleksander Obrenovic – Vice President Exploration, Age 47

Mr. Obrenovic has served as the Managing Director of Southeast European Exploration D.o.o., one of the Serbian Subsidiaries, since June 2006. Upon completion of the Arrangement, Mr. Obrenovic will be appointed Vice President Exploration of Minerals. Mr. Obrenovic has been involved with precious and base metals exploration for over seventeen years. Prior to joining Reservoir Capital he was a principal geologist of a Serbian subsidiary of Eurasian Minerals Inc. (TSX: EMX.V). Prior to his involvement with Reservoir Capital, Mr. Obrenovic spent twelve years working at the Serbian National Geological Institute "Geoinstitut" Beograd, participating in several international and Serbia in-country mineral exploration projects and scientific studies. Mr. Obrenovic was a member of the editorial board and technical editor of several special geological publications and university textbooks. Mr Obrenovic holds a graduate engineer of economic geology degree from the faculty of Mining and geology, University of Belgrade.

Chris MacIntyre – Vice President Corporate Development, Age 30

Mr. MacIntyre currently serves as a director of Minerals and upon completion of the Arrangement will be appointed as Vice President Corporate Development. Mr. MacIntyre presently serves as Vice President Corporate Development of Reservoir Capital (TSXV: REO) and Lara Exploration Ltd. (TSXV: LRA), whereby Mr. MacIntyre's primary responsibilities include corporate and project finance, strategic development, and corporate communications. His promotion from Manager of Corporate Development to Vice-President of Reservoir Capital and Lara Exploration Ltd. followed his role of Manager, Corporate Development with Universal Power Corp. (TSXV:UNX) from October 2008 until March 2010. Mr. MacIntyre holds an Honours Bachelor of Commerce from the Queen's School of Business at Queen's University in Kingston, Ontario.

Kim Casswell – Corporate Secretary, Age 54

Ms. Casswell will become Corporate Secretary of Minerals upon the completion of the Arrangement. Ms. Casswell has been the Corporate Secretary of several public companies listed on the TSXV and the Toronto Stock Exchange since 1994. Ms. Casswell has played an important role in the growth of these companies and is familiar with regulations governing public companies in several jurisdictions. Ms. Casswell is currently the Corporate Secretary for Inca Pacific Resources Corp. (TSXV: IPR), Nevgold Resource Corp. (TSXV: NDG), Esperanza Resources Corp. (TSXV: EPZ), Lara Exploration Ltd. (TSXV: LRA), Reservoir Capital (TSXV: REO) and Colombian Mines Corporation (TSXV: CMJ).

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

To date, Minerals has not carried on any active business, other than in connection with the Arrangement and the identification and review of potential mineral exploration and development opportunities in international jurisdictions, and Minerals has not completed a fiscal year of operations. As at the date of this Circular, Minerals has not paid any compensation to its executive officers and directors other than a payment of $84,000 to Simon Ingram, President and Chief Executive Officer of Minerals, for his services rendered up to and including July 31, 2011, and ongoing payments to Simon Ingram since July 31, 2011 of $12,000 per month for his continued services, and no other compensation will be paid until after the Arrangement has been completed. Following completion of the Arrangement, it is anticipated that the executive officers of Minerals will be paid salaries at a level that is comparable to companies of similar size and industry. Upon completion of the Arrangement, it is anticipated that directors and executive officers will be granted Minerals Options as disclosed herein. See "*Options to Purchase Securities"*.

As at the date of the Circular, there are no employment contracts in place between Minerals and any of the executive officers of Minerals and there are no provisions with Minerals for compensation for the executive officers of Minerals in the event of termination of employment or a change in responsibilities following a change of control of Minerals. It is expected that Minerals will enter into employment contracts with each of the executive officers of Minerals on or before the Effective Date.

Minerals has not established an annual retainer fee or attendance fee for directors. However, Minerals will establish directors' fees in the future and will reimburse directors for all reasonable expenses incurred in order to attend meetings. It is anticipated that directors will be compensated for their time and effort by granting them options to acquire Minerals Shares pursuant to the Minerals Stock Option Plan.

Corporate Services Agreement

Minerals has entered into a corporate services agreement effective July 1, 2011 with Seabord Services Corp. ("**Seabord**") (the "**Corporate Services Agreement**"), a private management company. Pursuant to the Corporate Services Agreement, Seabord will provide various administrative, accounting, corporate secretarial and related corporate services, including the provision of Christina Cepeliauskas as proposed Chief Financial Officer and Kim Casswell as proposed Corporate Secretary upon completion of the Arrangement. Under the terms of the Corporate Services Agreement, Seabord will be paid a monthly fee of $14,100 per month, including costs associated with employee or consultant labour and costs associated with maintaining an office, and shall also be reimbursed for expenses associated with additional services at pre-determined hourly rates and associated out of pocket expenses. Seabord is wholly-owned by Michael Winn, a proposed director of Minerals upon completion of the Arrangement and current shareholder of Minerals. See "*Directors and Executive Officers*".

SPONSORSHIP

No sponsor has been retained by Minerals in connection with its application for listing of the Minerals Shares on the Exchange as the Exchange has conditionally waived the sponsorship requirement.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There exists no indebtedness of the directors or executive officers of Minerals, or any of their associates, to Minerals, nor is any indebtedness of any of such persons to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Minerals.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Following the completion of the Arrangement, it is anticipated that Minerals will adopt an audit committee and corporate governance policies in compliance with applicable laws and TSXV policies. Minerals anticipates that its audit committee will be comprised of Geoff Chater (independent), David Knox (independent) and Simon Ingram, its compensation committee comprised of Geoff Chater (independent), David Knox (independent) and Miles Thompson, and its governance committee comprised of Geoff Chater (independent), David Knox (independent) and Michael Winn.

RISK FACTORS

An investment in the securities of Minerals will be subject to a number of risk factors. See "*Part X – Other Matters – Risk Factors*" of the Circular. Additional risks and uncertainties not currently known by management of Minerals may also have an adverse effect on Minerals' business. If any of these risks actually occur, Minerals' business, financial condition, capital resources, results and/or future operations could be materially adversely affected. In such a case, the market value of the securities of Minerals could decline and investors may lose all or part of their investment.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no material legal proceedings to which Minerals is a party or in respect of which any of the assets of Minerals are subject, which is or will upon completion of the Arrangement be material to Minerals, and Minerals is not aware of any such proceedings that are contemplated.

Regulatory Actions

There have been: (i) no penalties or sanctions imposed against Minerals by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions imposed by a court or regulatory body against Minerals; and (iii) no settlement agreements Minerals entered into with a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere herein, management of Minerals is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer of Minerals, any person or company who owns of record, or is known by Minerals to own beneficially, directly or indirectly, more than 10% of the Minerals Shares or any associate or affiliate of the foregoing persons or companies, in any transaction within the three years before the date of this Appendix (other than through their interests as securityholders of Reservoir Capital) that has materially affected or is reasonably expected to materially affect Minerals since incorporation.

The Corporation has entered into the Corporate Services Agreement with Seabord respecting the provision of corporate administration services. See "*Compensation of Executive Officers and Directors – Corporate Services Agreement*".

AUDITORS, RESTRAR AND TRANSFER AGENT

Auditors

Davidson & Company LLP, Chartered Accountants, 1200 – 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, British, Columbia, V7Y 1G6 has been appointed the auditors of Minerals.

Transfer Agent and Registrar

Minerals will appoint Computershare Trust Company of Canada at its principal office at 3rd Floor, 510 Burrard St. Vancouver, BC V6C 3B9, as the registrar and transfer agent of the Minerals Shares.

MATERIAL CONTRACTS

The only contracts entered into by Minerals or by the Minerals Group other than in the ordinary course of business, that can reasonably be regarded as material to Minerals, presently or upon completion of the Arrangement, are as follows:

1. Arrangement Agreement;

2. Subscription Receipt Agreement;

3. Freeport Earn-In Agreement, by which Minerals and Minerals BVI shall be assigned and novated into by Reservoir Capital and Reservoir Capital (BVI) Ltd. In connection with such assignment and novation agreement, Minerals is to cause the shares of Rakita Exploration d.o.o. to be registered in the Serbian Commercial Registry;

4. Orogen Earn-In Agreement, which Minerals and/or applicable subsidiaries or nominee(s) shall be assigned and novated into by Reservoir Capital;

5. Eurasian Royalty Agreement, which Minerals and/or applicable subsidiaries or nominee(s) shall be assigned and novated therein;

6. Euromax Royalty Agreement, which Minerals and/or applicable subsidiaries or nominee(s) shall be assigned and novated therein;

7. SEE Share Purchase Agreement, which Minerals and/or applicable subsidiaries or nominee(s) shall be assigned certain obligations thereto;

8. Consulting agreement between Minerals and Africa Gold FZC dated April 1, 2011 with respect to the provision of non-exclusive consulting services by Africa Gold FZC to Minerals regarding the identification and review of potential mineral exploration and development opportunities in international jurisdictions; and

9. Corporate Services Agreement.

A copy of the foregoing agreements may be inspected, prior to the Meeting, during normal business hours at the principal offices of Minerals. The Arrangement Agreement and Plan of Arrangement is attached to this Circular as Appendix “B”.

INTERESTS OF EXPERTS

Based on securityholdings as of the date hereof, the partners and associates of NCP do not own, directly or indirectly, any Minerals Shares, and will hold, directly or indirectly, less than one percent of the Minerals Shares on the Effective Date.

Certain legal matters relating to the Arrangement are to be passed upon by Borden Ladner Gervais LLP, on behalf of Minerals. Based on securityholdings as of the date hereof, the partners and associates of Borden Ladner Gervais LLP do not own, directly or indirectly, any Minerals Shares, and will hold, directly or indirectly, less than one percent of the Minerals Shares on the Effective Date.

The auditor of Minerals, Davidson & Company LLP, Chartered Accountants, audited the July 31, 2011 financial statements of Minerals and is independent within the meaning of the Rules of Professional conduct of the Institute of Chartered Accountants of British Columbia.

Mr. A.J. Tunningley is the author of the Parlozi Technical Report and is an "independent person" within the meaning of NI 43-101. Mr. A.J. Tunningley, as of the date hereof, does not own, directly or indirectly, any Minerals Shares, and will not hold, directly or indirectly, any Minerals Shares on the Effective Date.

In addition, none of the aforementioned persons or companies, nor any director, officer, employee or partner, as applicable, of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of Minerals or of any associate or affiliate of Minerals.

APPENDIX "H" – UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF RESERVOIR CAPITAL CORP. AS AT APRIL 30, 2011 AND UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF RESERVOIR MINERALS INC. AS AT JULY 31, 2011

RESERVOIR CAPITAL CORP.

(An Exploration Stage Company)

Pro Forma Consolidated Financial Statements

(Unaudited)

(Expressed in Canadian Dollars, unless otherwise stated)

RESERVOIR CAPITAL CORP.
PRO FORMA CONSOLIDATED BALANCE SHEET
APRIL 30, 2011
(Expressed in Canadian Dollars)
(Unaudited)

	Reservoir Capital Corp.	BVI Subsidiaries (Note 4a)	Adjustments	Notes	Pro Forma Consolidated
Assets					
Current					
Cash	$ 10,376,920	$ (548,306)	$ (100,000)	3 (b)	$ 9,728,614
Receivables	302,580	(19,506)	-		283,074
Prepaid expenses	41,931	-	-		41,931
	10,721,431	(567,812)	(100,000)		10,053,619
Furniture and equipment	122,153	(24,031)	-		98,122
Hydroelectric and geothermal deposits	244,613	-	-		244,613
Mineral properties	249,518	(249,518)	-		-
Restricted cash	75,000	-	-		75,000
	$ 11,412,715	$ (841,361)	$ (100,000)		$ 10,471,354
Liabilities					
Current					
Accounts payable and accrued liabilities	$ 558,632	$ (60,739)	$ -		$ 497,893
Advances from Joint Venture partner	463,546	(463,546)	-		-
Due to Reservoir Capital BVI	-	(332,884)	332,884	3 (a)	-
	1,022,178	(857,169)	332,884		497,893
Shareholders' Equity					
Share capital	25,174,315	-	-		25,174,315
Contributed surplus	1,580,236	-	-		1,580,236
			(100,000)	3 (b)	
Deficit	(16,364,014)	15,808	(332,884)	3 (a)	(16,781,090)
	10,390,537	15,808	(432,884)		9,973,461
	$ 11,412,715	$ (841,361)	$ (100,000)		$ 10,471,354

Approved by the Board of Directors:

Signed: *"Winston Bennett"* Director

Signed: *"Miles Thompson"* Director

See notes to pro forma consolidated financial statements

RESERVOIR CAPITAL CORP.
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended April 30, 2011
(Unaudited)
(Expressed in Canadian Dollars)

	Reservoir Capital Corp.	BVI Subsidiaries (Note 4a)	Adjustments	Notes	Pro Forma Consolidated
Operation Expenditures					
Renewable energy					
Hydroelectric projects	$ 2,381,706	$ -	$ -		$ 2,381,706
Geothermal expenditures	154,048	-	-		154,048
Prepaid expenses	1,282,304	-	-		1,282,304
	3,818,058	-	-		3,818,058
Mineral properties					
Mineral property exploration	720,334	(501,334)	-		219,000
Exploration recoveries	(575,275)	501,334	-		(73,941)
	145,059	-	-		145,059
Total operation expenditures	3,963,117	-	-		3,963,117
General and Administrative Expenses					
Administrative services and office	365,366	(630)	-		364,736
Management fees	357,961	-	-		357,961
Professional fees	210,432	-	100,000	3 (b)	310,432
Shareholder communications	84,652	-	-		84,652
Stock-based compensation	142,972	-	-		142,972
Transfer agent and filing fees	56,182	(5,176)	-		51,006
Travel	164,962	-	-		164,962
	1,382,527	(5,806)	100,000		1,476,721
Loss before other items	(5,345,644)	5,806	(100,000)		(5,439,838)
Other Items					
Foreign exchange gain (loss)	1,973	23,569	-		25,542
Interest income	16,518	-	-		16,518
	18,491	23,569	-		42,060
Net loss for the period	$ (5,327,153)	$ 29,375	$ (100,000)	3 (b)	$ (5,397,778)
Basic and diluted loss per common share	$ (0.15)				$ (0.15)
Weighted average number of common shares outstanding	35,794,845				35,794,845

See notes to pro forma consolidated financial statements

1. BASIS OF PRESENTATION

The accompanying unaudited pro-forma consolidated financial statements have been prepared by the management of Reservoir Capital Corp. ("Reservoir" or the "Company") for inclusion in the Company's Information Circular dated September 12, 2011 with respect to the proposed plan of arrangement (the "Arrangement") involving the Company, Reservoir Minerals Inc. ("Minerals"), and its securityholders. The pro forma consolidated balance sheet has been prepared as if the acquisition of by Minerals of Reservoir's Serbian mining assets (the "Assets") had occurred on April 30, 2011. Reservoir Capital (BVI) Corp., a wholly-owned subsidiary of Reservoir, will distribute three (3) BVI wholly-owned subsidiaries (the "BVI Subsidiaries"), which in turn each own wholly owned Serbian subsidiaries which hold the Assets. The pro-forma consolidated statement of operations for the year ended April 30, 2011 have been prepared as if the acquisition of the Assets by Minerals had occurred on May 1, 2010. The pro-forma consolidated financial statements have been prepared in accordance with Reservoir's accounting policies as disclosed in Reservoir's audited consolidated financial statements for the year ended April 30, 2011. These pro forma consolidated financial statements of the Company have been compiled from and include:

a) The audited financial statements of the Company as at April 30, 2011.

b) The financial information of the BVI Subsidiaries as at April 30, 2011 and for the year then ended (Note 4) is derived from the audited consolidated financial statement of the Company as at April 30, 2011 and for the year then ended.

c) The additional information set out in Note 2 and 3.

The unaudited pro forma consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included therein, as referred to above and included or incorporated by the reference in the Reservoir Information Circular, or available at www.sedar.com.

It is management's opinion that these pro forma consolidated financial statements include all adjustments necessary for the fair presentation of the transactions described here on a basis consistent with the Company's accounting policies. The pro forma consolidated financial statements are not intended to reflect the results of operations or the financial position of Reservoir which would have actually resulted had the transactions been effected on the dates indicated. Furthermore, the unaudited pro forma financial information is not necessarily indicative of the results of operations that may be obtained in the future. Actual amounts recorded upon consummation of the transactions will differ from those recorded in the unaudited pro forma consolidated financial statements and the differences may be material.

2. ACQUISITION BY MINERALS OF RESERVOIR'S SERBIAN EXPLORATION ASSETS

Reservoir Capital Corp. is a publicly traded company listed on the TSXV which carries on two lines of business: the business of Renewable Energy and the business of Mineral Exploration. The Arrangement has been proposed to facilitate the separation of the two business activities. Pursuant to the Arrangement, Reservoir Capital will transfer to Minerals all of the outstanding shares of its BVI Subsidiaries, which companies hold the Mining Assets which are comprised of all of Reservoir Capital's right, title and interest in certain Exploration Permits located in Serbia (Note 4).

2. ACQUISITION BY MINERALS OF RESERVOIR'S SERBIAN EXPLORATION ASSETS (Continued)

In exchange for the BVI Subsidiaries, Minerals will issue to Reservoir 9,000,000 Minerals Shares. Each Shareholder of Reservoir will receive Minerals Shares in proportion to his/her/its interest in the Company (the number of Common Shares owned by the Shareholder on the effective time of the Arrangement divided by the total issued and outstanding Common Shares). For the Arrangement to proceed, the special resolution must be approved by at least two-thirds of the votes cast by Shareholders present, in person or by proxy, at the Meeting.

3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The following are the pro forma assumptions and adjustments relating to the acquisition of the BVI Subsidiaries.

a) The receipt of 9,000,000 common shares of Minerals in consideration for the transfer of the Company's Serbian mining assets by way of transfer of the Company's 3 BVI subsidiaries that hold the Serbian entities that own the mining licenses. Since the arrangement transaction between Reservoir and Minerals is a non-monetary related party transaction, for accounting purposes and the preparation of these pro-formas, the arrangement transaction has been recorded at the carrying value of the BVI Subsidiaries involved.

b) To record $100,000 in anticipated costs of the arrangement.

4. BVI SUBSIDIARIES

The BVI Subsidiaries consist of three BVI subsidiaries and three Serbian operation subsidiaries which are wholly-owned by them:

a) Reservoir Exploration (BVI) Ltd. owns Deli Jovan Exploration and Mining D.o.o. which owns the Deli Jovan exploration permit;

b) Reservoir Consulting (BVI) Inc. owns Balkan Exploration and Mining D.o.o. which owns the Lece, Plavkovo, Stara Planina, Parlozi and Bobija exploration permits;

c) Rakita (BVI) Ltd. owns Rakita Exploration D.o.o. which owns the Brestovac-Metovnica and Jasikovo exploration permits.

The financial information of the BVI Subsidiaries is derived from the audited consolidated financial statements of Reservoir as of April 30, 2011 and for the year then ended and adjusted for inter-company balances.

(Expressed in Canadian Dollars)

4. BVI SUBSIDIARIES

a) Unaudited combined statement of financial position of the BVI Subsidiaries as of April 30, 2011

	Reservoir Exploration (BVI) Ltd.	Reservoir Consulting (BVI) Inc.	Rakita (BVI) Ltd.	BVI Subsidiaries (Total)
Assets				
Current				
Cash	$ 28,400	$ 39,668	$ 480,238	$ 548,306
Receivables	11,571	2,274	5,661	19,506
	39,971	41,942	485,899	567,812
Mineral properties	57,580	3	191,935	249,518
Furniture and Equipment	18,810	-	5,221	24,031
	$ 116,361	$ 41,945	$ 683,055	$ 841,361
Liabilities				
Current				
Accounts payable and accrued liabilities	$ 16,852	$ -	$ 43,887	$ 60,739
Advances from Joint Venture partner	43,346	-	420,200	463,546
Due to Reservoir Capital BVI	62,367	46,112	224,405	332,884
	122,565	46,112	688,492	857,169
Shareholders' Equity				
Deficit	(6,204)	(4,167)	(5,437)	(15,808)
	$ 116,361	$ 41,945	$ 683,055	$ 841,361

(Expressed in Canadian Dollars)

4. BVI SUBSIDIARIES (Continued)

b) Unaudited combined statement of comprehensive loss of the BVI Subsidiaries for the year ended April 30, 2011.

	Reservoir Exploration (BVI) Ltd.	Reservoir Consulting (BVI) Inc.	Rakita (BVI) Ltd.	BVI Subsidiaries (Total)
Exploration expenses	$ 121,753	$ 24,576	$ 355,015	$ 501,344
Less: recoveries from JV partners	(121,753)	(24,576)	(355,015)	(501,344)
	-	-	-	-
General and administrative				
Office and administrative	2	203	425	630
Transfer agent and filing fees	789	3,604	783	5,176
Loss before other items	(791)	(3,807)	(1,208)	(5,806)
Other items				
Foreign exchange loss	(2,204)	(360)	(21,005)	(23,569)
Comprehensive Loss for the Period	$ (2,995)	$ (4,167)	$ (22,213)	$ (29,375)

RESERVOIR MINERALS INC.

Pro Forma Consolidated Financial Statements

July 31, 2011

(Unaudited)

(Expressed in Canadian Dollars, unless otherwise stated)

RESERVOIR MINERALS INC.
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JULY 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

	Reservoir Minerals Inc.	BVI Subsidiaries (Note 5a)	Adjustments	Notes	Pro Forma Consolidated
Assets					
Current					
			(200,000)	3 (b)	
Cash	$ 110,081	$ 548,306	$ 9,614,503	3 (a)	$ 10,072,890
Restricted cash	9,643,253		(9,614,503)	3 (a)	28,750
Receivables	15,540	19,506			35,046
	9,768,874	567,812	(200,000)		10,136,686
Mineral properties	-	249,518	-	2	249,518
Furniture and Equipment	-	24,031	-		24,031
	$ 9,768,874	$ 841,361	$ (200,000)		$ 10,410,235
Liabilities					
Current					
Accounts payable and accrued liabilities	$ 444,979	$ 60,739	$ -		$ 505,718
Advances from Joint Venture partner	-	463,546	-		463,546
Due to Reservoir Capital BVI	-	332,884	(332,884)	2	-
	444,979	857,169	(332,884)		969,264
Shareholders' Equity					
			317,076	2	
Share capital	190,010	-	9,594,785	3 (a)	10,101,871
Subscription receipts	9,594,785	-	(9,594,785)	3 (a)	-
			15,808	2	
Deficit	(460,900)	(15,808)	(200,000)	3 (b)	(660,900)
	9,323,895	(15,808)	132,884		9,440,971
	$ 9,768,874	$ 841,361	$ (200,000)		$ 10,410,235

Approved by the Board of Directors:

Signed: *"Simon Ingram"* Director

Signed: *"Miles Thompson"* Director

See notes to pro forma consolidated financial statements

RESERVOIR MINERALS INC.
PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
For the Period Ended July 31, 2011
(Unaudited)
(Expressed in Canadian Dollars)

	Reservoir Minerals Inc.	BVI Subsidiaries (Note 5b)	Adjustments	Notes	Pro Forma Consolidated
Exploration expenses	$ -	$ 501,334	$ -		$ 501,344
Less: recoveries from JV partners	-	(501,334)	-		(501,344)
	-	-	-		-
General and administrative					
Consulting	169,246	-	-		169,246
Legal and arrangement costs	257,396	-	185,000	3(b)	442,396
Office and administrative	17,756	630	-		18,386
Transfer agent and filing fees	26,071	5,176	15,000	3(b)	46,247
Loss before other items	(470,469)	(5,806)	(200,000)		(676,275)
Other items					
Interest revenue	10,004	-	-		10,004
Foreign exchange loss	(435)	(23,569)	-		(24,004)
	9,569	(23,569)	-		(14,000)
Comprehensive Loss for the Period	$ (460,900)	$ (29,375)	$ (200,000)		$ (690,275)
Basic and diluted loss per share					$ (0.03)
Weighted average number of shares outstanding (Note 4)					26,106,132

See notes to pro forma consolidated financial statements

1. BASIS OF PRESENTATION

The accompanying unaudited pro-forma consolidated financial statements of Reservoir Minerals Inc. ("Minerals" or the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") from information derived from the financial statements of the Company and Reservoir Capital Corp. ("Reservoir") together with other information available to the Company.

The unaudited pro forma consolidated financial statements have been prepared by the management of the Company for inclusion in the Information Circular of Reservoir dated September 12, 2011 in connection with the proposed plan of arrangement involving Reservoir, its securityholders and the Company. The unaudited pro forma consolidated financial statements have been prepared as if the acquisition of Reservoir's Serbian mining assets (the "Assets") by Minerals had occurred on July 31, 2011. The Company will, through its wholly-owned subsidiary, Reservoir Capital (BVI) Corp., distribute three wholly-owned British Virgin Island ("BVI") subsidiaries which in turn each wholly own one Serbian subsidiary that holds the Assets (the three BVI subsidiaries and the three wholly-owned subsidiaries, collectively "BVI Subsidiaries").

The unaudited pro forma consolidated statement of comprehensive loss for the period ended July 31, 2011 has been prepared as if the acquisition of the Assets by Minerals had occurred on the first day presented.

The unaudited pro-forma consolidated financial statements of the Company have been compiled from and include:

a) The audited financial statements of the Company as at July 31, 2011 and for the period from incorporation on January 25, 2011 to July 31, 2011, prepared in accordance with IFRS;

b) The financial information of the BVI Subsidiaries as at April 30, 2011 and for the year then ended (Note 5) is derived from the audited consolidated financial statement of Reservoir as at April 30, 2011 and for the year then ended. There are no material differences between Canadian generally accepted accounting principles ("GAAP") GAAP and IFRS in that financial information;

c) The additional information set out in Note 2 and 3.

The unaudited pro forma consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included therein, as referred to above and included or incorporated by reference in the Reservoir Information Circular, or available at www.sedar.com.

It is management's opinion that these pro forma consolidated financial statements include all adjustments necessary for the fair presentation of the transactions described here on a basis consistent with the Company's accounting policies. The pro forma consolidated financial statements are not intended to reflect the results of operations or the financial position of Minerals which would have actually resulted had the transactions been effected on the dates indicated. Furthermore, the unaudited pro forma financial information is not necessarily indicative of the results of operations that may be obtained in the future. Actual amounts recorded upon consummation of the transactions will differ from those recorded in the unaudited pro forma consolidated financial statements and the differences may be material.

(Expressed in Canadian Dollars)

2. ACQUISITION OF RESERVOIR'S SERBIAN EXPLORATION ASSETS

Reservoir Capital Corp. is a publicly traded company listed on the TSXV which carries on two lines of business: the business of Renewable Energy and the business of Mineral Exploration. The Plan of Arrangement has been proposed to facilitate the separation of the two business activities. Pursuant to the Plan of Arrangement, Reservoir Capital will transfer to Minerals all of the outstanding shares of its Mining Subsidiaries, which companies hold the Mining Assets which are comprised of all of Reservoir Capital's right, title and interest in certain Exploration Permits located in Serbia (Note 5).

In exchange for the Mining Subsidiaries, Minerals will issue to Reservoir Capital 9,000,000 Minerals Shares.

The preliminary purchase price allocation is summarized as follows:

Purchase Price:		
Issuance of 9,000,000 Minerals common shares	$	317,076
	$	317,076

Purchase Price Allocation:		
Cash	$	548,306
Receivables		19,506
Equipment		24,031
Mineral properties		249,518
Accounts payable and accrued liabilities		(60,739)
Advance from JV Partners		(463,546)
	$	317,076

The actual amounts recorded on the acquisition will be determined at the date of acquisition and may differ from the amounts estimated above.

3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The following are the pro forma assumptions and adjustments relating to the acquisition of the BVI Subsidiaries.

a) The 14,776,150 of Subscription Receipts previously issued by Minerals in connection with the proposed plan of arrangement are converted into 14,776,150 share units at no additional cost. In conjunction, the 429,882 Agent's Compensation Option Receipts issued by Minerals are converted into 429,882 share units at no additional cost. Accordingly, the funds from issuing the Subscription Receipts totaling $9,614,503 that is held by Minerals' transfer agent is released to the Company.

b) The Company incurred an additional $185,000 in legal fees and $15,000 in transfer agent and filing fees in relation to the acquisition.

(Expressed in Canadian Dollars)

4. SHARE CAPITAL

Share capital as at July 31, 2011 in the unaudited pro-forma consolidated financial statements is comprised of the following:

	Number of Shares	Share Capital	Contributed Surplus
Authorized			
Unlimited common shares without par value			
Issued			
Share capital as set out in the audited financial statements of the Company as at July 31, 2011	1,900,100	$ 190,010	$ -
Shares issued for Serbian Mining Assets (Note 2)	9,000,000	317,076	-
Shares issued per conversion of Subscription Receipts and Agent's Compensation Option Receipts (Note 3a)	15,206,032	9,594,785	-
Pro-forma as at July 31, 2011	26,106,132	$ 10,101,871	$ -

5. BVI SUBSIDIARIES

The BVI Subsidiaries consist of three BVI subsidiaries and three Serbian operation subsidiaries which are wholly-owned by them:
a) Reservoir Exploration (BVI) Ltd. owns Deli Jovan Exploration and Mining D.o.o. which owns the Deli Jovan exploration permit;

b) Reservoir Consulting (BVI) Inc. owns Balkan Exploration and Mining D.o.o. which owns the Lece, Plavkovo, Stara Planina, Parlozi and Bobija exploration permits;

c) Rakita (BVI) Ltd. owns Rakita Exploration D.o.o. which owns the Brestovac-Metovnica and Jasikovo exploration permits.

The financial information of the BVI Subsidiaries is derived from the audited consolidated financial statements of Reservoir as of April 30, 2011 and for the year then ended and adjusted for inter-company balances.

(Expressed in Canadian Dollars)

5. BVI SUBSIDIARIES

a) Unaudited combined statement of financial position of the BVI Subsidiaries as of April 30, 2011

	Reservoir Exploration (BVI) Ltd.	Reservoir Consulting (BVI) Inc.	Rakita (BVI) Ltd.	BVI Subsidiaries (Total)
Assets				
Current				
Cash	$ 28,400	$ 39,668	$ 480,238	$ 548,306
Receivables	11,571	2,274	5,661	19,506
	39,971	41,942	485,899	567,812
Mineral properties	57,580	3	191,935	249,518
Furniture and Equipment	18,810	-	5,221	24,031
	$ 116,361	$ 41,945	$ 683,055	$ 841,361
Liabilities				
Current				
Accounts payable and accrued liabilities	$ 16,852	$ -	$ 43,887	$ 60,739
Advances from Joint Venture partner	43,346	-	420,200	463,546
Due to Reservoir Capital BVI	62,367	46,112	224,405	332,884
	122,565	46,112	688,492	857,169
Shareholders' Equity				
Deficit	(6,204)	(4,167)	(5,437)	(15,808)
	$ 116,361	$ 41,945	$ 683,055	$ 841,361

(Expressed in Canadian Dollars)

5. BVI SUBSIDIARIES (cont'd…)

b) Unaudited combined statement of comprehensive loss of the BVI Subsidiaries for the year ended April 30, 2011.

	Reservoir Exploration (BVI) Ltd.	Reservoir Consulting (BVI) Inc.	Rakita (BVI) Ltd.	BVI Subsidiaries (Total)
Exploration expenses	$ 121,753	$ 24,576	$ 355,015	$ 501,344
Less: recoveries from JV partners	(121,753)	(24,576)	(355,015)	(501,344)
	-	-	-	-
General and administrative				
Office and administrative	2	203	425	630
Transfer agent and filing fees	789	3,604	783	5,176
Loss before other items	(791)	(3,807)	(1,208)	(5,806)
Other items				
Foreign exchange loss	(2,204)	(360)	(21,005)	(23,569)
Comprehensive Loss for the Period	$ (2,995)	$ (4,167)	$ (22,213)	$ (29,375)

APPENDIX "I"- AUDITED FINANCIAL STATEMENTS OF RESERVOIR MINERALS INC. AS AT AND FOR THE PERIOD ENDING JULY 31, 2011

Reservoir Minerals Inc.

Consolidated Financial Statements
For the period ended July 31, 2011
(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Directors of
Reservoir Minerals Inc.

We have audited the accompanying financial statements of Reservoir Minerals Inc. which comprise the statement of financial position as at July 31, 2011 and the statements of comprehensive loss, changes in equity and cash flows for the period from incorporation on January 25, 2011 to July 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Reservoir Minerals Inc. as at July 31, 2011 and the results of its operations and its cash flows for the period from incorporation on January 25, 2011 to July 31, 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Reservoir Minerals Inc.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

September 12, 2011

Reservoir Minerals Inc.

Consolidated Statement of Financial Position

(expressed in Canadian Dollars)

	July 31, 2011
Assets	
Current assets	
Cash	$ 110,081
Restricted cash	9,643,253
Receivables	15,540
Total assets	$ 9,768,874
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities (Note 4)	$ 147,860
Due to related parties (Note 5)	197,077
Promissory note (Note 6)	100,042
Total liabilities	444,979
Equity	
Share capital (Note 7)	190,010
Subscriptions received (Note 7)	9,594,785
Deficit	(460,900)
Total equity	9,323,895
Total equity and liabilities	$ 9,768,874

Subsequent events (Note 13)

These consolidated financial statements are authorized for issuance by the Board of Directors on September 12, 2011.

Approved by the Board of Directors

Signed: "*Simon Ingram*" Director Signed: *"Miles Thompson"* Director

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

Reservoir Minerals Inc.

Consolidated Statement of Comprehensive Loss

(expressed in Canadian Dollars)

	Period from Incorporation on January 25, 2011 to July 31, 2011
Operating expenses	
Bank charges and interest	$ 2,215
Consulting	169,246
Miscellaneous	5,960
Transfer agent and filing fees	26,071
Professional fees	257,396
Travel and related	9,581
Loss before other items	(470,469)
Other items	
Interest revenue	10,004
Foreign exchange gain	(435)
	9,569
Comprehensive loss for the period	$ (460,900)
Loss per share, basic and diluted	$ (0.27)
Weighted average common shares outstanding	1,732,888

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

Reservoir Minerals Inc.

Consolidated Statement of Cash Flows

(expressed in Canadian Dollars)

	Period from Incorporation on January 25, 2011 to July 31, 2011
Cash flows from operating activities	
Comprehensive loss for the period	$ (460,900)
Item not affecting cash:	
Interest expense	42
Interest revenue	(10,004)
Changes in non-cash working capital items	
Receivables	(15,540)
Accounts payable and accrued liabilities	138,147
Due to related parties	197,077
Net cash used in operating activities	(151,178)
Cash flows from investing activities	
Restricted cash	(9,643,253)
Interest received	10,004
Net cash used in investing activities	(9,633,249)
Cash flows from financing activities	
Proceeds from promissory note	100,000
Proceeds from the issuance of shares	190,010
Subscriptions received in advance	9,604,498
Net cash provided by financing activities	9,894,508
Net increase in cash	110,081
Cash - beginning of period	-
Cash - end of period	$ 110,081

Supplementary cash flow information (Note 12)

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

Reservoir Minerals Inc.

Consolidated Statement of Changes in Equity

(expressed in Canadian Dollars)

	Number of shares	Share capital	Subscriptions received	Deficit	Total equity
Balance at incorporation, January 25, 2011	-	$ -	$ -	$ -	$ -
Incorporation shares, at $0.10 per share	100	10	-	-	10
Seed shares, at $0.10 per share	1,900,000	190,000	-	-	190,000
Share issue costs	-	-	(289,136)	-	(289,136)
Subscriptions received, at $0.65 per unit	-	-	9,604,498	-	9,604,498
Compensation option receipts	-	-	279,423	-	279,423
Comprehensive loss for the period	-	-	-	(460,900)	(460,900)
Balance at July 31, 2011	1,900,100	$ 190,010	$ 9,594,785	$ (460,900)	$ 9,323,895

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

1. Nature of Operations

Reservoir Minerals Inc. (the "Company" or "Minerals") was incorporated on January 25, 2011 under the Laws of British Columbia. The Company's head office address is Suite 501 – 543 Granville Street, Vancouver, BC, V6C 1X8, Canada. The registered and records office address is Suite 501 – 543 Granville Street, Vancouver, BC, V6C 1X8, Canada.

On March 24, 2011, the Company entered into a letter of intent with Reservoir Capital Corp. ("Reservoir"), a company listed on the TSX Venture Exchange (TSX.V – REO, www.reservoircapitalcorp.com) regarding the proposed re-organization of Reservoir's business components into two separately listed public corporations by the spin-out of certain Serbian mineral exploration permits to Minerals by means of a plan of arrangement pursuant to the British Columbia Business Corporations Act (the "Spin-out Transaction"). The Company has not carried on any active business other than in connection with the Spin-out Transaction and the identification and review of potential mineral exploration and development opportunities in international jurisdictions. The Spin-out Transaction will result in Minerals holding a portfolio of eight mineral properties in Serbia, targeting base and precious metals, through its direct and indirect wholly-owned subsidiaries.

At the date of the financial statements, the Company has not identified a known body of commercial grade mineral on any of its properties that are to be acquired pursuant to the Spin-out Transaction.

The consolidated financial statements of the Company are presented in Canadian dollars unless otherwise indicated. The financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has not yet completed its first fiscal year and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. Prior to the completion of the Spin-Out Transaction (Note 13), the Company has arranged for bridge financing (Note 6) to continue operations. The consolidated 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.

2. Summary of significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated 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 consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Global Reservoir Minerals (BVI) Inc. Inter-company balances and transactions, including any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Foreign currency translation

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the balance sheet date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of comprehensive loss.

2. Summary of significant accounting policies (continued…)

Exploration and evaluation

The acquisitions of mineral property interests are initially measured at cost. Mineral property acquisition costs and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company are capitalised until the property to which they relate is placed into production, sold or allowed to lapse.

Exploration and evaluation costs incurred prior to determination of the feasibility of mining operations are expensed as incurred. Re-imbursement of previously expensed exploration and evaluation costs are recognized as other income in profit or loss.

Mineral property acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interests pursuant to the terms of the relevant agreements. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred.

When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount. The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

Impairment of long-lived assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset, or a cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of long-lived assets which at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Estimates of future cash flows used to test recoverability of a long-lived asset include only the future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Share-based payments

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that have vested.

2. Summary of significant accounting policies (continued…)

Restricted cash

Restricted cash includes cash held in trust to be released upon the issue of common shares related to subscriptions received.

Share capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

Subscription receipts are issued pursuant to the terms of the Subscription Receipt Agreement. The gross proceeds from the sale of subscription receipts have been deposited with the escrow agent pursuant to the terms of the Subscription Receipt Agreement.

Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Accounts payable and accrued liabilities

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method.

Current and deferred income tax

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period (excluding shares held in escrow). Diluted loss per share is determined by adjusting the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

2. Summary of significant accounting policies (continued…)

Significant Accounting Estimates and Judgments

The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates, including deferred income taxes, are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Chief Executive Officer.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss (“FVTPL”) - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of comprehensive loss.

Available-for-sale (“AFS”) - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

2. Summary of significant accounting policies (continued…)

Financial instruments (continued…)

Impairment of financial assets

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liabilities were acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payable and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash and restricted cash as at fair value through profit and loss. The Company’s receivables are classified as loans and receivables. The Company’s accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

2. Summary of significant accounting policies (continued…)

Accounting Pronouncements Not Yet Effective

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for our accounting periods beginning on or after January 1, 2011. These include:

Accounting standards issued and effective on January 1, 2012

- IAS 12 - Income Taxes (Amended), introduces an exception to the general measurement requirements of IAS 12 in respect of investment properties measured at fair value;
- IFRS 7 - Financial instruments: Disclosures (Amended) require additional disclosures on transferred financial assets;

Accounting standards issued and effective on January 1, 2013

- IFRS 9 - Financial Instruments: Classification and Measurement, which is intended to replace IAS 39 - Financial Instruments: Recognition and Measurement, introduces new criteria for the classification and measurement of financial instruments with only two classification: amortized cost and fair value; and
- IFRS 13 - Fair Value Measurement defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 - Share-based Payment; leasing transactions within the scope of IAS 17 - Leases; measurements that have some similarities to fair value but that are not fair value, such as net realisable value in IAS 2 - Inventories or value in use in IAS 36 - Impairment of Assets.

The Company anticipates that, except for additional disclosures, the adoption of this standard and interpretations in future periods will have no material effect on the consolidated financial statements of the Company.

3. Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next fiscal year is discussed below:

(expressed in Canadian Dollars)

3. Critical accounting estimates and judgments (continued…)

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculation undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to the tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liability) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

4. Accounts payable and accrued liabilities

	July 31, 2011
Current	
Trade payables	$ 68,609
Accrued Liabilities	79,251
	$ 147,860

5. Related party transactions

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

For the period from incorporation to July 31, 2011	Salary or Fees	Termination Benefits	Share-based Payments	Total
Simon Ingram, President and Chief Executive Officer	$ 84,000	$ -	$ -	$ 84,000

Related party assets and liabilities	Service or item	May 31, 2011
Amounts due to:		
Reservoir Capital Corp.	Expense reimbursement	$ 161,027
Chris MacIntyre	Expense reimbursement	50
Simon Ingram	Consulting fees	36,000
		$ 197,077

6. Promissory note

During the period ended July 31, 2011, the Company entered into an agreement with Reservoir Capital Corp. for a promissory note of up to $300,000 bearing interest at 3% per annum due on the earlier of seven (7) days after: a) the conversion of Subscription Receipts of the Company in connection with Reservoir's Spin-Out Transaction (Note 12), or b) September 21, 2011. As at July 31, 2011, the Company owed Reservoir an aggregate balance of $100,042 in connection with this promissory note, which included accrued interest of $42.

7. Equity

Share capital

As at July 31, 2011, the authorized share capital of the Company was an unlimited number of common shares without par value. All issued shares are fully paid.

On January 25, 2011, the Company issued 100 incorporation shares at $0.10 per share.

During the period ended July 31, 2011, the Company completed seed financing comprised of 1,900,000 common shares issued at a price of $0.10 per share.

On May 20, 2011, the Company received $9,604,498, which is in trust with its escrow agent, from a non-brokered private placement financing ("Private Placement") of 14,776,150 non-transferable subscription receipts ("Receipts") at a price of $0.65 per Receipt. Each Receipt will entitle the holder to receive, upon satisfaction of the release conditions, one unit ("Unit"). Each Unit consists of one common share and one warrant with each whole warrant entitling the holder to purchase one common share for a period of two years from the date of conversion of the Receipts at an exercise price of $0.90 in the first year and $1.00 in the second year subject to accelerated expiry in certain circumstances.

In connection with the Private Placement, the Company is to issue 429,882 non-transferable compensation option receipts ("Compensation Option Receipts") of the Company. Each Compensation Option Receipts will entitle the holder to receive, upon satisfaction of the release conditions, one Unit with the same terms as above. At period ended July 31, 2011, the Company has accrued $279,423 or $0.65 per Compensation Option Receipt, equal to 4% of the aggregate number of Receipts issued to subscribers to the Private Placement introduced by such finders.

The Company also accrued $9,713 of legal fees towards the Private Placement.

Upon the conversion of the Receipts and the provision of escrowed proceeds to the Company pursuant to a subscription receipt agreement between the Company and Computershare Trust Company of Canada as escrow agent ("Escrow Agent"), each Compensation Option Receipt shall automatically, for no additional consideration, be exchanged for a Unit. If the Receipts do not convert, the Compensation Option Receipts will immediately become null and void and no Units will be issued.

The Receipts are issued pursuant to the terms of the Subscription Receipt Agreement. The gross proceeds from the sale of Receipts have been deposited with the Escrow Agent pursuant to the terms of the Subscription Receipt Agreement.

(expressed in Canadian Dollars)

8. Income taxes

The tax expense differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Company as follows:

	2011
Loss for the period before income tax	$ (460,900)
Tax recovery based on the statutory income tax rate of 27.333%	(126,000)
Tax effect of:	
Non-deductible item	1,000
Benefit of current tax losses not recognized (recognition of previously unrecognized losses)	125,000
Total deferred tax expense	$ -

The significant components of the Company's deferred income tax assets and liabilities are as follows:

	2011
Deferred income tax assets	
Non-capital loss carry forwards	$ 72,000
Other	115,000
Deferred income tax assets	187,000
Valuation allowance	(187,000)
Total deferred tax assets	$ -

Loss Carry-Forwards

At July 31, 2011, the Company had approximately $459,000 of Canadian federal net operating loss carry-forwards. These loss carry-forwards expire in 2031.

9. Segmented information

As at July 31, 2011, the Company conducts its business as a single operating segment in Canada, which is acquiring, exploring and developing mineral properties.

(expressed in Canadian Dollars)

10. Financial and capital risk management

The Company's capital includes share capital and the cumulative deficit. The Company's objectives when managing capital are to safeguard the entity'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 manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may issue new shares in order to meet its financial obligations.

The Company's activities expose it to a variety of financial risks; market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

This note presents information about the Company's exposure to each of these risks, the Company's objectives and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework**.**

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. The Company does not incur any significant expenditures in currencies other than Canadian dollars and is thereby minimally exposed to foreign exchange risk arising from currency exposures.

The exposure of the Company's cash and accounts payable and accrued liabilities to foreign exchange risk is as follows:

As at July 31, 2011	US dollar	Euro
Cash	$ 14,482	€ -
Accounts payable and accrued liabilities	(27,096)	(8,383)
	$ (12,614)	€ (8,383)

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the US dollar and Euro against the Canadian dollar would result in a change in the loss/gain of approximately $2,400 for the period.

Credit risk

Credit risk arises from cash and deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions. There is no significant concentration of credit risk other than cash deposits. The Company's cash deposits are primarily held with a Canadian chartered bank.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to pay obligations as they fall due. Financial liabilities, at July 31, 2011, included $147,860 of accounts payable and accrued liabilities and $197,077 of due to related parties and $100,042 of promissory note that have a contractual maturity date of less than one year from July 31, 2011. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The Company is currently in the process of raising additional capital through a private placement.

Interest rate risk

As the Company does not have significant interest-bearing assets, the Company's income and operating cash flows are not significantly affected by changes in market interest rates. The Company has an interest-bearing promissory note outstanding due to a related party at an agreed-upon stated interest rate (Note 5).

(expressed in Canadian Dollars)

11. Financial instruments by category

Fair values

The Company's financial instruments consist of cash, restricted cash, receivables, accounts payable and accrued liabilities, due to related parties and promissory note. Financial instruments are initially recognized at fair value with subsequent measurement depending on classification as described below. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

As at July 31, 2011, the Company has made the following classifications for its financial instruments:

	Assets at fair value through profit and loss	Loans and receivables	Total
Assets as per statement of financial position			
Cash	$ 110,081	$ -	$ 110,081
Restricted cash	9,643,253	-	9,643,253
Receivables	-	15,540	15,540
Total	$ 9,753,334	$ 15,540	$ 9,768,874

	Liabilities at fair value through profit and loss	Other financial liabilities	Total
Liabilities as per statement of financial position			
Accounts payable and accrued liabilities	$ -	$ 147,860	$ 147,860
Due to related parties	-	197,077	197,077
Promissory note	-	100,042	100,042
Total	$ -	$ 444,979	$ 444,979

Cash and restricted cash are carried at fair value using a level 1 fair value measurement. The carrying values of receivables, accounts payable and accrued liabilities and due to related parties approximate their fair value because of the short-term nature of these instruments.

12. Supplementary cash flow information

During the period from incorporation on January 25, 2011 to July 31, 2011, the Company:

a) accrued 429,882 Compensation Option Receipts to be issued to finders, valued at $279,423 or $0.65 per share, as share issue costs in connection to the subscriptions received, and;

b) recorded share issue costs of $9,713 in accounts payable and accrued liabilities.

13. Subsequent events

Subsequent to July 31, 2011, the Company entered into a Plan of Arrangement with Reservoir Capital Corp. ("Reservoir") to acquire certain mining assets.

Pursuant to the Plan of Arrangement, the following principal steps will occur and be deemed to occur in the following chronological order commencing at the effective time:

a) Reservoir Capital (BVI) Corp. ("RCBVI"), a wholly-owned subsidiary of Reservoir will distribute three BVI wholly-owned subsidiaries (the "BVI Subsidiaries"), which in turn each own wholly-owned Serbian subsidiaries which hold certain mining assets being acquired, to Reservoir as repayment of an intercompany loan of approximately $6,500,000 on a dollar-for-dollar basis;
b) Reservoir will spin-out the BVI Subsidiaries to the Company in exchange for the Company issuing 9,000,000 common shares (the "Mineral Shares") to Reservoir at a deemed price per share of $0.65;
c) the Company will then transfer the BVI Subsidiaries to a newly incorporated wholly-owned BVI subsidiary ("New BVI") in exchange for shares in New BVI; and
d) the 9,000,000 Minerals Shares held by Reservoir are distributed to the Reservoir's shareholders on a pro rata basis as at the applicable record date.

Upon satisfaction of the release conditions of the Receipts, the Receipts and Compensation Option Receipts will convert into Units.

APPENDIX "J" – MINERALS STOCK OPTION PLAN

STOCK OPTION PLAN OF
RESERVOIR MINERALS INC.

1. **Purpose**

The purpose of the Stock Option Plan (the "**Plan**") of **Reservoir Minerals Inc.**, a corporation incorporated under the *Business Corporations Act* (British Columbia) (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. **Administration**

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

3. **Stock Exchange Rules**

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange(s) or quotation system on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

4. **Shares Subject to Plan**

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

5. **Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. **Eligibility and Participation**

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. **Exercise Price**

(a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.

(b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

8. **Number of Optioned Shares**

(a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.

(b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued common shares of the Corporation in any twelve-month period, unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.

(c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).

(d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve month period to persons employed to provide investor relation activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the options vesting in any 3 month period.

9. **Duration of Option**

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange, the maximum term may not exceed 10 years.

10. **Option Period, Consideration and Payment**

(a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.

(b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

(c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.

(d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.

(e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

(f) Notwithstanding anything else contained herein, if the expiration date for an Option occurs during a period of time during which a Participant cannot exercise an Option, or sell optioned Shares, due to applicable policies of the Corporation in respect of insider trading ("**Blackout Period**") applicable to the relevant Participant, or within 10 business days after the expiry of a Blackout Period applicable to the relevant Participant, then the expiration date for that Option shall be the date that is the 10th business day after the expiry date of the Blackout Period (the "**Blackout Expiry Term**"). This subparagraph 10(f) applies to all Options outstanding under this Plan. The Blackout Expiry Term for an Option may not be amended by the Board without the approval of the shareholders in accordance with the provisions of the Plan.

11. **Ceasing To Be a Director, Officer, Consultant or Employee**

(a) Subject to subsection (b), if a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within a reasonable time (such reasonable time to be established by the Board and set forth in the option agreement at the time of the option grant) after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee.

(b) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

12. **Death of Participant**

Notwithstanding section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

(a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and

(b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

13. **Rights of Optionee**

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

14. **Withholding**

(a) To the extent required under applicable law, the Corporation shall be entitled to take all reasonable and necessary steps, which may include the sale of certain Shares issued upon the exercise of any option granted under the Plan (other than a redemption or purchase for cancellation), or obtain all reasonable or necessary indemnities, assurances, payments or undertakings, to the sole satisfaction of the Corporation, to satisfy any tax remittance obligations of the Corporation or any Subsidiary to any taxing authorities arising in respect of any exercise of any options granted hereby or any other options heretofore granted by the Corporation and the President of the Corporation shall be appointed as the attorney-in-fact for any person granted an option under this Plan to take all such reasonable and necessary steps or Share sales.

(b) Each Participant (or their beneficiaries) shall be responsible for all taxes with respect to any options granted to such Participant under this Plan, whether as a result of the grant or exercise of options or otherwise. The Corporation makes no guarantee to any person regarding the tax treatment of options or payments made under this Plan and none of the Corporation, or any of its employees or representatives shall have any liability to any Participant with respect thereto.

15. **Proceeds from Sale of Shares**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

16. **Effect of Change of Control**

In the event of a Change of Control, all Options outstanding shall be immediately exercisable, notwithstanding any determination of vesting, if applicable, and the expiry date of such Options shall remain the same. In any event, upon a Change of Control, Participants shall not be treated any more favourably than shareholders of the Corporation with respect to the consideration that the Participant would be entitled to receive for their Shares.

For the purposes of this Section, "**Change of Control**" means the occurrence of any one or more of the following:

(i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;

(ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its subsidiaries which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Corporation and its subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its subsidiaries;

(iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;

(iv) any person, entity or group of persons or entities acting jointly or in concert (an "**Acquiror**") acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Corporation which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or Affiliates of the Acquiror to cast or to direct the casting of 50% or more of the votes attached to all of the Corporation's outstanding Voting Securities which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors);

(v) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, the nominees named in the most recent Management Information Circular of the Corporation for election to the Board shall not constitute a majority of the Board; or

(vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing,

"**Affiliate**" means any corporation that is an affiliate of the Corporation as defined in the *Securities Act* (British Columbia);

"**Associate**", where used to indicate a relationship with any person or company, is as defined in the *Securities Act* (British Columbia); and

"**Voting Securities**" means Shares and any other shares entitled to vote for the election of directors of the Corporation and shall include any security, whether or not issued by the Corporation, which are not shares entitled to vote for the election of directors of the Corporation but are convertible into or exchangeable for shares which are entitled to vote for the election of directors of the Corporation including any options or rights to purchase such shares or securities.

17. **Effect of Amalgamation, Consolidation or Merger**

(a) Subject to Section 16, if the Corporation amalgamates, consolidates or merges with or into another corporation, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Participant would have received upon such amalgamation, consolidation or merger if the Participant had exercised his Option immediately prior to the record date applicable to such amalgamation, consolidation or merger (whether or not such Option would otherwise then have been fully exercisable at such time), and the exercise price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

(b) Except as expressly provided herein, the grant of any Option shall not in any way limit or affect the rights or powers of the Board, the Corporation or its shareholders to make any changes or deal in any manner with the authorized, issued or unissued Shares or any other securities of the Corporation and no such change or dealing shall give any right or entitlement to the holder of any Option in respect or as a result thereof.

18. **Other Adjustments**

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through re-organization, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

19. **Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

20. **Amendment and Termination of Plan**

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

21. **Necessary Approvals**

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

22. **Representation or Warranty**

The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

23. **Effective Date of Plan**

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

24. **Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia.

APPENDIX "K" – FORM OF CONVEYANCE AGREEMENT

CONVEYANCE AGREEMENT

THIS AGREEMENT dated the ● day of●, 2011.

BETWEEN:

RESERVOIR CAPITAL CORP., a corporation existing under the *Business Corporations Tax Act* (British Columbia) (herein called "**Vendor**")

- and -

RESERVOIR MINERALS INC., a corporation existing under the *Business Corporations Tax Act* (British Columbia) (herein called "**Purchaser**")

WHEREAS the Vendor is the legal and beneficial owner of ● common shares (the "**BVI Shares**") in the capital of ●, being ● BVI Shares;

AND WHEREAS the Vendor has loaned ● BVI the amount of $● (the "**BVI Loan**")

AND WHEREAS the Vendor desires to sell and the Purchaser has agreed to purchase the ● BVI Shares and the BVI Loan (the "**Property**");

AND WHEREAS the parties intend that the sale of the Property take place pursuant to the provisions of subsection 85(1) of the *Income Tax Act* (Canada).

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants, agreements, warranties and payments herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties hereto do hereby covenant and agree as follows:

ARTICLE 1
DEFINITIONS

1.1 In this Agreement, including the recitals and this clause, unless the context otherwise requires, the following terms shall have the following respective meanings:

(a) "**Agreement**" means this agreement for the purchase and sale of the Property;

(b) "**Closing Date**" means ●, 2011;

(c) "**Cost Amount**", subject to any adjustments to be made pursuant to subsection 85(1) of the Tax Act, has the same meaning as that term is defined in subsection 248(1) of the Tax Act;

(d) "**Elected Amount**" shall mean the amount elected by the Vendor and the Purchaser pursuant to Section 4.1 below;

(e) "**Exchange Shares**" shall mean ● common shares in the capital of the Purchaser to be issued to the Vendor as payment of the Purchase Price, as hereinafter defined;

(f) "**Fair Market Value of the Property**" shall mean ●, being the fair market value of the Property;

(g) "**Property**" shall mean the ● BVI Shares and the BVI Loan; and

(h) **Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985 c.1 (5th Supp.), including the regulations promulgated thereunder, as amended.

ARTICLE 2
SALE OF PROPERTY

2.1 The Vendor hereby sells, assigns and transfers to the Purchaser and the Purchaser purchases from the Vendor, the entire right, title and interest of the Vendor in and to the Property for the Fair Market Value of the Property (the "**Purchase Price**").

2.2 As consideration for the sale of the Property, the Purchaser shall issue and deliver to the Vendor the Exchange Shares representing aggregate consideration in an amount equal to the Purchase Price.

2.3 The Purchaser shall add to its stated capital in respect of the Exchange Shares an amount equal to the Elected Amount.

ARTICLE 3
FURTHER ASSURANCES

3.1 This Agreement is intended to and shall operate as an actual transfer of the Property and the Purchaser shall be the owner of the Property from the Closing Date. The Vendor shall execute all documents and shall do all such other acts and things which are convenient or necessary and which counsel may advise, for more completely and effectually carrying out the intention of this Agreement and for vesting the Property in the Purchaser.

ARTICLE 4
S.85(1) ELECTION

4.1 In order to carry out the intention of the sale herein, the Vendor and the Purchaser agree to jointly elect and the Vendor shall file in the prescribed form and within the prescribed time under subsection 85(1) of the Tax Act and under the corresponding sections of any applicable provincial statute electing an agreed amount (the "**Elected Amount**") for the transfer of the Property equal to the Cost Amount of the Property or such other amount as the parties hereto may agree.

ARTICLE 5
PRICE ADJUSTMENT

5.1 Since it is the desire and the intention of both the Vendor and the Purchaser that the Fair Market Value of the Property shall equal the fair market value of the Exchange Shares, it is agreed between the Vendor and the Purchaser as follows:

(a) If it is determined at any time hereafter to the satisfaction of:

(i) the parties hereto; or

(ii) the parties hereto and the Canada Revenue Agency, or a provincial or territorial taxing authority, or in the event of their disagreement, as evidenced by the final non-appealable judgment of a tribunal or court of competent jurisdiction;

that the fair market value of the Exchange Shares exceeds the Fair Market Value of the Property, then there shall be a reduction made *nunc pro tunc* to the date of issuance of the Exchange Shares, in the number of Exchange Shares in order to eliminate such excess amount, provided that if any of such Exchange Shares have been purchased for cancellation by the Purchaser prior to the time of such determination (the "**Redeemed Shares**"), then the Vendor shall forthwith pay to the Purchaser an amount equal to the amount of such excess from the date of issue of the Exchange Shares to the date of payment. If, but only if, such aforesaid reduction results from the Purchase Price exceeding the Fair Market Value of the Property then such Purchase Price shall be reduced by an amount equal to such excess.

(b) If it is determined at any time hereafter to the satisfaction of:

(i) the parties hereto; or

(ii) the parties hereto and the Canada Revenue Agency, or a provincial or territorial taxing authority, or provincial taxing authority, or in the event of their disagreement, as evidenced by the final non-appealable judgment of a tribunal or court of competent jurisdiction;

that the Fair Market Value of the Property exceeds the fair market value of the Exchange Shares, then there shall be an increase *nunc pro tunc* to the date of issuance of the Exchange Shares made in the number of Exchange Shares in order to eliminate such excess amount provided that in the case of any Redeemed Shares, the Purchaser shall forthwith pay to the Vendor on account of same an amount equal to such excess from the date of issue of the Exchange Shares to the date of payment. If, but only if, such aforesaid increase results from the Fair Market Value of the Property exceeding the Purchase Price then the Purchase Price shall be increased by an amount equal to such excess.

(c) If it is determined at any time hereafter to the satisfaction of:

(i) the parties hereto; or

(ii) the parties hereto and the Canada Revenue Agency, or a provincial or territorial taxing authority, or provincial taxing authority, or in the event of their disagreement, as evidenced by the final non-appealable judgment of a tribunal or court of competent jurisdiction;

that the Elected Amount is other than the Cost Amount of the Property, then the Elected Amount shall be adjusted accordingly and the Vendor and Purchaser each agree to jointly execute and duly file all necessary amended elections equal to the amounts as subsequently determined.

ARTICLE 6
VENDOR'S REPRESENTATIONS

6.1 The Vendor represents and warrants to the Purchaser that the following shall be true as of the Closing Date:

(a) the Vendor has good title to and absolute authority to sell, assign and transfer the Property to the Purchaser;

(b) the Vendor has not assigned, mortgaged, hypothecated or pledged the Property and the Property is free and clear of all encumbrances;

(c) the Vendor has complied with, performed, observed and satisfied all terms, conditions, obligations and liabilities, if any, which have heretofore arisen with respect to the Property;

(d) there is no litigation now pending against the Vendor nor, to the knowledge of the Vendor, has any application been made under the bankruptcy laws of Canada, nor is there any material proceeding which has been commenced or is pending or threatened, either in the courts or by governmental authorities, which may affect the Property;

(e) the Vendor is not a non-resident of Canada within the meaning of the Tax Act;

(f) no person, firm or corporation holds any option or right to acquire or cause to be granted any interest in the Property; and

(g) the Vendor has not entered into or incurred any obligations or liabilities which would materially or adversely affect the Property.

ARTICLE 7
PURCHASER'S REPRESENTATIONS

7.1 The Purchaser represents and warrants to the Vendor that the following shall be true as at the Closing Date:

(a) the Purchaser is a corporation duly incorporated and is valid and subsisting under the laws of British Columbia;

(b) the Purchaser has the corporate power to hold its assets and to carry on its business in all jurisdictions in which it holds such assets or carries on such business;

(c) the Exchange Shares are validly issued and fully paid and non-assessable;

(d) the Exchange Shares are free and clear of any and all liens, charges and encumbrances; and

(e) there are not now any actions, suits, proceedings or claims against the Purchaser either at law or in equity or before or by any government authority, board or other agency involving the possibility of any judgment or liability which could adversely affect the Exchange Shares.

ARTICLE 8
INDEMNITIES

8.1 The Vendor hereby assumes and agrees to indemnify and save harmless the Purchaser from and against all valid and binding obligations of the Purchaser which arise by virtue of the Vendor's interest in the Property to the extent that such obligations and liabilities are attributable to a period commencing prior to the Closing Date.

8.2 The Purchaser hereby assumes and agrees to indemnify and save harmless the Vendor from and against all valid and binding obligations and liabilities of the Vendor which arise by virtue of the Purchaser's interest in the Property to the extent that the said obligations and liabilities are attributable to a period commencing on or after the Closing Date.

ARTICLE 9
MISCELLANEOUS PROVISIONS

9.1 This Agreement is governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein but the reference to such laws does not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of British Columbia. Each the Vendor and the Purchaser hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under or in relation to this Agreement.

9.2 This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, successors and assigns.

9.3 Time shall be of the essence of this Agreement;

9.4 The Vendor and the Purchaser shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

9.5 No amendments or variations of the terms, conditions, warranties, covenants, agreements and undertakings set forth herein shall be of any force or effect unless the same shall be reduced to writing duly executed by all parties hereto in the same manner and with the same formality as this Agreement is executed.

9.6 If any covenant or provision hereof is determined to be void or unenforceable in whole or in part, it shall not affect or impair the validity of any other covenant or provision hereof and all sections hereof are declared to be separate, distinct and severable.

9.7 This Agreement may be executed in one or more counterparts and by fax or other electronic transmissions, each of which is conclusively be deemed to be an original and all such counterparts collectively are conclusively deemed to be one and the same.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date written above.

RESERVOIR CAPITAL CORP.	**RESERVOIR MINERALS INC.**
Per: _____	Per: _____

APPENDIX "L" – AMENDED AND RESTATED STOCK OPTION PLAN

RESERVOIR CAPITAL CORP.
AMENDED AND RESTATED STOCK OPTION PLAN

1. *Purpose*

The purpose of the Stock Option Plan (the "**Plan**") of **RESERVOIR CAPITAL CORP.**, a corporation continued under the Business Corporations Act (British Columbia) (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. *Administration*

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

3. *Stock Exchange Rules*

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

4. *Shares Subject to Plan*

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

5. ***Maintenance of Sufficient Capital***

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. ***Eligibility and Participation***

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. ***Exercise Price***

(a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.

(b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may only be reduced if at least 6 months have elapsed since the later of the date of the Commencement of the term, the date the Corporation's shares commenced trading or the date the exercise price was reduced. In the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

8. ***Number of Optioned Shares***

(a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.

(b) No single Participant may be granted options to purchase a number of Shares equaling more than 5% of the issued common shares of the Corporation in any twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.

(c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).

(d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve month period to persons employed to provide investor relation activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the options vesting in any 3 month period.

9. ***Duration of Option***

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange ("**TSX Venture**"), the maximum term may not exceed 10 years if the Corporation is classified as a "Tier 1" issuer by the TSX Venture, and the maximum term may not exceed 5 years if the Corporation is classified as a "Tier 2" issuer by the TSX Venture.

10. ***Option Period, Consideration and Payment***

(a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.

(b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

(c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.

(d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.

(e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

(f) If the Corporation is required under the Income Tax Act (Canada) or any other applicable law to make source deductions for the amount of tax payable on the value of the taxable benefit associated with the issuance of Shares on the exercise of options under this Plan and remit to the applicable governmental authority such source deductions (the "**Required Remittance**"), then the Participant shall:

(i) Pay to the Corporation by cash payment, certified cheque or bank draft, in addition to the exercise price for the options, the amount reasonably determined by the Corporation to be the amount necessary to make the Required Remittance;

(ii) Authorize the Corporation, on behalf of the Participant, to engage a broker or other qualified person to sell through the facilities of the Exchange, on such terms and at such times as the Corporation may reasonably determine, a sufficient number of the Shares being issued upon exercise of the options to realize net cash proceeds in the amount reasonably determined by the Corporation to be the amount necessary to make the Required Remittance; or

(iii) Make such other arrangements as may be acceptable to the Corporation to make the Required Remittance.

11. ***Ceasing To Be a Director, Officer, Consultant or Employee***

(a) Subject to subsection (b), if a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any lawful or unlawful reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.

(b) If the Participant does not continue to be a director, officer, consultant, employee of the Resulting Issuer upon completion of the Corporation's Qualifying Transaction (as such terms are defined in the policies of the Exchange), the options granted hereunder must be exercised by the Participant within the later of 12 months after completion of the Qualifying Transaction and 90 days after the Participant ceases to become a director, officer, consultant or employee of the Resulting Issuer.

(c) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

12. ***Death of Participant***

Notwithstanding section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

(a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and

(b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

13. ***Rights of Optionee***

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

14. ***Proceeds from Sale of Shares***

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

15. ***Adjustments***

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

16. ***Transferability***

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

17. ***Amendment and Termination of Plan***

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

18. ***Necessary Approvals***

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

19. ***Effective Date of Plan***

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

20. ***Interpretation***

The Plan will be governed by and construed in accordance with the laws of British Columbia.

APPENDIX "M" – AUDIT COMMITTEE CHARTER

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.

RR DONNELLEY
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