RESERVOIR CAPITAL CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2019

GENERAL

The following Management Discussion and Analysis ("MD&A") of the financial condition and results of operations of Reservoir Capital Corporation. ("REO" or the "Company") was prepared by management as at June 30, 2020 and was reviewed and approved by the Audit Committee. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited consolidated financial statements of the Company and notes thereto for the year ended December 31, 2019. The information provided herein supplements but does not form part of the financial statements. All amounts are stated in Canadian dollars unless otherwise indicated. Additional information related to the Company is available for view on SEDAR at www.sedar.com.

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.

HIGHLIGHTS FOR THE YEAR

During the year ended December 31, 2019, the Company:

- Increased its ownership interest in Kainji Power Holding Limited ("KPHL") in 2 tranches from 60% to 95% and subsequently from 95% to 100%. As a result KPHL is a wholly-owned subsidiary of REO as at December 31, 2019;
- Through KPHL the Company 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;
- The Company acquired 3,000,000 shares in OLOCORP Nigeria Ltd ("OLO") representing a 60% controlling ownership interest. OLO owns 7,297,297 shares in North South Power Company Limited ("NSP") representing less than 2% minority interest;
- Received dividends of $1,756,521 from the Company's investment in MESL;
- Appointed Aamer Siddiqui as the new Chief Financial Officer.

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, the Company acquired an additional 35% interest in KPHL by issuing 70,923,993 of the common shares of the Company. In December, the Company acquired an additional 5% interest in KPHL by issuing 13,300,000 shares of the Company and cash of $600,000 USD ($798,000) of which $399,000 is outstanding to a Director of the Company.

As a result of this transaction KPHL is a wholly-owned subsidiary of REO.

Mainstream Energy Solutions Limited

During the year 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.

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.

North South Power Company Ltd.

During the year the Company acquired a minority interest in NSP through the acquisition of a 60% controlling interest in OLO. The Company acquired a 60% interest in OLO by issuing 35,000,000 common shares, cash of $600,000 USD ($780,000) and a convertible debenture of $530,000 maturing December 31, 2020.

NSP is a Nigerian company with a 630MW operating hydro capacity, comprising the 600MW Shiroro hydro power plant on the Kaduna River and the 30MW Gurara hydro power plant, also on the Kaduna River in Nigeria. As a result of the transaction, REO became a minority holder of NSP.

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 the increased stake in KPHL in 2019, 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.

NEW ACCOUNTING POLICIES

IFRS 16, Leases. In January 2016, the IASB issued the final publication of the IFRS 16 standard, which will supersede the current IAS 17, Leases (IAS 17) standard. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The accounting treatment for lessors will remain largely the same as under IAS 17.

The standard is effective for annual periods beginning on or after January 1, 2019. The Company has adopted this policy in the year ended December 31, 2019 and there was no material impact.

IFRIC 23 - Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23, Uncertainty over Income Tax Treatments ("IFRIC 23"). 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. The Company adopted the Interpretation in its financial statements for the annual period beginning on January 1, 2019. The adoption of IFRIC 23 did not have a material impact on the Company's consolidated financial statements.

NEW ACCOUNTING POLICIES NOT YET ADOPTED

Definition of a Business (Amendments to IFRS 3)

The IASB has issued Definition of a Business (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business.
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs.
- narrow the definition of a business and the definition of outputs.
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business.

This amendment is effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period".
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates arebased on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant areas requiring the use of management estimates include:

Valuation of investments in MESL and NSP

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.

Deffered taxes

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.

Funcational currency

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 environmentand 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 and OLO, on a prospective basis. All entities continue to measure the items in their financial statements using their functional currencies.

SELECTED ANNUAL INFORMATION

SUMMARY OF SELECT ANNUAL INFORMATION			
	2019	2018	2017
Revenue	1,756,521	375,894	145,690
Operating Expenses	924,515	1,905,908	26,908
Net income (loss)	380,729	(1,302,660)	118,782
Basic and Diluted Loss	0.00	(0.01)	0.00
Total Assets	33,009,514	15,817,994	13,406,632

During the year ended December 31, 2019 the Company received significant dividend income from MESL resulting in operating income of $380,729 as compared to the prior year end where a loss of $1,302,660 was reported. This is because during the December 31, 2018 year end the Company had only partial ownership of MESL and only partial ownership of KPHL resulting in a much smaller dividend income being reported. In the current year the ownership of MESL through KPHL increased as well as an increased direct ownership of MESL.

The operating expenses reduced in the year due to a large listing expense in the December 31, 2018 year end. As the Company completed a reverse take over transaction in the prior year a large listing cost expense of $1,658,287 was reported where there was $nil in the current year. Other expenditures in the year were consistent with expectations from growth in the Company's portfolio.

QUARTERLY FINANCIAL INFORMATION

SUMMARY OF SELECT QUARTERLY INFORMATION				
	2019			
	December 31	September 30	June 30	March 31
Total Revenue	755,872	558,362	-	442,287
Operating expenses	374,122	197,746	236,542	116,105
Net income (loss) for the period	(46,020)	360,616	(236,542)	302,675
Basic and Diluted Income (Loss) per Share	(0.00)	0.00	(0.00)	0.00
	2018			
	December 31	September 30	June 30	March 31
Total Revenue	276,645	83,609	-	15,640
Operating expenses	209,679	28,669	6,127	3,146
Net income (loss) for the period	5,449,396	(3,925,749)	(6,127)	12,494
Basic and Diluted Income (Loss) per Share	0.01	(0.00)	(0.00)	(0.00)

For the three months ended December 31, 2019, the Company reported revenue of $755,872 compared to $276,645 in the comparative prior period. The increase in revenue is a result of the Company increasing its ownership in MESL through direct acquisition as well as the buyout of the non-controlling interest in KPHL during the year. As a result, significant dividends declared by MESL in the year were fully attributable to the shareholders of the Company.

For the three months ended December 31, 2019, the Company reported operating expenses of $374,122 as compared to $209,679 in the prior period. The increase is related to growth in operations of the Company and acquisition of investments in the period.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include executive and non-executive directors. The key management personnel of the Company are the directors and officers of the Company.

No individual party had overall control of the Company during the years being presented.

The amounts due to related parties of the Company at the reporting date, as disclosed below, arose due to transactions entered into with the related parties in the ordinary course of business.

Compensation of key management personnel of the Company

The remuneration of key management personnel and directors for the years presented was as follows and has been included in administrative services and office, and consulting expenses respectively in the Statement of Income (Loss):

	Year ended December 31	
	2019	**2018**
Consulting	$ 100,000	$ 85,000
Professional fees	$ 110,000	$ 20,000
Administrative services	$ 90,014	$ -

The Chief Financial Officer ("CFO") is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the year ended December 31, 2019, the Company incurred professional fees of $18,902 (2018 - $nil). As at December 31, 2019, MSSI was owed $12,872 (2018 - $nil).

During the year ended December 31, 2019, the Company paid $69,000 (2018 - $120,000) to a corporation connected to the former CFO.

Included in accounts payable and accrued liabilities at December 31, 2019 is $88,763 owed to key management personnel and directors of the Company (December 31, 2018 - $123,744).

Included in accounts payable and accrued liabilities is $399,000 due to a Director of the Company as a result of the 5% NCI buyout of KPHL during the year.

Additionally, included in accounts payable and accrued liabilities is $476,821 due to a minority shareholder of OLO accrued as a result of the acquisition transaction of OLO.

During the year ended December 31, 2019 the Company issued shares valued at $864,500, paid or accrued $798,000 to a directors of the Company to acquire a 5% interest in KPHL.

FINANCIAL RISKS

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their current nature.

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consists of bank deposits which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company is exposed to liquidity risk.

Interest rate risk

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management considers interest rate risk to be minimal.

Foreign exchange risk

The Company's dividends are paid in USD but earned in Nigerian Naira. Accordingly, a 10% change between the Naira and the USD would change the dividend income by approximately $173,000 assuming no changes to dividends paid.

The exposure of the Company is its receivable which are denominated in USD and cash and cash equivalents which are partially denominated in USD. Consequently, the Company is exposed to the risk that the exchange rates relative to the USD may change in a manner which has a material effect on the carrying amount of its receivables and cash and cash equivalents. Based on the exposure, as at December 31, 2019, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the USD against the Canadian dollar would result in an increase/decrease of approximately $70,000 in the Company's pre-tax income or loss.

As at December 31, 2019, the cash is held in USD was $690,988 (2018 - $248,673). The Company's cash.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's hydro electric energy properties' profitability.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2019, the Company had working capital deficit of $1,318,854 (December 31, 2018 working capital - $368,408).

The Company had cash of $692,674 (December 31, 2018 - $475,354). 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.

EVENTS AFTER THE REPORTING DATE

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. The Company is closely monitoring the business environment as a result to ensure minimal distribution to business operations.

The Government of Canada announced several funding relief measures to aid companies impacted by the COVID-19 pandemic. One of the measures announced by the Government of Canada is an interest free loan program. Subsequent to year end the Company received a $40,000 loan issued through the Company's financial institution and guaranteed by the Government of Canada. The loan must be used for financing ordinary business activities of the Company and is interest free until December 31, 2022. If the loan is repaid in full by December 31, 2022 a 25% forgiveness is automatically provided. If the Company fails to repay the full loan by December 31, 2022 the loan will automatically extend for an additional 3 years with an interest rate of 5% per annum.

Subsequent to December 31, 2019, the Company entered into a share sale and purchase agreement (the "Agreement") with OLO and its shareholder Eric Olo ("EOLO"), pursuant to which REO acquired the remaining 40% interest in OLO which became a wholly-owned subsidiary of the Company.

As per the agreement and amendments, the Company acquired the remaining 40% interest in OLO in exchange for 37,000,000 common shares of the Company. Furthermore, forming part of the Agreement, EOLO's existing convertible loan note of $530,000 was settled by issuing of 8,000,000 common shares of the Company to EOLO's beneficiaries and a promissory note of $200,000. In addition, EOLO's remaining amounts due in cash of approximately US$180,000 was settled by issuing a promissory note of $100,000. Lastly, EOLO was issued an additional 1,000,000 common shares of the Company as a special bonus upon the final consummation of the transaction giving 100% ownership of OLO to the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

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 575,347,377 common shares issued and outstanding. There were 1,002,500 share purchase warrants outstanding expiring November 6, 2020.