RESERVOIR CAPITAL CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

GENERAL

This management's discussion and analysis of the financial position and results of operations is as at May 10, 2019 and should be read in conjunction with the consolidated financial statements of Reservoir Capital Corp. (the "Company" or "Reservoir") for the year ended December 31, 2018 and 2017 and the related notes thereto. Those consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in the following management's discussion and analysis ("MD&A") are in Canadian dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR at www.sedar.com or on the Company's website at www.reservoircapitalcorp.com.

FORWARD LOOKING INFORMATION

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

COMPANY OVERVIEW

The Company's 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.

Reservoir is a reporting issuer in British Columbia, Alberta, and Ontario, and its common shares trade on the Canadian Securities Exchange ("CSE") under the symbol REO and on the Berlin and Frankfurt Exchanges under the symbol ROC.

HIGHLIGHTS FOR THE YEAR

During the year ended December 31, 2018, the Company:

- acquired a 60% interest in Kainji Power Holding Limited ("KPHL"), who holds an investment in Mainstream Energy Solutions Limited ("MESL"), a leading producing hydropower company in Nigeria, by issuing 158,100,000 common shares of the Company;

- recorded revenue of $375,894 (2017 - $145,690) from dividend declared/paid by MESL;

- recorded a loss of $1,302,660 for the year ended December 31, 2018 compared to net income of $118,782 for the comparative year. Included in the loss for the current year is listing expense of $1,658,287 as a result of the reverse acquisition by KPHL; and

- appointed Mr. Vincent Gueneau, Mr. Vianney Mathonnet, and Ms. Andrea Zaradic to the Board of Directors of the Company.

ACQUISTION OF KAINJI POWER HOLDING LIMITED

On September 21, 2018, the Company executed its definitive share purchase agreement (the "Agreement") with Kappafrik Management DMCC ("KMGT") to acquire 60% of the outstanding shares of Kainji Power Holding Limited resulting in an indirect minority ownership interest in Mainstream Energy Solutions Limited (the "Transaction"). 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").

KPHL is a company governed by the laws of Mauritius; whose sole investment is 8,433,333 shares of MESL (representing approximately a 2.1% interest). After acquiring its 60% interest in KPHL, the Company has an indirect approximately 1.3% interest in MESL. As consideration, Reservoir issued an aggregate of 158,100,000 common shares to KMGT and certain KMGT shareholders and designees (collectively, the "New Shareholders"). The Agreement was negotiated at arm's length and replaces the Heads of Agreement.

Upon completion of the Transaction, the Company had 206,264,424 common shares outstanding and the New Shareholders held in aggregate 76.6%. In addition, the Company had an aggregate of 11,985,582 share purchase warrants (4,000,000 expired) exercisable at an average exercise price of $0.28 per share from December 7, 2018 to November 6, 2020 (with certain warrants subject to expiry acceleration provisions). Common shares of the Company issued to the New Shareholders are subject to restrictions on transfer under Canadian securities law expiring four months following closing and certain shares will be subject to escrow pursuant to the policies of the CSE for up to three years.

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

Mainstream Energy Solutions Limited

Mainstream Energy Solutions Limited is Nigeria's leading producing hydropower company and KPHL's sole investment. MESL owns and operates the two largest hydropower plants on the Niger River in Nigeria, with aggregate operating capacity of 922 megawatt ("MW"). The two facilities are world-class assets operating under a long-term concession agreement. The dams' proven hydrology allows balanced power production all year long in a demand environment that is critically short of dependable power. For more information on MESL, visit: http://mainstream.com.ng. During the year ended December 31, 2018, the Company received 1,688,666 bonus shares of MESL, resulting in 10,131,999 of total shares held and recognized $375,894 of dividend income from MESL.

APPOINTMENT OF NEW DIRECTORS

Upon closing of the Transaction, the Company's Board of Directors consisted five members: two of which were nominees of KMGT, two of which were existing Reservoir board members (Mr. Lewis Reford and Mr. Winston Bennett), and one new director (Ms. Andrea Zaradic). The current officers of Reservoir have continued to serve in their positions post-closing. The following three individuals were appointed as new directors:

Vincent Gueneau

Mr. Gueneau, a French national, is a trained Engineer who started his career in the French group Alstom and then turned Entrepreneur, Investment Banker and Private Equity Investor. He has over 20 years of track-record in the Energy Sector in Sub-Saharan Africa and serves on the board of multiple companies. He started his career in the French power group Alstom before becoming a successful Entrepreneur in the oil services industry, subsequently serving as a Senior Adviser and Managing Director in Renaissance Capital, before founding a private equity group in Mauritius. He was a party or advised on multiple private equity transactions in Africa, as well as bids related to privatizations and leveraged buyouts. He served on the Board of the French-Nigerian Chamber of Commerce for 5 years and as Economic Advisor to the French Ministry of Finance &

Industry for 3 years ("CCE" Nigeria Section, by appointment of the French Prime Minister). He is an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria, and a registered professional of the Financial Reporting Council of Nigeria.

Vianney Mathonnet

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

Andrea Zaradic

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.

OUTLOOK

The focus of the Company is to manage its portfolio of investments and identify new opportunities in clean power. There is no certainty that new opportunities will be identified, or that the Company will be able to raise the necessary funds to move its clean power growth strategy forward.

Prior to the Transaction, funding for the operations of the business has been provided by an equity private placement with third parties and from loans from directors and other insiders. Currently, the business is able to rely, in part, on the flow of dividends from its investments. There is no certainty that funds from third parties or dividends will continue to be available.

ANNUAL FINANCIAL INFORMATION

Year ended	December 31 2018	December 31 2017[1]	December 31 2016[1]
Financial Results			
Revenue	$ 375,894	$ 145,690	$ -
General and administrative expenses	270,811	26,908	786,982
Loss for the year	(1,302,660)	118,782	(786,982)
Loss per share - basic and diluted	(0.01)	0.00	(0.04)
Financial Position			
Working capital	368,408	144,095	17,026
Total assets	15,817,994	13,406,632	27,674
Share capital	2,152,863	778,514	833,479
Deficit	(1,835,058)	(643,829)	(816,453)

[1] Comparative information has been adjusted for the acquisition of KPHL

QUARTERLY FINANCIAL INFORMATION

Quarter ended	December 31 2018	September 30 2018[1]	June 30 2018[1]	March 31 2018[1]
Financial Results				
Dividend income	$ 292,285	$ 83,609	$ -	$ -
General and administrative expenses	237,103	24,608	6,074	3,026
Listing expense	(2,314,041)	3,972,328	-	-
Income (loss) for the period	2,616,722	(3,925,749)	(6,074)	12,441
Earnings (loss) per share - basic and diluted	0.01	(0.04)	(0.00)	0.00

Quarter ended	December 31 2017[1]	September 30 2017[1]	June 30 2017[1]	March 31 2017[1]
Financial Results				
Dividend income	$ 145,690	$ -	$ -	$ -
General and administrative expenses	10,011	5,719	1,170	10,008
Impairment	-	-	-	-
Income (loss) for the period	137,131	(6,162)	(1,170)	(11,017)
Earnings (loss) per share - basic and diluted	0.00	(0.00)	(0.00)	(0.00)

[1] Comparative information has been adjusted for the acquisition of KPHL

RESULTS OF OPERATIONS

Three months ended December 31, 2018

The Company recorded an income of $2,616,722 for the quarter ended December 31, 2018 compared to a net income of $137,131 for the comparative quarter. The current quarter income was primarily adjustment to listing expense attributable to the Transaction under IFRS. The Company also recorded $292,285 of dividend income for the period.

Year ended December 31, 2018

The Company recorded a loss of $1,302,660 for the year ended December 31, 2018 compared to net income of $118,782 for the comparative period. Loss for the current year was primarily attributable to the listing expense recognized under IFRS for the Transaction. However, the Company also recorded $375,894 of dividend income for the year.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2018, the Company had working capital of $368,408, which primarily comprised cash of $475,354, receivables of $309,045, accounts payable and accrued liabilities of $184,132, and promissory notes of $237,689. The Company had no long-term debt. All of the Company's cash is held in interest bearing accounts.

In order to continue as a going concern, the Company 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 unable to meet its obligations.

Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The 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.

During the year ended December 31, 2018, cash increased by $460,406. The increase was primarily due to net cash provided by operating and investing activities of $105,507 and $333,398, respectively.

Operating activities

During the year ended December 31, 2018, net cash provided by operating activities amounted to $105,570, which included an increase in receivables of $156,576, offset by an increase in accounts payable and accrued liabilities of $126,342.

Investing activities

Upon the closing of the Transaction, the Company acquired net assets held by Reservoir, which included its cash position of $333,398.

FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT

Please refer to the audited consolidated financial statements for the year ended December 31, 2018 on www.sedar.com.

RELATED PARTY TRANSACTIONS

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

For the year ended December 31, 2018		Salary or fees		Share-based payments		Total
Management	$	85,000	$	-	$	85,000
Outside directors		20,000		-		20,000
	$	105,000	$	-	$	105,000

For the year ended December 31, 2017		Salary or fees		Share-based payments		Total
Management	$	-	$	-	$	-
Outside directors		-		-		-
	$	-	$	-	$	-

Included in accounts payable and accrued liabilities, as at December 31, 2018 was $123,744 (2017 - $1,923) due to related parties.

EVENTS AFTER THE REPORTING DATE

Subsequent to December 31, 2018, the Company:

- settled $242,036 of promissory note payable including accrued interest by issuing 4,840,720 common shares and 1,000,000 share purchase warrants exercisable at $0.10 per share for one year;
- received US$332,626 of dividend income from MESL; and
- entered into a share exchange agreement where the Company will issue 199,018,240 common shares to acquire 9,950,912 shares of MESL and 67,675,993 common shares to acquire 350 shares of KPHL, subject to regulatory approval.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING JUDGMENTS

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

- when the fair values of financial instruments cannot be measured based upon 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 market where possible, but where this is not feasible, a degree of judgment is required in establishing fair value. Judgements include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions related to these factors could affect the reported fair value of this financial instrument.

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

- the functional currency of each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment. The Canadian dollar was determined to be the functional currency for all entities within the corporate group, except KPHL, on a prospective basis. All entities continue to measure the items in their financial statements using their functional currencies.

CHANGE OF 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
Receivables	Loans and receivables	Amortized cost
Investment in MESL	Available-for-sale investment	FVOCI
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Promisory notes payable	Other financial liabilities	Amortized cost

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to initial recognition and how changes in value are recorded. The following accounting policies apply to the subsequent measurement of financial assets.

a) Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

b) Financial assets at amortized cost - These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
c) Financial assets at FVOCI - These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Gains or losses recognized on the sale of the equity investment are recognized in other comprehensive income (loss) and are never reclassified to profit or loss.

Financial liabilities are designated as either fair value through profit or loss, or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

IFRS 9 uses the expected credit loss ("ECL") model on financial assets measured at amortized cost and financial liabilities that are financial guarantee contracts or commitments to provide a loan at a below-market interest rate. The measurement options for the ECL are lifetime expected credit losses and 12-month expected credit losses. The ECL model is based on an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. As the Company elected to follow the simplified approach of always measuring the loss allowance for receivables at the lifetime ECL, IFRS 9 did not have a material impact on the Company's receivables balance.

The Company does not have any instruments that are designated in a hedge relationship; therefore, the new general hedge accounting model included in IFRS 9 has not impacted the consolidated 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.

RISKS AND UNCERTAINTIES

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

Competition

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

Financing risks

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

Share price fluctuations

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

Insurance and uninsured risks

Through its investment interests in operating companies, the Company may be subject to a number of risks and hazards in general, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in the damage to the Company's investment's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability. Although the Company's investments 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's investments 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 and its investments' results and a decline in the value of the securities of the Company.

Conflicts of interest

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

Foreign country and political risk

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 investments. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its expenditures in local currencies. At this time there are no currency hedges in place.

Environmental risks and hazards

The activities of the Company's investments 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 of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the operations of the Company's investments. Environmental hazards may exist on properties in which the Company holds indirect interests which are unknown to the Company at present.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 211,105,144 common shares issued and outstanding. There were 8,985,582 share purchase warrants outstanding with expiry dates from July 9, 2019 to November 6, 2020.