RESERVOIR CAPITAL CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

GENERAL

The following Management's Discussion & Analysis ("MD&A") of Reservoir Capital Corp, (the "Company" or "REO") for the three and nine months ended September 30, 2019 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2018. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2018 and 2017 and unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Information contained herein is presented as of November 28, 2019, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of REO common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Certain information and discussion included in this MD&A constitutes forward looking information. Readers are encouraged to refer to the cautionary notes contained in the section Forward-Looking Statements below.

Additional information and corporate documents may be found on SEDAR at ***www.sedar.com,and*** *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 September 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;

- Received an additional dividend of $558,362 from MESL through its 95% owned subsidiary KPHL.

- Appointed Aamer Siddiqui as the new Chief Financial Officer.

OVERALL PERFORMANCE

Kainji Power Holding Limited ("KPHL")

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.

See events after the reporting date for additional interest acquired in KPHL making it a wholly-owned subsidiary of the Company, and thus increasing its 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

	Three months ended		Nine months ended	
	September 2019	September 2018	September 2019	September 2018
Financial Results				
Dividend income	$ 558,362	$ 83,609	$ 1,000,649	$ 83,609
General and administrative expenses	197,741	28,669	564,163	22,302
Listing expense	-	3,972,328	-	3,972,328
Income (loss) for the period	360,616	(3,925,749)	470,865	(3,919,382)
Earnings (loss) per share - basic and diluted	0.00	(0.06)	0.00	(0.08)

RESULTS OF OPERATIONS

Three months ended September 30, 2019

The Company recorded income of $360,616 for the three months ended September 30, 2019 compared to a loss of $3,925,749 for the comparative quarter. In the prior year a large listing expense as a result of a reverse take-over of $3,972,328 resulted in a large loss in the prior period. In the current three month period the Company received a dividend of $558,362 offsetting the general administrative costs of $197,746.

Nine months ended September 30, 2019

The Company recorded income of $470,865 for the nine months ended September 30, 2019 compared to a loss of $3,919,382 for the comparative period. In the prior year a large listing expense as a result of a reverse take-over of $3,972,328 resulted in a large loss in the prior period. In the current nine month period the Company received dividends of $1,000,649 offsetting the general administrative costs of $564,163.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2019, the Company had working capital of $876,765 (December 31, 2018 - $368,408), which primarily comprised cash of $1,019,068 (December 31, 2018 - $475,354) of cash less accounts payable and accrued liabilities of $162,963 (December 31, 2018 – promissory note 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 nine months ended September 30, 2019, cash increased by $543,714 (September 30, 2018 - $547,195).

Operating activities

During the three and nine months ended September 30, 2019, net cash provided by operating activities amounted to $716,890, (September 30, 2018 - $213,797).

Financing activities

During the three and nine months ended September 30, 2019, net cash used in financing activities was $173,176, which were dividends paid to non-controlling interests.

RELATED PARTY TRANSACTIONS

The remuneration of key management personnel and directors for the period presented was as follows and has been included in General and Administrative and Consulting Expenses respectively in the Statement of Income:

	Three months ended		Nine months ended	
	September 2019	September 2018	September 2019	September 2018
Salaries and fees	$ 25,000	$ -	$ 75,000	$ -
Director fees	$ 25,000	$ -	$ 70,000	$ -

Included in accounts payable and accrued liabilities at September 30, 2019 is $50,000 owed to key management personnel and directors of the Company (December 31, 2019 - $123,744).

EVENT AFTER THE REPORTING DATE

Subsequent to September 30, 2019, the Company entered into an agreement (the "Buyout Agreement") with its Executive Chairman, Mr. Vincent Gueneau, to acquire his 5% ownership interest in the Company's 95%-owned subsidiary KPHL. A Special Committee of REO's Board of Directors comprising of only independent directors negotiated the terms of the Buyout Agreement and recommended the transaction to the Board. Under the Buyout Agreement, REO will pay Mr. Gueneau a consideration of approximately US$1.2 million comprising a mix of 50% cash in instalments and 50% REO common shares, representing 13.3 million shares to be issued at C$0.06per share. Subsequent to this transaction, KPHL will become a wholly-owned subsidiary of the Company.

(Subsequent to September 30, 2019, the Company announced it has entered into a share sale and purchase agreement (the "Agreement") with Olocorp Nigeria Ltd. ("OLOCORP") and its majority shareholder Eric Olo ("EOLO"), jointly the ("Vendors"), pursuant to which REO shall acquire a majority interest in OLOCORP and thereby indirectly acquire a minority economic interest in North South Power Company Limited ("NSP"), in a transaction that will compensate the Vendors with a mix of cash, the issuance of REO common shares ("REO Shares"), and a convertible note to the Vendors representing in aggregate approximately $3.6 million. This Agreement will result in the Company having a 60% equity interest in OLOCORP via its subsidiary KPHL and thereby just below 1% indirect economic interest in NSP.

The acquisition of NSP interest represents an important step in the implementation of REO's Strategy and Investment Policy to acquire a balances clean power portfolio.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING JUDGMENTS

(a) Leases and right-of-use assets

In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"), replacing IAS 17 - Leases. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

At January 1, 2019, the Company adopted the following and there was no material impact on the Company's financial statements. The Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

On initial recognition, the carrying value of the lease liability also includes:

Amounts expected to be payable under any residual value guarantee;
The exercise price of any purchase option granted if it is reasonable certain to assess that option;

Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised. Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

The Company adopted this standard and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(b) Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. At July 1, 2019, the Company adopted this standard and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

RISKS AND UNCERTAINTIES

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

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition 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 494,347,377 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.