



RESERVOIR CAPITAL CORP.

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

CSE FORM 2A LISTING STATEMENT

September 21, 2018

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1. ABOUT THIS LISTING STATEMENT

INFORMATION CONTAINED IN THIS LISTING STATEMENT

The information contained in this Listing Statement, unless otherwise indicated, is given as of September 21, 2018.

No person has been authorized to give any information or to make any representation in connection with the matters being considered herein other than those contained in this Listing Statement and, if given or made, such information or representation should be considered or relied upon as not having been authorized. This Listing Statement does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer of proxy solicitation. Neither the delivery of this Listing Statement nor any distribution of securities referred to herein shall, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Listing Statement.

Information contained in this Listing Statement should not be construed as legal, tax or financial advice. Shareholders are urged to consult their own professional advisors in connection with the matters considered in this Listing Statement.

The Transaction (as defined herein) has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of the Transaction or upon the accuracy or adequacy of the information contained in this Listing Statement and any representation to the contrary is unlawful.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISKS

This Listing Statement and the documents incorporated into this Listing Statement by reference, contain "forward-looking information" within the meaning of the applicable Canadian securities legislation (forward-looking information and forward-looking statements being collectively herein after referred to as "forward-looking statements") that are based on expectations, estimates and projections as at the date of this Listing Statement or the dates of the documents incorporated herein by reference, as applicable. These forward-looking statements include but are not limited to statements and information concerning: the Transaction; the timing for the implementation of the Transaction, and the potential benefits of the Transaction, the likelihood of the Transaction being completed; statements relating to the business and future activities of, and developments related to, REO (as defined herein) after the date of this Listing Statement; CSE (as defined herein) approval of the Transaction; market position, and future financial or operating performance of REO; liquidity of Shares (as defined herein) following the Transaction; anticipated developments in operations of Reservoir Capital Corp.; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of regulatory and permitted matters; goals; strategies; future growth; planned activities and planned future investments; the adequacy of financial resources; and other events or conditions that may occur in the future.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using

phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might", or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements, which include statements relating to, among other things, the ability of REO to continue to successfully compete in the market.

These forward-looking statements are based on the beliefs of REO's management, as the case may be, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, there can be no assurance that the forward-looking statements will prove to be accurate. Such assumptions and factors include, among other things, the satisfaction of the terms and conditions of the Transaction and their acceptance by the CSE.

By their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of REO to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation: general business, economic, competitive, political, regulatory and social uncertainties; risks related to the Acquisition and other investments that REO may make in the future pursuant to its Investment Policy; risks related to the ability to finance the continued acquisition of investments pursuant to its Investment Policy; history of losses of REO and expectation of future losses for REO; risks related to factors beyond the control of REO; risks and uncertainties associated with conducting business as an investment issuer; risks related to the ability to obtain adequate financing for planned investment activities; risks related to governmental regulations; future changes to laws and regulations; currency fluctuations and risks; conflicts of interest; risks related to dependence on key individuals; risks related to the involvement of some of the directors and officers of REO with other companies; the ability to maintain adequate control over financial reporting; risks related to the common shares of REO, including price volatility due to events that may or may not be within such parties' control; disruptions or changes in the credit or security markets; litigation risks; risks related to instability in the global economic climate; risks related to the ability to complete investments.

This list is not exhaustive of the factors that may affect any of the forward-looking statements of REO. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this Listing Statement generally and certain economic and business factors, some of which may be beyond the control of REO. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the heading "Risk Factors" below. REO does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, REO Shareholders should not place undue reliance on forward-looking statements.

CURRENCY

Unless otherwise indicated herein, references to "\$", "C\$" or "Canadian dollars" are to Canadian dollars, and "US\$" or "USD" refers to United States dollars.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

The historical financial statements of REO attached to this Listing Statement are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards.

GLOSSARY OF TERMS

In this Listing Statement, unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders.

"Acquisition"	means the acquisition of 60.0% of the issued and outstanding Kainji Power Holding Ltd. shares by the Issuer as set out in the Share Purchase Agreement;
"Affiliate"	has the meaning ascribed to it in Ontario Securities Commission Rule 45-501.
"Arm's Length Transaction"	means a transaction, which is not a Related Party Transaction.
"BCBCA"	means the <i>Business Corporations Act</i> (British Columbia).
"Board" or "Board of Directors"	means the board of directors of the Company, and as applicable, the board of directors of the Issuer, as constituted from time to time.
"CEO"	means the chief executive officer of REO.
"CFO"	means the chief financial officer of REO.
"Company", "REO" or the "Issuer"	means Reservoir Capital Corp.
"company"	unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
"Completion Date"	means the date of the Final CSE Bulletin.
"Control Block Holder"	means any person or combination of persons holding a sufficient number of any securities of a Listed Issuer or a Dealer to affect materially the control of that Listed Issuer or Dealer, but any holding of any person or combination of persons holding more than 20% of the outstanding voting securities of a Listed Issuer or Dealer shall, in the absence of evidence to the contrary, be deemed to affect materially the control of that Listed Issuer or Dealer.

"Escrow Agreement"	has the meaning ascribed to it in section 11 of this Listing Statement.
"Exchange" or "CSE"	means the Canadian Securities Exchange.
"Final CSE Bulletin"	means the bulletin issued by the CSE following closing of the Transaction and the submission of all documents, which evidences the final CSE acceptance of the Transaction.
"Frontier Markets"	means any countries outside of Canada, the United States, Western Europe, Australia and New Zealand.
"Investment Committee"	means a committee appointed by the Board to administer the Investment Policy.
"Investment Policy"	means the policy adopted by the Board in respect of the Company's investments.
"Issuer"	means the issuer existing on the Completion Date, namely the Company following the completion of the Transaction.
"Kainji Power Holding Limited" or "KPHL"	is an African clean power holding company registered in Mauritius in June 2013 under registration number C2/GBC 117131 for the sole purpose of owning equity in MESL.
"Kappafrik Management DMCC" or "KMGT"	is a private company incorporated in Dubai owned by Vincent Gueneau and Caroline Taine, which beneficially owns a 90.8% interest in KPHL. The registered office of KMGT is at Office 605, Indigo Tower Cluster D, JLT, PO Box 29026, Dubai, UAE.
"KPHL shareholders"	means the shareholders of Kainji Power Holding Limited, including individuals and KMGT.
"KPHL Shares"	means common shares in the capital of KPHL.
"Listing Statement"	means this Listing Statement.
"MESL"	means Mainstream Energy Solutions Limited, a power generation company registered in Nigeria under RC 938936 and which operates two hydropower assets, the Kainji and Jebba power plants.
"Promoter"	means, in respect of a Listed Issuer: (a) a person or company who takes the initiative in organizing or reorganizing the business of a Listed Issuer; or (b) a person or company who, in connection with organizing or reorganizing the business of a Listed Issuer, receives in consideration 10 percent or more of the securities of the issuer.

"Related Party Transaction"	has the meaning ascribed to such term in Multinational Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.
"Related Person"	means, in respect of a Listed Issuer: (a) a Related Entity of the Listed Issuer; (b) a partner, director or officer of the Listed Issuer or Related Entity; (c) a promoter of or person who performs Investor Relations Activities for the Listed Issuer or Related Entity; (d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Listed Issuer or Related Entity; and (e) such other person as may be designated from time to time by the Exchange.
"Shareholders"	means the holders of REO Shares.
"Shares" or "REO Shares"	means common shares in the capital of REO.
"SPA"	means the share purchase agreement dated August 27, 2018 relating to, among other things, the acquisition of 60.0% of the issued and outstanding KPHL Shares and setting forth the terms and conditions of the Acquisition.
"Stock Option Plan"	means the Company's stock option plan.
"Transaction"	means a transaction or series of transactions contemplated by the SPA, whereby REO will acquire 60.0% of the issued and outstanding KPHL Shares, and the CSE Listing.

2. CORPORATE STRUCTURE

2.1 Corporate Name and Office

The Issuer's head office and registered office is located at 501-543 Granville Street, Vancouver, British Columbia, Canada, V6C 1X8.

2.2 Jurisdiction of Incorporation

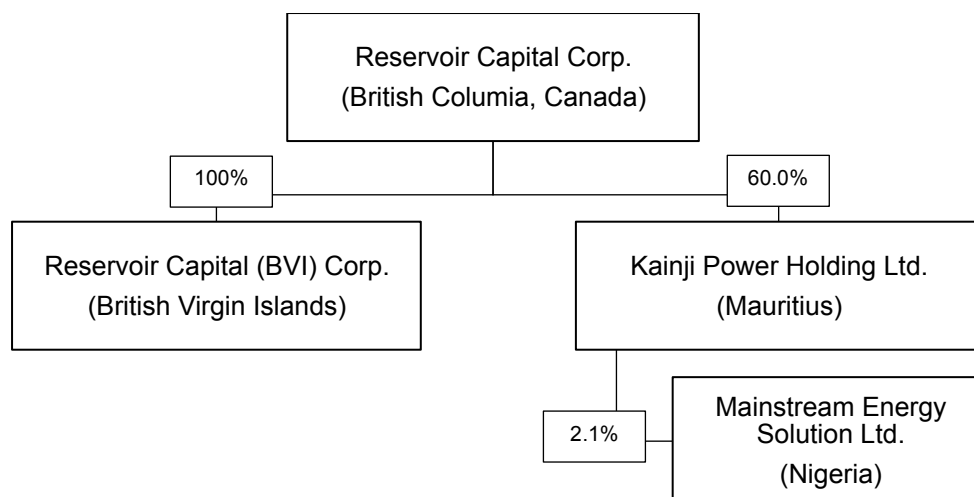
The Issuer incorporated under the *Business Corporations Act* (Alberta) on March 23, 2006 and was continued into British Columbia, under the BCBCA on November 15, 2007. REO is a reporting issuer in British Columbia, Alberta and Ontario.

The Issuer was listed on the TSX Venture on March 23, 2006 under the trading symbol "REO". Reservoir was a capital pool company and on February 2, 2007 it completed the Qualifying Transaction as such term is defined in the policies of the TSX Venture.

On September 18, 2018, the Issuer voluntarily delisted its common shares from the TSX Venture. On September 21, 2018 the Issuer listed on the CSE and the Issuer's trading symbol "REO" remained the same.

2.3 Intercorporate Relationships

The following chart illustrates the intercorporate relationships that exist between the Issuer and its subsidiaries as of the date hereof.



2.4 Fundamental Change

On August 27, 2018, the Company entered into the SPA with KPHL respecting a share exchange transaction, whereby the Company proposes to acquire 60.0% of the issued and outstanding KPHL Shares from KMGH in exchange for 158,100,000 REO Shares at a deemed price of C\$0.06 per REO Share, representing 76.7% of the issued and outstanding REO Shares after the closing of the Transaction. KPHL, an African clean power holding company, holds approximately 2.1% interest in MESL, Nigeria's leading producing hydropower company and KPHL's sole investment. The Company's acquisition of the equity stake in KPHL will give it a 1.3% economic interest in MESL.

On September 21, 2018, the Issuer completed the acquisition of KPHL pursuant to the SPA. The Acquisition gives Reservoir exposure to MESL's two world-class hydro assets in Nigeria, which are fully constructed, operating at close to capacity and allow for balanced power production all year long in a demand environment that is critically short of dependable power. Moreover, as a result of the Acquisition, the Company has a strong balance sheet, the prospect of an ongoing dividend stream and immediate diversification.

2.5 Non-corporate Issuers and Issuers incorporated outside of Canada

The Issuer is not a non-corporate issuer or issuer incorporated outside of Canada.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Issuer's business

REO was founded as a renewable energy company whose principal activity is the evaluation and potential evaluation and potential development and operation of hydro and other renewable energy projects in frontier markets. REO listed its shares at the TSX Venture exchange on March 23, 2006 and raised capital via subsequent private placements of common shares in order to fund its business as a hydropower project developer. REO formerly had two energy permits in Serbia in Brodarevo to develop run-of-river hydropower projects ("HPP") on the river Lim with an aggregate design capacity of 59 megawatts. REO was actively looking for a partner to provide capital to advance its Brodarevo project. REO was also actively evaluating additional opportunities in other jurisdictions for greenfield development.

Highlights for the Year Ended 2018

During the year ended April 30, 2018 and subsequently:

- Recorded a loss of \$457,385 for the year ended April 30, 2018 compared to a loss of \$1,289,380 for the comparative year. The loss for 2017 included \$1,289,016 write-off of the Company's investment in the Brodarevo HPPs.
- Settled \$641,547 of accounts payable and promissory notes payable by paying \$59,097 and issuing 8,102,880 common shares.

Announced

- that its wholly owned Serbian subsidiary, Renewable Energy Ventures d.o.o. Belgrade ("REV doo"), had filed a voluntary petition under the Serbian Bankruptcy Code in the Serbian Bankruptcy Court in Belgrade, respecting the winding up of REV doo's operations and liquidation of its assets. The relief was sought to permit REO to abandon plans for greenfield project development and move forward with plans to focus on hydropower investment opportunities in frontier regions.
- Completed a private placement for aggregate proceeds of \$872,500 by issuing 17,450,000 common shares at \$0.05 per share and paid or accrued finders' fees of \$16,250;
- Converted \$200,000 of unsecured loan into 4,000,000 common shares and 4,000,000 share purchase warrants, where each warrant is exercisable at \$0.05 per share for one year from the issuance date;

- On February 5, 2018, the Company signed the Heads of Agreement with KPHL in respect to a share exchange transaction that will result in REO owning a 60.0% stake in KPHL for 158,100,000 common shares of the Company, which will give REO a 1.3% economic interest in MESL.
- On August 27, 2018, the Company signed the SPA.
- On September 18, 2018 the Issuer delisted from TSX Venture.
- On September 21, 2018, the Issuer acquired 60.0% of issued and outstanding common shares of KPHL and issued as consideration an aggregate 158,100,000 Common Shares
- On September 21, 2018, former directors of the Issuer Miles F. Thompson, Michael D. Winn, and Patrick Trustram Eve resigned, while directors Lewis T. Reford and Winston Bennett remained. Additionally, each of Vincent Gueneau, Vianney Mathonnet and Andrea Zaradic were appointed as directors; and Vincent Gueneau was appointed Chairman.
- On September 21, 2018, the Issuer listed on the CSE and in the days following, REO's common shares commenced trading on the CSE with the trading symbol "REO".

Of the 158,100,000 Common Shares issued to acquire KPHL, 122,800,000 are subject to Escrow Agreement pursuant to which tranches will be released every six months following the Completion Date over 36 months.

The acquisition of KPHL was an Arm's Length Transaction for the Issuer. No formal valuation was commissioned or received in connection with the Acquisition.

Additional information pertaining to the Issuer including financial information is contained in the various disclosure documents of the Issuer filed with applicable securities commissions and made available through the Internet under the Issuer's SEDAR profile at www.sedar.com.

Overview of Kainji Power Holding Ltd.

Kainji Power Holding Limited is an African clean power holding company registered in Mauritius in June of 2013 under registration number C2/GBC 117131.

KPHL was established as a private company under the laws of the Republic of Mauritius pursuant to the Companies Act 2001. The registered office of KPHL is located at 5th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Republic of Mauritius.

The Republic of Mauritius has a stable and open economy, well-developed infrastructure, competitive tax regime and a wide African network of double tax treaties or agreements ("DTAs"). In 1994 Mauritius suspended its exchange control regime allowing for the free flow of foreign capital.

In accordance with the laws of Mauritius and the Republic of Mauritius' standing as the ideal "gateway" jurisdiction to investments in Africa, KPHL was established to make foreign direct investments in Africa, specifically at the outset for the sole purpose of owning equity in MESL on behalf of its shareholders. KPHL currently owns 8,443,333 common shares of MESL (the "**MESL Shares**"), representing approximately 2.1% of the issued and outstanding shares of MESL. KPHL acquired a Certificate of Capital Importation ("**CCI**") from the Central Bank of Nigeria ("**CBN**") allowing KPHL to freely repatriate the proceeds of its investment in MESL (including all dividend payments) up to a maximum of 92 million common shares of MESL. In addition, the CCI allows dividends to be converted from Naira to USD at the official exchange

rate as posted by CBN. Other than the MESL Shares, the CCI and cash, KPHL has no material assets or operations and no liabilities.

During the year ended December 31, 2017 and subsequently, KPHL received a dividend payment of US\$115,988 resulting from its ownership of 8,443,333 MESL shares. MESL declared its first dividend in December 2017.

3.2 Significant Acquisitions or Dispositions

On August 27, 2018, the Company entered into the SPA with KPHL respecting a share exchange transaction, whereby the Company proposes to acquire 60.0% of the issued and outstanding KPHL Shares and the KPHL beneficiaries jointly acquiring approximately 158,100,000 REO Shares at a deemed price of C\$ 0.06 per REO Share, representing 76.7% of the issued and outstanding REO Shares after the closing of the Transaction.

KPHL holds approximately 2.1% interest in MESL, Nigeria's leading producing hydropower company and KPHL's sole investment. The Company's acquisition of the equity stake in KPHL gives it a 1.3% economic interest in MESL. The Acquisition is an Arm's Length Transaction and not a Related Party Transaction under the Exchange's policies.

The Acquisition closed on September 21, 2018 and gives Reservoir exposure to MESL's two world-class hydro assets in Nigeria, which are fully constructed, are operating at close to capacity and allow for balanced power production all year long in a demand environment that is critically short of dependable power. As a result of the Acquisition, the Company has a strong balance sheet, the prospect of an ongoing dividend stream and immediate diversification.

On December 5, 2017 the Company accrued a finder's fee of \$13,050 payable to Kappafrik Group. Kappafrik Group is a Private Equity group affiliated with Vincent Gueneau.

The table below represents the Issuer's pro forma balance sheet giving effect to the Transaction.

REO – 60.0% KPHL Pro Forma Balance Sheet - March 31, 2018

All figures in C\$			
Assets		Liabilities & Equity	
Current Assets		Current Liabilities	373,749
Cash	750,553	Non-Current Liabilities	-
Receivables	5,678	Total Liabilities	373,749
Other Current	2,375	Share Capital	3,693,449
Current Assets	758,606	Reserves	13,509,332
Fixed PPA	-	Deficit	(8,776,071)
Goodwill	-	Total Shareholders Equity	8,426,711
Portfolio Investments	13,509,332	Non-Controlling Interest	5,467,478
Total Assets	14,267,938	Total Liabilities & Equity	14,267,938

3.3 Trends, Commitments, Events or Uncertainties

Except as may be disclosed elsewhere in this Listing Statement, the Issuer is not aware of any trend, commitment, event or uncertainty presently known to management and reasonably expected to have a material effect on the Issuer's business, financial condition, or results of operations.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 Description of Business

Description of Business

The Company determined to refocus its business operations from a greenfield hydro project developer to an investment firm after a strategic review completed in 2017. The Company believes that the experience and contacts of its Board and management enables it to identify and capitalize upon investment opportunities as an investment firm concentrating on operating clean power projects located in frontier regions. The Company's primary focus is to seek returns through investments in the securities of other clean power companies and clean power assets.

In connection with the Transaction, the Company intends to adopt an Investment Policy to govern its investment activities and investment strategy. A copy of the proposed Investment Policy is attached as Schedule A to this Listing Statement.

Business Objectives

The Company's investment strategy is to achieve regular income over long periods, as well as substantial capital growth in the medium term, by taking carefully selected minority economic interests, at attractive valuations, in a balanced portfolio of producing or near production clean power assets in frontier markets.

Investment Strategy and Milestones

The investment portfolio of the Company will be built in accordance with the following principles, as set out in the Investment Policy:

1. Investment Strategy

The Company's investment strategy is to achieve regular income over long periods, as well as substantial capital growth in the medium term, by taking carefully selected minority economic interests, at attractive valuations, in a balanced portfolio of producing or near production Clean Power assets in Frontier Markets.

2. Rationale for the Strategy

After years of study of the clean power sector, ranging across developed, emerging and frontier markets, the Board and Management of the Company believe that there are a variety of producing clean power assets in frontier markets which are sound investments and are struggling to raise international equity capital due to concentrated single country risk, poor or no access to deep and liquid Equity Capital Markets and the difficulty and cost for sophisticated investors to conduct their Due Diligence exercise in countries which are not easily accessible and which they do not know well. As a result, these assets are often relatively cheap and can be extremely attractive investment opportunities, especially when the country risk is mitigated by a geographically diversified portfolio.

By taking stakes in private clean power assets in frontier markets with substantial individual country risk and holding them in a listed company and as part of a balanced portfolio, REO expects to achieve higher valuations than the private market affords for these assets over the medium and long term with eventual convergence toward the industry's standard valuation metrics.

The Board and Management of the Company is also acutely conscious of the importance of ensuring a steady flow of revenue in order to be able to distribute dividends to its shareholders on a regular basis, therefore producing assets already generating cash flow and companies distributing dividends to their shareholders will be always preferred to any investment opportunity showing growth potential only and no signs of dividends.

3. Portfolio Principles

The investment portfolio of the Company will be built in accordance with the following principles:

3.1 Target Industry Sector is Clean Power:

Target Assets or Investee Companies must be in renewable energy sub-sector, with a particular preference for **hydroelectric power generation and geothermal power generation**. Where appropriate, the Company may also invest in power transmission and storage projects and new technologies ancillary to such assets.

3.2 Target Geographical Sector is Frontier Markets:

Target Assets or Investee Companies will be sought primarily in **Africa and Latin America**, however the Company may also invest opportunistically or strategically in any jurisdiction in the world to balance its country risk profile, avail exceptional value opportunity or get exposure to new technologies relevant to its investment policy.

3.3 Target Asset Class is Equity:

Investments will typically be made through straight equity holdings by means of ordinary common shares, either directly in the targeted cash flow generating company or via a holding company when such structure are deemed to have immediate or future potential benefits. Where appropriate, the Company may also use other means of investment such as Convertible Loan Notes, Options, Warrants, or any other instrument or asset class identified by the Board of the Company.

3.4 Other Guidelines:

Control: The Company will typically be a minority shareholder rather than seeking control of the target companies, however it will always seek to obtain a seat on the Board of the Investee Company whenever possible and may take controlling stakes in some assets or investee companies considered strategically important or of smaller size comparatively to the rest of the portfolio.

Mode of Consideration: The Company will typically propose a “Share Swap” (the issuance of REO shares in exchange for the targeted company’s shares) in order to reduce the cost and duration of the transaction, however Consideration given by the Company for an investment can also be by way of cash, assumption of debt or other obligations, issuance of shares in the Company, or any other legal means and combination thereof.

Preferred Shares: Where cash forms more than 50% of the Consideration, the Company will preferably acquire primary, ordinary common shares in companies where no shareholder has any preferred rights and where the cash Consideration is injected into the Investee company to increase its capital. Where preferred shares

exist, the Company shall seek to obtain such shares or to seek to abolish such preferred class(es) of shares altogether and replace them with ordinary shares where possible. Where a Share Swap is possible, the Company will seek agreements to swap secondary shares with key shareholders of the targeted company, which would be deemed valuable contributors as members of REO after the transaction.

Leverage: Typically, the Company shall not leverage its investments, however when the risks of an investment are deemed lower and the size exceeds the current capabilities of the Company, it may leverage up to 3 to 1 maximum ratio (75% Debt to Equity ratio) on a given transaction provided the entire portfolio is not leveraged on average more than 1 to 1 (50% Debt to Equity ratio) on a period exceeding 3 months.

Asset Maturity: The Company may invest in operating projects or in projects at a pre-commissioning stage, where the Board considers the opportunity compelling and the execution plan to get to cash-flow within 18 months maximum is well defined and convinces the Board, however investments in producing assets achieving cash flow must always clearly exceed in value the investments in non-producing or non-cash-flow assets.

Portfolio Diversification & Balancing: The Company intends to invest in multiple assets and companies, to achieve a diversified and balanced portfolio of clean power investments and reduce concentration of specific identified risks, such as in particular Country Risk and Technology risk as well as Regulatory risk and Currency risk. The Company's objective is to implement investments in a minimum of two assets within 12 months of the date of this policy, and to continue to grow its portfolio of investments at the rate of at least one transaction per year, tentatively 2 transactions per year or more when possible.

Investment Size: The Company shall typically make Investments in the range of \$5 to \$20 million, however that shall be variable according to the available opportunities and resources.

Timeline & Exits: The Company will have no fixed timeline for exiting any particular investment, especially if it is generating satisfactory revenue, as Clean Energy assets tend to be long-life investments like infrastructure and can provide significant ongoing income to the Company. The Board may implement exits from the Company's investments at any time, where it is appropriate in its judgment to do so, taking into account factors such as valuation, receipt of compelling offers or other exit opportunities, prevailing power prices, general market conditions, country and regulatory risk, maintenance and decommissioning costs, and the desire to maintain a balanced portfolio of assets, amongst other things. The Company may increase or decrease its investment in any particular project from time to time where the Board determines it is in the Company's best interests to do so.

4. Investment Procedure

The Company's Management and Board will work to originate appropriate investment opportunities. Prospective investments will initially be reviewed, and if appropriate matured, by Management. Management shall make an assessment of whether any proposal fits with the investment strategy and portfolio principles of the set out in this policy, and may then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence. This process may involve the participation of outside professional consultants. Management shall report regularly to the Board to apprise

them of discussions with third parties, due diligence, and the development of investment opportunities

Once a decision to recommend investment in a particular opportunity has been reached, a summary of the rationale behind the investment decision shall be prepared by Management and submitted to the Board. This summary should include, among other things, project summary, timeline of investment, guidelines against which future progress can be measured, valuation and returns analysis, exit strategy, and risks associated with the investment. The summary should also disclose any finder's or agent's fees payable.

All investments shall be submitted to the Board for final approval. Management will select all investments for submission to the Board and monitor the Company's investment portfolio on an ongoing basis and will be subject to the direction of the Board. Management will present an overview of the state of the investment portfolio to the Board on a quarterly basis.

5. Conflicts of Interest

The Company has no restrictions with respect to investing in corporations in which a Board member may already have an interest. Any potential investments where there is a material conflict of interest involving an employee, officer or director of the Company may only proceed after receiving approval from the disinterested directors of the Board. The Company is also subject to the "related party" transaction policies of the Exchange.

Where a conflict is determined to exist within Management or the Board, the individual having a conflicting interest shall provide full disclosure of their interest in the potential investment and, if such person is a Board member, shall abstain from voting on the investment decision but may participate in discussions regarding the potential investment opportunity.

The members of the Board and Management and their respective affiliates (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, promoters, advisers or agents of other public and private corporations, including corporations in which the Company may invest. The Parties may also engage in transactions with the Company where any one or more of the Parties is acting in their capacity as financial advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on normal commercial terms as if negotiated at arm's length.

6. Amendment

The Company's investment strategy, portfolio principles and other provisions of this Investment Policy may be amended from time to time on the recommendation of Management and approval by the Board. Unless required by the Exchange, approval by the Company's shareholders of any such amendments is not required.

Initial Investment

On September 21, 2018, the Company acquired 60.0% of the issued and outstanding shares in Mauritius-registered holding company Kainji Power Holding Ltd ("KPHL"), a special purpose vehicle holding 8,443,333 common shares in MESL Energy Solutions Ltd ("MESL") as its sole asset, representing a 1.3% economic interest in MESL in exchange for 158,100,000 Reservoir common shares.

The Acquisition gives REO economic exposure to MESL's two world-class hydro assets in Nigeria, which are fully constructed, operating at close to capacity and generating strong free cash flow. KPHL's interest in MESL is represented by Vincent Gueneau's presence on MESL's Board of Directors. Upon completion of the Acquisition, the CEO sits on the Board of Directors of KPHL and KPHL has nominated two directors to sit on REO's Board of Directors. Furthermore, the Company now has a strong balance sheet, the prospect of an ongoing dividend stream, no project development risk and immediate diversification.

As part of its growth and investment strategy, the Company intends to complete a second and possibly additional investments.

Funds Available

The Company's estimated working capital at fiscal year ending April 30, 2018 was approximately \$460,000. The Issuer is expected to have approximately \$620,000 in working capital available pro forma on closing of the Transaction. The Company will raise additional funds if necessary to complete additional investments.

The following table sets forth the estimated total funds available to the Issuer over the next 12 months:

	Estimated Amount
Funds Available to the Issuer ⁽¹⁾	\$620,000
Estimated remaining costs (e.g., legal, accounting, audit) associated with the Transaction	\$25,000
Employee salaries, finance & admin. costs and rent (12 mo. est.)	\$284,000
Professional fees, regulatory, transfer agent and filing fees (12 mo.)	\$100,000
Total Unallocated	\$211,000

(1) Funds available as of September 21, 2018 after giving effect to the Transaction

The Issuer's intentions to spend the available funds as set forth above are based on the current expectations of management; however, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. Any such reallocation will be determined at the discretion of the Issuer's management, and there can be no assurance as of the date of this Listing Statement as to how those funds may be reallocated. The Issuer may require additional funds in order to fulfill all of the Issuer's expenditure requirements to meet its objectives, in which case the Issuer expects to either issue additional Issuer Shares or incur indebtedness. There is no assurance that additional funding required by the Issuer would be available on commercially reasonable terms, or at all, if required; however, it is anticipated that the available funds will be sufficient to satisfy the Issuer's objectives over at least the next 12 months.

Principal Products and Services

Not applicable.

Production and Sales

Not applicable.

Competitive Conditions

The Issuer faces competition from other power producers and clean power investment funds, all of which compete for investment opportunities in the Company's asset focus area. These competitors may limit the Issuer's opportunities to acquire interests in investments that are attractive to the Issuer. The Issuer may be required to invest otherwise than in accordance with its Investment Policy and strategy in order to meet its investment objectives. If the Issuer is required to invest other than in accordance with its Investment Policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

Lending Operations

Not applicable.

Bankruptcy or Receivership Proceedings

In January 2018, the Company announced that its wholly owned Serbian subsidiary, Renewable Energy Ventures d.o.o. Belgrade ("**REV doo**"), had filed a voluntary petition under the Serbian Bankruptcy Code in the Serbian Bankruptcy Court in Belgrade, respecting the winding up of REV doo's operations and liquidation of its assets. The relief was sought to permit REO to cleanly exit its pre-construction hydro development projects in the Balkans and move forward with plans to focus on operational clean power investment opportunities in frontier regions.

Material Restructuring Transactions

In June 2017, the Company and creditors agreed to settle \$405,144 of debt for REO Shares valued at \$0.05 per REO Share. 8,102,880 REO Shares were issued of which 4,400,000 were issued to Miles Thompson (former Chairman and a director of the Company) and 2,370,000 to Seaboard Services Corp., a company controlled by Michael Winn (a former director of the Company).

Social or Environmental Policies

Not applicable.

4.2 Asset-backed Securities Outstanding

Not applicable.

4.3 Mineral Projects

Not applicable.

4.4 Oil and Gas Operations

Not applicable.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Financial Information

The Company

The following table is a summary of selected financial information of REO for the years ended April 30, 2018, 2017 and 2016 (from the period of incorporation):

(All figures in C\$)

	Financial Year Ended April 30, 2018	Financial Year Ended April 30, 2017	Financial Year Ended April 30, 2016
Revenues	Nil	Nil	Nil
Operating Profit (Loss)	(\$490,576)	(\$248,880)	(\$280,791)
Net Profit (Loss)	(\$288,110)	(\$1,289,380)	(\$2,080,723)
Basic and Diluted Profit (loss) per share from continuing operations	(\$0.01)	(\$0.01)	(\$0.00)
Basic and Diluted net Profit (loss) per share	(\$0.01)	(\$0.07)	(\$0.12)
Total Assets	\$585,519	\$8,045	\$1,389,521
Total LT Liabilities	Nil	Nil	Nil
Dividend per share	Nil	Nil	Nil

A copy of REO's Financial Statements previously filed with applicable securities commissions are available on the Company's SEDAR profile at www.sedar.com.

Kainji Power Holding Ltd

The following table is a summary of selected financial information of KPHL for the financial years ended December 31, 2017, 2016 and 2015:

(All figures in USD)

	Financial Year Ended Dec. 31, 2017	Financial Year Ended Dec. 31, 2016	Financial Year Ended Dec. 31, 2015
Revenues	\$116,082	Nil	Nil
Operating Profit (Loss)	\$94,642	(\$10,613)	Nil
Net Profit (Loss)	\$94,642	(\$10,613)	(\$13,274)
Basic and Diluted Profit (loss) per share from continuing operations ¹	\$94.64	(\$10.61)	(\$13.27)
Basic and Diluted net Profit (loss) per share ¹	\$94.64	(\$10.61)	(\$13.27)

Total Assets	\$10,682,064	\$20,596	\$606,103
Total LT Liabilities	\$0	\$0	\$0

Dividend per share	Nil	Nil	Nil
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¹ Based on 1,000 KPHL shares outstanding

A copy of the KPHL audited Financial Statements for the years ended December 31, 2017 and 2016 are attached to Schedule “B” to this Listing Statement.

5.2 Quarterly Financial Information

The Company

The following information is in respect of the Company for the eight quarters preceding the date of this Listing Statement:

Quarter Ended (figures in C\$)	Total Revenues	Net Income (Losses)	Basic & Diluted Earnings (Losses) per Share
April 30, 2018	Nil	\$50,353	\$0.00
January 31, 2018	Nil	(\$288,730)	(\$0.01)
October 31, 2017	Nil	\$10,397	\$0.00
July 31, 2017	Nil	(\$60,130)	(\$0.00)
April 30, 2017	Nil	(\$708,714)	(\$0.04)
January 31, 2017	Nil	(\$107,409)	(\$0.01)
October 31, 2016	Nil	(\$135,550)	(\$0.01)
July 31, 2016	Nil	(\$349,013)	(\$0.02)

Kainji Power Holding Ltd

The following information is in respect of KPHL for the eight quarters preceding the date of this Listing Statement for which KPHL had prepared quarterly financial statements for that period:

Quarter Ended (figures in USD)	Total Revenues	Net Income (Losses)	Basic & Diluted Earnings (Losses) per Share¹
March 31, 2018	\$12,131	\$9,691	\$9.69
December 31, 2017	\$116,082	\$107,711	\$107.71
September 30, 2017	Nil	(\$4,356)	(\$4.36)
June 30, 2017	Nil	(\$448)	(\$0.45)
March 31, 2017	Nil	(\$8,264)	(\$8.26)
December 31, 2016	Nil	(\$4,903)	(\$4.90)
September 30, 2016	Nil	(\$1,903)	(\$1.90)
June 30, 2016	Nil	(\$1,903)	(\$1.90)

¹ Based on 1,000 KPHL shares outstanding

A copy of the KPHL unaudited Financial Statements for the 1st Quarter ended March 31, 2018 are attached to Schedule "C" to this Listing Statement.

5.3 Dividends

No dividends on REO's Common Shares have been paid to date.

Going forward, it is anticipated that a portion of REO income will be paid out regularly to shareholders in the form of dividends. Such determination to pay dividends will be at the discretion of the Board of Directors and will depend on, among other things, the Issuer's results of operations, current and anticipated cash requirements and surplus, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board of Directors may deem relevant. There are no restrictions on the Issuer's ability to pay dividends.

5.4 Foreign GAAP

KPHL's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

6.1 The Company: *Annual MD&A and Overall Performance*

Please refer to REO's Management's Discussion and Analysis ("**MD&A**") for the annual period ended April 30, 2018. Copies of the MD&A are available on the SEDAR website at www.SEDAR.com under the Company's SEDAR profile.

6.2 Kainji Power Holding Ltd: *Annual MD&A and Overall Performance*

Please refer to the KPHL's Management's Discussion and Analysis ("**MD&A**") for the annual period ended December 31, 2017, which is attached hereto as Schedule "D".

7. MARKET FOR SECURITIES

Prior to being de-listed from the TSXV at the request of the Company on September 1, 2018, the Shares were listed on the TSXV under the symbol "REO". The Shares commenced trading on the CSE under the symbol "REO" on September 1, 2018.

8. CONSOLIDATED CAPITALIZATION

8.1 Consolidated Capitalization

The following table sets out the consolidated pro forma capitalization of the Issuer prior to and after giving effect to the Transaction, as noted. This table should be read in conjunction with the Company's Financial Statements and Pro Forma Financial Statements attached hereto as Schedule "E".

Designation of Security	Amount Authorized or to be Authorized	Outstanding prior to giving effect to the Transaction	Amount outstanding after giving effect to the Transaction
Common Shares	Unlimited	48,164,424	206,264,424
Preferred Shares	Unlimited	Nil	Nil
Options	N/A	N/A	N/A
Warrants	N/A	11,985,582	11,985,582

8.2 Pro-Forma Fully Diluted Share Capital of the Issuer

The following table sets out the expected fully diluted share capital of the Issuer after giving effect to the Transaction, and assuming the exercise or conversion of all warrants into common shares of the Issuer:

Category of Security	Number of the Issuer Shares	Fully Diluted Percentage
Issuer Shares held by Company shareholders prior to the Acquisition	48,164,424	22.1%
Outstanding Options of the Issuer	Nil	0.0%
Outstanding Warrants of the Issuer	11,985,582	5.5%
REO Shares issued to KPHL shareholders in connection with the securities exchanged comprising the Transaction	158,100,000	72.4%
Total Outstanding Securities upon completion of the Acquisition	218,250,006	100.0%

9. OPTIONS TO PURCHASE SECURITIES

The Company does not have any outstanding options to purchase securities.

10. DESCRIPTION OF THE SECURITIES

10.1 Description of the securities

The authorized capital of the Company consists of an unlimited number of common shares and unlimited number of preferred shares (“**Preferred Shares**”) each without par value. There are 206,264,424 Issuer common shares issued and outstanding (which includes the Shares issued on completion of the Transaction).

There are no stock options and 11,985,582 share purchase warrants outstanding to acquire REO Shares of the Company. The warrants have expiry dates ranging from November 14, 2018 to November 6, 2020 and have exercise prices that range from \$0.05 to \$0.75 per REO Share.

The holders of the REO Shares are entitled to one vote per REO Share at meetings of the shareholders of the Company, and, subject to the rights of the holders of the Preferred Shares, to receive dividends if, as, and when declared by the Board of Directors. Subject to the rights of the holders of Preferred Shares, holders of the REO Shares participate equally in any distribution of the assets of the Company upon its liquidation, dissolution, or winding-up. The REO Shares carry no pre-emptive rights, conversion or exchange rights, redemption, retraction, re-purchase, sinking fund, or purchase fund provisions. There are no provisions requiring a holder of the REO Shares to contribute additional capital, and no material restrictions on the issuance of additional securities by the Company.

The special rights and restrictions attached to the Preferred Shares are determined by the Board of Directors at the time of issuance. The Preferred Shares rank on a parity with each other but will rank in priority to the REO Shares with respect to the winding-up and the repayment of any amounts paid up on such shares.

Stock Option Plan

The Company's Stock Option Plan is not currently active and it does not have any other equity incentive plans. There are no outstanding options to purchase REO Shares.

10.2 Debt securities

Not applicable.

10.3 Other securities

Not applicable.

10.4 Modification of terms

Not applicable.

10.5 Other attributes

Not applicable.

10.6 Prior Sales

The following is a summary of sales of REO Shares in the 12 month period preceding the date of this Listing Statement:

Common Shares Issuance

Date	Securities issued	Price per Security
December 5 th , 2017	17,450,000 common shares ¹	\$0.05
December 5 th , 2017	1,200,000 common shares ²	\$0.05
November 14 th , 2017	10,902,880 common shares ³	\$0.05

¹ Closing of \$872,500 Private Placement as announced on November 14th, 2017

² Loan conversion of \$60,000

³ Loan conversion of \$140,000 and debt restructuring by converting \$405,144 of outstanding debt to common shares

10.7 Stock Exchange Price

The following table sets out, for the periods indicated, the high and low sales price and the volume of trading of the REO Shares on the TSX Venture Exchange during the periods indicated. The REO Shares were halted on the TSXV on February 5th, 2018 coincident with the Company's news release announcing a Heads of Agreement relating to the Transaction.

Period	High	Low	Volume
Aug-18	N/A	N/A	Nil
Jul-18	N/A	N/A	Nil
Jun-18	N/A	N/A	Nil
May-18	N/A	N/A	Nil
Apr-18	N/A	N/A	Nil
Mar-18	N/A	N/A	Nil
Feb-18 ⁽¹⁾	0.05	0.05	13,175
Jan-18	0.07	0.05	254,135
Dec-17	0.07	0.05	353,327
Nov-17	0.10	0.05	731,570
Quarter ended October 31, 2017	0.05	0.05	365,366
Quarter ended July 31, 2017	0.06	0.03	516,673
Quarter ended April 30, 2017	0.06	0.03	1,261,447
Quarter ended January 31, 2017	0.08	0.04	1,371,694
Quarter ended October 31, 2016	0.11	0.08	553,089
Quarter ended July 31, 2016	0.14	0.06	1,898,032

¹ The REO Shares were halted from trading effective on February 5th, 2018.

The last closing price of the REO Shares on the TSX Venture (February 5th, 2018) was \$0.05.

11. ESCROWED SECURITIES

The following table sets forth the relevant particulars of Issuer Shares which are to be held by principals and other shareholders of the Issuer and subject to escrow following closing of the Transaction. A copy of the Escrow Agreement is attached to Schedule "A" to this Listing Statement.

Name, Position(s) with REO, and Municipality of Residence of Security	Prior to Giving Effect to the Transaction	After Giving Effect to the Transaction
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Common Shares	Number of Securities Held in Escrow	Percentage of Class of Shares ¹	Number of Securities Held in Escrow	Percentage of Class of Shares ²
KMGT	Nil	Nil	88,800,000	43.0%
Vincent Gueneau	Nil	Nil	32,000,000	15.5%
Vianney Mathonnet	Nil	Nil	2,000,000	1.0%

¹ Based on 48,164,424 REO Shares on a non-diluted basis

² Based on 206,264,424 Issuer Shares outstanding on a non-diluted basis on completion of the Transaction

12. PRINCIPAL SHAREHOLDERS

12.1 Ownership of Securities of REO

The following table sets forth, as at July 31, 2018, the name, the number and the percentage of outstanding REO Shares beneficially owned or over which control or direction is exercised for each principal shareholder, prior to giving effect to the Transaction:

Pre-Transaction Share Capital

Share Structure as of July 31, 2018

Issued & Outstanding Shares		Percentage ¹
Miles Thompson	5,847,708	12.1%
Vincent Gueneau	4,000,000	8.3%
Total	9,847,708	20.4%

¹ Based on 48,164,424 REO shares on a non-diluted basis

12.2 Issuer Principal Securityholders

To the knowledge of the Issuer and the Issuer's directors and executive officers, no person or company will own, or control or direct, directly or indirectly, 10% or more of the Issuer Shares after giving effect to the Transaction, other than:

- KMGT, a private company owned by Vincent Gueneau and Caroline Taine, which will beneficially own or control 88,800,000 Resulting Shares, representing 43.0% of the total issued and outstanding Issuer Shares. The registered office of KMGT is at Office 605, Indigo Tower Cluster D, JLT, PO Box 29026, Dubai, UAE;
- Vincent Gueneau, who will beneficially own or control 36,000,000 REO Shares, representing 17.5% of the total issued and outstanding Issuer Shares. The address of residency of Vincent Gueneau is Villa No. 233, Maeen 4, The Lakes, Dubai, UAE.

Pro Forma Share Capital

Share Structure as of September 21, 2018

Issued & Outstanding Shares

KMGT	88, 800 000	43.0%
Vincent Gueneau	36 000 000	17.5%
TOTAL	124,800,000	60.5%

Based on 206,264,424 REO Shares on a non-diluted basis

13. DIRECTORS AND OFFICERS

13.1 Directors, Officers and Management

The names, municipalities of residence, the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, (following completion of the Transaction), are as follows:

Name, Place of Residence and Position with Issuer	Principal Occupation (last 5 years)	Date of Appointment as Director or Officer	Common Shares of REO beneficially owned following completion of the Transaction
Vincent Gueneau Dubai, UAE Director & Chairman	Private Equity	September 21, 2018	124,800,000 60.5%
Lewis Reford Toronto, Canada Executive Dir. and CEO	Renewable Energy	January 20, 2011	408,000 0.2%
Winston Bennett Toronto, Canada Independent Director	Private Investor	March 8, 2010	7,500 0.0%
Vianney Mathonnet Dubai, UAE Independent Director	Private Equity	September 21, 2018	2,000,000 1.0%
Andrea Zaradic	Renewable Energy	September 21, 2018	0

Vancouver, Canada Independent Director			0.0%
Christina Cepeliauskas (CPA) Vancouver, Canada CFO	Mineral Exploration, Mining & Power	July 1, 2009	0 0.0%
Kim Casswell Vancouver, Canada Corporate Secretary	Corporate Secretary	July 1, 2009	0 0.0%

The term of each proposed director of the Issuer will expire on the date of the next annual meeting of shareholders of the Issuer.

After the completion of the Transaction, the directors and senior officers of the Issuer as a group are expected to beneficially own, directly or indirectly, or over which control or direction is proposed to be exercised 127,215,500 of the then issued and outstanding Issuer Shares, representing approximately 61.7% of the total votes attaching to all of the then outstanding Issuer Shares.

13.2 Board committees

The Issuer's audit committee consists of Winston Bennett, Andrea Zaradic and Vianney Mathonnet, each of whom is a director and financially literate in accordance with National Instrument 52-110 Audit committees ("NI 52-110"). Winston Bennett, Andrea Zaradic and Vianney Mathonnet are independent, as defined under NI 52-110

The board of directors of the Issuer may from time to time establish additional committees.

13.3 Principal Occupation of Directors and Executive Officers

Information on directors and executive officers' principal occupation is set out in section 13.1 – Directors, Officers and Management.

13.4 Corporate Cease Trade Orders, Bankruptcies or Penalties

Other than as discussed below, no director, is as at the date hereof, or has been within the 10 years prior to the date of this Listing Statement, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- a. was the subject of a cease trade or similar order or an order that denied the company access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- b. was the subject of a cease trade or similar order or an order that denied the company access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days 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.

No director is, as at the date hereof, or has been within the past ten years prior to the date of this Listing Statement, a director or executive officer of any company (including the 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 the assets of that person.

No director has, within the past ten years before the date of this Listing Statement, 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 that person.

13.5 Penalties or Sanctions

To the knowledge of the Issuer, no proposed director, officer or promoter of the Issuer has:

- a. 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
- b. been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about the Transaction.

13.6 Settlement Agreement

Not applicable.

13.7 Conflict of Interests

No Related Person, promoter or Control Block Holder of REO and their respective Associates and Affiliates (before and after giving effect to the Transaction) has any interest in the transactions contemplated by the Transaction. However, as a result of the Transaction, REO will control 60% of KPHL, and going forward REO will be in a position to increase its interest up to 100% by negotiating a share swap with KPHL's remaining 40% shareholders, including Vincent Gueneau. At such a point, Mr. Gueneau would hold a controlling interest in both counterparties, REO and KPHL, negotiating the share swap.

The directors and officers of the Company are and may from time to time be involved in other projects, including projects which may have a conflict of interest in allocating their time between the business of the Company and other businesses or projects in which they are or will become involved.

The Company has no restrictions with respect to investing in corporations in which a Board member may already have an interest. Any potential investments where there is a material conflict of interest involving an employee, officer or director of the Company may only proceed after receiving approval from the disinterested directors of the Board.

Where a conflict is determined to exist within management or the Board, the individual having a conflicting interest shall provide full disclosure of their interest in the potential investment and, if

such person is a Board member, shall abstain from voting on the investment decision but may participate in discussions regarding the potential investment opportunity.

The members of the Board and management and their respective affiliates (collectively the “Parties”) are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, promoters, advisers or agents of other public and private corporations, including corporations in which the Company may invest. The Parties may also engage in transactions with the Company where any one or more of the Parties is acting in their capacity as financial advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on normal commercial terms as if negotiated at arm’s length. As of the date of this Listing Statement and to the knowledge of the directors and officers of the Company, there are no existing conflicts of interest between the Issuer and any of the individuals acting as directors or officers following the Transaction.

13.8 Biographies of Directors and Management

The following sets out details of the directors and management of the Issuer. All directors are required to enter into a non-disclosure agreement with the Issuer.

Vincent Gueneau (48) – Chairman of the Board

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.

Mr. Gueneau is not an employee of the Issuer and expects to devote 33% of his time to the affairs of the Issuer.

Lewis Reford (57) – CEO and Director

Mr. Reford is a veteran energy industry and corporate finance professional with considerable experience in the renewable energy space. In August 2016, Mr. Reford was asked to serve as acting CEO of the Company. Since August 2014, Mr. Reford has also served as a Partner with Solar Ship Inc., a private aviation development company pioneering solar electric flight. Previously, Mr. Reford served as Chief Executive Officer of Schneider Power Inc., a renewable energy developer that listed on the TSXV in 2008 that was ultimately acquired by a US strategic buyer in 2010.

In 2006-2007, Mr. Reford served as President and Chief Executive Officer of MGI Securities Inc., a full-service Canadian brokerage firm. From 1998 to 2005, he served as Managing Director with J.P. Morgan Securities in New York and Toronto, and before that he worked as an investment banker with Salomon Smith Barney and Richardson Greenshields. Prior to his investment banking career, from 1988 to 1993, Mr. Reford worked as a corporate development

executive for Total SA, the French energy multinational. In addition to his corporate executive roles, Mr. Reford has considerable governance experience, having served on the Board of Directors of Gazit America Inc. (TSX: GAA, acquired by a strategic investor in 2012). At the community level, Mr. Reford currently serves as President of the North Rosedale Residents' Association. Mr. Reford holds a Bachelor of Science degree in geophysical engineering from the Colorado School of Mines.

Mr. Reford is an employee of the Issuer and expects to devote 100% of his time to the affairs of the Issuer.

Winston Bennett (38) – Independent Director

Mr. Bennett is a private investor and advisor to a number of companies. He recently participated as a principal investor, director and executive in the successful leveraged buyout and subsequent sale of a Canadian food ingredient manufacturing company. Mr. Bennett's career includes six years in the renewable energy industry – first as a Vice President and Director of Helios Energy Inc., a developer of large-scale solar energy projects, and then as a consultant to Connor, Clark & Lunn Infrastructure on its acquisition of the Grand Renewable Solar Project. Prior to his involvement in renewable energy, Mr. Bennett was Vice President of Investment Banking at Cormark Securities Inc., one of Canada's leading independent investment dealers. In this role, Mr. Bennett was involved in public and private equity transactions, structuring corporate and project debt offerings and negotiating mergers and acquisitions.

Mr. Bennett holds an Honours Business Administration (HBA) degree from the Richard Ivey School of Business at the University of Western Ontario. He also holds the ICD.D designation from the Institute of Corporate Directors and is a CFA charterholder.

Mr. Bennett is not an employee of the Issuer and expects to devote 10% of his time to the affairs of the Issuer.

Andrea Zaradic (55) – 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.

Ms. Zaradic is not an employee of the Issuer and expects to devote 10% of her time to the affairs of the Issuer.

Vianney Mathonnet (27) – 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 Mauritius 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-Saharan 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.

Mr. Mathonnet is not an employee of the Issuer and expects to devote 25% of his time to the affairs of the Issuer.

Christina Cepeliauskas (54) – Chief Financial Officer

Ms. Cepeliauskas is a CPA, CGA professional accountant with more than 20 years of financial accounting and treasury experience in the mineral exploration and mining industry. She is currently the Chief Financial Officer of EMX Royalty Corp., Reservoir Capital Corp., and Pan Global Resources Corporation. Ms. Cepeliauskas received her Corporate Director designation (ICD.D) from the Institute of Corporate Directors in 2015 having completed the comprehensive Directors Education Program. She is a long-time volunteer of Fraserside Community Services Society, an organization committed to helping people overcome challenges.

Ms. Cepeliauskas is an employee of the Issuer and expects to devote 33% of her time to the affairs of the Issuer.

Kim Casswell (50) – Corporate Secretary

Since 1994, Ms. Casswell has served as Corporate Secretary of several public companies listed on the TSX Venture Exchange and the Toronto Stock Exchange. Ms. Casswell has played an important role in the growth of these companies, including Reservoir Capital Corp. where she has served since 2006. Kim is familiar with regulations governing public companies in several jurisdictions.

Ms. Casswell is an employee of the Issuer and expects to devote 25% of her time to the affairs of the Issuer.

14. CAPITALIZATION

14.1 Class of Securities

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non- diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	206,264,424	218,250,006	100%	100%

Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)

161,015,000	165,015,000	78.1%	75.6%
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Total Public Float (A-B)	45,249,424	53,235,006	21.9%	24.4%
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Freely-Tradeable Float

Number of outstanding securities subject to resale restrictions (C)	162,100,000	166,100,000	78.6%	76.1%
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Total Tradeable Float (A-C)	44,164,424	52,150,006	21.4%	23.9%
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Public Securityholders (Registered)

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	<u>154</u>	<u>6,747</u>
100 – 499 securities	<u>182</u>	<u>37,241</u>
500 – 999 securities	<u>55</u>	<u>34,996</u>
1,000 – 1,999 securities	<u>29</u>	<u>36,136</u>
2,000 – 2,999 securities	<u>22</u>	<u>52,288</u>

3,000 – 3,999 securities	<u>7</u>	<u>23,137</u>
4,000 – 4,999 securities	<u>3</u>	<u>12,872</u>
5,000 or more securities	<u>109</u>	<u>45,080,461</u>
total	<u>561</u>	<u>45,283,878</u>

Public Securityholders (Beneficial)

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	<u>154</u>	<u>6,747</u>
100 – 499 securities	<u>182</u>	<u>37,241</u>
500 – 999 securities	<u>55</u>	<u>34,996</u>
1,000 – 1,999 securities	<u>29</u>	<u>36,136</u>
2,000 – 2,999 securities	<u>22</u>	<u>52,288</u>
3,000 – 3,999 securities	<u>7</u>	<u>23,137</u>
4,000 – 4,999 securities	<u>3</u>	<u>12,872</u>
5,000 or more securities	<u>109</u>	<u>45,080,461</u>
Unable to confirm	<u>0</u>	<u>0</u>
Total	<u>561</u>	<u>45,283,878</u>

Non-Public Securityholders (Registered)

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	7	161,015,000
Total	7	161,015,000

14.2 Convertible Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Warrants Each warrant being exercisable into common share at an exercise price of \$0.20 per common share expiring July 19, 2019	2,293,100	2,293,100
Warrants Each warrant being exercisable into common share at an exercise price of	2,155,067	2,155,067

\$0.20 per common share expiring August 01, 2019		
Finder Warrants Each warrant being exercisable into common share at an exercise price of \$0.20 per common share expiring August 01, 2019	33,165	33,165
Warrants Each warrant being exercisable into common share at an exercise price of \$0.60 per common share expiring December 01, 2019	1,650,000	1,650,000
Finder Warrants Each warrant being exercisable into common share at an exercise price of \$0.60 per common share expiring December 01, 2019	2,500	2,500
Warrants Each warrant being exercisable into common share at an exercise price of \$0.60 per common share expiring January 21, 2020	498,500	498,500
Warrants Each warrant being exercisable into common share at an exercise price of \$0.60 per common share expiring February 06, 2020	350,750	350,750
Warrants Each warrant being exercisable into common share at an exercise price of \$0.75 per common share expiring November 06, 2020	1,000,000	1,000,000
Finder Warrants Each warrant being	2,500	2,500

exercisable into common share at an exercise price of \$0.75 per common share expiring November 06, 2020		
Warrants Each warrant being exercisable into common share at an exercise price of \$0.05 per common share expiring November 14, 2018	2,800,000	2,800,000
Warrants Each warrant being exercisable into common share at an exercise price of \$0.05 per common share expiring December 07, 2018	1,200,000	1,200,000

14.3 Other Securities

There are no listed securities reserved for issuance that are not included in section 14.2 – Convertible Securities.

15. EXECUTIVE COMPENSATION

The purpose of this section is to describe the compensation of the directors and Named Executive Officers of the Company in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* published by the Canadian Securities Administrators. When used in this Listing Statement, “Named Executive Officer” means: (i) each individual who, in respect of the Company, during any part of the most recently completed financial year, serve as chief executive officer, including an individual performing functions similar to a chief executive officer; (ii) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer; (iii) in respect of the Company, the most highly compensated executive officer other than the individuals identified above at the end of the most recently completed financial year whose total compensation was more than \$150,000; and (iv) each individual who would be a Named Executive Officer under (iii) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

As of April 30, 2018, the last day of the most recently completed financial year of the Company, the Company has two Named Executive Officers, being Lewis Reford, CEO and President and Christina Cepeliauskas as CFO.

No options or other compensation securities were granted to the Named Executive Officers and the directors in the most recently completed financial years of the Company.

Anticipated Executive Compensation

The Company's CEO currently serves without contract and received \$60,000 in compensation in the fiscal year ended April 30, 2018. Going forward, the remuneration of the Chairman and CEO will be negotiated and fixed by the Compensation Committee of the Board. The non-executive directors will be entitled to a directors fee of \$20,000 per annum, plus a potential annual performance-related bonus to be fixed by the Compensation Committee of the Board.

Summary Compensation Table

The summary compensation table below is for the fiscal years ended April 30, 2018, 2017, 2016 and 2015:

Name and Principal Position	Fiscal Year	Salary, Consulting fee, retainer or Commission (\$)	Bonus (\$)	Committee of Meeting fees (\$)	Value of Perquisite (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Lewis Reford CEO	2018	60,000	Nil	Nil	Nil	Nil	60,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A
Christina Cepeliauskas CFO	2018	14,509	Nil	Nil	Nil	Nil	14,509
	2017	14,509	Nil	Nil	Nil	Nil	14,509
	2016	14,509	Nil	Nil	Nil	Nil	14,509
	2015	14,509	Nil	Nil	Nil	Nil	14,509
Miles Thompson Executive Chairman	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

External Management Contracts

The Company's secretarial and CFO roles are performed by Seabord Services Corp. ("Seabord"), a management services company controlled by Michael Winn, a Director of the

Company. Pursuant to a management service agreement (the "Seabord Services Agreement") dated July 1, 2009 and amended February 3, 2014 between the Company and Seabord, Seabord provides various administrative, management and related services to the Corporation. Seabord provides a Chief Financial Officer, a Corporate Secretary, accounting and administration staff, and office space to the Company. The Chief Financial Officer and Corporate Secretary are employees of Seabord and are not paid directly by the Company. No other management functions are contracted out or are performed by a person or company other than the officers of the Company.

Indebtedness of Directors and Officers

None of the Company's directors or executive officers are indebted to the Company.

Stock Option Plan and Other Incentive Plans

Outstanding Option-Based Awards

The Company's Stock Option Plan is not currently active and there were no share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Company. The Company does not have any other equity incentive plans.

Incentive Plan Awards – Value Vested or Earned During the Year

There was no value vested with respect to option-based awards and share-based awards for the directors of the Company during the most recently completed financial year.

Oversight and Description of Director and Named Executive Officer Compensation

The compensation of the directors and officers of the Company is set by the Board of Directors. The Board of Directors reviews on an annual basis the cash compensation, performance and overall compensation package for each Named Executive Officer.

The Board of Directors has no formal compensation policy and no formal compensation committee. The Board of Directors as a whole is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations with respect to the compensation of the Company's executive officers. The Board of Directors ensures that total compensation paid to its executive officers is fair and reasonable and is consistent with the Company's compensation philosophy reflecting the need to provide incentive and compensation for the time, effort, risks and responsibilities of directors and senior management while taking into account the financial and other resources of the Company.

The Board of Directors reviews the corporate goals and objectives relevant to executive compensation, evaluates each executive officer's performance in light of those goals and objectives and sets the executive officer's compensation level, including the key components set out below, based, in part, on this evaluation. The Board of Directors takes into consideration the Company's overall performance, shareholder returns, and the awards given to executive officers in past years. The Board of Directors may also consider the value of similar incentive awards to executive officers at comparable renewable energy companies listed on the Exchange; however, as of the date of this Listing Statement, no specific companies or selection criteria for the establishment of a benchmark group have been identified by the Board of Directors.

Executive Compensation Program Objectives

The Company currently has no formal contracts, agreements, plans or arrangements that provide for payments to any directors and Named Executive Officers.

Pension Plan Benefits – Defined Benefits Plan

The Company does not have a defined benefits pension plan.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

16.1 Aggregate Indebtedness

None of the Company's directors or executive officers are indebted to the Company

17. RISK FACTORS

The following is a summary of risks and uncertainties that management believes to be material to the Company's business and therefore the value of the REO Shares. It is possible that other risks and uncertainties that affect the Company's business will arise or become material.

Risks associated with the Transaction

An investment in the Shares of the Issuer will involve a high degree of risk. Investors should carefully consider each of the risks described below and all of the information in this Listing Statement before investing in shares in the Issuer. The success of the Issuer will depend entirely on the expertise, ability, judgment, discretion, integrity and good faith of its management.

The value of the shares of the Issuer will fluctuate based on the value of the Issuer's investment portfolio and general market conditions. There can be no assurance that shareholders will realize any gains from their investment in the Issuer and may lose their entire investment.

There is no assurance that the investment objectives of the Issuer will actually be achieved. The value of the shares of the Issuer will increase or decrease with the value of its investment portfolio and general economic conditions beyond the control of the Issuer's management, including the level of interest rates, corporate earnings, economic activity, the value of the Canadian dollar and other factors.

No operating history as an Investment Issuer

The Company does not have any record of operating as an investment issuer. As such, upon completion of the Transaction, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Company will not achieve its financial objectives as estimated by management or at all. Furthermore, past successes of management or the Board does not guarantee future success.

Foreign investment risk

Renewable energy investments are subject to the risks normally associated with the conduct of business in foreign countries, including various levels of political and economic risk. Further, the Company's initial investment (its indirect ownership interest in MESL) and any subsequent investments are intended to be located in frontier markets. The existence or occurrence of one or more of the following circumstances or events could have a material adverse impact on the Issuer's profitability or the viability of the Issuer's affected foreign operations, which could have a material adverse effect on the Issuer's future cash flows earnings, results of operations and financial condition. These risks related to doing business in foreign jurisdictions include but are not limited to: uncertain or unpredictable political, legal or economic environments; delays in obtaining or the inability to obtain necessary governmental permits; labour disputes; invalidation of governmental orders; war, acts of terrorism and civil disturbances; changes in laws or policies of particular countries, taxation, government seizure of land, limitations on ownership of property; restrictions on the convertibility of currencies; limitations on the repatriation of earnings; and increased financing costs.

Host country economic, social and political uncertainty can arise as a result of lack of support for our activities in local communities in the vicinity of MESL's assets. Changes in renewable resource, energy or investment policies or shifts in political attitudes may also adversely affect MESL's business. The effect of these factors cannot be accurately predicted.

Frontier Market risk

In frontier markets, there is a greater possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment. There may be less publicly available information about certain business opportunities than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed.

Macro-factors can also have a larger impact in frontier markets, including natural disasters, pandemics and regional political conflict.

Frontier market financial transactions may bear greater risk of delay, competing claims and dispute settlement than typically found in developed markets. The Company will seek, where possible, to engage with counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Company will be successful in eliminating this risk.

Investments made by the Issuer may lack liquidity

Due to market conditions beyond its control, including investor demand, resale restrictions, general market trends and regulatory restrictions, the Issuer may not be able to liquidate investments, when it would otherwise desire to do so in order to operate in accordance with its investment policy and strategy. Such lack of liquidity could have a material adverse effect on the value of the Issuer's investments and, consequently, the value of the shares of the Issuer.

There is no guarantee that the Issuer will be able to reduce its investment risk by diversifying its investment portfolio. Expenses incurred by the Issuer may exceed any gains realized by the Issuer on its investments

Upon completion of the Transaction, the Issuer's only assets will be 60.0% interest in KPHL, as well as cash and cash equivalents. The Issuer intends to participate in a number of investments over time and, as a consequence, the aggregate returns realized by the Issuer may be substantially and adversely affected by the unfavourable performance of even a single investment. There can be no assurance that the Issuer will be able to reduce its investment risk by diversifying its portfolio. The resulting lack of diversification may adversely impact the ability of the Issuer to achieve its desired investment returns.

The long-term viability for the Issuer will depend, in part, on its ability to raise additional investment capital

If the Issuer is unable to raise additional investment capital either through investment returns or new financing through securities offerings, then it will be limited in its ability to fulfill its investment objectives. This may adversely affect its long-term viability. The Issuer may require additional capital. To raise additional capital, the Issuer may have to issue additional shares, which may dilute the interests of existing shareholders.

The Issuer faces competition from other investment entities and there can be no assurance that suitable investments will be found

The Issuer faces competition from other investment entities, all of which compete for investment opportunities. These competitors may limit the Issuer's opportunities to acquire interests in investments that are attractive to the Issuer. The Issuer may be required to invest otherwise than in accordance with its Investment Policy and strategy in order to meet its investment objectives. If the Issuer is required to invest other than in accordance with its Investment Policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

The Issuer will be Dependent on attracting key personnel

The Issuer's success will depend on its ability to attract and retain its key personnel, including members of its Investment Committee. The Company has not entered into any agreements with its proposed directors, officers or Investment Committee members regarding their continued involvement with the Issuer. The inability of the Issuer to retain its directors, senior officers or Investment Committee members, as a result of volatility or lack of positive performance in the Issuer's stock price, may adversely affect the Issuer's ability to carry out its business.

Shareholders will be required to rely on the Board to conduct the business of the Issuer. The services provided by the Board and management will not be exclusive to the Issuer and conflicts of interest may arise in the ordinary course of business

Shareholders will be required to rely on the business judgment, expertise and integrity of the directors and officers of the Issuer. The Issuer must rely substantially upon the knowledge and expertise of its directors and officers in entering into any investment agreement or investment arrangements, in determining the composition of the Issuer's investment portfolio, and in determining when and whether to dispose of securities owned by the Issuer. The death or disability of any of the Issuer's directors and officers could adversely affect the ability of the Issuer to achieve its objectives.

The directors and officers of the Issuer will not be devoting all of their time to the affairs of the Issuer, but will be devoting such time as may be required to effectively manage the Issuer. Certain of the directors and officers of the Issuer are engaged and will continue to be engaged in the search for investments for themselves and on behalf of others, including other private and public corporations. Accordingly, conflicts of interest may arise from time to time. Any conflicts will be subject to the procedures and remedies under the BCBCA.

Shareholders may face dilution in the event of the issuance of additional securities

The Issuer will be authorized to issue an unlimited number of Shares. In order to fund further investments, the Issuer may have to issue additional securities including, but not limited to, REO common shares, or some form of convertible security, the effect of which will result in a dilution of the equity interest of any existing shareholders.

The Issuer is not required to pay dividends

To date, the Company has not paid dividends on any of its Shares and the Issuer does not intend, and is not required, to pay any dividends on its Shares in the foreseeable future. Any decision to pay dividends will be made on the basis of the Issuer's earnings, financial requirements and other conditions.

The market price of securities of the Issuer may be volatile

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 junior companies have experienced wide fluctuations in price. The market price of the Shares may be volatile and could be subject to wide fluctuations due to a number of factors. Broad market fluctuations, as well as economic conditions generally.

Investment portfolio risks

Given the nature of the Issuer's proposed investment activities, the results of operations and financial condition of the Company will be dependent upon the market value of the securities that will comprise the Company's investment portfolio. Market value can be reflective of the actual or anticipated operating results of companies in the portfolio and/or the general market conditions that affect the clean power sector. Various factors affecting the clean power sector could have a negative impact on the Company's portfolio of investments and thereby have an adverse effect on its business. Additionally, the Company may invest in small-cap businesses that may never mature or generate adequate returns or may require a number of years to do so. This may create an irregular pattern in the Company's investment gains and revenues (if any).

Macro factors such as fluctuations in power prices, foreign exchange rates and global political and economic conditions could also negatively affect the Company's portfolio of investments. The Company may be adversely affected by the falling share prices of the securities of investee companies; as such, share prices may directly and negatively affect the estimated value of the Company's portfolio of investments. Moreover, company specific risks could have an adverse effect on one or more of the investments that may comprise the portfolio at any point in time. Company-specific and industry-specific risks that may materially adversely affect the Company's investment portfolio may have a materially adverse impact on operating results.

The factors affecting current macro-economic conditions are beyond the control of the Company. Furthermore, the occurrence of unforeseen or catastrophic events, including the emergence of a pandemic or other widespread health emergency (or concerns over the possibility of such an emergency), terrorist attacks or natural disasters, could create economic

and financial disruptions and could lead to operational difficulties that could impair the Company's ability to manage its business.

Minority investments

The Company may make minority equity investments in businesses in which the Company does not participate in the management or otherwise control the business or affairs of such businesses. The Company will monitor the performance of each investment and maintain an ongoing dialogue with each business's management team. However, it will be primarily the responsibility of the management of the business to operate the business on a day-to-day basis and the Company may not have the right to control such business.

Follow-On investments

Following the initial investment in a business, the Company may be called upon to provide additional funds or have the opportunity to increase its investment in such business a right to purchase securities or to fund additional investments through such business. There is no assurance that the Company will make follow-on investments or that the Company will have sufficient funds to make any such investment. Even if the Company has sufficient capital to make a desired follow-on investment, the Company may elect not to make such investment, as the Company may not want to increase its level of risk, the Company may prefer other opportunities or the Company may be restricted from doing so under its investment guidelines. Any decision by the Company not to make follow-on investments or its inability to make such follow-on investments may have a negative impact on the portfolio business in need of such investment, may result in a missed opportunity for the Company to increase its participation in a successful operation or may reduce the expected return on the investment.

Volatility of share price

The market price of the Shares has been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may adversely affect the market price of the Shares, even if the Company is successful in maintaining revenues, cash flows or earnings. The purchase of the Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Company should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company should not constitute a major portion of an investor's portfolio.

Trading price of REO Shares relative to net asset value

Assuming completion of the Transaction, the Company will neither be a mutual fund nor an investment fund and, due to the nature of its business and investment strategy and the composition of its investment portfolio, the market price of the Shares, at any time, may vary significantly from the Company's net asset value per Share.

Conflicts of interest

Certain of the directors and officers will also serve as directors and/or officers of other companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict.

Legal proceedings

In the normal course of business, the Issuer may be subject to lawsuits, claims, regulatory proceedings, and litigation for amounts not covered by liability insurance. These proceedings could result in significant costs. As of the date of this Listing Statement no material claims or litigation have been brought against the Company.

Due diligence

The due diligence process undertaken by the Company in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Company will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. When conducting due diligence and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that is carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Exchange rate fluctuation and currency risk

All of the Company's investments expect to be made in Africa, Latin America and other frontier regions globally and results for these investments are expected to be principally denominated in currencies other than the Canadian dollar, which is the Company's functional and reporting currency. Accordingly, the revenues and expenses of such African and other frontier Investments will be translated at average rates of exchange in effect during the applicable reporting period. Assets and liabilities will be translated at the exchange rates in effect at the balance sheet date. As a result, the Company's consolidated financial position is subject to foreign currency fluctuation risk, which could materially adversely impact its operating results and cash flows. Although the Company may enter into currency hedging arrangements in respect of its foreign currency cash flows, there can be no assurance that the Company will do so or, if they do, that the full amount of the foreign currency exposure will be hedged at any time.

Risks related to the volatility of clean power resources

The revenues generated by MESL's and any other future investments by the Company in clean power assets are directly influenced by the amount of electricity generated at each such plant, which is in turn necessarily dependent on the availability of the renewable resources on which those plants depend. While MESL and other hydro operators rely on hydrological and meteorological studies and data to confirm the availability of sufficient resources to generate enough electricity to make its projects economically viable, there can be no assurances that previous estimations using historical and other data will remain accurate, that the long-term availability of such resources will remain unchanged, or that no material hydrologic, meteorological or other natural or unnatural event will occur and have a material negative impact on such resources.

Natural resources are by definition variable and do not remain constant over an extended period of time. MESL's electricity production estimates are based on data, assumptions and factors that are inherently uncertain, which may result in actual electricity production being different from the estimates of MESL. Other factors that may contribute to the loss or impairment of the

renewable resources themselves that MESL depends on include, but are not limited to, low and high water flows within the watercourse on which MESL's hydroelectric facilities are located, significant variations in precipitation, changes to the regulatory regime and MESL's right to use water resources for hydroelectric generation.

Third Party Risk

The Company is exposed to third party credit and other risks through its contractual arrangements with its current and future joint venture partners and other parties. In the event such entities fail to meet their contractual obligations to the Company or their other third party commitments, such failures could have a material adverse effect on the Company. In addition, poor credit conditions in the industry or of co-venturers may impact a co-venturer's willingness to participate in the Company's ongoing capital programs, potentially delaying the advancement of the venture until the Company finds a suitable alternative co-venturer. If the Company is unable to find an alternative co-venturer or to fund its co-venturer's obligations, it may lose its interest in jointly-held assets, which could have a material adverse effect on the Company.

Anti-Bribery and Anti-Corruption Laws

The Company is subject to anti-bribery and anti-corruption laws, including the *Corruption of Foreign Public Officials Act* (Canada) and the U.S. *Foreign Corrupt Practices Act*. Failure to comply with these laws could subject the Company to, among other things, reputational damage, civil or criminal penalties, other remedial measures and legal expenses which could adversely affect the Company's business, results of operations and financial condition. It may not be possible for the Company to ensure compliance with anti-bribery and anti-corruption laws in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located or may be located in the future.

Health, safety and environmental risks

The ownership and operation of MESL's and other future investments' clean power assets carry an inherent risk of liability related to worker health and safety and the environment, including the risk of government-imposed orders to remedy unsafe conditions and/or to remediate or otherwise address environmental contamination, potential penalties for contravention of health, safety and environmental laws, licenses, permits and other approvals, and potential civil liability. MESL may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health, safety and environmental matters. The occurrence of any of these events or any changes, additions to or more rigorous enforcement of, health, safety and environmental laws, licensees, permits or other approvals could have a significant impact on operations and/or result in additional material expenditures. As a consequence, no assurances can be given that additional environmental and workers' health and safety issues relating to presently known or unknown matters will not require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) material to its business and operations.

Failure to realize the anticipated benefits of the Acquisition

The Company believes that the Acquisition will provide benefits for the Company. However, there is a risk that some or all of the expected benefits may fail to materialize, or may not occur within the time periods anticipated by the management of the Company. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of the Company.

Regulatory and political risks

The operation of power generating facilities are subject to changes in governmental regulatory requirements and the applicable governing statutes, including regulations related to the environment, unforeseen environmental effects, general economic conditions and other matters beyond the control of the Issuer.

Moreover, the operation of power generating facilities is subject to extensive regulation by various government agencies. There is always the risk of changes being made in government policies and laws which may result in increased rates, such as for water rentals, and for income, capital and local taxes.

MESL holds permits and licenses from various regulatory authorities for the operation of its facilities. These licenses and permits are critical to the operation of MESL's business. In some cases, these permits may need to be renewed prior to the end of the anticipated useful life of such facilities and there is no guarantee that such renewals will be granted or on which conditions they will be renewed.

18. PROMOTERS

Vincent Gueneau, proposed Chairman of the Issuer, may be considered a Promoter of the Issuer in that he took the initiative of founding KPHL. Mr. Gueneau controls 124,800,000 Common Shares representing 60.5% of the issued and outstanding Common Shares of the Issuer.

19. LEGAL PROCEEDINGS

In the normal course of business, the Issuer may be subject to lawsuits, claims, regulatory proceedings, and litigation for amounts not covered by liability insurance. These proceedings could result in significant costs. As of the date of this Listing Statement no material claims or litigation have been brought against the Company.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described herein, to the knowledge of the Issuer's management, no director or officer, Related Person, nor any of their respective associates, affiliates or member of their group have any interest in any material transaction of the Issuer within the three years preceding the date of this Listing Statement.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 Auditors of the Issuer

The auditor of the Issuer is Davidson & Company LLP, Chartered Professional Accountants, of Vancouver, British Columbia with an office located at 1200-609 Granville St, Vancouver, B.C. V7Y 1G6. Davidson & Company LL are independent from the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

21.2 Transfer Agent and Registrar of the Issuer

The transfer agent and registrar for the Issuer Shares will continue to be Computershare Trust Company of Canada at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

22. MATERIAL CONTRACTS

Except for the Heads of Agreement dated February 5, 2018, between the Company and KPHL and the SPA, the Company has not entered into any contracts material to investors in the common shares of the Company, other than contracts in the ordinary course of business, that are not disclosed elsewhere in this Listing Statement and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company, assuming completion of the Transaction.

23. INTERESTS OF EXPERTS

The audited financial statements of the Company for the fiscal years ended April 30, 2017, 2016 and 2015 described or included in this Listing Statement were audited by Davidson & Company LLP.

Davidson & Company LLP, does not beneficially own, directly or indirectly, any securities; nor does it have any interest in the property of the Company or the Issuer (upon closing of the Transaction). Moreover, none of the foregoing Persons or any of their respective directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Issuer or its Associates or Affiliates.

Davidson & Company LLP, are the auditors of the Company and have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed in the relevant professional bodies in Canada and any applicable legislation or regulation.

24. OTHER MATERIAL FACTS

The Company is not aware of any other material facts relating to the Company or the Transaction that are necessary in order for this Listing Statement to contain full, true and plan disclosure of all material facts relating to the Company and the Transaction.

25. FINANCIAL STATEMENTS

25.1 Audited Financial Statements for the Issuer

Attached to and forming part of this Listing Statement are:

1. Schedule “B” – KPHL Audited Financial Statements for the years ended December 31, 2017 and 2016 and KPHL Management’s Discussion and Analysis (2016-17)

25.2 Pro Forma Consolidated Financial Statements of the Issuer

Attached to and forming part of this Listing Statement are:

1. Schedule “C” – Pro Forma Consolidated Balance Sheet of the Issuer as of January 31, 2018

CERTIFICATE OF RESERVOIR CAPITAL CORP.

Pursuant to a resolution duly passed by its Board of Directors, Reservoir Capital Corp. hereby applies for the listing of the above-mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Reservoir Capital Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

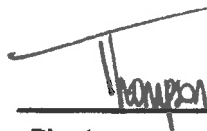
Dated at _____
this 20th day of SEPTEMBER, 2018.



Chief Executive Officer
Lewis Retford



Chief Financial Officer



Director
MILES THOMPSON

Promoter (if applicable)



Director *Winston Bennett*


[print or type names beneath signatures]

CERTIFICATE OF KAINJI POWER HOLDING LTD.

The foregoing contains full, true and plain disclosure of all material information relating to Kainji Power Holding Ltd. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at

this 24th day of September, 2018.



Vincent Gueneau, Director



Promoter (if applicable)

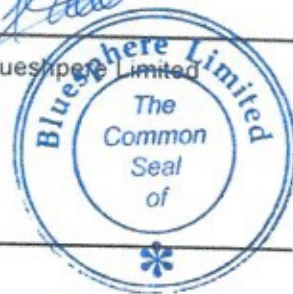
Director

[print or type names beneath signatures]

"Bluesphere"



For and behalf of Bluesphere Limited
Director





Director

SCHEDULE “A”:

Reservoir Capital Corp. Investment Policy

(Please see attached.)

RESERVOIR CAPITAL CORP.
(“REO” or the “Company”)

INVESTMENT POLICY

1. Investment Strategy:

The Company’s investment strategy is to achieve regular income over long periods, as well as substantial capital growth in the medium term, by taking carefully selected minority economic interests, at attractive valuations, in a balanced portfolio of producing or near production Clean Power assets in Frontier Markets.

2. Rationale for the Strategy:

After years of study of the clean power sector, ranging across developed, emerging and frontier markets, the Board and Management of the Company believe that there are a variety of producing clean power assets in frontier markets which are sound investments and are struggling to raise international equity capital due to concentrated single country risk, poor or no access to deep and liquid Equity Capital Markets and the difficulty and cost for sophisticated investors to conduct their Due Diligence exercise in countries which are not easily accessible and which they do not know well. As a result, these assets are often relatively cheap and can be extremely attractive investment opportunities, especially when the country risk is mitigated by a geographically diversified portfolio

By taking stakes in private clean power assets in frontier markets with substantial individual country risk and holding them in a listed company and as part of a balanced portfolio, REO expects to achieve higher valuations than the private market affords for these assets over the medium and long term with eventual convergence toward the industry’s standard valuation metrics.

The Board and Management of the Company is also acutely conscious of the importance of ensuring a steady flow of revenue in order to be able to distribute dividends to its shareholders on a regular basis, therefore producing assets already generating cash flow and companies distributing dividends to their shareholders will be always preferred to any investment opportunity showing growth potential only and no signs of dividends.

3. Portfolio Principles

The investment portfolio of the Company will be built in accordance with the following principles:

3.1 Target Industry Sector is “Clean Power”:

Target Assets or Investee Companies must be in renewable energy sub-sector, with a particular preference for **hydroelectric power generation and geothermal power generation**. Where appropriate, the Company may also invest in power transmission and storage projects and new technologies ancillary to such assets.

3.2 Target Geographical Sector is “Frontier Markets”:

Target Assets or Investee Companies will be sought primarily in **Africa and Latin America**, however the Company may also invest opportunistically or strategically in any jurisdiction in the world to balance its country risk profile, avail exceptional value opportunity or get exposure to new technologies relevant to its investment policy.

3.3 Target Asset Class is Equity:

Investments will typically be made through straight equity holdings by means of ordinary common shares, either directly in the targeted cash flow generating company or via a holding company when such structure are deemed to have immediate or future potential benefits. Where appropriate, the Company may also use other means of investment such as Convertible Loan Notes, Options, Warrants, or any other instrument or asset class identified by the Board of the Company.

3.4 Other guidelines:

Control: The Company will typically be a minority shareholder rather than seeking control of the target companies, however it will always seek to obtain a seat on the Board of the Investee Company whenever possible, and may take controlling stakes in some assets or investee companies considered strategically important or of smaller size comparatively to the rest of the portfolio.

Mode of Consideration: The Company will typically propose a “Share Swap” (the issuance of REO shares in exchange for the targeted company’s shares) in order to reduce the cost and duration of the transaction, however Consideration given by the Company for an investment can also be by way of cash, assumption of debt or other obligations, issuance of shares in the Company, or any other legal means and combination thereof.

Preferred Shares: Where cash forms more than 50% of the Consideration, the Company will preferably acquire primary, ordinary common shares in companies where no shareholder has any preferred rights and where the cash Consideration is injected into the Investee Company to increase its capital. Where preferred shares exist the Company shall seek to obtain such shares or to seek to abolish such preferred class(es) of shares altogether and replace them with ordinary shares where possible. Where a Share Swap is possible, the Company will seek agreements to swap secondary shares with key shareholders of the targeted company, which would be deemed valuable contributors as members of REO after the transaction.

Leverage: Typically the Company shall not leverage its investments, however when the risks of an investment are deemed lower and the size exceeds the current capabilities of the Company, it may leverage up to 3 to 1 maximum ratio (75% Debt to Equity ratio) on a given transaction provided the entire portfolio is not leveraged on average more than 1 to 1 (50% Debt to Equity ratio) on a period exceeding 3 months.

Asset Maturity: The company may invest in operating projects or in projects at a pre-commissioning stage, where the Board considers the opportunity compelling and the execution plan to get to cash-flow within 18 months maximum is well defined and convinces the Board, however investments in producing assets achieving cash flow must always clearly exceed in value the investments in non-producing or non-cash-flow assets.

Portfolio Diversification & Balancing: The company intends to invest in multiple assets and companies, to achieve a diversified and balanced portfolio of clean power investments and

reduce concentration of specific identified risks, such as in particular Country Risk and Technology risk as well as Regulatory risk and Currency risk. The company's objective is to implement investments in a minimum of two assets within 12 months of the date of this policy, and to continue to grow its portfolio of investments at the rate of at least one transaction per year, tentatively 2 transactions per year or more when possible.

Investment Size: The Company shall typically make Investments in the range of \$5 to \$20 million C\$, however that shall be variable according to the available opportunities and resources.

Timeline & Exits: The Company will have no fixed timeline for exiting any particular investment, especially if it is generating satisfactory revenue, as Clean Energy assets tend to be long-life investments like infrastructure, and can provide significant ongoing income to the Company. The Board may implement exits from the Company's investments at any time, where it is appropriate in its judgment to do so, taking into account factors such as valuation, receipt of compelling offers or other exit opportunities, prevailing power prices, general market conditions, country and regulatory risk, maintenance and decommissioning costs, and the desire to maintain a balanced portfolio of assets, amongst other things. The Company may increase or decrease its investment in any particular project from time to time where the Board determines it is in the Company's best interests to do so.

3. Investment Procedure

The Company's Management and Board will work to originate appropriate investment opportunities. Prospective investments will initially be reviewed, and if appropriate matured, by Management. Management shall make an assessment of whether any proposal fits with the investment strategy and portfolio principles of the set out in this policy, and may then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence. This process may involve the participation of outside professional consultants. Management shall report regularly to the Board to apprise them of discussions with third parties, due diligence, and the development of investment opportunities.

Once a decision to recommend investment in a particular opportunity has been reached, a summary of the rationale behind the investment decision shall be prepared by Management and submitted to the Board. This summary should include, among other things, project summary, timeline of investment, guidelines against which future progress can be measured, valuation and returns analysis, exit strategy, and risks associated with the investment. The summary should also disclose any finders or agents fees payable.

All investments shall be submitted to the Board for final approval. Management will select all investments for submission to the Board and monitor the Company's investment portfolio on an on-going basis, and will be subject to the direction of the Board. Management will present an overview of the state of the investment portfolio to the Board on a quarterly basis.

4. Conflicts of Interest

The Company has no restrictions with respect to investing in corporations in which a Board member may already have an interest. Any potential investments where there is a material conflict of interest involving an employee, officer or director of the Company may only proceed after receiving approval from the disinterested directors of the Board. The Company is also subject to the "related party" transaction policies of the CSE.

Where a conflict is determined to exist within Management or the Board, the individual having a conflicting interest shall provide full disclosure of their interest in the potential investment and, if

such person is a Board member, shall abstain from voting on the investment decision but may participate in discussions regarding the potential investment opportunity.

The members of the Board and Management and their respective affiliates (collectively the “Parties”) are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, promoters, advisers or agents of other public and private corporations, including corporations in which the Company may invest. The Parties may also engage in transactions with the Company where any one or more of the Parties is acting in their capacity as financial advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on normal commercial terms as if negotiated at arm’s length.

5. Amendment

The Company’s investment strategy, portfolio principles and other provisions of this Investment Policy may be amended from time to time on the recommendation of Management and approval by the Board. Unless required by the CSE, approval by the Company’s shareholders of any such amendments is not required.

SCHEDULE “B”:

Kainji Power Holding Limited: Audited Financial Statements (2016-17)

(Please see attached.)

AUDITED FINANCIAL STATEMENTS
KAINJI POWER HOLDING LTD
FOR THE YEAR ENDED 31 DECEMBER 2017

KAINJI POWER HOLDING LTD

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KAINJI POWER HOLDING LTD
CORPORATE INFORMATION

2.

		Date of appointment
DIRECTORS	Bluesphere Limited Vincent Thomas Paul Gueneau	28 June 2013 11 October 2013
ADMINISTRATOR & SECRETARY	Trident Trust Company (Mauritius) Limited 5 th Floor, Barkly Wharf Le Caudan Waterfront Port Louis Republic of Mauritius	
REGISTERED OFFICE	5 th Floor, Barkly Wharf Le Caudan Waterfront Port Louis Republic of Mauritius	
AUDITORS	Ernst & Young Level 9 NeXTeracom, Tower 1 Cybercity Ebene Republic of Mauritius	
BANKER	The Mauritius Commercial Bank 9-15 Sir William Newton Street Port Louis Republic of Mauritius	

**KAINJI POWER HOLDING LTD
COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3.

The directors present their commentary, together with the audited financial statements of Kainji Power Holding Ltd (the "Company") for the year ended 31 December 2017.

INCORPORATION

The Company was incorporated in the Republic of Mauritius on 28 June 2013 under the Companies Act 2001 as a private company limited by shares.

PRINCIPAL ACTIVITY

The Company is involved in investment holding activities.

RESULTS AND DIVIDENDS

The results for the year are shown in the statement of comprehensive income.

The directors do not recommend the payment of a dividend for the year under review (2016: Nil).

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial period which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards (IFRS) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office and be re-appointed at the next Annual Meeting of the shareholders.

**KAINJI POWER HOLDING LTD
CERTIFICATE FROM THE SECRETARY
UNDER SECTION 166 (D) OF THE COMPANIES ACT 2001**

4.

We certify to the best of our knowledge and belief that the Company has filed with the Registrar of Companies all such returns as are required of **Kainji Power Holding Ltd** under the Companies Act 2001 during the financial year ended 31 December 2017.


.....
For Trident Trust Company (Mauritius) Limited
Corporate Secretary



Registered Office:

5th Floor, Barkly Wharf
Le Caudan Waterfront
Port Louis
Republic of Mauritius

Date: 12 JUN 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KAINJI POWER HOLDING LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kainji Power Holding Ltd (the "Company") set out on pages 8 to 30 which comprise the statement of financial position as at 31 December 2016 and 31 December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of Kainji Power Holding Ltd as at 31 December 2016 and 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAINJI POWER HOLDING LTD (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



7.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAINJI POWER HOLDING LTD (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Use of our Report

This report is made solely for the Company's members, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



ERNST & YOUNG
Ebène, Mauritius



DARYL CSIZMADIA, C.A. (S.A).
Licensed by FRC

Date: **12 JUN 2018**

KAINJI POWER HOLDING LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

8.

	Notes	2017	2016
		USD	USD
Revenue			
Dividend income		115,988	
Bank interest income		5	-
Other income		89	-
		116,082	-
Expenses			
Administration fees		4,772	6,153
Audit fees		4,015	3,000
Bank charges		1,273	1,460
Other expenses		11,380	-
Impairment loss on advance towards shares	6	-	575,083
		21,440	585,696
Profit / (loss) before tax		94,642	(585,696)
Income tax expense	4	-	-
Profit / (loss) for the year		94,642	(585,696)
Other comprehensive income for the year			
Net gain on available-for-sales investment	5	10,554,164	-
Total comprehensive profit / (loss) for the year		10,648,806	(585,696)

The notes on pages 12 to 30 form an integral part of these financial statements.

KAINJI POWER HOLDING LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

9.

	Notes	2017 USD	2016 USD
ASSETS			
Non-current assets			
Available-for-sale investments	5	10,554,166	-
		<u>10,554,166</u>	<u>-</u>
Current assets			
Dividend receivable		115,988	-
Prepayments		-	2,598
Cash at bank		<u>11,910</u>	<u>17,998</u>
		<u>127,898</u>	<u>20,596</u>
TOTAL ASSETS		<u>10,682,064</u>	<u>20,596</u>
EQUITY AND LIABILITIES			
Equity			
Stated capital	7	620,300	620,300
Share application monies	8	7,500	-
Fair value reserves	15	10,554,164	-
Accumulated losses		<u>(512,987)</u>	<u>(607,629)</u>
Shareholders' fund		<u>10,668,977</u>	<u>12,671</u>
Current liabilities			
Amount due to related parties	9	1,532	1,530
Other payables	10	<u>11,555</u>	<u>6,395</u>
		<u>13,087</u>	<u>7,925</u>
TOTAL EQUITY AND LIABILITIES		<u>10,682,064</u>	<u>20,596</u>

Approved by the Board of Directors on 12 JUN 2018 and signed on its behalf by:



For and behalf of Bluesphere Limited
Director



KAINJI POWER HOLDING LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

10.

	Stated capital	Share application monies	Fair value reserve	Accumulated losses	Total
	USD	USD	USD	USD	USD
Balance as 1 January 2016	620,300	-	-	(21,933)	598,367
Loss for the year	-	-	-	(585,696)	(585,696)
Balance as at 31 December 2016	620,300	-	-	(607,629)	12,671
Profit for the year	-	-	-	94,642	94,642
Other comprehensive income	-	-	10,554,164	-	10,554,164
Total comprehensive income	-	-	10,554,164	94,642	10,648,806
Share application monies	-	7,500	-	-	7,500
Balance as at 31 December 2017	620,300	7,500	10,554,164	(512,987)	10,668,977

The notes on pages 12 to 30 form an integral part of these financial statements.

KAINJI POWER HOLDING LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

11.

	2017	2016
	USD	USD
Operating activities		
Profit / (loss) before tax	94,642	(585,696)
Adjustment to reconcile profit/(loss) before tax to net cash flow		
Impairment loss	-	575,083
Operating profit working capital changes	94,642	(10,613)
Increase in other receivables	(113,390)	315
Increase in other payables	5,160	189
Net cash used in operating activities	(13,588)	(10,109)
Financing activities		
Share application monies received	7,500	-
Net cash flow from financing activities	7,500	-
Net decrease in cash and cash equivalents	(6,088)	(10,109)
Cash and cash equivalents at beginning of year	17,998	28,107
Cash and cash equivalents at end of year	11,910	17,998

Significant non cash transaction excluded from the statement of cash flows:

-USD 2 payable to related parties on acquisition of available-for-sale investments

The notes on pages 12 to 30 form an integral part of these financial statements.

1. LEGAL STATUS AND BUSINESS ACTIVITY

Kainji Power Holding Ltd (the "Company") is a private company limited by shares incorporated in the Republic of Mauritius on 28 June 2013. The Company has been granted a Category 2 Global Business Licence and is regulated by the Financial Services Commission.

The Company is involved in investment holding activities.

The financial statements of the Company for the year ended 31 December 2017 were authorised for issue on the date the financial statements were approved by the directors as stamped on the Statement of Financial Position on page 9.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements are prepared on a historical cost basis, except for available for sale investments that are measured at fair value in the statement of financial position.

The financial statements are prepared in United States dollar ("USD") and all values are rounded to the nearest dollar, except when otherwise indicated.

2.2 STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them:

New or revised standards and interpretations

	Effective for accounting period beginning on or after
<u>New or revised standards</u>	
Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2	1 January 2018
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4	1 January 2018
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Transfers of Investment Property - Amendments to IAS 40	1 January 2018
IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters	1 January 2018
IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice	1 January 2018
IFRS 16 Leases	1 January 2019
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Long-term Interests in Associates and Joint Ventures - Amendments to IAS 28	1 January 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, Interpretations and Amendments issued but not yet effective (Continued)

New or revised standards and interpretations (Continued)

Effective for
accounting period
beginning on or
after

IFRS 17 Insurance Contracts

1 January 2021

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture -
Amendments to IFRS 10 and IAS 28

Deferred indefinitely

The Company is still evaluating the effect of these new or revised standards and interpretations on the presentation of its financial statements. No early adoption is intended by the Board of Directors.

Where the adoption of the standard or interpretation or improvement is deemed to have an impact on the financial statements or performance of the Company, its impact is described below:

IFRS 9 Financial Instruments - Classification and measurement of financial assets, Accounting for financial liabilities and derecognition - 1 January 2018

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

Classification and measurement of financial assets

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) (without subsequent reclassification to profit or loss).

Classification and measurement of financial liabilities

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases. Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, Interpretations and Amendments issued but not yet effective (Continued)

IFRS 9 Financial Instruments - Classification and measurement of financial assets, Accounting for financial liabilities and derecognition - 1 January 2018 (Continued)

Hedge accounting

Hedge effectiveness testing is prospective, without the 80% to 125% bright line test in IAS 39, and, depending on the hedge complexity, can be qualitative. A risk component of a financial or non-financial instrument may be designated as the hedged item if the risk component is separately identifiable and reliably measurable. The time value of an option, any forward element of a forward contract and any foreign currency basis spread, can be excluded from the designation as the hedging instrument and accounted for as costs of hedging. More designations of groups of items as the hedged item are possible, including layer designations and some net positions.

The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and business model under which they are held.

2.3 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC interpretations adopted in the year commencing 1 January 2016:

<u>Amendments</u>	Effective for accounting period beginning on or after
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	1 January 2016
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 January 2016
Equity Method in Separate Financial Statements (Amendments to IAS 27)	1 January 2016
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	1 January 2016
Disclosure Initiative (Amendments to IAS 1)	1 January 2016
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	1 January 2016
Disclosure Initiative (Amendments to IAS 7)	1 January 2017
Disclosure of Interest in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12 (Amendments to IFRS 12)	1 January 2017
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	1 January 2017

Where the adoption of the standard or interpretation or improvement is deemed to have an impact on the financial statements or performance of the Company, its impact is described below:

Disclosure Initiative (Amendments to IAS 1) - 1 January 2016

The amendment will address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policy and disclosures (Continued)

Disclosure Initiative (Amendments to IAS 1) - 1 January 2016 (Continued)

- clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

The Company has evaluated the effect of these new or revised standards and interpretations on the presentation of its financial statements and noted that the effects are insignificant to the financial statements.

2.4 Summary of significant accounting policies

a) Foreign currencies

Functional and presentation currency

The financial statements are presented in USD which is also the currency of the primary economic environment in which the Company operates (functional currency).

The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are most relevant to the Company as its performance is assessed and financing done in USD.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences arising on settlement or retranslation of monetary items are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding value added tax or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (Continued)

b) Revenue recognition (Continued)

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding value added tax or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established which is generally when shareholders approve the dividend.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

Deferred tax

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Significant Accounting Policies (Continued)

d) Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current and non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale investments

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Significant Accounting Policies (Continued)

e) Financial instruments (Continued)

(i) *Financial assets (Continued)*

Subsequent Measurement (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in finance costs for loans and in other operating expenses for receivables.

Available-for-sale investments (AFS Investments)

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or not classified loans and receivables, held to maturity investments or financial assets at fair value through profit or loss. AFS Investments are initially recognised at fair value plus any transaction costs. After initial measurement, AFS Investments are measured at fair value with unrealised gains or losses being recognised directly in equity in the fair value reserve. When the investment is disposed of, the cumulative gain or loss previously recorded in equity is recognised in statement of profit or loss. Interest earned or paid on the investments is reported as interest income or expense.

In instances where the financial instrument is not traded, then the fair value is based on the most relevant valuation techniques applicable to the financial asset but not limited to, initial cost, market conditions, historical, current and projected operating and financial performance, and projected cash flows.

The carrying amounts of the AFS Investments are assessed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset's net selling price and its value in use, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to the statement of profit or loss.

If an AFS Investment is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognised in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss, if the increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

The Company is required to reclassify all affected debt investments when and only when its business model for managing those assets changes.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Significant Accounting Policies (Continued)

f) Financial instruments (Continued)

(i) Financial assets (Continued)

Derecognition (Continued)

- The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income, included in finance income, continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Significant Accounting Policies (Continued)

e) Financial instruments (Continued)

(i) *Financial assets (Continued)*

Impairment of non-financial assets (Continued)

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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss consistent with the function of the impaired assets.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Determination of fair value

The Company measures its available-for-sale investments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Significant Accounting Policies (Continued)

e) Financial instruments (Continued)

(i) *Financial assets (Continued)*

Determination of Fair value (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities whose fair values are measured in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

All securities which are traded on a stock exchange are valued on the basis of their last traded prices. Listed securities for which there is an ascertainable market value will be valued generally at the last known price dealt with on the market on which the securities are traded on the relevant valuation day and unlisted securities for which there is no ascertainable market value will be valued at fair value. The directors may permit some other method of valuation to be used if they consider that such valuation better reflects fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(ii) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings including payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include other payables and amount due to the related company.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Significant Accounting Policies (Continued)

e) Financial instruments (Continued)

(ii) *Financial liabilities (Continued)*

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

f) Cash and cash equivalents

Cash comprise of cash at bank and in hand. Cash equivalent are short term deposits with a maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of Significant Accounting Policies (Continued)

g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, the disclosure of contingent liabilities. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

a) Determination of functional currency

The primary objective of the Company is to generate returns in USD, its capital-raising currency. The liquidity of the Company is managed on a day-to-day basis in USD and its performance is evaluated in USD. Therefore management considers USD as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

b) Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimates

In the process of applying the Company's accounting policies, management has made the following estimate, which has the most significant effect on the amounts recognised in the financial statement:

The Company's management has made an estimate, considering all necessary information, in order to arrive to a valuation of available-for-sale investments.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Valuation of Available-for-sale investments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

4. TAXATION

The Company being the holder of a Mauritian Category 2, Global Business Licence, is not liable to income tax in Mauritius.

5. AVAILABLE-FOR-SALE INVESTMENTS

	2017	2016
	USD	USD
Balance as at 1 January	-	-
Share acquisition	2	-
Fair value adjustment recognized in other comprehensive income	10,554,164	-
Balance as at 31 December	10,554,166	-

Investee	Country of Incorporation	Class of shares	% Holding	Number of shares	Fair Value USD
Mainstream Energy Solutions Limited	Nigeria	Common	2.1%	8,443,333	10,554,166

On 5 December 2017, the Company has acquired 8,443,333 shares of MAINSTREAM ENERGY SOLUTIONS LIMITED "MESL" at the cost of USD 2. MESL operates a 1,338.4 MW hydroelectric power generation plant and is established at 3B Persian Gulf Course, off Euphrates Street, Maitama, Abuja, Nigeria. At 31 December 2017, the Company opted for fair valuation and arrived to a fair value adjustment of USD 10,554,164 based on unobservable inputs using a discounted cash flow method with a weighted average cost of capital (WACC) of 13%. As per the valuation report as at 31 December 2017, in the DCF method, the fair valuation of the investment is USD 1.56 per share. Yet, we have incorporated a discounted figure to account for a possible lack of marketability of the figure and have used a discounted value of USD 1.25.

Fair value measurement

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	USD	USD	USD
Available-For-Sale Investment	-	-	10,554,164

There has been no transfers between the different levels during the year under review.

KAINJI POWER HOLDING LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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5. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2017 are as shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Available-For-Sale Investment	DCF method	WACC	13%	1% increase/(decrease) in the WACC would result in a (decrease)/increase in fair value by USD 398,223/ USD 441,910 respectively.
		Lack of marketability	20%	1% increase/(decrease) in the discount would (decrease)/increase the fair value by USD 131,565.

6. ADVANCE TOWARDS SHARES

	2017	2016
	USD	USD
At start	-	575,083
Impairment	-	(575,083)
At end	-	-

In 2014, the Company advanced a non-refundable amount of USD 575,083 towards 92,588,417 shares of NGN 1 each in MESL. During the year ended 31 December 2016, the directors assessed this amount to be unrecoverable and thus impaired this amount fully.

7. STATED CAPITAL

	2017	2016
	USD	USD
Issued and fully paid up share capital		
1,000 (2016: 1,000) Ordinary shares at no par value	620,300	620,300

8. SHARE APPLICATION MONIES

Share application monies of USD 7,500 (2016: Nil) represent amount received toward ordinary shares of the company for which share are pending allotment as at 31 December 2017.

9. AMOUNT DUE TO RELATED PARTIES

	2017	2016
	USD	USD
Amount due to Kappafrik Partners Ltd	1,530	1,530
Amount due to director	1	-
Amount due to related company	1	-
	1,532	1,530

The amount due to related parties are unsecured, interest free, and repayable on demand.

KAINJI POWER HOLDING LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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10. OTHER PAYABLES

	2017	2016
	USD	USD
Accruals	11,555	6,395

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include available-for-sales investment.

Other price risk

Other price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual investments.

The Company is exposed to equity price risk because of investments held by the Company and classified on the statement of financial position as available-for-sale investments.

With respect to market risk arising from available-for-sales investment, the Company's exposure to market risk arises from the changes in the market conditions in which the investee operates, with a maximum exposure equal to the carrying amount of the available-for-sales investment. Refer to note 5 for the sensitivity analysis.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk arises from the changes in the bank interest rate is minimal. Thus no sensitivity analysis has been prepared.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The primary exposure of the Company is the investment in Nigerian securities, which is denominated in Nigerian Naira ("NGN"). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to the NGN may change in a manner which has a material effect on the reported value of the Company's investments denominated in NGN.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk (Continued)

The following demonstrates the sensitivity to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Company's profit or loss.

	Increase/decrease in foreign exchange rate	Effect on equity	
		2017	2016
		USD	USD
NGN	+5%	(508,103)	-
NGN	-5%	561,587	-

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2017	Financial liabilities 2017	Financial assets 2016	Financial liabilities 2016
	USD	USD	USD	USD
Nigerian Naira	10,670,154	-	-	-
United States dollar	11,910	13,087	17,998	7,925
	<u>10,682,064</u>	<u>13,087</u>	<u>17,998</u>	<u>7,925</u>

Prepayments amounting to nil (2016: USD 2,598) have not been included in financial assets in the above table.

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Company's main credit risk concentration is its cash and cash equivalents and dividend receivable.

With respect to credit risk arising from financial assets which comprise of other receivables and cash at bank, the Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the date of the statement of financial position was:

	2017	2016
	USD	USD
Cash at bank	11,910	17,998
Dividend receivable	115,988	-
	<u>127,898</u>	<u>17,998</u>

The financial assets are neither past due nor impaired at the date of statement of financial position. The cash at bank are maintained with a reputable bank and the dividend receivable is from a related company.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Fair value

Set out below is a comparison by category of carrying amount and fair value of all the Company's financial instruments that are in the financial statements:

	Carrying amount 2017	Fair value 2017	Carrying amount 2016	Fair value 2016
	USD	USD	USD	USD
<u>Financial assets</u>				
Available-for-sale investments	10,554,166	10,554,166	-	-
Dividend receivable	115,988	115,988	-	-
Cash and cash equivalents	11,910	11,910	17,998	17,998
	<u>10,682,064</u>	<u>10,682,064</u>	<u>17,998</u>	<u>17,998</u>
	Carrying amount 2017	Fair value 2017	Carrying amount 2016	Fair value 2016
	USD	USD	USD	USD
<u>Financial liabilities</u>				
Amount due to related parties	1,532	1,532	1,530	1,530
Other payables	11,555	11,555	6,395	6,395
	<u>13,087</u>	<u>13,087</u>	<u>7,925</u>	<u>7,925</u>

Liquidity risk

Liquidity risk is the risk that the Company experiences a shortage of funds and have financial difficulties to settle its debt as and when it falls due.

The directors do not consider there will be any significant liquidity risk.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand 2017	Less than 1 year 2017	Total 2017
	USD	USD	USD
Amount due to related parties	1,532	-	1,532
Other payables	-	11,555	11,555
	<u>1,532</u>	<u>11,555</u>	<u>13,087</u>

KAINJI POWER HOLDING LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

	On demand 2016	Less than 1 year 2016	Total 2016
	USD	USD	USD
Amount due to related parties	1,530	-	1,530
Other payables	-	6,395	6,395
	<u>1,530</u>	<u>6,395</u>	<u>7,925</u>

12. RELATED PARTY DISCLOSURES

During the year ended 31 December 2017, the Company transacted with related entities. Details of the nature, volume of transactions and the balances with the entities are as follows:

	2017 USD	2016 USD
(i) Amount due to Kappafrik Partners Ltd (company within same group)		
At start and end of year	<u>1,530</u>	<u>1,530</u>
(ii) Dividend receivable from investee company	<u>115,988</u>	<u>-</u>
(iii) Transaction with local administrator and secretary		
Balance as at 1 January	520	456
Expenses incurred during the year	4,772	6,153
Payment of expenses	<u>(3,627)</u>	<u>(7,129)</u>
Balance as at 31 December	<u>1,665</u>	<u>520</u>
(iv) Amount due to Director	<u>1</u>	<u>-</u>
(v) Amount due to related company	<u>1</u>	<u>-</u>
(vi) Compensation paid to Key Management Personnel		

There is no compensation paid to Key Management Personnel during the year (2016: Nil).

13. IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The immediate and ultimate holding company is Kappafrik Management JLT, a company incorporated in Dubai.

14. CAPITAL MANAGEMENT

The Company manages its capital to ensure it will be able to continue as a going concern while maximising the return to shareholder through equity balance. It is the Company's policy to finance its investments and any operating expenses from equity instruments. The capital structure of the Company consists of its stated capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the year ended 31 December 2016 and 2017.

15. FAIR VALUE RESERVE

The fair value reserve is the result of the revaluation of the available-for-sales investments of the Company as at 31 December 2017.

16. SUBSEQUENT EVENTS

There are no events after the reporting period which may have a material effect on the financial statements at 31 December 2017.

SCHEDULE “C”:

Kainji Power Holding Limited: Unaudited Financial Statements for Q1 2018

(Please see attached.)

KPHL

KAINJI POWER HOLDING LTD

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Expressed in
United States Dollars)**

THREE MONTHS ENDED MARCH 31, 2018 (Unaudited)

KAINJI POWER HOLDING LIMITED

KPHL

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Kainii Power Holding Limited for the three months ended March 31, 2018 have been prepared by management and by the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

KAINJI POWER HOLDING LIMITED

KPHL

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Expressed in United States dollars)

BALANCE SHEET

	March 31, 2018	March 31, 2017
ASSETS		
Non-current assets		
Available-for-sale investments	<u>10 554 166,00</u>	<u>-</u>
	10 554 166,00	-
Current assets		
Dividend receivables	-	-
Prepayments	-	2 598,00
Cash at bank	<u>135 224,00</u>	<u>9 724,00</u>
	135 224,00	12 322,00
TOTAL ASSETS	<u><u>10 689 390,00</u></u>	<u><u>12 322,00</u></u>
EQUITY AND LIABILITIES		
Equity		
Stated capital	620 300,00	620 300,00
Share application monies	7 500,00	
Fair value reserves	10 554 166,00	
Accumulated losses	<u>-503 298,00</u>	<u>-615 893,00</u>
Shareholders' fund	10 678 668,00	4 407,00
Current liabilities		
Amount due to related parties		
Other current liabilities	<u>10 722,00</u>	<u>7 915,00</u>
	10 722,00	7 915,00
TOTAL EQUITY AND LIABILITIES	<u><u>10 689 390,00</u></u>	<u><u>12 322,00</u></u>

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in United States dollars)

	Jan - Mar 2018	Jan - Mar 2017
Revenue		
Dividend income	-	-
Bank Interest income	-	-
Other income (1)	12 131,00	-
	<u>12 131,00</u>	<u>-</u>
Expenses		
Administration fees	2 120,00	510,00
Audit fees	-	-
Bank charges	160,00	404,00
Other expenses	160,00	7 350,00
Impairment loss on advance towards shares	-	-
	<u>2 440,00</u>	<u>8 264,00</u>
Profit / (loss) before tax	9 691,00	-8 264,00
Income tax expenses	-	-
Other comprehensive income for the period		
Net gain on available-for-sales investment	-	-
Total comprehensive profit / (loss) for the period	<u>9 691,00</u>	<u>-8 264,00</u>

(1) 10'579 USD from foreign exchange gain

KAINJI POWER HOLDING LIMITED

KPHL

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (expressed in United States Dollars)

	Jan - Mar 2018	Jan - Mar 2017
Operating activities		
Profit / (loss) before tax	9 691,00	-8 264,00
Dividend income	115 988,00	-
Adjustment to reconcile profit/(loss) before tax net cash flow		
Impairment loss	-	-
Operating profit working capital changes	125 679,00	-8 264,00
Increase in other receivables	-	-
Decrease in other payables	-2 365,00	-10,00
Net cash from operating activities	123 314,00	-8 274,00
Financing activities		
Share application monies received	-	-
Net cash flow from financing activities	-	-
Net increase in cash and cash equivalents	123 314,00	-8 274,00
Cash and cash equivalents at beginning of the year	11 910,00	17 998,27
Cash and cash equivalents at the end of period	135 224,00	9 724,27

1. COMPANY OVERVIEW

KPHL's principal business activity is to invest and hold shares in Clean Power Generation companies and related businesses in Africa and other developing markets.

KPHL is a private company limited by shares incorporated in the Republic of Mauritius on June 28, 2013 under the Companies Act 2001 as a GBC2 with Global Business License, under registration number C2/GBL 117 131. The Company entered into a Heads of Agreement with Reservoir Capital Corp. for a share exchange transaction that will result in the Company selling 60% of KPHL for 158,100,000 common shares of the Reservoir Capital Corp.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance and Basis of Measurement

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim 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 condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim consolidated financial statements of the Company have been prepared in accordance with the same accounting policies and methods of their application as the most recent audited financial statements for the years end December 31, 2017 and 2016, except that they do not include all note disclosures required for annual audited financial statements, and they include new accounting standards effective in the current period. It is suggested that the condensed interim consolidated financial statements be read in conjunction with the annual audited financial statements.

3. 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.

4. RECEIVABLES, NET OF PROVISIONS

The Company has no receivables.

5. EQUIPMENT

The Company has no equipment.

6. INVESTMENT IN MAINSTREAM ENERGY SOLUTIONS LIMITED (« MESL »)

MESL operates a 1,338.4 MW (Nominal Capacity, current actual capacity is 922 MW) hydroelectric power generation plant and is established at 3B Persian Gulf Course, off Euphrates Street, Maitama, Abuja, Nigeria. At December 31, 2017, the Company opted for fair valuation and arrived at a fair valuation of the MESL investment at \$1.56 per MESL share, however the KPHL auditors (Ernst & Young) have decided to apply a further discount to

provide for marketability risk and recommended KPHL records the investment in MESL at \$1.25 per MESL share, resulting in a fair value adjustment of \$10,544,164 of KPHL's assets. The fair valuation was based on a discounted cash flow ("DCF model") using a weighted average cost of capital ("WACC") of 13%. For these interim consolidated financial statements for the three months ended March 31, 2018, the Company has decided to retain the same valuation.

7. RELATED PARTY TRANSACTIONS

The Company has no substantial transactions or outstanding balances relating to key management personnel.

8. OFF-BALANCE SHEET ARRANGEMENTS

The Company has no substantial off-balance sheet arrangements.

9. RISKS AND UNCERTAINTIES

In addition to the usual risks associated with a business holding investment, 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, the Company may 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 investments with the possible result of loss of certain opportunities. 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.

Insurance and Uninsured Risks

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 shares of the Company.

Environmental Risks and Hazards

Certain activities of the Company may be 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 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 in regions in which the Company holds interests which are unknown to the Company at present.

Foreign Country and Political Risk

The company's investments currently focus on Africa. 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 its holdings. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business.

10. OUTSTANDING SHARE DATA

As of the date of this condensed interim consolidated financial statements, the Company had 1,000 common shares issued and outstanding. There are no options or warrants outstanding.

SCHEDULE “D”:

Kainji Power Holding Limited: Management’s Discussion and Analysis (2016-17)

(Please see attached.)

KAINJI POWER HOLDING LTD

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2017 & 2016

MD&A REPORT PRODUCED ON 13TH JUNE 2018

GENERAL

This management's discussion and analysis of the financial position and results of operations is as at June 13, 2018 and should be read in conjunction with the consolidated financial statements of Kainji Power Holding Ltd. (the "Company" or "KPHL") for the years ended December 31, 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 United States dollars ("USD") except where noted.

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 KPHL'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

KPHL's principal business activity is to invest and hold shares in Clean Power Generation companies and related businesses in Africa and other developing markets.

KPHL is a private company limited by shares incorporated in the Republic of Mauritius on June 28, 2013 under the Companies Act 2001 as a GBC2 with Global Business License, under registration number C2/GBL 117 131.

HIGHLIGHTS FOR THE YEAR

During the year ended December 31, 2017 and subsequently, the Company:

Recorded a comprehensive profit of \$10,684,806 for the year ended December 31, 2017 compared to a comprehensive loss of \$585,696 for the comparative previous year. The profit for

2017 included a \$10,544,164 net gain on the Company's primary investment in MAINSTREAM ENERGY SOLUTIONS LTD. ("MESL").

On December 5, 2017, the Company acquired 8,443,333 MESL shares at a cost of \$2, which was a nominal consideration in the context of a share swap that saw the principals who provided the MESL shares to KPHL being issued shares in KPHL. MESL operates a 1,338.4 MW (Nominal Capacity, current actual capacity is 922 MW) hydroelectric power generation plant and is established at 3B Persian Gulf Course, off Euphrates Street, Maitama, Abuja, Nigeria. At December 31, 2017, the Company opted for fair valuation and arrived at a fair valuation of the MESL investment at \$1.56 per MESL share, however the KPHL auditors (Ernst & Young) have decided to apply a further discount to provide for marketability risk and recommended KPHL records the investment in MESL at \$1.25 per MESL share, resulting in a fair value adjustment of \$10,544,164 of KPHL's assets. The fair valuation was based on a discounted cash flow ("DCF model") using a weighted average cost of capital ("WACC") of 13%.

At its Board Meeting of December 12, 2017, MESL declared an interim dividend to all shareholders and KPHL booked a receivable of \$115,988 in respect of its anticipated share of that interim dividend, on the basis of the market exchange rate. The dividends have since been paid by MESL into KPHL account in March 2018 when KPHL received in excess of \$126,567- due to the preferential exchange rate entitlement of KPHL on the basis of its Certificate of Capital Importation ("CCI").

OUTLOOK

The focus of the Company remains to maximize the value and size of its holding by way of attempting to close further share swaps, upstream with the Canadian listed company RESERVOIR CAPITAL CORP ("REO", negotiations to that effect are ongoing for a number of months already), and downstream as discussions are also taking place with other shareholders of MESL envisaging to swap more MESL shares into KPHL in the medium term. These transactions are subject to contract agreements being entered into.

KPHL expects more dividends from MESL in 2018 of similar scale as in 2017, and substantially increased amounts as from 2019 once MESL has finished repaying its loan facility from ACCESS Bank, provided the payment of receivables from their various off-takers remains robust in 2018 as observed in 2017, and improves further in 2019.

KPHL is also looking to identify new business holding opportunities in Africa and beyond.

Despite the success in 2017 and the proactive actions of the Directors, there is no certainty that new opportunities will be identified and closed, or that MESL will declare and pay further dividends, or that the Company can move its business holding activities forward as anticipated above.

2017 ANNUAL FINANCIAL INFORMATION

Year ended December 31	2017	2016
	USD	USD
Financial Results		
Revenue	116,082	-
Expenses	21,440	585,696
Profit (Loss) for the year	94,642	(585,696)
Other comprehensive income for the year	10,554,164	-
Total comprehensive income for the year	10,648,806	(585,696)
Financial Position		
Total Assets	10,682,064	20,596
Total Liabilities	13,087	7,925
Stated Capital	620,300	620,300
Shareholders' Equity	10,668,997	12,671

RESULTS OF OPERATIONS

Twelve months ended December 31, 2017

The Company recorded an operating profit of \$94,642 in 2017 compared to a loss of \$585,696 in the 2016 comparative period. The profit is attributable to dividends receivable and other income of \$116,082 (2016 – revenue of \$0), general and administrative expenses of \$21,440 (2016 - \$10,613) and loss from impairment on past advances of \$0 (2016 - \$575,083 loss). In 2017, there was a net gain on available-for-sale investments from a positive fair value adjustment of \$10,544,164, resulting in total comprehensive income for the year of \$10,648,806 (2016 – \$585,696 loss).

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2017, the Company had a working capital surplus of \$114,811 which primarily comprised of cash of \$11,910, dividends receivable of \$115,988 and various payables of \$13,087. The Company has no long-term debt.

Although the Company has been successful in the past in obtaining financing or swapping shares without cash consideration, there can be no assurance that the Company will be able to continue to raise funds or find agreeable cashless swap transactions, in which case the Company may be unable to continue its growth strategy.

RELATED PARTY TRANSACTIONS

The Company has no substantial transactions or outstanding balances relating to key management personnel.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no substantial 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:

recorded costs, less any provision for impairment, of its holdings are not intended to reflect their present or future values. The Company undertakes a review of the carrying value of its holdings whenever events or changes in circumstances indicate that the carrying values may differ in reference to estimated fair value based on discounted net cash flows. A fair value gain is recognized when asset fair value exceeds the carrying value and an impairment loss is recognized when the carrying value of assets is deemed not recoverable. In undertaking this review, management of the Company is required to make significant estimates based upon factors such as foreign exchange rates, asset prices, operating results and future capital requirements.

the Company recognizes that assessing tax assets requires management to make significant judgment of future taxable profit. Management also undertakes the valuation of loans, receivables and financial instruments that requires management to make significant judgements on counterparty risk.

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 a business holding investment, 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, the Company may 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 investments with the possible result of loss of certain opportunities. 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.

Insurance and Uninsured Risks

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 shares of the Company.

Environmental Risks and Hazards

Certain activities of the Company may be 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 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 in regions in which the Company holds interests which are unknown to the Company at present.

Foreign Country and Political Risk

The company's investments currently focus on Africa. 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 its holdings. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 1,000 common shares issued and outstanding. There are no options or warrants outstanding.

SCHEDULE “E”:

Pro Forma Consolidated Financial Statements of the Issuer

(Please see attached.)

Pro Forma Consolidated Statement of Financial Position

(Unaudited – Expressed in Canadian Dollars)

	REO YE Apr. 30 2018	KPHL ⁽ⁱ⁾ Q1 Mar. 31 2018	Pro Forma adjustments (Note 2)	Pro Forma Q1 Mar. 31 2018
Shares o/s	48,164,424	1,000	158,099,000	206,264,424
Assets				
Current assets				
Cash	\$ 577,466	\$ 173,087		\$ 750,553
Receivables	5,678	-		5,678
Other Current	2,375	-		2,375
Current Assets	585,519	173,087		758,606
Portfolio Investments	-	13,509,332		13,509,332
Total Assets	\$ 585,519	\$ 13,682,419	\$ -	\$ 14,267,938
Liabilities & Equity				
Current Liabilities	\$ 360,025	\$ 13,724		\$ 373,749
Non-Current Liabilities	-	-		-
Total Liabilities	360,025	13,724	-	373,749
Share Capital	38,114,949	803,584	2,889,865 ⁽ⁱⁱ⁾ (38,114,949) ⁽ⁱⁱ⁾	3,693,449
Reserves	2,689,011	13,509,332	(2,689,011) ⁽ⁱⁱ⁾	13,509,332
Deficit	(40,578,466)	(644,221)	40,578,466 ⁽ⁱⁱ⁾ (2,664,371) ⁽ⁱⁱ⁾ (5,467,478) ⁽ⁱⁱⁱ⁾	(8,776,071)
Total Shareholders Equity	225,494	13,668,695	(5,467,478)	8,426,711
Non-Controlling Interests	-	-	5,467,478 ⁽ⁱⁱⁱ⁾	5,467,478
Total Liabilities & Equity	\$ 585,519	\$ 13,682,419	\$ -	\$ 14,267,938

The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements.

i. Basis of Presentation

The unaudited pro forma consolidated financial statements of Reservoir Capital Corp. (“REO”), as at April 30, 2018, have been prepared by management for inclusion in the Listing Statement of REO dated September 21, 2018 after giving effect to the proposed transaction and assumptions as described in Note 2. These statements have been prepared for illustrative purposes only relating to the acquisition of 60.0% of the issued and outstanding Kainji Power Holding Ltd. shares by the Issuer as set out in the Share Purchase Agreement dated August 27, 2018 and upon completion of which, REO will become a reporting issuer listed on the CSE.

The consideration for the acquisition of 60% of KPHL was all REO shares and for accounting purposes, the acquisition is considered to be a reverse asset acquisition, where KPHL has been identified as the acquirer. Completion of the acquisition will result in the shareholders of KPHL holding the largest single interest in REO.

The unaudited pro forma consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and compiled from and include:

- i. The audited consolidated financial statements of REO for the fiscal year ended April 30, 2018; and
- ii. The unaudited consolidated financial statements of KPHL for the first quarter ended March 31, 2018.

The unaudited pro forma consolidated financial statements show the acquisition and the assumptions in Note 2 as if they occurred on March 31, 2018.

In the opinion of management, the unaudited pro forma consolidated financial statements include all the adjustments necessary for fair presentation of the proposed transaction in accordance with IFRS. The accounting policies used in the preparation of the unaudited pro forma consolidated financial statements are consistent with REO’s accounting policies. The unaudited pro forma consolidated financial statements are not necessarily indicative of the operations and financial position that may be obtained in the future.

The unaudited pro forma consolidated financial statements should be read in conjunction with the historical financial statements and notes thereto of the financial statements referred to above, as well as other information referred to in the Listing Statement.

ii. Pro Forma Adjustments and Assumptions

The unaudited pro forma consolidated financial statements have been compiled assuming the acquisition occurred on March 31, 2018 and gives effect to the following:

- i. Statement of financial position of KPHL as at March 31, 2018 has been translated from US dollar ("US\$") to Canadian dollar ("C\$") at exchange rate of C\$1.28/US\$1.00.
- ii. The Acquisition is measured at the fair value of the equity consideration deemed issued to REO's shareholders (being 48,164,424 REO Shares) in accordance with IFRS 2 Share-based Payments. The purchase price allocation is the following:

REO Shares on Acquisition		\$ 2,889,865
Fair value of net assets of REO acquired		
Cash	577,466	
Receivables	5,678	
Other Current	2,375	
Current Liabilities	(360,025)	(225,494)
Reverse acquisition transaction costs		\$ 2,664,371

- iii. Under the terms of the Acquisition, 40% of the KPHL Shares are not exchanged for REO Shares, which is considered as non-controlling interests based on proportionate fair value of KPHL's net assets.

SCHEDULE “F”:

Escrow Agreement

(Please see attached.)

ESCROW AGREEMENT

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ESCROW AGREEMENT

THIS AGREEMENT is made as of the 21 day of September, 2018

AMONG:

RESERVOIR CAPITAL CORP. (the "Issuer")

AND:

COMPUTERSHARE TRUST COMPANY OF CANADA (the "Escrow Agent")

AND:

EACH OF THE UNDERSIGNED SECURITYHOLDERS OF THE ISSUER
(a "Securityholder" or "you")

(collectively, the "Parties")

This Agreement is being entered into by the Parties under National Policy 46-201 *Escrow for Initial Public Offerings* (the "Policy") in connection with the change of business involving the acquisition of 60.0% of the issued and outstanding shares of a private company, Kainji Power Holding Limited ("KPHL").

For good and valuable consideration, the Parties agree as follows:

PART 1 ESCROW

1.1 Appointment of Escrow Agent

The Issuer and the Securityholders appoint the Escrow Agent to act as escrow agent under this Agreement. The Escrow Agent accepts the appointment.

1.2 Deposit of Escrow Securities in Escrow

- (1) You are depositing the securities (**escrow securities**) listed opposite your name in Schedule "A" with the Escrow Agent to be held in escrow under this Agreement. You will immediately deliver or cause to be delivered to the Escrow Agent any share certificates or other evidence of these securities which you have or which you may later receive.
- (2) If you receive any other securities (**additional escrow securities**):
 - (a) as a dividend or other distribution on escrow securities;
 - (b) on the exercise of a right of purchase, conversion or exchange attaching to escrow securities, including securities received on conversion of special warrants;
 - (c) on a subdivision, or compulsory or automatic conversion or exchange of escrow securities; or
 - (d) from a successor issuer in a business combination, if Part 6 of this Agreement applies,

you will deposit them in escrow with the Escrow Agent. You will deliver or cause to be delivered to the Escrow Agent any share certificates or other evidence of those additional escrow securities. When this Agreement refers to **escrow securities**, it includes additional escrow securities.

(3) You will immediately deliver to the Escrow Agent any replacement share certificates or other evidence of additional escrow securities issued to you.

1.3 Direction to Escrow Agent

The Issuer and the Securityholders direct the Escrow Agent to hold the escrow securities in escrow until they are released from escrow under this Agreement.

PART 2 RELEASE OF ESCROW SECURITIES

2.1 Release Schedule for an Established Issuer

2.1.1 Usual case

If the Issuer is an **established issuer** (as defined in section 3.3 of the Policy) and you have not sold any escrow securities in a permitted secondary offering, your escrow securities will be released as follows:

On _____, 2018, the date the Issuer's securities are listed on a Canadian exchange (the listing date)	1/4 of your escrow securities
6 months after the listing date	1/3 of your remaining escrow securities
12 months after the listing date	1/2 of your remaining escrow securities
18 months after the listing date	your remaining escrow securities

*In the simplest case, where there are no changes to the escrow securities initially deposited and no additional escrow securities, then the release schedule outlined above results in the escrow securities being released in equal tranches of 25%.

2.1.2 Alternate meaning of "listing date"

If the Issuer is an established issuer, an alternate meaning for **listing date** is the date the Issuer completes its IPO if the Issuer's securities are listed on a Canadian exchange immediately before its IPO.

2.1.3 If there is a permitted secondary offering

(1) If the Issuer is an established issuer and you have sold in a permitted secondary offering 25% or more of your escrow securities, your escrow securities will be released as follows:

For delivery to complete the IPO	All escrow securities sold by you in the permitted secondary offering
6 months after the listing date	1/3 of your remaining escrow securities
12 months after the listing date	1/2 of your remaining escrow securities
18 months after the listing date	your remaining escrow securities

*In the simplest case, where there are no changes to the remaining escrow securities upon completion of the permitted secondary offering and no additional escrow securities, the release schedule outlined above results in the remaining escrow securities being released in equal tranches of 33 1/3%.

(2) If the Issuer is an established issuer and you have sold in a permitted secondary offering less than 25% of your escrow securities, your escrow securities will be released as follows:

For delivery to complete the IPO	All escrow securities sold by you in the permitted secondary offering
On the listing date	1/4 of your original number of escrow securities less the escrow securities sold by you in the permitted secondary offering
6 months after the listing date	1/3 of your remaining escrow securities
12 months after the listing date	1/2 of your remaining escrow securities
18 months after the listing date	your remaining escrow securities

*In the simplest case, where there are no changes to the remaining escrow securities upon completion of the permitted secondary offering and no additional escrow securities, the release schedule outlined above results in the remaining escrow securities being released in equal tranches of 33 1/3% after completion of the release on the listing date.

2.1.4 Additional escrow securities

If you acquire additional escrow securities, those securities will be added to the securities already in escrow, to increase the number of remaining escrow securities. After that, all of the escrow securities will be released in accordance with the applicable release schedule in the tables above.

2.2 Release Schedule for an Emerging Issuer

2.2.1 Usual case

If the Issuer is an **emerging issuer** (as defined in section 3.3 of the Policy) and you have not sold any escrow securities in a permitted secondary offering, your escrow securities will be released as follows:

On September 21, 2018, the date the Issuer's securities are listed on a Canadian exchange (the listing date)	1/10 of your escrow securities
6 months after the listing date	1/6 of your remaining escrow securities
12 months after the listing date	1/5 of your remaining escrow securities
18 months after the listing date	1/4 of your remaining escrow securities
24 months after the listing date	1/3 of your remaining escrow securities
30 months after the listing date	1/2 of your remaining escrow securities
36 months after the listing date	your remaining escrow securities

*In the simplest case, where there are no changes to the escrow securities initially deposited and no additional escrow securities, the release schedule outlined above results in the escrow securities being released in equal tranches of 15% after completion of the release on the listing date.

2.2.2 Alternate meaning of "listing date"

If the Issuer is an emerging issuer, an alternate meaning for **listing date** is the date the Issuer completes its IPO if:

- (a) the Issuer's securities are not listed on a Canadian exchange immediately after its IPO; or
- (b) the Issuer's securities are listed on a Canadian exchange immediately before its IPO.

2.2.3 If there is a permitted secondary offering

(1) If the Issuer is an emerging issuer and you have sold in a permitted secondary offering 10% or more of your escrow securities, your escrow securities will be released as follows:

For delivery to complete the IPO	All escrow securities sold by you in the permitted secondary offering
6 months after the listing date	1/6 of your remaining escrow securities
12 months after the listing date	1/5 of your remaining escrow securities
18 months after the listing date	1/4 of your remaining escrow securities
24 months after the listing date	1/3 of your remaining escrow securities
30 months after the listing date	1/2 of your remaining escrow securities
36 months after the listing date	your remaining escrow securities

*In the simplest case, where there are no changes to the remaining escrow securities upon completion of the permitted secondary offering and no additional escrow securities, the release schedule outlined above results in the remaining escrow securities being released in equal tranches of 16 2/3%.

(2) If the Issuer is an emerging issuer and you have sold in a permitted secondary offering less than 10% of your escrow securities, your escrow securities will be released as follows:

For delivery to complete the IPO	All escrow securities sold by you in the permitted secondary offering
On the listing date	1/10 of your original number of escrow securities less the escrow securities sold by you in the permitted secondary offering
6 months after the listing date	1/6 of your remaining escrow securities
12 months after the listing date	1/5 of your remaining escrow securities
18 months after the listing date	1/4 of your remaining escrow securities
24 months after the listing date	1/3 of your remaining escrow securities
30 months after the listing date	1/2 of your remaining escrow securities
36 months after the listing date	your remaining escrow securities

*In the simplest case, where there are no changes to the remaining escrow securities upon completion of the permitted secondary offering and no additional escrow securities, the release schedule outlined above results in the remaining escrow securities being released in equal tranches of 16 2/3% after completion of the release on the listing date.

2.2.4 Additional escrow securities

If you acquire additional escrow securities, those securities will be added to the securities already in escrow, to increase the number of remaining escrow securities. After that, all of the escrow securities will be released in accordance with the applicable release schedule in the tables above.

2.3 Delivery of Share Certificates for Escrow Securities

The Escrow Agent will send to each Securityholder any share certificates or other evidence of that Securityholder's escrow securities in the possession of the Escrow Agent released from escrow as soon as reasonably practicable after the release.

2.4 Replacement Certificates

If, on the date a Securityholder's escrow securities are to be released, the Escrow Agent holds a share certificate or other evidence representing more escrow securities than are to be released, the Escrow Agent will deliver the share certificate or other evidence to the Issuer or its transfer

agent and request replacement share certificates or other evidence. The Issuer will cause replacement share certificates or other evidence to be prepared and delivered to the Escrow Agent. After the Escrow Agent receives the replacement share certificates or other evidence, the Escrow Agent will send to the Securityholder or at the Securityholder's direction, the replacement share certificate or other evidence of the escrow securities released. The Escrow Agent and Issuer will act as soon as reasonably practicable.

2.5 Release upon Death

(1) If a Securityholder dies, the Securityholder's escrow securities will be released from escrow. The Escrow Agent will deliver any share certificates or other evidence of the escrow securities in the possession of the Escrow Agent to the Securityholder's legal representative.

(2) Prior to delivery the Escrow Agent must receive:

- (a) a certified copy of the death certificate; and
- (b) any evidence of the legal representative's status that the Escrow Agent may reasonably require.

PART 3 EARLY RELEASE ON CHANGE OF ISSUER STATUS

3.1 Becoming an Established Issuer

If the Issuer is an emerging issuer on the date of this Agreement and, during this Agreement, the Issuer:

- (a) lists its securities on the Toronto Stock Exchange Inc.;
- (b) becomes a TSX Venture Exchange Inc. (**TSX Venture**) Tier 1 issuer; or
- (c) lists or quotes its securities on an exchange or market outside Canada that its "principal regulator" under National Policy 43-201 *Mutual Reliance Review System for Prospectuses and Annual Information Forms* (in Quebec under Staff Notice, *Mutual Reliance Review System for Prospectuses and Annual Information Forms*) or, if the Issuer has only filed its IPO prospectus in one jurisdiction, the securities regulator in that jurisdiction, is satisfied has minimum listing requirements at least equal to those of TSX Venture Tier 1,

then the Issuer becomes an **established issuer**.

3.2 Release of Escrow Securities

(1) When an emerging issuer becomes an established issuer, the release schedule for its escrow securities changes.

(2) If an emerging issuer becomes an established issuer 18 months or more after its listing date, all escrow securities will be released immediately.

(3) If an emerging issuer becomes an established issuer within 18 months after its listing date, all escrow securities that would have been released to that time, if the Issuer was an established issuer on its listing date, will be released immediately. Remaining escrow securities will be released in equal installments on the day that is 6 months, 12 months and 18 months after the listing date.

3.3 Filing Requirements

Escrow securities will not be released under this Part until the Issuer does the following:

- (a) at least 20 days before the date of the first release of escrow securities under the new release schedule, files with the securities regulators in the jurisdictions in which it is a reporting issuer
 - (i) a certificate signed by a director or officer of the Issuer authorized to sign stating
 - (A) that the Issuer has become an established issuer by satisfying one of the conditions in section 3.1 and specifying the condition, and
 - (B) the number of escrow securities to be released on the first release date under the new release schedule, and
 - (ii) a copy of a letter or other evidence from the exchange or quotation service confirming that the Issuer has satisfied the condition to become an established issuer; and
- (b) at least 10 days before the date of the first release of escrow securities under the new release schedule, issues and files with the securities regulators in the jurisdictions in which it is a reporting issuer a news release disclosing details of the first release of the escrow securities and the change in the release schedule, and sends a copy of such filing to the Escrow Agent.

3.4 Amendment of Release Schedule

The new release schedule will apply 10 days after the Escrow Agent receives a certificate signed by a director or officer of the Issuer authorized to sign

- (a) stating that the Issuer has become an established issuer by satisfying one of the conditions in section 3.1 and specifying the condition;
- (b) stating that the release schedule for the Issuer's escrow securities has changed;
- (c) stating that the Issuer has issued a news release at least 10 days before the first release date under the new release schedule and specifying the date that the news release was issued; and
- (d) specifying the new release schedule.

PART 4 DEALING WITH ESCROW SECURITIES

4.1 Restriction on Transfer, etc.

Unless it is expressly permitted in this Agreement, you will not sell, transfer, assign, mortgage, enter into a derivative transaction concerning, or otherwise deal in any way with your escrow securities or any related share certificates or other evidence of the escrow securities. If a Securityholder is a private company controlled by one or more principals (as defined in section 3.5 of the Policy) of the Issuer, the Securityholder may not participate in a transaction that results in a change of its control or a change in the economic exposure of the principals to the risks of holding escrow securities.

4.2 Pledge, Mortgage or Charge as Collateral for a Loan

You may pledge, mortgage or charge your escrow securities to a financial institution as collateral for a loan, provided that no escrow securities or any share certificates or other evidence of escrow securities will be transferred or delivered by the Escrow Agent to the financial institution for this purpose. The loan agreement must provide that the escrow securities will remain in escrow if the lender realizes on the escrow securities to satisfy the loan.

4.3 Voting of Escrow Securities

You may exercise any voting rights attached to your escrow securities.

4.4 Dividends on Escrow Securities

You may receive a dividend or other distribution on your escrow securities, and elect the manner of payment from the standard options offered by the Issuer. If the Escrow Agent receives a dividend or other distribution on your escrow securities, other than additional escrow securities, the Escrow Agent will pay the dividend or other distribution to you on receipt.

4.5 Exercise of Other Rights Attaching to Escrow Securities

You may exercise your rights to exchange or convert your escrow securities in accordance with this Agreement.

PART 5 PERMITTED TRANSFERS WITHIN ESCROW

5.1 Transfer to Directors and Senior Officers

(1) You may transfer escrow securities within escrow to existing or, upon their appointment, incoming directors or senior officers of the Issuer or any of its material operating subsidiaries, if the Issuer's board of directors has approved the transfer.

(2) Prior to the transfer the Escrow Agent must receive:

(a) a certified copy of the resolution of the board of directors of the Issuer approving the transfer;

(b) a certificate signed by a director or officer of the Issuer authorized to sign, stating that the transfer is to a director or senior officer of the Issuer or a material operating subsidiary and that any required approval from the Canadian exchange the Issuer is listed on has been received;

(c) an acknowledgment in the form of Schedule "B" signed by the transferee;

(d) copies of the letters sent to the securities regulators described in subsection (3) accompanying the acknowledgement; and

(e) a transfer power of attorney, completed and executed by the transferor in accordance with the requirements of the Issuer's transfer agent.

(3) At least 10 days prior to the transfer, the Issuer will file a copy of the acknowledgement with the securities regulators in the jurisdictions in which it is a reporting issuer.

5.2 Transfer to Other Principals

- (1) You may transfer escrow securities within escrow:
 - (a) to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Issuer's outstanding securities; or
 - (b) to a person or company that after the proposed transfer
 - (i) will hold more than 10% of the voting rights attached to the Issuer's outstanding securities, and
 - (ii) has the right to elect or appoint one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.
- (2) Prior to the transfer the Escrow Agent must receive:
 - (a) a certificate signed by a director or officer of the Issuer authorized to sign stating that
 - (i) the transfer is to a person or company that the officer believes, after reasonable investigation, holds more than 20% of the voting rights attached to the Issuer's outstanding securities before the proposed transfer, or
 - (ii) the transfer is to a person or company that
 - (A) the officer believes, after reasonable investigation, will hold more than 10% of the voting rights attached to the Issuer's outstanding securities, and
 - (B) has the right to elect or appoint one or more directors or senior officers of the Issuer or any of its material operating subsidiariesafter the proposed transfer, and
 - (iii) any required approval from the Canadian exchange the Issuer is listed on has been received;
 - (b) an acknowledgment in the form of Schedule "B" signed by the transferee;
 - (c) copies of the letters sent to the securities regulators accompanying the acknowledgement; and
 - (d) a transfer power of attorney, executed by the transferor in accordance with the requirements of the Issuer's transfer agent.
- (3) At least 10 days prior to the transfer, the Issuer will file a copy of the acknowledgement with the securities regulators in the jurisdictions in which it is a reporting issuer.

5.3 Transfer upon Bankruptcy

- (1) You may transfer escrow securities within escrow to a trustee in bankruptcy or another person or company entitled to escrow securities on bankruptcy.
- (2) Prior to the transfer, the Escrow Agent must receive:

- (a) a certified copy of either
 - (i) the assignment in bankruptcy filed with the Superintendent of Bankruptcy, or
 - (ii) the receiving order adjudging the Securityholder bankrupt;
- (b) a certified copy of a certificate of appointment of the trustee in bankruptcy;
- (c) a transfer power of attorney, completed and executed by the transferor in accordance with the requirements of the Issuer's transfer agent; and
- (d) an acknowledgment in the form of Schedule "B" signed by:
 - (i) the trustee in bankruptcy, or
 - (ii) on direction from the trustee, with evidence of that direction attached to the acknowledgment form, another person or company legally entitled to the escrow securities.
- (3) Within 10 days after the transfer, the transferee of the escrow securities will file a copy of the acknowledgment with the securities regulators in the jurisdictions in which the Issuer is a reporting issuer.

5.4 Transfer Upon Realization of Pledged, Mortgaged or Charged Escrow Securities

- (1) You may transfer within escrow to a financial institution the escrow securities you have pledged, mortgaged or charged under section 4.2 to that financial institution as collateral for a loan on realization of the loan.
- (2) Prior to the transfer the Escrow Agent must receive:
 - (a) a statutory declaration of an officer of the financial institution that the financial institution is legally entitled to the escrow securities;
 - (b) a transfer power of attorney, executed by the transferor in accordance with the requirements of the Issuer's transfer agent; and
 - (c) an acknowledgement in the form of Schedule "B" signed by the financial institution.
- (3) Within 10 days after the transfer, the transferee of the escrow securities will file a copy of the acknowledgment with the securities regulators in the jurisdictions in which the Issuer is a reporting issuer.

5.5 Transfer to Certain Plans and Funds

- (1) You may transfer escrow securities within escrow to or between a registered retirement savings plan (RRSP), registered retirement income fund (RRIF) or other similar registered plan or fund with a trustee, where the annuitant of the RRSP or RRIF, or the beneficiaries of the other registered plan or fund are limited to you and your spouse, children and parents, or, if you are the trustee of such a registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the other registered plan or fund, as applicable, or his or her spouse, children and parents.

- (2) Prior to the transfer the Escrow Agent must receive:
- (a) evidence from the trustee of the transferee plan or fund, or the trustee's agent, stating that, to the best of the trustee's knowledge, the annuitant of the RRSP or RRIF, or the beneficiaries of the other registered plan or fund do not include any person or company other than you and your spouse, children and parents;
 - (b) a transfer power of attorney, executed by the transferor in accordance with the requirements of the Issuer's transfer agent; and
 - (c) an acknowledgement in the form of Schedule "B" signed by the trustee of the plan or fund.
- (3) Within 10 days after the transfer, the transferee of the escrow securities will file a copy of the acknowledgment with the securities regulators in the jurisdictions in which the Issuer is a reporting issuer.

5.6 Effect of Transfer Within Escrow

After the transfer of escrow securities within escrow, the escrow securities will remain in escrow and released from escrow under this Agreement as if no transfer has occurred on the same terms that applied before the transfer. The Escrow Agent will not deliver any share certificates or other evidence of the escrow securities to transferees under this Part 5.

PART 6 BUSINESS COMBINATIONS

6.1 Business Combinations

This Part applies to the following **(business combinations)**:

- (a) a formal take-over bid for all outstanding equity securities of the Issuer or which, if successful, would result in a change of control of the Issuer
- (b) a formal issuer bid for all outstanding equity securities of the Issuer
- (c) a statutory arrangement
- (d) an amalgamation
- (e) a merger
- (f) a reorganization that has an effect similar to an amalgamation or merger

6.2 Delivery to Escrow Agent

You may tender your escrow securities to a person or company in a business combination. At least five business days prior to the date the escrow securities must be tendered under the business combination, you must deliver to the Escrow Agent:

- (a) a written direction signed by you that directs the Escrow Agent to deliver to the depositary under the business combination any share certificates or other evidence of the escrow securities and a completed and executed cover letter or similar document and, where required, transfer power of attorney completed and executed for transfer in accordance with the requirements of the depositary, and any other documentation specified or provided by you and required to be delivered to the depositary under the business combination; and
- (b) any other information concerning the business combination as the Escrow Agent may reasonably request.

6.3 Delivery to Depositary

As soon as reasonably practicable, and in any event no later than three business days after the Escrow Agent receives the documents and information required under section 6.2, the Escrow Agent will deliver to the depositary, in accordance with the direction, any share certificates or other evidence of the escrow securities, and a letter addressed to the depositary that

- (a) identifies the escrow securities that are being tendered;
- (b) states that the escrow securities are held in escrow;
- (c) states that the escrow securities are delivered only for the purposes of the business combination and that they will be released from escrow only after the Escrow Agent receives the information described in section 6.4;
- (d) if any share certificates or other evidence of the escrow securities have been delivered to the depositary, requires the depositary to return to the Escrow Agent, as soon as practicable, any share certificates or other evidence of escrow securities that are not released from escrow into the business combination; and
- (e) where applicable, requires the depositary to deliver or cause to be delivered to the Escrow Agent, as soon as practicable, any share certificates or other evidence of additional escrow securities that you acquire under the business combination.

6.4 Release of Escrow Securities to Depositary

The Escrow Agent will release from escrow the tendered escrow securities when the Escrow Agent receives a declaration signed by the depositary or, if the direction identifies the depositary as acting on behalf of another person or company in respect of the business combination, by that other person or company, that:

- (a) the terms and conditions of the business combination have been met or waived; and
- (b) the escrow securities have either been taken up and paid for or are subject to an unconditional obligation to be taken up and paid for under the business combination.

6.5 Escrow of New Securities

If you receive securities (**new securities**) of another issuer (**successor issuer**) in exchange for your escrow securities, the new securities will be subject to escrow in substitution for the tendered escrow securities if, immediately after completion of the business combination:

- (a) the successor issuer is not an **exempt issuer** (as defined in section 3.2 of the Policy);
- (b) you are a **principal** (as defined in section 3.5 of the Policy) of the successor issuer; and
- (c) you hold more than 1% of the voting rights attached to the successor issuer's outstanding securities (In calculating this percentage, include securities that may be issued to you under outstanding convertible securities in both your securities and the total securities outstanding.)

6.6 Release from Escrow of New Securities

- (1) As soon as reasonably practicable after the Escrow Agent receives:

- (a) a certificate from the successor issuer signed by a director or officer of the successor issuer authorized to sign
 - (i) stating that it is a successor issuer to the Issuer as a result of a business combination and whether it is an emerging issuer or an established issuer under the Policy, and
 - (ii) listing the Securityholders whose new securities are subject to escrow under section 6.5, the escrow securities of the Securityholders whose new securities are not subject to escrow under section 6.5 will be released, and the Escrow Agent will send any share certificates or other evidence of the escrow securities in the possession of the Escrow Agent in accordance with section 2.3.
- (2) If your new securities are subject to escrow, unless subsection (3) applies, the Escrow Agent will hold your new securities in escrow on the same terms and conditions, including release dates, as applied to the escrow securities that you exchanged.
- (3) If the Issuer is
- (a) an emerging issuer, the successor issuer is an established issuer, and the business combination occurs 18 months or more after the Issuer's listing date, all escrow securities will be released immediately; and
 - (b) an emerging issuer, the successor issuer is an established issuer, and the business combination occurs within 18 months after the Issuer's listing date, all escrow securities that would have been released to that time, if the Issuer was an established issuer on its listing date, will be released immediately. Remaining escrow securities will be released in equal instalments on the day that is 6 months, 12 months and 18 months after the Issuer's listing date.

PART 7 RESIGNATION OF ESCROW AGENT

7.1 Resignation of Escrow Agent

- (1) If the Escrow Agent wishes to resign as escrow agent, the Escrow Agent will give written notice to the Issuer.
- (2) If the Issuer wishes to terminate the Escrow Agent as escrow agent, the Issuer will give written notice to the Escrow Agent.
- (3) If the Escrow Agent resigns or is terminated, the Issuer will be responsible for ensuring that the Escrow Agent is replaced not later than the resignation or termination date by another escrow agent that is acceptable to the securities regulators having jurisdiction in the matter and that has accepted such appointment, which appointment will be binding on the Issuer and the Securityholders.
- (4) The resignation or termination of the Escrow Agent will be effective, and the Escrow Agent will cease to be bound by this Agreement, on the date that is 60 days after the date of receipt of the notices referred to above by the Escrow Agent or Issuer, as applicable, or on such other date as the Escrow Agent and the Issuer may agree upon (the "resignation or termination date"), provided that the resignation or termination date will not be less than 10 business days before a release date.
- (5) If the Issuer has not appointed a successor escrow agent within 60 days of the resignation or termination date, the Escrow Agent will apply, at the Issuer's expense, to a court of

competent jurisdiction for the appointment of a successor escrow agent, and the duties and responsibilities of the Escrow Agent will cease immediately upon such appointment.

(6) On any new appointment under this section, the successor Escrow Agent will be vested with the same powers, rights, duties and obligations as if it had been originally named herein as Escrow Agent, without any further assurance, conveyance, act or deed. The predecessor Escrow Agent, upon receipt of payment for any outstanding account for its services and expenses then unpaid, will transfer, deliver and pay over to the successor Escrow Agent, who will be entitled to receive, all securities, records or other property on deposit with the predecessor Escrow Agent in relation to this Agreement and the predecessor Escrow Agent will thereupon be discharged as Escrow Agent.

(7) If any changes are made to Part 8 of this Agreement as a result of the appointment of the successor Escrow Agent, those changes must not be inconsistent with the Policy and the terms of this Agreement and the Issuer to this Agreement will file a copy of the new Agreement with the securities regulators with jurisdiction over this Agreement and the escrow securities.

PART 8 OTHER CONTRACTUAL ARRANGEMENTS

8.1 Escrow Agent Not a Trustee

The Escrow Agent accepts duties and responsibilities under this Agreement, and the escrow securities and any share certificates or other evidence of these securities, solely as a custodian, bailee and agent. No trust is intended to be, or is or will be, created hereby and the Escrow Agent shall owe no duties hereunder as a trustee.

8.2 Escrow Agent Not Responsible for Genuineness

The Escrow Agent will not be responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of any escrow security deposited with it.

8.3 Escrow Agent Not Responsible for Furnished Information

The Escrow Agent will have no responsibility for seeking, obtaining, compiling, preparing or determining the accuracy of any information or document, including the representative capacity in which a party purports to act, that the Escrow Agent receives as a condition to a release from escrow or a transfer of escrow securities within escrow under this Agreement.

8.4 Escrow Agent Not Responsible after Release

The Escrow Agent will have no responsibility for escrow securities that it has released to a Securityholder or at a Securityholder's direction according to this Agreement.

8.5 Indemnification of Escrow Agent

The Issuer and each Securityholder hereby jointly and severally agree to indemnify and hold harmless the Escrow Agent, its affiliates, and their current and former directors, officers, employees and agents from and against any and all claims, demands, losses, penalties, costs, expenses, fees and liabilities, including, without limitation, legal fees and expenses, directly or indirectly arising out of, in connection with, or in respect of, this Agreement, except, subject to section 8.7, where same result directly and principally from gross negligence, willful misconduct or bad faith on the part of the Escrow Agent. This indemnity survives the release of the escrow securities, the resignation or termination of the Escrow Agent and the termination of this Agreement.

8.6 Additional Provisions

(1) The Escrow Agent will be protected in acting and relying reasonably upon any notice, direction, instruction, order, certificate, confirmation, request, waiver, consent, receipt, statutory declaration or other paper or document (collectively referred to as "**Documents**") furnished to it and purportedly signed by any officer or person required to or entitled to execute and deliver to the Escrow Agent any such Document in connection with this Agreement, not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth or accuracy of any information therein contained, which it in good faith believes to be genuine.

(2) The Escrow Agent will not be bound by any notice of a claim or demand with respect thereto, or any waiver, modification, amendment, termination or rescission of this Agreement unless received by it in writing, and signed by the other Parties and approved by the Exchange, and, if the duties or indemnification of the Escrow Agent in this Agreement are affected, unless it has given its prior written consent.

(3) The Escrow Agent may consult with or retain such legal counsel and advisors as it may reasonably require for the purpose of discharging its duties or determining its rights under this Agreement and may rely and act upon the advice of such counsel or advisor. The Escrow Agent will give written notice to the Issuer as soon as practicable that it has retained legal counsel or other advisors. The Issuer will pay or reimburse the Escrow Agent for any reasonable fees, expenses and disbursements of such counsel or advisors.

(4) In the event of any disagreement arising under the terms of this Agreement, the Escrow Agent will be entitled, at its option, to refuse to comply with any and all demands whatsoever until the dispute is settled either by a written agreement among the Parties or by a court of competent jurisdiction.

(5) The Escrow Agent will have no duties or responsibilities except as expressly provided in this Agreement and will have no duty or responsibility under the Exchange Policy or arising under any other agreement, including any agreement referred to in this Agreement, to which the Escrow Agent is not a party.

(6) The Escrow Agent will have the right not to act and will not be liable for refusing to act unless it has received clear and reasonable documentation that complies with the terms of this Agreement. Such documentation must not require the exercise of any discretion or independent judgment.

(7) The Escrow Agent is authorized to cancel any share certificate delivered to it and hold such Securityholder's escrow securities in electronic or uncertificated form only, pending release of such securities from escrow.

(8) The Escrow Agent will have no responsibility with respect to any escrow securities in respect of which no share certificate or other evidence or electronic or uncertificated form of these securities has been delivered to it, or otherwise received by it.

(9) Any entity resulting from the merger, amalgamation or continuation of Computershare or succeeding to all or substantially all of its transfer agency business (by sale of such business or otherwise), shall thereupon automatically become the Escrow Agent hereunder without further act or formality. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

8.7 Limitation of Liability of Escrow Agent

The Escrow Agent will not be liable to any of the Parties hereunder for any action taken or omitted to be taken by it under or in connection with this Agreement, except for losses directly, principally and immediately caused by its bad faith, wilful misconduct or gross negligence. Under no circumstances will the Escrow Agent be liable for any special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages hereunder, including any loss of profits, whether foreseeable or unforeseeable. Notwithstanding the foregoing or any other provision of this Agreement, in no event will the collective liability of the Escrow Agent under or in connection with this Agreement to any one or more Parties, except for losses directly caused by its bad faith or willful misconduct, exceed the amount of its annual fees under this Agreement or the amount of three thousand dollars (\$3,000.00), whichever amount shall be greater.

8.8 Remuneration of Escrow Agent

The Issuer will pay the Escrow Agent reasonable remuneration for its services under this Agreement, which fees are subject to revision from time to time on 30 days' written notice. The Issuer will reimburse the Escrow Agent for its expenses and disbursements. Any amount due under this section and unpaid 30 days after request for such payment, will bear interest from the expiration of such period at a rate per annum equal to the then current rate charged by the Escrow Agent, payable on demand.

PART 9 NOTICES

9.1 Notice to Escrow Agent

Documents will be considered to have been delivered to the Escrow Agent on the next business day following the date of transmission, if delivered by fax, the date of delivery, if delivered by hand during normal business hours or by prepaid courier, or 5 business days after the date of mailing, if delivered by mail, to the following:

Computershare Trust Company of Canada
510 Burrard Street, 3rd Floor
Vancouver, B.C., V6C 3B9

Attention: General Manager, Client Services
Fax: (604) 661-9401

9.2 Notice to Issuer

Documents will be considered to have been delivered to the Issuer on the next business day following the date of transmission, if delivered by fax, the date of delivery, if delivered by hand during normal business hours or by prepaid courier, or 5 business days after the date of mailing, if delivered by mail, to the following:

Reservoir Capital Corp.
543 Granville St. Suite #501
Vancouver, B.C., V6C 1X8

Attention: Kim Casswell
Email: kcasswell@seabordservices.com
Phone: (604) 669-0660
Fax: (604) 688-1157

9.3 Deliveries to Securityholders

Documents will be considered to have been delivered to a Securityholder on the date of delivery, if delivered by hand or by prepaid courier, or 5 business days after the date of mailing, if delivered by mail, to the address on the Issuer's share register.

Any share certificates or other evidence of a Securityholder's escrow securities will be sent to the Securityholder's address on the Issuer's share register unless the Securityholder has advised the Escrow Agent in writing otherwise at least ten business days before the escrow securities are released from escrow. The Issuer will provide the Escrow Agent with each Securityholder's address as listed on the Issuer's share register.

9.4 Change of Address

(1) The Escrow Agent may change its address for delivery by delivering notice of the change of address to the Issuer and to each Securityholder.

(2) The Issuer may change its address for delivery by delivering notice of the change of address to the Escrow Agent and to each Securityholder.

(3) A Securityholder may change that Securityholder's address for delivery by delivering notice of the change of address to the Issuer and to the Escrow Agent.

9.5 Postal Interruption

A Party to this Agreement will not mail a document it is required to mail under this Agreement if the Party is aware of an actual or impending disruption of postal service.

PART 10 GENERAL

10.1 Interpretation - "holding securities"

When this Agreement refers to securities that a Securityholder "holds", it means that the Securityholder has direct or indirect beneficial ownership of, or control or direction over, the securities.

10.2 Further Assurances

The Parties will execute and deliver any further documents and perform any further acts reasonably requested by any of the Parties to this Agreement which are necessary to carry out the intent of this Agreement.

10.3 Time

Time is of the essence of this Agreement.

10.4 Incomplete IPO

If the Issuer does not complete its IPO and has become a reporting issuer in one or more jurisdictions because it has obtained a receipt for its IPO prospectus, this Agreement will remain in effect until the securities regulators in those jurisdictions order that the Issuer has ceased to be a reporting issuer.

10.5 Governing Laws

The laws of British Columbia (the “**Principal Regulator**”) and the applicable laws of Canada will govern this Agreement.

10.6 Jurisdiction

The securities regulator in each jurisdiction where the Issuer files its IPO prospectus has jurisdiction over this Agreement and the escrow securities.

10.7 Consent of Securities Regulators to Amendment

Except for amendments made under Part 3, the securities regulators with jurisdiction must approve any amendment to this Agreement and will apply mutual reliance principles in reviewing any amendments that are filed with them. Therefore, the consent of the Principal Regulator will evidence the consent of all securities regulators with jurisdiction.

10.8 Counterparts

The Parties may execute this Agreement by fax and in counterparts, each of which will be considered an original and all of which will be one agreement.

10.9 Singular and Plural

Wherever a singular expression is used in this Agreement, that expression is considered as including the plural or the body corporate where required by the context.

10.10 Language

This Agreement has been drawn up in the English language at the request of all Parties. Cette convention a été rédigé en anglais à la demande de toutes les Parties.

10.11 Benefit and Binding Effect

This Agreement will benefit and bind the Parties and their heirs, executors, administrators, successors and permitted assigns and all persons claiming through them as if they had been a Party to this Agreement.

10.12 Entire Agreement


This is the entire agreement among the Parties concerning the subject matter set out in this Agreement and supersedes any and all prior understandings and agreements.

10.13 Successor to Escrow Agent


Any corporation with which the Escrow Agent may be amalgamated, merged or consolidated, or any corporation succeeding to the business of the Escrow Agent will be the successor of the Escrow Agent under this Agreement without any further act on its part or on the part or any of the Parties, provided that the successor is recognized as a transfer agent by the Canadian exchange the Issuer is listed on (or if the Issuer is not listed on a Canadian exchange, by any Canadian exchange) and notice is given to the securities regulators with jurisdiction.

The Parties have executed and delivered this Agreement as of the date set out above.

COMPUTERSHARE TRUST COMPANY OF CANADA



Authorized signatory



Authorized signatory

RESERVOIR CAPITAL CORP.

Authorized signatory

Authorized signatory

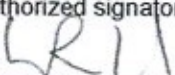
Authorized signatory

Authorized signatory

RESERVOIR CAPITAL CORP.

"Lewis Reford"

Authorized signatory



Authorized signatory

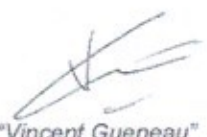
Signed, sealed and delivered by
Vincent Gueneau in the presence of:



Signature of Witness

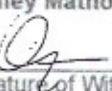
Andre Jr. Ayotte

Name of Witness



"Vincent Gueneau"
VINCENT GUENEAU


Signed, sealed and delivered by
Vianney Mathonnet in the presence of:



Signature of Witness

Andre Jr. Ayotte

Name of Witness



"Vianney Mathonnet"
VIANNEY MATHONNET

KAPPAFRİK MANAGEMENT DMCC

"Vincent Gueneau"
Authorized signatory



SCHEDULE "A" TO ESCROW AGREEMENT

Securityholder

Name: KAPPAFRIK MANAGEMENT DMCC

Securities:

<i>Class or description</i>	<i>Number</i>	<i>Certificate(s) (if applicable)</i>
Common Shares	88,800,000	

Securityholder

Name: Vincent Gueneau

Securities:

<i>Class or description</i>	<i>Number</i>	<i>Certificate(s) (if applicable)</i>
Common Shares	32,000,000	

Securityholder

Name: Vianney Mathonnet

Securities:

<i>Class or description</i>	<i>Number</i>	<i>Certificate(s) (if applicable)</i>
Common Shares	2,000,000	

SCHEDULE "B" TO ESCROW AGREEMENT

Acknowledgment and Agreement to be Bound

I acknowledge that the securities listed in the attached Schedule "A" (the "escrow securities") have been or will be transferred to me and that the escrow securities are subject to an Escrow Agreement dated _____ (the "Escrow Agreement").

For other good and valuable consideration, I agree to be bound by the Escrow Agreement in respect of the escrow securities, as if I were an original signatory to the Escrow Agreement.

Dated at _____ on _____.

Where the transferee is an individual:

Signed, sealed and delivered by
[Transferee] in the presence of:

Signature of Witness

Name of Witness

)
)
)
)
)
)
)
)
)
)
)

[Transferee]

Where the transferee is not an individual:

[Transferee]

Authorized signatory

Authorized signatory