RESERVOIR CAPITAL CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

GENERAL

This management's discussion and analysis of the financial position and results of operations is as at August 29, 2019 and should be read in conjunction with the condensed interim consolidated financial statements of Reservoir Capital Corp. (the "Company" or "Reservoir") for the six months ended June 30, 2019 and 2018 and the related notes thereto. Those condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in the following management's discussion and analysis ("MD&A") are in Canadian dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR at www.sedar.com or on the Company's website at www.reservoircapitalcorp.com.

FORWARD LOOKING INFORMATION

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

COMPANY OVERVIEW

The Company's 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 QUARTER

During the three months ended June 30, 2019, the Company:

- continued to manage its interest in Kainji Power Holding Limited ("KPHL"), which holds an investment in Mainstream Energy Solutions Limited ("MESL"), a leading producing hydropower company in Nigeria. MESL operates two hydroelectric power generation plants in Nigeria with a combined nameplate capacity of 1,338 megawatts ("MW") and current operating capacity of 922 MW;

- acquired an additional 35% interest in KPHL by issuing 70,923,993 of the common shares of the Company;

- acquired an additional 9,950,912 shares of MESL by issuing 199,018,240 common shares of the Company; and

- recorded net loss of $142,651 for the quarter, compared to $6,127 in the same quarter last year.

OVERALL PERFORMANCE

Kainji Power Holding Limited

Previously, the Company held 60% of the outstanding shares of KPHL, an incorporated special purpose vehicle ("SPV") governed by the laws of Mauritius, whose sole investment is shares of MESL.

In June 2019, the Company acquired an additional 35% interest in KPHL by issuing 70,923,993 of the common shares of the Company. In addition, the Company acquired 9,950,912 shares of MESL by issuing 199,018,240 common shares of the Company. The shares of MESL acquired directly by the Company have been transferred and held by KPHL.

The Company currently owns 95% of the outstanding shares of KPHL, whose aggregate investment is 20,082,911 shares of MESL representing a 4.0% economic interest in MESL.

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 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.

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 2018 acquisition of its 60% stake in KPHL, the Company had no material investments and funding for operations of the business had been provided by equity private placements with third parties and from loans from directors and other insiders. Subsequent to the 2018 acquisition and more recently in 2019 the increased 95% stake in KPHL, 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.

QUARTERLY FINANCIAL INFORMATION

Quarter ended	June 30 2019	March 31 2019	December 31 2018	September 30 2018
Financial Results				
Dividend income	$ -	$ 442,287	$ 292,285	$ 83,609
General and administrative expenses	236,542	116,105	237,103	24,608
Listing expense	-	-	(2,314,041)	3,972,328
Income (loss) for the period	(142,651)	252,900	2,616,722	(3,925,749)
Earnings (loss) per share - basic and diluted	(0.00)	0.00	0.01	(0.04)

Quarter ended	June 30 2018(1)	March 31 2018(1)	December 31 2017(1)	September 30 2017(1)
Financial Results				
Dividend income	$ -	$ -	$ 145,690	$ -
General and administrative expenses	6,127	3,026	10,011	5,719
Income (loss) for the period	(6,127)	12,441	137,131	(6,162)
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 June 30, 2019

The Company recorded a loss of $142,651 for the quarter ended June 30, 2019 compared to $6,127 for the comparative quarter. The increase was attributable to increased corporate activities since the reverse takeover ("RTO") completed in September 2018. The Company resulted in a loss in the current quarter due to the timing of dividend payments from MESL, typically during first and third quarter of each fiscal year in the normal course of business.

Six months ended June 30, 2019

The Company recorded income of $110,249 for the six months ended June 30, 2019 compared to $6,367 for the comparative period. The increase was attributable to significant increase in dividend income, partially offset by increased corporate activities since the RTO completed in September 2018.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2019, the Company had working capital of $504,296, which primarily comprised cash of $674,746, receivables of $5,680, and accounts payable and accrued liabilities of $179,686. 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 six months ended June 30, 2019, cash increased by $199,392. The increase was due to a net cash increase in operating activities of $343,942, offset by a net cash decrease in financing activities of $160,333.

Operating activities

During the six months ended June 30, 2019, net cash provided by operating activities amounted to $343,942, which included a decrease in receivable of $303,365.

Financing activities

During the six months ended June 30, 2019, net cash used in financing activities was $160,333, which were dividends paid to non-controlling interests.

FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT

The Company does not utilize complex financial instruments in hedging metal price, foreign exchange or interest exposure. Any hedging activity requires approval of the Company's Board of Directors. The Company will not hold or issue derivative instruments for speculation or trading purposes.

Please refer to the condensed interim consolidated financial statements for the six months ended June 30, 2019 on http://www.sedar.com.

RELATED PARTY TRANSACTIONS

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

Six months ended June 30, 2019		Salary or fees		Share-based payments		Total
Management	$	50,000	$	-	$	50,000
Outside directors		40,000		-		40,000
Seabord Services Corp		49,500		-		49,500
	$	139,500	$	-	$	139,500

Included in accounts payable and accrued liabilities, as at June 30, 2019 was $37,429 (December 31, 2018 - $123,744) due to related parties.

EVENT AFTER THE REPORTING DATE

Subsequent to June 30, 2019, the Company received dividend of US$419,890 from its investment in MESL.

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.

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 481,047,377 common shares issued and outstanding. There were 4,504,250 share purchase warrants outstanding with expiry dates from December 1, 2019 to November 6, 2020.