RESERVOIR CAPITAL CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017
(Unaudited)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Reservoir Capital Corp. for the nine months ended September 30, 2018 and 2017 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

RESERVOIR CAPITAL CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	September 30 2018	December 31 2017
ASSETS		
Current		
Cash	$ 562,143	$ 14,948
Receivables (Note 4)	7,589	145,572
Prepaid expenses	9,653	-
Total current assets	579,385	160,520
Non-current		
Investment in MESL (Note 5)	13,624,344	13,246,112
Total non-current assets	13,624,344	13,246,112
TOTAL ASSETS	$ 14,203,729	$ 13,406,632
LIABILITIES AND EQUITY		
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	$ 70,624	$ 16,425
Promissory note payable (Note 7)	235,471	-
Total liabilities	306,095	16,425
EQUITY		
Share capital (Note 8)	4,764,631	778,514
Reserves	13,593,066	13,255,522
Deficit	(4,558,004)	(643,829)
Total equity attributable to equity holders of the Company	13,799,693	13,390,207
Non-controlling interests	97,941	-
Total equity	13,897,634	13,390,207
TOTAL LIABILITIES AND EQUITY	$ 14,203,729	$ 13,406,632

Nature of operations and going concern (Note 1)

These condensed interim consolidated financial statements are approved and authorized for issuance by the Board of Directors on November 23, 2018.

"Lewis Reford" Director　　　*"C. Winston Bennett"* Director

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

RESERVOIR CAPITAL CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(Expressed in Canadian dollars)

	Three months ended September 30 2018	Three months ended September 30 2017	Nine months ended September 30 2018	Nine months ended September 30 2017
Revenue				
Dividend income (Note 5)	$ 83,609	$ -	$ 83,609	$ -
General and administrative expenses				
Administrative services and office	(1,373)	(3,699)	(7,998)	(14,877)
Professional fees	(16,894)	(2,020)	(19,369)	(2,020)
Transfer agent and filing fees	(641)	-	(641)	-
Travel and related costs	(5,700)	-	(5,700)	-
Income (loss) from operations	59,001	(5,719)	49,901	(16,897)
Foreign exchange gain (loss)	(2,548)	-	13,296	
Interest and other expenses	(1,513)	(443)	(1,890)	(1,452)
Listing costs (Note 3)	(3,972,328)	-	(3,972,328)	-
Income (loss) before income taxes	(3,917,388)	(6,162)	(3,911,021)	(18,349)
Current income tax expense	(8,361)	-	(8,361)	-
Deferred income tax expense	-	-	-	-
Net income (loss)	$ (3,925,749)	$ (6,162)	$ (3,919,382)	$ (18,349)
Attributable to:				
Equity shareholders of the Company	$ (3,920,542)	$ (6,162)	$ (3,914,175)	$ (18,349)
Non-controlling interests	$ (5,207)	$ -	$ (5,207)	$ -
Basic and diluted earnings (loss) per share	$ (0.06)	$ (0.00)	$ (0.08)	$ (0.00)
Weighted average no. of common shares outstanding - basic and diluted	64,152,064	18,611,544	52,062,780	18,611,544

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

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

	Three months ended September 30 2018	Three months ended September 30 2017	Nine months ended September 30 2018	Nine months ended September 30 2017
Net income (loss)	$ (3,925,749)	$ (6,162)	$ (3,919,382)	$ (18,349)
Other comprehensive income (loss)				
Items that may be reclassified subsequently to profit and loss				
Foreign currency translation adjustment	382,346	-	382,346	-
Total comprehensive income (loss)	$ (3,543,403)	$ (6,162)	$ (3,537,036)	$ (18,349)
Attributable to:				
Equity shareholders of the Company	$ (3,627,665)	$ (6,162)	$ (3,621,298)	$ (18,349)
Non-controlling interests	$ 84,262	$ -	$ 84,262	$ -

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

RESERVOIR CAPITAL CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

	Nine months ended September 30 2018	Nine months ended September 30 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ (3,919,382)	$ (18,349)
Adjustments for:		
Interest expense	217	-
Listing costs	3,972,328	-
Unrealized foreign exchange effect	4,114	-
Changes in non-cash working capital items:		
Receivables	144,880	-
Prepaid expenses	(1,194)	-
Accounts payable and accrued liabilities	12,834	663
Net cash used in operating activities	213,797	(17,686)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary	333,398	-
Net cash provided by investing activities	333,398	-
Change in cash during the period	547,195	(17,686)
Cash, beginning of period	14,948	23,166
Cash, end of period	$ 562,143	$ 5,480

Supplemental disclosure with respect to cash flows (Note 10)

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

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

	Number of shares		Share capital		Reserves		Deficit		Non-controlling interests		Total equity
Balance as at December 31, 2017	48,164,424	$	778,514	$	13,255,522	$	(643,829)	$	-	$	13,390,207
Acquisition of KPHL (Note 3)	158,100,000		3,986,117		44,667		-		13,679		4,044,463
Net income (loss)	-		-		-		(3,914,175)	$	(5,207)		(3,919,382)
Other comprehensive income (loss)	-		-		292,877		-		89,469		382,346
Balance as at September 30, 2018	206,264,424	$	4,764,631	$	13,593,066	$	(4,558,004)	$	97,941	$	13,897,634

	Number of shares		Share capital		Deficit		Total equity
Balance as at December 31, 2016	18,611,544	$	778,514	$	(762,611)	$	15,903
Net income (loss)	-		-		(18,349)		(18,349)
Balance as at September 30, 2017	18,611,544	$	778,514	$	(780,960)	$	(2,446)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Reservoir Capital Corp. ("Reservoir" or the "Company") was incorporated under the Business Corporations Act (Alberta) on March 23, 2006 and was continued into British Columbia, under the Business Corporations Act (British Columbia) on November 15, 2007. The address of the Company's head office is 501 - 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8.

In 2018, the Company refocused its business operations from a greenfield hydro project developer to an investment firm. Consequently, the Company signed its definitive share purchase agreement (the "SPA") with Kappafrik Management DMCC ("KMGT") to acquire 60% of the outstanding shares of Kainji Power Holding Limited ("KPHL") resulting in an indirect minority ownership interest in Mainstream Energy Solutions Limited (Note 3). In connection to the SPA, Reservoir issued 158,100,000 common shares of the Company to KMGT and certain KMGT shareholders and designees, who held 76.6% of the total issued and outstanding common shares of the Company on closing of the transaction. Given the nature of the acquisition accounting, all comparative information has been adjusted to reflect KPHL as the accounting acquirer. Concurrent with the closing of the Transaction, the Company completed its listing of its common shares on the Canadian Securities Exchange ("CSE") for trading and de-listing from the TSX Venture Exchange (the "TSX-V").

The Company's current primary focus is to seek returns through investments in the securities of other clean power companies and clean power assets, which may be located in emerging nations and, consequently, may be subject to a higher level of risk compared to more developed countries. Operations, the status of renewable energy licenses and the recoverability of investments in emerging nations can be affected by changing economic, regulatory and political situations.

These condensed interim consolidated financial statements of the Company are presented in Canadian dollars unless otherwise indicated. The condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations, or to partner or sell its projects to a third party. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. As at September 30, 2018, the Company has not achieved profitable operations and has accumulated losses since inception. There is material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and basis of measurement

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting 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 year ended December 31, 2017, 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.

(Expressed in Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Change in accounting policy

Financial instruments

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

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

The adoption of IFRS 9 did not result in any material changes to the Company's financial statements.

Revenue recognition

Effective January 1, 2018, the Company has adopted IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). The Company elected to apply IFRS 15 using a modified retroactive approach by recognizing the cumulative effect of initially adopting this standard at the date of initial recognition. Comparative information has not been restated and continues to be reported under IAS 18 Revenue ("IAS 18"). The Company has concluded that there was no cumulative effect adjustment required to be recognized at January 1, 2018. The details of the accounting policy changes are described below.

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

The Company has concluded that there were no significant changes in the accounting for dividend income as a result of the transition to IFRS 15 as the timing of control remains unchanged from policies applied prior to the adoption of IFRS 15.

(Expressed in Canadian dollars)

3. ACQUISITION OF KPHL

In September 2018, the Company entered into a definitive share purchase agreement with Kappafrik Management DMCC ("KMGT") to acquire 60% of the issued and outstanding shares of Kainji Power Holding Limited, who holds an investment in Mainstream Energy Solutions Limited ("MESL"). In connection to the SPA, Reservoir issued 158,100,000 common shares of the Company to KMGT and certain KMGT shareholders and designees, who held 76.6% of the total issued and outstanding common shares of the Company on closing of the transaction. As result, the transaction had been recognized as a reverse acquisition, where KPHL was the accounting acquirer, who has obtained control; and Reservoir was the accounting acquiree. Furthermore, Reservoir did not meet the criteria of a "business" under IFRS; therefore, the acquisition has been recognized as an asset acquisition. The purchase price allocation is as follow:

		Amounts
Considerations paid:		
Common shares	$	3,986,117
Share purchase warrants		44,667
Listing costs		(3,972,328)
	$	58,456
Net assets acquired:		
Cash	$	333,398
Receivables		6,897
Prepaid expenses		8,459
Accounts payable and accrued liabilities		(41,365)
Promissory note payable		(235,254)
		72,135
Non-controlling interests		(13,679)
	$	58,456

4. RECEIVABLES

The Company's receivables arise from dividend receivable and goods and services tax ("GST") receivable from government taxation authority.

5. INVESTMENT IN MESL

In December 2017, KPHL has acquired 8,443,333 shares of MESL, representing a 2.1% ownership interest in this Nigerian entity. MESL operates a 1,338.4 megawatt ("MW") hydroelectric power generation plant. As at September 30, 2018 and December 31, 2017, the carrying amount of this investment was adjusted to its fair value using the discounted cash flow ("DCF") method with the following inputs and assumptions: (a) weighted average cost of capital ("WACC") of 13%, (b) discount for possible lack of martketability of 20%, and (c) foreign exchange rate of C$1/US$0.77. There have been no transfers between different levels during the nine months ended September 30, 2018.

During the nine months ended September 30, 2018, the Company recognized $83,609 (2017 - $Nil) of dividend income from MESL.

(Expressed in Canadian dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30 2018	December 31 2017
Trade accounts payable	$ 27,574	$ 16,425
Accrued liabilities	43,050	-
	$ 70,624	$ 16,425

7. PROMISSORY NOTE PAYABLE

As part of the acquisition, the Company assumed a promissory note payable (Note 3) owed to a former related party of Reservoir carrying an interest at the rate of 4% per annum. As at September 30, 2018, the Company owed $235,471 (December 31, 2017 - $Nil), which included accrued interest expense of $18,830 (December 31, 2017 - $Nil).

8. SHARE CAPITAL

Authorized share capital

Authorized share capital consists of an unlimited number of common shares without par value. As at September 30, 2018, 158,100,000 (December 31, 2017 - Nil) common shares were held in escrow.

In September 2018, the Company issued 158,100,000 common shares to acquire 60% ownership interest in KPHL (Note 3).

Share purchase warrants

The continuity of share purchase warrants for the nine months ended September 30, 2018 are as follows:

	Number of warrants	Weighted average exercise price
Balance as at December 31, 2017	-	$ -
Acquisition of KPHL (Note 3)	11,985,582	0.28
Balance as at September 30, 2018	11,985,582	$ 0.28

The weighted average remaining contractual life of the warrants is 0.78 (December 31, 2017 - Nil) years.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (cont'd…)

Share purchase warrants (cont'd…)

Share purchase warrants outstanding and exercisable as at September 30, 2018 are as follows:

Expiry Date			Exercise price	Number of warrants
Nov 14, 2018		$	0.05	2,800,000
Dec 07, 2018		$	0.05	1,200,000
Jul 09, 2019	(1)	$	0.20	2,293,100
Aug 01, 2019	(1)	$	0.20	2,188,232
Dec 01, 2019	(2)	$	0.60	1,652,500
Jan 01, 2020	(2)	$	0.60	498,500
Feb 06, 2020	(2)	$	0.60	350,750
Nov 06, 2020	(3)	$	0.75	1,002,500
Total				11,985,582

(1) Expiry may be accelerated, if closing price of the Company's shares on the CSE is $0.30 or greater for 30 trading days
(2) Expiry may be accelerated, if closing price of the Company's shares on the CSE is $0.80 or greater for 30 trading days
(3) Expiry may be accelerated, if closing price of the Company's shares on the CSE is $0.90 or greater for 30 trading days

9. RELATED PARTY TRANSACTIONS

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

Nine months ended September 30, 2018		Salary of fees		Share-based payments		Total
Management	$	-	$	-	$	-
Outside directors		-		-		-
	$	-	$	-	$	-

Nine months ended September 30, 2017		Salary of fees		Share-based payments		Total
Management	$	-	$	-	$	-
Outside directors		-		-		-
	$	-	$	-	$	-

Included in accounts payable and accrued liabilities, as at September 30, 2018 was $Nil (December 31, 2017 - $1,923) due to related parties.

(Expressed in Canadian dollars)

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the nine months ended September 30, 2018, the Company issued 158,000,000 common shares and 11,985,582 share purchase warrants, valued at $3,986,117 and $44,667, respectively, to complete the Transaction and acquire Reservoir's net assets of $758,456, net of non-controlling interests of $13,679.

During the nine months ended September 30, 2017, the Company did not have any significant non-cash investing and financing activities.

11. SEGMENTED INFORMATION

The Company operates in a single segment, the exploration and development of renewable energy. In addition, the Company has corporate activities, which include the evaluation and acquisition of new investments, treasury and finance, regulatory reporting, and corporate administration. As at September 30, 2018 and December 31, 2017, the Company's core asset, the investment in MESL, was located in Nigeria.

12. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT

Risk and Capital Management

The Company considers items included in equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company currently has no source of revenue. In order to fund its projects and pay for administrative costs, the Company raised additional funds during fiscal 2018. As at September 30, 2018, the Company had a working capital of $273,290 (December 31, 2017 - $144,095). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through public and/or private placements, sell assets, or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

Financial Instruments

The Company classified its financial instruments as follows:

As at September 30, 2018	Amortized cost	FVOCI
Cash	$ 562,143	$ -
Investment in MESL	-	13,624,344
Accounts payable and accrued liabilities	(70,624)	-
Promissory notes payable	(235,471)	-
	$ 256,048	$ 13,624,344

(Expressed in Canadian dollars)

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

Financial Instruments (cont'd…)

As at December 31, 2017		Amortized cost		FVOCI
Cash	$	14,948	$	-
Receivables		145,572		
Investment in MESL		-		13,246,112
Accounts payable and accrued liabilities		(16,425)		-
	$	144,095	$	13,246,112

Fair Value

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

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

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. As at September 30, 2018, the Company's financial instruments measured at fair value are as follows:

Financial Assets		Level 1		Level 2		Level 3		Total
Investment in MESL	$	-	$	-	$	13,624,344	$	13,624,344

The carrying value of cash, receivables, accounts payable and accrued liabilities, and promissory notes payable approximated their fair value because of the short-term nature of these instruments. The fair value of the Company's investment in MESL was determined based on unobservable inputs using a discounted cash flow method (Note 5) and thereby classified with Level 3 of the fair value hierarchy.

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

Credit Risk

The Company is exposed to credit risk by holding cash. This risk is minimized by holding the funds in Canadian banks or Canadian treasury bills.

Interest Rate Risk

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

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

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company is exposed to liquidity risk and actively manages its working capital items and available resources.

Currency Risk

The primary exposure of the Company is its investment in MESL, which is denominated in Nigerian Naira ("NGN"). Consequently, the Company is exposed to the risk that the exchange rates relative to the NGN may change in a manner which has a material effect on the carrying amount of its investment denominated in NGN.