RESERVOIR CAPITAL CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED JULY 31, 2018 AND 2017

GENERAL

This management's discussion and analysis of the financial position and results of operations is as at September 13, 2018 and should be read in conjunction with the condensed interim consolidated financial statements of Reservoir Capital Corp. (the "Company" or "Reservoir") for the three months ended July 31, 2018 and 2017 and the related notes thereto. Those condensed interim 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 ("TSX-V") under the symbol REO and on the Berlin and Frankfurt Exchanges under the symbol ROC.

HIGHLIGHTS FOR THE QUARTER

During the three months ended July 31, 2018 and subsequently, the Company:

- recorded a loss of $91,116 for the quarter ended July 31, 2018 compared to a loss of $60,130 for the comparative quarter.

PROPOSED TRANSACTION WITH Kainji Power Holding Limited

On August 27, 2018, the Company announced that it has entered into a definitive share purchase agreement (the "Agreement") with Kappafrik Management DMCC ("KMGT") to acquire shares of Kainji Power Holding Limited ("KPHL") pursuant to which Reservoir will acquire outstanding shares of KPHL that will result in Reservoir owning an indirect minority (approximately 1.3%) interest in Mainstream Energy Solutions Limited (the "Transaction"). Reservoir has received conditional approval of the Canadian Securities Exchange (the "CSE") to list its common shares for trading concurrently with closing the Transaction, and Reservoir intends to de-list from the TSX Venture Exchange (the "TSXV") prior to such listing, subject to receipt of necessary approvals.

Trading in the common shares of Reservoir have been halted by the TSXV since February 6, 2018 following the announcement by REO of the Heads of Agreement relating to the Transaction and will remain halted until the resumption of trading on the CSE.

Mainstream Energy Solutions Limited

Mainstream Energy Solutions Limited ("MESL") is Nigeria's leading producing hydropower company and KPHL's sole investment.

MESL owns and operates the two largest hydropower plants on the Niger River in Nigeria, with aggregate operating capacity of 922MW. The two facilities are world class assets operating under a long-term concession agreement. The dams' proven hydrology allows balanced power production all year long in a demand environment that is critically short of dependable power. For more information on MESL, visit: http://mainstream.com.ng

After completion of the Transaction, Reservoir will have the prospect of an ongoing dividend stream, no project development risk and immediate diversification. Reservoir's future investment strategy will be defined by an Investment Policy targeting regular income over long periods, as well as substantial capital growth in the medium term, by acquiring carefully selected minority economic interests, at attractive valuations, in a balanced portfolio of producing or near production Clean Power assets in Frontier Markets.

Details of the Proposed Transaction

KPHL is an offshore company governed by the laws of Mauritius, holding 8,433,333 shares of MESL (approximately a 2.1% interest in MESL), KPHL's sole investment. To acquire a 60% interest in KPHL, giving Reservoir an indirect approximately 1.3% interest in MESL, Reservoir will issue a total of 158,100,000 common shares to KMGT and certain KMGT shareholders and designees (collectively, the "New Shareholders"). Upon completion of the Transaction, the New Shareholders will hold in aggregate 76.6% of the Reservoir common shares. The Agreement was negotiated at arm's length and replaces the Heads of Agreement.

According to KPHL's audited financial statements, as of March 31, 2018 KPHL has total assets of approximately $13,600,000, total liabilities of approximately $13,700 and net equity of approximately $13,600,000. For the fiscal year ended December 31, 2017, KPHL had total revenue of $150,000 and an operating profit of approximately $120,000.

Reservoir shares issued to the New Shareholders will be subject to restrictions on transfer under Canadian securities law expiring four months following closing and certain shares will be subject to escrow pursuant to the policies of the CSE for up to three years. Reservoir shares issued to the New Shareholders will be subject to restrictions on transfer under Canadian securities law and CSE policy for an emerging issuer expiring up to 3 years following closing. Upon closing of the Transaction, Reservoir will have 206,264,424 common shares outstanding in addition to share purchase warrants to acquire an aggregate of 11,985,582 new Reservoir common shares at an average exercise price of $0.28 per share.

Upon closing of the Transaction, the Board of Directors of Reservoir will have five members, two of which shall be nominees of KMGT, two of which shall be current Reservoir board members, Lewis Reford and Winston Bennett, and one new director, Ms. Andrea Zaradic. The current officers of Reservoir will continue to serve in their positions post-closing. The following three individuals to be appointed as new directors are:

Vincent Gueneau, Proposed Director

Mr. Gueneau, a French national, is a trained Engineer who started his career in the French group Alstom and then turned Entrepreneur, Investment Banker and Private Equity Investor. He has over 20 years of track-record in the Energy Sector in Sub-Saharan Africa and serves on the board of multiple companies. He started his career in the French power group Alstom before becoming a successful Entrepreneur in the oil services industry, subsequently serving as a Senior Adviser and Managing Director in Renaissance Capital, before founding a private equity group in Mauritius. He was a party or advised on multiple private equity transactions in Africa, as well as bids related to privatizations and leveraged buyouts. He served on the Board of the French-Nigerian Chamber of Commerce for 5 years and as Economic Advisor to the French Ministry of Finance & Industry for 3 years ("CCE" Nigeria Section, by appointment of the French Prime Minister). He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria, and a registered professional of the Financial Reporting Council of Nigeria.

Vianney Mathonnet, Proposed Independent Director

Mr. Mathonnet is a French national who serves as the Director of the Family office division at Kappafrik Group, a private equity firm based in Dubai that focuses on Energy and Infrastructure investments in African markets. He started his career in Gabon in charge of internal auditing and cost optimization for a multinational company in the hospitality sector and held management positions in the industry across sub-Sahara African countries. Mr. Mathonnet managed the corporate relations with global Mining, Education, and Oil companies, supervised multiple profit centers and directly managed 400+ employees. Mr. Mathonnet lived across the African and European continents and has undertaken various African investments in real estate, tourism, digital marketing and micro-finance as an angel investor.

Andrea Zaradic, Proposed Independent Director

Ms. Zaradic has 30 years of experience in both corporate, project and business development. As Manager of Infrastructure Development for Canico Resource Corp. in relation to the Onca Puma nickel laterite project in Brazil, she led the development of all major road and power infrastructure prior to a successful corporate take-over by Vale (previously CVRD). Ms. Zaradic held the position of VP Operations and Development for Magma Energy Corp. ("Magma"). Additionally, Ms. Zaradic led the Magma based team through both a financial and technical due diligence of Plutonic Power ("Plutonic"), resulting in the successful merger of Magma and Plutonic to form Alterra Power Corp. As President and CEO of Troon Ventures Ltd. ("Troon"), Ms. Zaradic led the company through a successful merger/RTO with Grenville Strategic Royalty Corp. ("Grenville"); a new business model in the royalty finance sector. Following the successful merger of Troon and Grenville, Ms. Zaradic went on to the role of President and CEO of Northair Silver where she successfully completed a merger with Kootenay Silver ("Kootenay"). She now resides on the board of Kootenay and serves as Technical Advisor to Northleaf Capital in relation to their geothermal investments in Ormat Technologies.

It is anticipated that immediately following the Transaction, the only shareholder to own, or control or direct, greater than 20% of Reservoir's issued and outstanding shares will be Vincent Gueneau, profiled above as a new director, who will own directly approximately 17.4% of the shares outstanding and control indirectly an additional approximately 43% of the shares outstanding.

Conditions of the Transaction

Completion of the Transaction is subject to a number of conditions, including TSXV and CSE acceptance and approval of the Reservoir shareholders, which Reservoir intends to obtain by the written consent of shareholders holding a majority of the Reservoir common shares. Other conditions to completion of the Transaction include that no material adverse change to either KPHL or MESL or Reservoir will occur prior to completion of the Transaction and that the representations and warranties contained in the Agreement will be true and correct in all material respects.

There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Reservoir should be considered highly speculative.

OUTLOOK

The focus of the Company remains to identify new opportunities in clean power. 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.

For the past fiscal year and currently, funding for the operations of the business has been provided by an equity private placement with third parties and from loans from directors and other insiders. There is no certainty that these funds will continue to be available.

QUARTERLY FINANCIAL INFORMATION

Quarter ended	July 31 2018	April 30 2018	January 31 2017	October 31 2017
Financial Results				
Operations expenditures	$ -	$ -	$ -	$ -
Share-based payments	-	-	-	-
Income (loss) for the period	(91,116)	(118,922)	(119,455)	10,397
Earnings (loss) per share - basic and diluted	(0.00)	(0.00)	(0.01)	0.00

Quarter ended	July 31 2017	April 30 2017[1]	January 31 2016[1]	October 31 2016[1]
Financial Results				
Operations expenditures	$ -	$ -	$ -	$ -
Share-based payments	-	-	-	-
Loss for the period	(60,130)	(708,714)	(107,409)	(135,550)
Loss per share - basic and diluted	(0.00)	(0.04)	(0.01)	(0.01)

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

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

RESULTS OF OPERATIONS

Three months ended July 31, 2018

The Company recorded a loss of $91,116 for the quarter ended July 31, 2018 compared to a loss of $60,130 for the comparative quarter. The current loss included legal fees of $27,574 compared to legal fees of $214 for the comparative quarter and consulting fees of $13,794 compared to consulting fees of Nil for the comparative quarter.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2018, the Company had working capital of $134,378, which primarily comprised cash of $453,094, accounts payable and accrued liabilities of $84,523, and promissory notes of $237,359. The Company had no long-term debt. All of the Company's cash is held in interest bearing accounts.

In order to continue as a going concern, 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 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 balance sheets. The condensed interim 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:

Three months ended July 31, 2018		Salary or Fees		Share-based Payments		Total
Management and outside directors	$	-	$	-	$	-
Seabord Services Corp.		30,000		-		30,000
	$	30,000	$	-	$	30,000

Three months ended July 31, 2017		Salary or Fees		Share-based Payments		Total
Management and outside directors	$	-	$	-	$	-
Seabord Services Corp.		30,000		-		30,000
	$	30,000	$	-	$	30,000

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

Related party assets (liabilities)	Items or services		July 31, 2018		April 30, 2018
Included in accounts payable and accrued liabilities					
CEO	Fees and expense reimbursements	$	(24,224)	$	(27,260)
Outside directors	Fees and expense reimbursements		(2,812)		(2,812)
Seabord Services Corp.	Administrative services		(10,500)		(22,000)
Included in promissory notes payable					
Outside directors			(237,359)		(235,141)
Seabord Services Corp.		$	-	$	-

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

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:

- the determination of the fair value of stock options, warrants, equity conversion feature of convertible loan 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, warrants, and equity conversion features of convertible loans.

- 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.

CHANGE OF ACCOUNTING POLICY

Effective May 1, 2018, the Company has adopted IFRS 9 Financial Instruments ("IFRS 9"). IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, therefore the Company's accounting policy with respect to financial liabilities is unchanged.

The Company completed an assessment of its financial assets and liabilities as at May 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	IAS 39	IFRS 9
Financial assets		
Cash	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payeble and accrued liabilities	Other financial liabilities	Amortized cost
Promisory notes payable	Other financial liabilities	Amortized cost

The adoption of IFRS 9 did not result in any material changes to the Company's 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 48,164,424 common shares issued and outstanding. There were 11,985,582 share purchase warrants outstanding with expiry dates from November 14, 2018 to November 6, 2020.