



FORM 52-110F2

(As at February 7, 2022 and in Canadian dollars, except where indicated)

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 *Audit Committees* (“NI 52-110”) of the Canadian securities administrators requires the Corporation’s Audit Committee to meet certain requirements. It also requires the Corporation to disclose in this Form 52-110F2 certain information regarding the Audit Committee. That information is disclosed below.

Overview

The Audit Committee of the Board is principally responsible for

- recommending to the Board the external auditor to be nominated for election by the Shareholders at each annual general meeting and negotiating the compensation of such external auditor.
- overseeing the work of the external auditor, including the resolution of disagreements between the auditor and management regarding the Corporation’s financial reporting.
- pre-approving all non-audit services to be provided to the Corporation, by the auditor.
- reviewing the Corporation’s annual and interim financial statements, MD&A and press releases regarding earnings before they are reviewed and approved by the Board and publicly disseminated by the Corporation.
- reviewing the Corporation’s financial reporting procedures and internal controls to ensure adequate procedures are in place for the Corporation’s public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

The Corporation’s auditor reports directly to the Audit Committee.

The Audit Committee’s Charter

The Board has adopted a Charter for the Audit Committee (the “**Charter**”) which sets out the Committee’s mandate, organization, powers and responsibilities, as set out below.

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF RESERVOIR CAPITAL CORP.

I. MANDATE

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Reservoir Capital Corp. (the “Company”) shall assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company’s financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company’s independent external auditor (the “Auditor”); and
4. The performance of the Company’s internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members, the majority of which shall be independent.

B. Qualifications

Each member of the Committee must be a member of the Board.

A majority of the members of the Committee shall not be officers or employees of the Company or of an affiliate of the Company.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement.

C. Appointment and Removal

In accordance with the By-Laws of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Sub-Committees

The Committee may form and delegate authority to sub-committees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such sub-committee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least once in each fiscal year, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

- 1). Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company, consistent with Independence Standards Board Standard 1.
- 2). Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
- 3). Require the Auditor to report directly to the Committee.
- 4). Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

- 5). Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
- 6). Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor.
- 7). Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the Auditor unless such non-audit services:
 - (a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of revenues paid by the Company to the Auditor during the fiscal year in which the non-audit services are provided;
 - (b) were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (c) are promptly brought to the attention of the Committee by Management and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Internal Financial Controls & Operations of the Company

- 8). Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

- 9). Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
- 10). Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
- 11). Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- 12). Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- 13). Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor or management.
 - (b) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

- 14). Review the Company's annual and quarterly financial statements, management's discussion and analysis (MD&A) before the Board approves and the Company publicly discloses this information.
- 15). Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
- 16). Review any disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

- 17). Consult, to the extent it deems necessary or appropriate, with the Auditor but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- 18). Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
- 19). Have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other consultants to advise the Committee advisors.
- 20). Meet, to the extent it deems necessary or appropriate, with management and the Auditor in separate executive sessions at least quarterly.
- 21). Make regular reports to the Board.
- 22). Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- 23). Annually review the Committee's own performance.
- 24). Provide an open avenue of communication among the Auditor to the Board.
- 25). Not delegate these responsibilities other than to one or more independent members of the Committee the authority to pre-approve, which the Committee must ratify at its next meeting, non-audit services to be provided by the Auditor.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

Composition of the Audit Committee

The Audit Committee consists of three directors. Unless it is a "Venture Issuer" (an issuer the securities of which are not listed or quoted on any of the Toronto Stock Exchange, a market in the USA other than the over-the-counter market, or a market outside of Canada and the USA) as of the end of its last two financial years, NI 52-110 requires each of the members of the Committee to be independent and financially literate. Since the Corporation is a "Venture Issuer" (its securities are listed on the CSE, but are not listed or quoted on any other exchange or market) it is exempt from this requirement. In addition, the Corporation's governing corporate legislation requires the Corporation to have an Audit Committee composed of a minimum of three directors, a majority of whom are not officers or employees of the Corporation. The Audit Committee complies with this requirement.

The following table sets out the names of the members of the Audit Committee and whether they are 'independent' and 'financially literate'.

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Barakat Balmelli (Chairman)	Yes	Yes

Vianney Mathonnet	Yes	Yes
Andrea Zaradic	Yes	Yes

Notes:

- (1) To be considered independent, a member of the Committee must not have any direct or indirect ‘material relationship’ with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.
- (2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Relevant Education and Experience

The education and experience of each member of the Audit Committee relevant to the performance of his/her responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Corporation to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting, are as follows:

Name of Member	Education	Experience
Barakat Balmelli (Chairman)	Bachelor of Business Administration Lubin School of Business, Pace University, NY, NY Major in Public Accounting; Minor in Business Law- 1999 Certified Public Accountant License - 2001	Ms. Balmelli is a Certified Public Accountant (CPA, US certification) with extensive experience in the Financial Services and Energy sectors. She co-founded Sana Elias, Sarl, a Swiss-based advisory firm focused on technology, finance, strategy and innovation. Barakat spearheads the firm’s financial and energy advisory practice. Sana Elias advises Energy clients looking to deliver superior, innovative services in frontier regions on all aspects of their business ranging from product sourcing and logistics to financial matters. Prior to joining Sana Elias, Barakat had considerable experience in the field of financial services having worked at world class firms such as PricewaterhouseCoopers, Morgan Stanley and Deutsche Bank. She has worked in North America, Asia, Europe and sub-Saharan Africa.

Name of Member	Education	Experience
Vianney Mathonnet	<p>Bachelor of Arts in Hospitality Management with Real Estate finance and Revenue Management, Honors Glion Institute of Higher Education - Switzerland - 2013</p> <p>Financial Markets Certificate Yale Online University - 2018</p>	<p>Mr. Mathonnet is a French national based in Dubai who serves as Director of the Family Office division at Kappafrik Group, a Mauritius private equity firm that focuses on Energy and Infrastructure investments in African markets. He started his career in Central Africa in charge of internal auditing and cost optimization for a multinational company in the hospitality sector and held management positions in the industry across sub-Saharan African countries. Mr. Mathonnet managed the corporate relations with global Mining, Education, and Oil companies, supervised multiple African profit centers and directly managed 400+ employees. Mr. Mathonnet lived across Africa and Europe and has undertaken various African investments in real estate, tourism, digital marketing and micro-finance as an angel investor.</p>
Andrea Zaradic	<p>Bachelor Applied Science Mechanical Engineering University of British Columbia – 1988</p> <p>Master of Applied Science Mechanical Engineering University of British Columbia - 1994</p>	<p>Ms. Zaradic has 30 years of experience in corporate, project and business development with an extensive mining and renewable energy project portfolio throughout the Americas, Africa, Asia, and Europe. As Manager of Infrastructure Development for Canico Resource Corp. she led the development of all major road and power infrastructure in Brazil for the Onca Puma nickel laterite project prior to a successful corporate take-over by Vale. As Construction and Senior Process Operations Engineer for BHP Billiton, she was lead mechanical engineer in the successful development of the Ekati mine; the first diamond mine in Canada's arctic. Ms. Zaradic held the position of VP Operations and Development for Magma Energy Corp. and led the Magma based team through both a financial and technical due diligence of Plutonic Power, resulting in the successful merger of Magma and Plutonic to form Alterra Power Corp., now recently acquired by Innergex Renewable Energy. As President and CEO of Troon Ventures Ltd., Ms. Zaradic led the company through a successful merger/RTO with Grenville Strategic Royalty Corp. Following the successful merger of Troon and Grenville, Ms. Zaradic went on to the role of President and CEO of Northair Silver where she successfully completed a merger with Kootenay Silver. She now resides on the board of Kootenay and remains actively involved in the geothermal renewable energy sector as a technical advisor to Northleaf Capital.</p>

Complaints

The Audit Committee has established a Whistleblower Policy which outlines procedures for the confidential, anonymous submission by employees regarding the Corporation's accounting, auditing and financial reporting obligations, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls or financial reporting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing and forward it to the Chairman of the Audit Committee in a sealed envelope labelled “*To be opened by the Audit Committee only*”. Further, if the applicable individual wishes to discuss any matter with the Audit Committee, this request should be indicated in the submission. Any such envelopes received by the Corporation will be forwarded promptly and unopened to the Chairman of the Audit Committee.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions.

The Audit Committee will retain as part of its records, any complaints or concerns for a period of no less than seven years. The Audit Committee will keep a written record of all such reports or inquiries and make quarterly reports on any ongoing investigation which will include steps taken to satisfactorily address each complaint.

The Audit Committee did not receive any complaints during the last two financial years.

The Whistleblower Policy is reviewed by the Audit Committee on an annual basis and is included as an addendum to the Audit Committee Charter attached hereto.

Audit Committee Oversight

Since the commencement of the Corporation’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110 regarding *De Minimis* Non-audit Services or on a Regulatory Order Generally

Since the commencement of the Corporation’s most recently completed financial year, the Corporation has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Corporation’s auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor’s annual fees charged to the Corporation, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year’s audit), or
2. an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in section III.B “Powers and Responsibilities – Performance & Completion by Auditor of its Work” of the Charter.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Corporation by its external auditor during the last three financial years.

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2020	172,500	Nil	Nil	Nil
December 31, 2019	106,500	Nil	Nil	9,750

- (1) The aggregate fees billed by the Corporation's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Corporation's auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the 'Audit Fees' column.
- (3) The aggregate fees billed for professional services rendered by the Corporation's auditor for tax compliance, tax advice, and tax planning.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns. In 2019, the Corporation's auditor was asked to review interim financial statements for the period ending June 30 for which a fee of \$9,750 was paid.

Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations

Since the Corporation is a Venture Issuer, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 *Composition of the Audit Committee* (as described in 'Composition of the Audit Committee' above) and Part 5 *Reporting Obligations* of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Corporation's Annual Information Form, if any, and this Circular).