RESERVOIR CAPITAL CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

SIX MONTHS ENDED OCTOBER 31, 2017 AND 2016
(Unaudited)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Reservoir Capital Corp. for the six months ended October 31, 2017 and 2016 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

RESERVOIR CAPITAL CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

		October 31, 2017		April 30, 2017
ASSETS				
Current				
Cash	$	67,638	$	1,739
Receivables, net of provisions (Note 4)		1,615		388
Prepaids and advances		7,125		5,918
Total current assets		76,378		8,045
TOTAL ASSETS	$	76,378	$	8,045
LIABILITIES AND EQUITY (DEFICIENCY)				
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 7, 11)	$	362,054	$	359,064
Promissory notes payable (Note 8, 11)		765,472		650,396
Total liabilities		1,127,526		1,009,460
EQUITY (DEFICIENCY)				
Share capital (Note 10)		36,599,930		36,599,930
Share-based payments reserve		2,689,011		2,689,011
Deficit		(40,340,089)		(40,290,356)
Total equity (deficiency)		(1,051,148)		(1,001,415)
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)	$	76,378	$	8,045

Nature of operations and going concern (Note 1)
Events after the reporting date (Note 15)

These condensed consolidated interim financial statements are approved and authorized for issuance by the Board of Directors on December 19, 2017.

______”*Lewis Reford*”_______ Director ______”*C. Winston Bennett*”_______ Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

RESERVOIR CAPITAL CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

	Three months ended October 31, 2017	Three months ended October 31, 2016	Six months ended October 31, 2017	Six months ended October 31, 2016
GENERAL AND ADMINISTRATIVE EXPENSES				
Administrative services and office	$ 32,802	$ 34,703	$ 67,322	$ 69,259
Amortization (Note 5)	-	-	-	105
Professional fees	15,239	35,729	28,301	44,823
Shareholder communication and investor relations	2,340	3,110	3,238	3,310
Transfer agent and filing fees	5,686	11,604	10,932	14,602
Loss from operations	(56,067)	(85,146)	(109,793)	(132,099)
Foreign exchange loss	(1,502)	(342)	(1,112)	(87)
Interest and other expenses	(6,269)	(6,656)	(13,063)	(8,107)
Impairment on equipment (Note 5)	-	-	-	(1,994)
Gain on forgiveness of promissory notes payable (Note 8)	92,085	-	92,085	-
	84,314	(6,998)	77,910	(10,188)
Income (loss) from continuing operations	28,247	(92,144)	(31,883)	(142,287)
Loss from discontinued operation, net of tax (Note 9)	(17,850)	(43,406)	(17,850)	(342,276)
Income (loss) and comprehensive income (loss) for the period	$ 10,397	$ (135,550)	$ (49,733)	$ (484,563)
Basic and diluted earnings (loss) per share	$ 0.00	$ (0.01)	$ (0.00)	$ (0.03)
Basic and diluted earnings (loss) per share from continuing operations	0.00	(0.01)	(0.00)	(0.01)
Basic & diluted earnings (loss) per share from discontinued operations	0.00	(0.00)	(0.00)	(0.02)
Weighted average no. of common shares outstanding - basic and diluted	18,611,544	18,611,544	18,611,544	18,611,544

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

RESERVOIR CAPITAL CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Six months ended October 31, 2017	Six months ended October 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period from continuing operations	$ (31,883)	$ (142,287)
Operating activities of discontinued operations	(17,850)	(19,440)
Advances to discontinued operations used	-	(327,602)
Adjustments for:		
Amortization	-	105
Interest expense	12,161	6,688
Impairment on equipment	-	1,994
Gain on forgiveness of promissory notes payable	(92,085)	-
Unrealized foreign exchange (gain) loss on cash	(6)	93
Changes in non-cash working capital items:		
Receivables	(1,227)	(1,766)
Prepaids and advances	(1,207)	(9,756)
Accounts payable and accrued liabilities	2,990	87,589
Net cash used in operating activities	(129,107)	(404,382)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from promissory notes payable	220,000	390,000
Settlement of promissory notes payable	(25,000)	-
Net cash provided by financing activities	195,000	390,000
Effect of foreign exchange changes on cash	6	(54)
Change in cash during the period	65,899	(14,436)
Cash, beginning of period	1,739	47,872
Cash, end of period	$ 67,638	$ 33,436

Supplemental disclosure with respect to cash flows (Note 12)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

RESERVOIR CAPITAL CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Expressed in Canadian dollars)

	Number of shares		Share capital		Share-based payments reserve		Deficit		**Total equity (deficiency)**
Balance as at April 30, 2017	18,611,544	$	36,599,930	$	2,689,011	$	(40,290,356)	$	(1,001,415)
Loss for the period	-		-		-		(49,733)		(49,733)
Balance as at October 31, 2017	18,611,544	$	36,599,930	$	2,689,011	$	(40,340,089)	$	(1,051,148)

	Number of shares		Share capital		Share-based payments reserve		Deficit		**Total equity (deficiency)**
Balance as at April 30, 2016	18,611,544	$	36,599,930	$	2,689,011	$	(39,000,976)	$	287,965
Loss for the period	-		-		-		(484,563)		(484,563)
Balance as at October 31, 2016	18,611,544	$	36,599,930	$	2,689,011	$	(39,485,539)	$	(196,598)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Reservoir Capital Corp. ("Reservoir" or the "Company") was incorporated under the Business Corporations Act (Alberta) on March 23, 2006 and was continued into British Columbia, under the Business Corporations Act (British Columbia) on November 15, 2007. The address of the Company's head office is 501 - 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8.

The Company's business activity is the evaluation and potential development of renewable energy projects. The Company's renewable energy projects are typically 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.

These condensed consolidated interim financial statements of the Company are presented in Canadian dollars unless otherwise indicated. The condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations, or to partner or sell its projects to a third party. The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. As at October 31, 2017, the Company has not achieved profitable operations and has accumulated losses since inception. There is material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance and Basis of Measurement

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed consolidated interim financial statements of the Company have been prepared in accordance with the same accounting policies and methods of their application as the most recent audited financial statements for the years end April 30, 2017 and 2016, except that they do not include all note disclosures required for annual audited financial statements, and they include new accounting standards effective in the current period. It is suggested that the condensed consolidated interim financial statements be read in conjunction with the annual audited financial statements.

3. NEW AND FUTURE ACCOUNTING STANDARDS

Accounting Pronouncements Not Yet Effective

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements. The effective date for IFRS 9 is January 1, 2018. The Company is currently evaluating the impact that the final standard is expected to have on its condensed consolidated interim financial statements.

4. RECEIVABLES, NET OF PROVISIONS

The Company's receivables arise from goods and services tax ("GST") receivable from government taxation authority.

5. EQUIPMENT

During the six months ended October 31, 2016, the Company recognized:

a) amortization of $7,667 included in energy project expenditures in discontinued operations;
b) amortization of $105 included general and administrative expenses; and
c) impairment of $1,994 on equipment held by continuing operation.

6. ENERGY PROJECTS

Brodarevo Project

In February 2009, the Company, through its wholly-owned subsidiary Renewable Energy Ventures d.o.o. ("REV doo"), was awarded the Brodarevo 1 and Brodarevo 2 energy permits, to develop run-of-river hydroelectric projects on the River Lim in southwest Serbia. The acquisition costs consist of the cash paid for legal, government taxes and project consultant expenses directly related to the acquisition of the permits.

In January 2012, the Ministry of Infrastructure and Energy of the Republic of Serbia granted three-year extensions for both energy permits. Under the terms of the new permits, the Company must begin construction within the three-year period, though subject to compliance with most other conditions, may request a one-year extension to this deadline.

In March 2015, the Ministry of Mining and Energy of the Republic of Serbia, has granted new Energy Permits for the Company's Brodarevo 1 and Brodarevo 2 hydroelectric projects on the Lim River in southwest Serbia. The permits are valid for a period of three years and may be renewed for an additional year under certain circumstances.

(Expressed in Canadian dollars)

6. ENERGY PROJECTS (cont'd…)

In September 2015, the Company has been granted Location Permits for both the Brodarevo 1 and Brodarevo 2 dam sites, reservoirs and accompanying facilities.

In April 2016, the Company recognized a reclamation provision related to the Brodarevo projects in the amount of $50,000.

During the year ended April 30, 2017, the Company terminated all contracts related to this subsidiary and classified REV doo as a discontinued operation (Note 9) as management determined it had lost control of the subsidiary. The Company recognized an impairment of $1,289,016 on the Brodarevo projects and derecognized the related reclamation provision of $50,000 as a result of loss of control.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2017	April 30, 2017
Trade accounts payable	$ 347,054	$ 329,064
Accrued liabilities	15,000	30,000
	$ 362,054	$ 808,368

8. PROMISSORY NOTES PAYABLE

In June 2017, the Company received $200,000 pursuant to an unsecured loan agreement, subject to the approval of the TSX Venture Exchange ("TSX-V"). As at October 31, 2017, the Company owed $200,000 (April 30, 2017 - $Nil).

In August 2016, the Company entered into arrangements with arm's length and related parties for aggregate proceeds of $520,000 with interest at the rate of 4% per annum. In May 2017, a related party advanced a further $20,000. As at October 31, 2017, the Company owed $565,472 (April 30, 2017 - $534,987), which included accrued interest expense of $25,472 (April 30, 2017 - $14,987).

In April and September 2014, the Company entered into arrangements with Reservoir Minerals Inc. for aggregate proceeds of $200,000 with interest at the rate of 4% per annum of which $100,000 was repaid. On October 4, 2017, the Company entered into a Debt Cancellation Agreement with Reservoir Minerals Inc. where it was mutually agreed to settle the total indebtedness of $117,085, which included accrued interest of $17,085 with the set amount of $25,000 and forgiving all remaining indebtedness and interest, resulting in a gain of $92,085.

(Expressed in Canadian dollars)

9. DISCONTINUED OPERATIONS

Serbia

In August 2016, the Company completed the wind-up of its wholly-owned subsidiary, Southern European Exploration d.o.o. ("SEE doo"), which held an exploration license for geothermal energy at Vranjska Banja.

In April 2017, the Company determined that the control of REV doo, which holds the Brodarevo projects, had been lost and accordingly has moved all related operations and assets and liabilities to discontinued operations.

Italy

In July 2016, the Company completed the wind-up its wholly-owned subsidiary, Renewable Energy Ventures Italia s.r.l. (“REV Italia”).

Bosnia

In March 2016, management formed a plan to shut down its Bosnian segment, following a strategic decision to place greater focus on its Brodarevo projects.

The Serbian and Italian groups were not previously classified as discontinued operations. The comparative condensed consolidated interim statement of loss and comprehensive loss has been restated to show the discontinued operation separately from continuing operations.

Six months ended October 31, 2017	Serbia	Italy	Bosnia	**Total**
Revenue	$ -	$ -	$ -	$ -
Renewable energy projects	-	-	-	-
Wind-up costs	(17,850)	-	-	(17,850)
	(17,850)	-	-	(17,850)
Income tax	-	-	-	-
Loss from discontinued operations, net of tax	$ (17,850)	$ -	$ -	$ (17,850)

Six months ended October 31, 2016	Serbia	Italy	Bosnia	**Total**
Revenue	$ -	$ -	$ -	$ -
Renewable energy projects	(31,531)	-	-	(31,531)
Foreign exchange gain (loss)	(249)	-	(37)	(286)
Loss on disposal of equipment	-	(14,495)	-	(14,495)
Write-off of:				
Advances and wind-up costs	(139,856)	(187,746)	-	(327,602)
Liabilities	-	31,638	-	31,638
	(171,636)	(170,603)	(37)	(342,276)
Income tax	-	-	-	-
Loss from discontinued operations, net of tax	$ (171,636)	$ (170,603)	$ (37)	$ (342,276)

(Expressed in Canadian dollars)

9. DISCONTINUED OPERATIONS (cont'd…)

		Six months ended October 31, 2017		Six months ended October 31, 2016
Net cash used in operating activities	$	(17,850)	$	(19,440)
Net cash used ininvesting activities		-		-
Net cash flows for the period	$	(17,850)	$	(19,440)

10. SHARE CAPITAL

Authorized Share Capital

Authorized share capital consists of an unlimited number of common shares without par value.

Stock Options

The Company has adopted a stock option plan pursuant to the policies of the TSX-V that has been approved by the Company's shareholders. The maximum number of shares that may be reserved for issuance under the plan is limited to 10% of the issued common shares of the Company at any time. The vesting terms are determined by the Company's Board of Directors at the time of the grant.

During the six months ended October 31, 2017, the remaining outstanding stock options of 177,750 expired. As at October 31, 2017 there are no stock options outstanding and exercisable.

Warrants

For the six months ended October 31, 2017, there were no changes in share purchase warrants outstanding. Share purchase warrants outstanding and exercisable as at October 31, 2017 are as follows:

Expiry Date		Exercise Price	Number of Warrants
July 9, 2019	(1)	0.20	2,293,100
August 1, 2019	(1)	0.20	2,188,232
December 1, 2019	(2)	0.60	1,652,500
January 1, 2020	(2)	0.60	498,500
February 6. 2020	(2)	0.60	350,750
November 6, 2020	(3)	0.75	1,002,500
Total			7,985,582

(1) Expiry may be accelerated, if closing price of the Company's shares on the TSX-V is $0.30 or greater for 30 trading days

(2) Expiry may be accelerated, if closing price of the Company's shares on the TSX-V is $0.80 or greater for 30 trading days

(3) Expiry may be accelerated, if closing price of the Company's shares on the TSX-V is $0.90 or greater for 30 trading days.

(Expressed in Canadian dollars)

10. SHARE CAPITAL (cont'd…)

Warrants (cont'd…)

The weighted average remaining contractual life of the warrants is 2.01 (April 30, 2017 - 2.52) years.

11. RELATED PARTY TRANSACTIONS

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

Six months ended October 31, 2017	Salary or Fees	Share-based Payments	**Total**
Management and outside directors	$ -	$ -	$ -
Seabord Services Corp.	60,000	-	60,000
	$ 60,000	$ -	$ 60,000

Six months ended October 31, 2016	Salary or Fees	Share-based Payments	**Total**
Management and outside directors	$ -	$ -	$ -
Seabord Services Corp.	60,000	-	60,000
	$ 60,000	$ -	$ 60,000

Seabord is a management services company controlled by a director. Seabord provides a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to the Company. The Chief Financial Officer and Corporate Secretary of the Company are employees of Seabord and are not paid directly by the Company.

Related party assets (liabilities)	Items or services	October 31, 2017	April 30, 2017
Included in accounts payable and accrued liabilities			
Chairman	Expense reimbursements	$ (2,812)	$ -
Seabord Services Corp.	Administrative services and expense reimbursements	(291,886)	(228,943)
Included in promissory notes payable			
Chairman		(460,574)	(432,105)
Seabord Services Corp.		$ (52,449)	$ (51,441)

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the six months ended October 31, 2017 and 2016 the Company did not have any significant non-cash investing and financing activities.

(Expressed in Canadian dollars)

13. SEGMENTED INFORMATION

The Company operates in a single segment, the exploration and development of renewable energy. In addition, the Company has corporate activities, which include the evaluation and acquisition of new renewable energy projects, treasury and finance, regulatory reporting, and corporate administration.

14. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT

Risk and Capital Management

The Company considers items included in equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company currently has no source of revenue. In order to fund its projects and pay for administrative costs, the Company will be required to raise additional funds during fiscal 2018. As at October 31, 2017, the Company had a working capital deficiency of $1,051,148 and will not be able to meet its corporate objectives over the next 12 months without additional funds. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through public and/or private placements, sell assets, or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

Financial Instruments

The Company classified its financial instruments as follows:

As at October 31, 2017		Loans and Receivables		Other Financial Liabilities
Cash	$	67,638	$	-
Accounts payable and accrued liabilities		-		(362,054)
Promissory notes payable		-		(765,472)
	$	67,638	$	(1,127,526)

As at April 30, 2017		Loans and Receivables		Other Financial Liabilities
Cash	$	1,739	$	-
Accounts payable and accrued liabilities		-		(359,064)
Promissory notes payable		-		(650,396)
	$	1,739	$	(1,009,460)

14. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT (cont'd…)

Fair Value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The carrying value of cash, receivables, accounts payable and accrued liabilities, and promissory notes payable approximated their fair value because of the short-term nature of these instruments.

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

Credit Risk

The Company is exposed to credit risk by holding cash. This risk is minimized by holding the funds in Canadian banks or Canadian treasury bills. The Company has receivables exposure which is monitored and a provision has been taken.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held mainly in bank accounts which do not pay a significant amount of interest and therefore there is minimal interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company is exposed to liquidity risk and actively manages its working capital items and available resources.

Currency Risk

The Company is not exposed to significant currency risk.

15. EVENTS AFTER THE REPORTING DATE

Subsequent to October 31, 2017, the Company:

a) settled $641,530 of accounts payable and promissory notes payable with its creditors by paying $59,097 and issuing 8,102,880 common shares at $0.05 per share, of which 4,400,000 common shares were issued to the Chairman and director of the Company, and 2,370,000 to Seabord Services Corp.;

b) converted its $200,000 loan into 4,000,000 units pursuant to the unsecured loan agreement entered into on June 7, 2017. Each unit consisted of one common share and one share purchase warrant, where each warrant is exercisable at $0.05 per share for one year from the issuance date; and

c) completed a private placement for aggregate proceeds of $872,500 by issuing 17,450,000 common shares at $0.05 per share. In connection to this private placement, the Company paid finders' fees of $16,250.