RESERVOIR CAPITAL CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEARS ENDED APRIL 30, 2017 AND 2016

GENERAL

This management's discussion and analysis of the financial position and results of operations is as at August 24, 2017 and should be read in conjunction with the consolidated financial statements of Reservoir Capital Corp. (the "Company" or "Reservoir") for the years ended April 30, 2017 and 2016 and the related notes thereto. Those consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in the following management's discussion and analysis ("MD&A") are in Canadian dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR at www.sedar.com or on the Company's website at www.reservoircapitalcorp.com.

FORWARD LOOKING INFORMATION

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Reservoir's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicate herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities regulations.

COMPANY OVERVIEW

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

Reservoir is a reporting issuer in British Columbia, Alberta, and Ontario, and its common shares trade on the TSX Venture Exchange under the symbol REO and on the Berlin and Frankfurt Exchanges under the symbol ROC.

HIGHLIGHTS FOR THE YEAR

During the year ended April 30, 2017 and subsequently:

- The Company recorded a loss of $1,289,380 for the year ended April 30, 2017 compared to a loss of $2,080,723 for the comparative year. The loss for 2017 included $1,289,016 related to the write-off of the Company's investment in the Brodarevo HPPs.

- The Company advanced $136,000 to Serbia for operating and holding costs related to the Brodarevo HPPs and at the same time continued to look for a buyer of the projects. Recently, the Board of Directors decided to stop advancing funds towards the development of the project as it felt control of the local subsidiary had been lost. The Board of Directors continues to have dialogue with local management towards the sale and or the wind-up of the Company's business in Serbia.

- In Italy, the Company entered into an arrangement and advanced $187,746 to wind-up its wholly-owned subsidiary, Renewable Energy Ventures Italia s.r.l. in July 2016.

- The Board appointed Lewis Reford interim President and CEO of the Company in August 2016.

- In June 2017, the Company entered into an unsecured loan agreement to borrow $200,000 for general corporate and working capital purposes. The loan will mature and be repayable in full without interest in six months in December 2017 and is convertible at the Company's discretion into units at a conversion price of $0.05 per unit (20 units per borrowed dollar). Each unit shall consist of one common share and once common share purchase warrant to purchase a further share for two years at a price of $0.05.

- Also in June 2017, Company and creditors agreed to settle $530,000 of debt for common shares of the Company valued at $0.05 per share. Upon approval by the TSX Venture Exchange, 10,600,000 shares will be issued of which 5,847,788 will be issued to the Miles Thompson (Chairman and a director of the Company) and 5,525,200 to Seabord Services Corp, a company controlled by Michael Winn (a director of the Company).

BRODAREVO HYDROELECTRIC PROJECTS

The Brodarevo HPPs comprised three-year energy permits, granted in March 2015 covering two sections of the River Lim, denominated Brodarevo-1 and Brodarevo-2, to develop run-of-river hydroelectric power projects. The energy permits were originally granted in 2009 and extended for three years in 2012.

In June 2012, Energoprojekt Hidroinzenjering Co. Ltd. completed feasibility studies for the Brodarevo hydroelectric projects, including environmental impact assessments in accordance with both Serbian standards and legislation and World Bank guidelines. The studies recommended an installed capacity 59.1 MW, with a corresponding average output of 232.5 GWh/year. The studies also defined dam sites and provided final recommendations for the design of the hydroelectric power plants.

In June 2013, the Ministry of Energy, Development, and Environment of the Republic of Serbia approved the Company's Environmental Impact Assessment ("EIA") for the Brodarevo HPPs. The primary aim of the EIA is to assess the positive and negative changes to the environment that could occur during the construction and operation of the Brodarevo HPPs and propose measures to prevent, minimize, or reduce to acceptable limits any adverse impacts. The EIA included gathering and interpreting baseline data on the geology, geomorphology, soils, sediment, erosion characteristics, hydrology, air and water quality, meteorology, biodiversity, cultural properties and socio-demographic and economic development aspects of the project. During fiscal 2016, the approval of the Company's EIA was challenged in the Serbian courts. As a result, certain amendments are needed to the EIA.

The first location permit was granted in February 2015, for preparatory works for Brodarevo 2 (see Company news release dated March 16, 2015), encompassing a temporary river crossing, access road to the upstream coffer dam, site roads on the right river bank, entrance structure with bridge, diversion canal, protective structures and supporting walls, gravity dam on the right river bank, upstream coffer dam, downstream coffer dam and excavated material landfill sites. In September 2015, the Company was also granted location permits for both the Brodarevo 1 and Brodarevo 2 dam sites, reservoirs and accompanying facilities (see Company news release dated September 15, 2015). These location permits were granted based on the conceptual engineering and design documentation filed by the Company for the construction of the dams.

Reservoir has written off its investment in the Brodarevo HPPs and is seeking a sale or wind up of its Serbian business.

OUTLOOK

The focus of the Company remains to identify new opportunities beyond Serbia. There is no certainty that new opportunities will be identified, or that the Company will be able to raise the necessary funds to move its renewable business forward.

During the current fiscal year, funding for the operations of the business has been provided by a loan from a third party and from loans from directors and other insiders. There is no certainty that these funds will continue to be available.

ANNUAL FINANCIAL INFORMATION

Year ended		April 30 2017		April 30 2016[1]		April 30 2015[1]
Financial Results						
Revenue	$	-	$	-	$	-
Operations expenditures		-		-		-
Income (loss) from continuing operations		(272,609)		5,059		(447,238)
Loss for the year		(1,289,380)		(2,080,723)		(1,809,885)
Loss per share - basic and diluted		(0.07)		(0.12)		(0.16)
Financial Position						
Working capital deficiency		(1,001,415)		(1,048,992)		(338,449)
Energy projects		-		1,289,016		1,239,016
Geothermal licenses		-		-		5,470
Total assets		8,045		1,389,521		1,680,148
Long-term liabilities		-		-		-
Share capital		36,599,930		36,599,930		35,345,935
Deficit		(40,290,356)		(39,000,976)		(36,920,253)

[1] Comparative information has been restated to show the discontinued operations separately.

QUARTERLY FINANCIAL INFORMATION

The loss for the quarters varies primarily based on the level of operations expenditures incurred in the quarter.

Quarter ended		April 30 2017		January 31 2017[1]		October 31 2016[1]		July 31 2016[1]
Financial Results								
Operations expenditures	$	-	$	-	$	-	$	-
Share-based payments		-		-		-		-
Loss for the period		(708,714)		(107,409)		(124,244)		(349,013)
Loss per share - basic and diluted		(0.04)		(0.01)		(0.01)		(0.02)

Quarter ended		April 30 2016[1]		January 31 2016[1]		October 31 2015[1]		July 31 2015[1]
Financial Results								
Operations expenditures	$	-	$	-	$	-	$	-
Share-based payments		-		-		-		-
Loss for the period		(820,094)		(367,309)		(493,576)		(399,744)
Loss per share - basic and diluted		(0.05)		(0.02)		(0.03)		(0.02)

[1] Comparative information has been restated to show the discontinued operations separately.

RESULTS OF OPERATIONS

Three months ended April 30, 2017

The Company recorded a loss of $708,714 or $0.04 per share for the three months ended April 30, 2017 compared to a loss of $820,094 or $0.05 per share for the comparative period, a decrease in loss of $111,380. The loss is attributable to general and administrative expenses of $60,226 (2016 - $64,958), other loss of $8,452 (2016 - income of $36,296), and loss from discontinued operation, net of tax, of $640,036 (2016 - $791,432).

In the three months ended April 30, 2017, there was a net decrease of loss and comprehensive loss for the period from decreases in general and administrative expenses and loss from discontinued operations, net of tax.

Year ended April 30, 2017

The Company recorded a loss of $1,289,380 or $0.07 per share for the year ended April 30, 2017 compared to a loss of $2,080,732 or $0.12 per share for the comparative year, a decrease in loss of $787,785. The loss is attributable to, general and administrative expenses of $248,880 (2016 - $280,791), other loss of $23,729 (2016 - income of $285,850), and loss from discontinued operation, net of tax, of $1,016,771 (2016 - $2,085,782).

In the year ended April 30, 2017, there was a net decrease of loss and comprehensive loss for the year primarily from a decrease in renewable energy expenditures pursuant to the Brodarevo projects, partially offset by a loss on the disposals of former subsidiaries, which are included in loss from discontinued operations.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2017, the Company had a working capital deficiency of $1,001,415, which primarily comprised of cash of $1,739, accounts payable and accrued liabilities of $359,064, and promissory notes payable of $650,396. The Company had no long-term debt.

In order to continue as a going concern, the Company will need to find additional financing through, among other things, debt or equity issuances. Since February 2016, directors and other insiders of the Company have been providing funds to the Company which, together with a $200,000 loan from a third party, have been used for basic operating expenses.

Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations.

Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the Statements of Financial Position. The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

RELATED PARTY TRANSACTIONS

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

Year ended April 30, 2017	Salary or Fees	Share-based Payments	**Total**
Management and outside directors	$ -	$ -	$ -
Seabord Services Corp.	120,000	-	120,000
	$ 120,000	$ -	$ 120,000

Year ended April 30, 2016	Salary or Fees	Share-based Payments	**Total**
Management and outside directors	$ -	$ -	$ -
Seabord Services Corp.	120,000	-	120,000
	$ 120,000	$ -	$ 120,000

Seabord is a management services company controlled by Michael Winn, a director of the Company. Seabord provides a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to the Company. The chief financial officer and corporate secretary of the Company are employees of Seabord and are not paid directly by the Company.

Reservoir Minerals Inc. ("Minerals") was a company with common directors. The Company provided consulting services in Serbia to Minerals. During the years ended January 31, 2017, the Company charged Minerals $Nil (2016 - $10,000) for consulting services.

In August 2016, the Company entered into arrangements for loans from related parties for aggregate proceeds of $470,000 with interest at the rate of 4% per annum. As at April 30, 2017, the Company owed $483,546, which included accrued interest expense of $13,546.

Related party assets (liabilities)	Items or services		April 30, 2017		April 30, 2016
Included in accounts payable and accrued liabilities					
Seabord Services Corp.	Administrative services and expense reimbursements	$	(228,943)	$	(102,000)
Included in promissory notes payable					
Chairman		$	(432,105)	$	(130,000)
Seabord Services Corp.		$	(51,441)	$	-

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

EVENTS AFTER REPORTING DATE

Subsequent to April 30, 2016, the Company:

a) received $200,000 pursuant to a loan agreement. The loan is unsecured, will mature and be repayable in full without interest six (6) months from the date of the loan agreement, and is convertible at the Company's discretion into units at a conversion price of 20 units per borrowed dollar. Each unit shall consist one common share and one common share purchase warrant, where each shall be exercisable to acquire one common share for two years from the date of the loan agreement at an exercise price of $0.05 per share. The conversion of the loan into units is subject to the approval of the TSX-V; and

b) has agreed with certain creditors to convert approximately $530,000 in outstanding accounts and loans payable into common shares of the Company. The shares for debt transaction is also subject to the approval of the TSX-V.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING JUDGMENTS

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities and disclosure of contingent assets or liabilities if actual results differ from assumptions made, relate to, but are not limited to, the following:

- recorded costs, less any provision for impairment, of energy permits and geothermal licenses, are not intended to reflect their present or future values. The Company undertakes a review of the carrying value of energy projects and related expenditures whenever events or changes in circumstances indicate that the carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and discounted net cash flows. An impairment loss is recognized when the carrying value of these assets is not recoverable. In undertaking this review, management of the Company is required to make significant estimates based upon factors such as estimates of foreign exchange rates, energy prices, future capital requirements, production costs and decommissioning costs.

- the determination of the fair value of stock options or warrants using Black-Scholes option pricing models requires the input of highly subjective assumptions, including the expected price volatility and expected life of the option. Changes in the subjective input assumptions could significantly affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

- the Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant judgment of future taxable profit. Management is required to assess whether it is probable that the Company will benefit from its deferred tax assets. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income and resource tax assets.

- the determination of the fair value of decommissioning and restoration provisions requires subjective assumptions regarding costs to restore the property, the time period such costs will be incurred, an appropriate inflation factor and an appropriate discount rate. Changes in these assumptions could materially affect the recorded amount.

- the valuation of loans and receivables financial instruments requires a review for any objective evidence that would indicate the receivables are impaired individually and collectively. In undertaking this review, management of the Company is required to make significant estimates on recoverable amounts based upon factors such as, significant financial difficulty of the counterparty, default or delinquency in interest or principal payments, and probability that the borrower will enter bankruptcy or financial re-organization.

NEW ACCOUNTING POLICIES

Accounting Pronouncements Not Yet Effective

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements. The effective date for IFRS 9 is January 1, 2018. The Company is currently evaluating the impact that the final standard is expected to have on its consolidated financial statements.

RISKS AND UNCERTAINTIES

In addition to the usual risks associated with an investment in a business at an early stage of development, management and the directors of the Company believe that, in particular, the following risk factors should be considered. It should be noted that the list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

Financing Risks

In order to continue as a going concern and to meet its corporate objectives, which primarily comprise obtaining and developing its renewable energy projects, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be required to delay or postpone further development of its projects with the possible result of loss of such properties and ultimately, the Company may be unable to meet its obligations as they come due. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheet. The Company's annual consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Share Price Fluctuations

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies such as the Company, have experienced wide fluctuations in price which have not necessarily been related to operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

Insurance and Uninsured Risks

In the course of exploration, development and production of hydroelectric projects and geothermal projects, the Company 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 the Company's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability. Although the Company 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. The Company 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 the Company's results and a decline in the value of the securities of the Company.

Environmental Risks and Hazards

The activities of the Company 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 the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

Foreign Country and Political Risk

The hydroelectric projects and geothermal projects on which the Company is currently pursuing its exploration and development activities are all located in Serbia, Montenegro and Bosnia. As a result, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability, which may result in the impairment or loss of energy licenses or mineral concessions. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its expenditures in local currencies. At this time there are no currency hedges in place. The Company does not have any sources of revenues.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. If such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company 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 Company may be exposed and its financial position at that time.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 18,611,544 common shares issued and outstanding. There were also stock options to purchase 177,750 shares outstanding with expiry date of September 7, 2017. In addition, there were share purchase warrants to purchase 7,985,582 shares outstanding with expiry dates from July 9, 2019 to November 6, 2020.