RESERVOIR CAPITAL CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS – QUATERLY HIGHLIGHTS

FOR THE THREE MONTHS ENDED MARCH 31, 2021

GENERAL

The following Management's Discussion & Analysis ("MD&A") of Reservoir Capital Corp, (the "Company" or "REO") for the three months ended March 31, 2021 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, 2020. 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, 2020 and 2019 and unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021, 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 December 22, 2021, 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.

HIGHLIGHTS FOR THE PERIOD

During the three months ended March 31, 2021, the Company:

- KPHL company subsidiary recorded dividend income for $353,124.
- The Company settled a promissory note payable as of December 31, 2020.
- The Company entered into a convertible loan agreement with a foreign company with significant exposure to the Nigerian market and with a need for Naira currency as working capital for a total of CAD$1,000,000. The loan will not bear interest during the first 3 weeks after disbursement and will bear an interest of 1% monthly thereafter. The loan will mature and be repayable in full six months after disbursement, and no principal or interest shall remain due after December 31, 2021. During January and February 2021, the Company received $569,620 (USD$ 448,979), which was fully paid out through it subsidiary and recorded a loss for settlement of convertible loan for $148,148.
- The Company reported an unrealized loss on other investment from currency fluctuations of $41,934.
- The Company received an order of interim injunction from the Federal High Court of Nigeria, requesting to hold and escrow all dividends paid out by MESL to KPHL in respect of a shareholder seeking return of 3,500,000 MESL shares. As a result of the claim, dividends related to these shares are being withheld from the Company. An additional 10,610,913 shares are also subject to suspended dividend payments. As at March 31, 2021, the Company has accrued $1,521,233 in dividends receivable related to the 14,110,913 MESL shares. The Company considers the claim to be without merit and will vigorously contest the claim.

OVERALL PERFORMANCE

Kainji Power Holding Limited ("KPHL")

As a result of transactions completed in 2019, KHPL became a wholly owned subsidiary of the Company. As a result, all dividends received from investments held though KPHL including MESL are fully attributable to the Company.

Mainstream Energy Solutions Limited ("MESL")

Mainstream Energy Solutions Limited is Nigeria's leading producing hydropower company and KPHL's largest 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.

During the three ended March 31, 2021 there was no change to the ownership in MESL. The Company continues to pursue additional ownership opportunities in the entity. As of March 31, 2021, the fair market value of the investment in MESL held by the Company is $24,928,835 (December 31, 2020 - $25,263,315)

North South Power Company Ltd. ("NSP")

NSP is a Nigerian company with a 630MW operating hydro capacity, comprising the 600MW Shiroro hydro power plant and the 30MW Gurara hydro power plant located on the Kaduna River in Nigeria. As a result of a transaction in Q4 2020, REO became a wholly owned shareholder of NSP through KPHL.

During the three months ended March 31, 2021 there was no change to the ownership in NSP by OLO. During 2020, the Company acquired the remaining interest in OLO, and as a result indirectly increased its ownership interest in NSP. There was no impact on the investment value held in the Company's investment assets due to this transaction. As of March 31, 2021, the fair market value of the investment in NSP held by the Company is $2,143,528 (December 31, 2020 - $2,172,288).

OUTLOOK

Since December 31, 2020, 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 currently, 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. As a result of the global COVID-19 pandemic and associated severe liquidity shortage in the Forex market, dividends usually remitted in USD from certain of the Issuer's clean power investments in Nigeria have been received by obligation in local currency (NGN) into the Company's Nigerian-domiciled account. Furthermore, as a result of delays and regulatory complications in Nigeria, it is not currently possible to exchange or transfer these accumulating Nigerian funds into other of the Company's accounts. The Company is closely monitoring the business environment as a result to ensure minimal distribution to business operations.

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.

Other than the investments in KPHL, MESL, OLO and NSP, 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 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

NEW ACCOUNTING POLICIES NOT YET ADOPTED

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.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the Financial Statements, and (ii) the

Financial Statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented. In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RESULTS OF OPERATIONS

	Three months ended	
	March 31, 2021	March 31, 2020
DIVIDEND INCOME	353,124	-
EXPENSES		
Administrative services and office	91,665	19,242
Consulting	5,865	-
Depreciation	1,502	-
Investor relations and shareholder fees	288	15,142
Interest expense	52	1,187
Foreign exchange (gain) loss	(11,270)	69,696
Gain on sale of investments	(52,817)	
Loss on settlement of convertible loan	148,148	-
Management and directors fees	61,200	72,534
Professional fees	37,234	10,334
Travel and related cost	122,726	10,217
Unrealized revaluation net loss on investments	41,934	-
	446,527	198,352
Net loss for the period	(93,403)	(198,352)

For the three months ended March 31, 2021, the Company recorded net income of $97,502 compared to a net loss of $198,352 in the prior period. This is attributable to:

- an increase in dividend income of $353,124 from investment in MESL
- an increase in administrative services and office of $72,423 due to increase in administrative cost activities
- an increase in professional fees of $26,900, due to professional legal fees accrual
- an increase in travel and related of $112,509
- an increase in the net change in unrealized loss on investments, due to the purchases of foreign equity securities

The Company reported comprehensive loss for the three months ended March 31, 2021 of $46,104 compared to a comprehensive net income of $1,857,492 in the prior period. Due to a strong United States Dollar rate, and investments in MESL and NSP being held in Naira currency, a large unrealized foreign exchange loss reported through comprehensive (loss) income in the period.

The comprehensive (loss) income represents loss from unrealized market as well as foreign exchange loss in the other investments held by the Company as well as translations adjustment for foreign subsidiaries, as an attempt to liquidate any portion of the assets may not result in the same realized loss for the Company.

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 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):

	Three months ended March 31	
	2021	**2020**
Management and directors fees	$ 61,700	$ 72,534
Administrative services	$ 11,200	$ 25,000

The Chief Financial Officer ("CFO") is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the three months ended March 31, 2021, the Company incurred professional fees of $11,200 (three months ended March 31, 2020 - $10,334) to MSSI. As of March 31, 2021, MSSI was owed $14,684 (December 31, 2020 - $30,184).

Included in accounts payable and accrued liabilities as of March 31, 2021 is $61,200 (December 31, 2021 - $226,250) owed to key management personnel and directors of the Company.

Included in accounts payable and accrued liabilities at March 31, 2021 is a dividend accrued of $18,684 (USD$14,858) (December 31, 2020 - $146,342) in accordance with 5% NCI buyout of KPHL agreement due to a former director. During the three months ended March 31, 2021, the Company paid $127,658 (USD$100,000 of the balance outstanding as of December 31, 2020.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

During the three months ended March 31, 2021, the Company incurred a net loss of $93,403, (three months ended March 31, 2020 – $198,352).

The Company has cash flow used in operations of $441,451 as a result mainly of gain on sale of investments and unrealized foreign exchange effect of $427,840. The Company has a net decrease in cash and restricted cash of $458,547 mainly as a result of net cash used in operating activates, offset by proceeds on sale of investment obtained during the period of $297,720 offset by payments made in financing activities for $314,815.

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.

PROMISSORY NOTE PAYABLE

On April 17, 2020, the Company issued a promissory note for $100,000 to settle the last remaining cash payment balance of $234,000 (USD$180,000) for the initial 60% ownership interest in OLO acquired in December 31, 2019. As a result of this transaction, the Company recorded a gain on settlement of debt of $134,000. In July 2020, the Company repaid the balance of the promissory note.

In July 2020, the Company issued another promissory note for $200,000) and paid $33,333 of the promissory note, and reach a settlement to defer payment on the $166,667 balance remaining. During the three months ended March 31, 2021, the promissory note payable of $166,667 was paid out.

CONVERTIBLE LOAN

On January 11, 2021, the Company entered into a convertible loan agreement with a foreign company with significant exposure to the Nigerian market and with a need for Naira currency as working capital for a total of CAD$1,000,000. The loan will not bear interest during the first 3 weeks after disbursement and will bear an interest of 1% monthly thereafter. The loan will mature and be repayable in full six months after disbursement, and no principal or interest shall remain due after December 31, 2021. During January and February 2021, the Company received $569,620 (USD$ 448,979), and paid out $717,768 through it subsidiary in Naira currency and recorded a loss in settlement of convertible loan for $148,148.

GOVERNMENT LOAN PAYABLE

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. 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. No amounts have been repaid to date.

CONTINGENCY

On January 22, 2021, the Company received an order of interim injunction from the Federal High Court of Nigeria, requesting to hold and escrow all dividends paid out by MESL to KPHL in respect of a shareholder seeking return of 3,500,000 MESL shares. As a result of the claim, dividends related to these shares are being withheld from the Company. An additional 10,610,913 shares are also subject to suspended dividend payments. As at March 31, 2021, the Company has accrued $1,521,233 (December 31, 2020 - $1,186,185) in dividends receivable related to the 14,110,913 MESL shares. The Company considers the claim to be without merit and will vigorously contest the claim.

SUBSEQUENT EVENT

In April 2021, KPHL received a dividend income for $104,303 (NGN$ 44,789,585) from its investments in MESL.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

SHARE CAPITAL TRANSACTIONS

As of the date of this MD&A, the Company had 5,753,474 common shares issued and outstanding.

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.

COVID-19

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 including a reduction in hydro-electric power use. 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.

An outbreak of infectious disease, a pandemic or a similar public health threat, such as the COVID-19 outbreak, or a fear of any of the foregoing, could adversely impact the Company by causing operating, supply chain and project development delays and disruptions, and increased costs to the Company. Further, such pandemics and diseases represent a serious threat to maintaining a skilled workforce in the mining industry and are a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and related travel restrictions and the Company may ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks. Furthermore, the Company's operations and activities may be suspended or restricted due to government mandated actions.

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. Currently 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.

Government Regulation

The activities of the Company's investments may be subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, safety, toxic substances, land use, water use, land claims of local people and other matters. Although the Company's operations activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit the Company's operation.