RESERVOIR CAPITAL CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

NINE MONTHS ENDED JANUARY 31, 2018 AND 2017
(Unaudited)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Reservoir Capital Corp. for the nine months ended January 31, 2018 and 2017 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

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

	January 31, 2018	April 30, 2017
ASSETS		
Current		
Cash	$ 739,970	$ 1,739
Receivables, net of provisions (Note 4)	1,373	388
Prepaids and advances	4,750	5,918
Total current assets	746,093	8,045
TOTAL ASSETS	$ 746,093	$ 8,045
LIABILITIES AND EQUITY (DEFICIENCY)		
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7, 11)	$ 168,682	$ 359,064
Promissory notes payable (Note 8, 11)	232,995	650,396
Total liabilities	401,677	1,009,460
EQUITY (DEFICIENCY)		
Share capital (Note 10)	38,177,603	36,599,930
Share-based payments reserve	2,795,632	2,689,011
Deficit	(40,628,819)	(40,290,356)
Total equity (deficiency)	344,416	(1,001,415)
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)	$ 746,093	$ 8,045

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

These condensed interim consolidated financial statements are approved and authorized for issuance by the Board of Directors on March 27, 2018.

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

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

RESERVOIR CAPITAL CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Three months ended January 31, 2018	Three months ended January 31, 2017	Nine months ended January 31, 2018	Nine months ended January 31, 2017
GENERAL AND ADMINISTRATIVE EXPENSES				
Administrative services and office	$ 32,852	$ 34,943	$ 100,174	$ 104,202
Amortization (Note 5)	-	-	-	105
Consulting fees	128,439	-	128,439	-
Professional fees	24,563	8,522	55,864	53,345
Shareholder communication and investor relations	180	4,913	3,418	8,223
Transfer agent and filing fees	15,353	8,177	26,285	22,779
Travel	28,498	-	28,498	-
Loss from operations	(229,885)	(56,555)	(342,678)	(188,654)
Foreign exchange gain (loss)	(5,937)	1,425	(7,049)	1,338
Interest and other expenses	(2,577)	(6,514)	(15,640)	(14,621)
Impairment on equipment (Note 5)	-	-	-	(1,994)
Gain (loss) on settlement of payables (Note 7, 8)	(50,331)	-	41,754	-
	(58,845)	(5,089)	19,065	(15,277)
Loss from continuing operations	(288,730)	(61,644)	(323,613)	(203,931)
Loss from discontinued operation, net of tax (Note 9)	-	(45,765)	(14,850)	(388,041)
Loss and comprehensive loss for the period	$ (288,730)	$ (107,409)	$ (338,463)	$ (591,972)
Basic and diluted earnings (loss) per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.03)
Basic and diluted earnings (loss) per share from continuing operations	(0.01)	(0.00)	(0.01)	(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	39,357,046	18,611,544	23,840,547	18,611,544

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

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

	Nine months ended January 31, 2018	Nine months ended January 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period from continuing operations	$ (323,613)	$ (203,931)
Operating activities of discontinued operations	(14,850)	(59,221)
Advances to discontinued operations used	-	(332,296)
Adjustments for:		
Amortization	-	105
Interest expense	14,379	12,939
Impairment on equipment	-	1,994
Gain on settlement of payables	(41,754)	-
Unrealized foreign exchange (gain) loss on cash	7	81
Changes in non-cash working capital items:		
Receivables	(985)	327
Prepaids and advances	1,168	(5,837)
Accounts payable and accrued liabilities	44,323	153,969
Net cash used in operating activities	(321,325)	(431,870)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital issued for cash	872,500	-
Share issue costs	(7,950)	-
Proceeds from promissory notes payable	220,000	390,000
Settlement of promissory note payable	(25,000)	-
Net cash provided by financing activities	1,059,550	390,000
Effect of foreign exchange changes on cash	6	(42)
Change in cash during the period	738,231	(41,912)
Cash, beginning of period	1,739	47,872
Cash, end of period	$ 739,970	$ 5,960

Supplemental disclosure with respect to cash flows (Note 12)

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

RESERVOIR CAPITAL CORP.
CONDENSED INTERIM CONSOLIDATED 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)
Private placement	17,450,000		872,500		-		-		872,500
Share issue costs	-		(21,000)		-		-		(21,000)
Settlement of payables	12,102,880		726,173		106,621		-		832,794
Loss for the period	-		-		-		(338,463)		(338,463)
Balance as at January 31, 2018	48,164,424	$	38,177,603	$	2,795,632	$	(40,628,819)	$	344,416

	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	-		-		-		(591,972)		(591,972)
Balance as at January 31, 2017	18,611,544	$	36,599,930	$	2,689,011	$	(39,592,948)	$	(304,007)

The accompanying notes are an integral part of these condensed interim consolidated 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 interim consolidated financial statements of the Company are presented in Canadian dollars unless otherwise indicated. The condensed interim consolidated 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 interim consolidated 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 January 31, 2018, 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 interim consolidated 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 interim consolidated 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 interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim consolidated 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 interim consolidated 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 interim consolidated 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 nine months ended January 31, 2017, the Company recognized:

a) amortization of $8,967 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

The Brodarevo HPPs comprised three-year energy permits, granted in March 2015 covering two sections of the River Lim, denominated Brodarevo-1 and Brodarevo-2, to develop run-of-river hydroelectric power projects. The energy permits were originally granted in 2009 and extended for three years in 2012.

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.

In January 2018 the Company's wholly owned Serbian subsidiary Renewable Energy Ventures doo ("REV doo") filed a voluntary petition for relief under Serbian Law on bankruptcy in the Commercial Court in Belgrade, respecting the winding up of REV doo's operations and liquidation of its assets. The process is ongoing.

(Expressed in Canadian dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2018	April 30, 2017
Trade accounts payable	$ 133,132	$ 329,064
Accrued liabilities	35,550	30,000
	$ 168,682	$ 808,368

In December 2017, the Company settled $306,852 of accounts payable with its creditors by paying $59,097 and issuing 1,819,540 common shares, valued at $109,160, resulting in a gain of $138,595 on settlement.

8. PROMISSORY NOTES PAYABLE

In June 2017, the Company received $200,000 pursuant to an unsecured loan agreement. In November and December 2017, the Company issued 4,000,000 common shares and 4,000,000 share purchase warrants on conversion of the balance in full, where each warrant is exercisable at $0.05 per share for one year. The common shares and share purchase warrants issued were valued at $240,000 and $106,621, respectively, resulting in a loss of $146,621 on settlement.

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. In December 2017, the Company settled $334,695 of the total balance with 6,283,340 common shares, valued at $377,000, resulting in a loss of $42,305 on settlement. As at January 31, 2018, the Company owed $232,995 (April 30, 2017 - $534,987), which included accrued interest expense of $12,995 (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. In October 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 on settlement.

(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.

Nine months ended January 31, 2018	Serbia	Italy	Bosnia	**Total**
Revenue	$ -	$ -	$ -	$ -
Renewable energy projects	-	-	-	-
Wind-up costs	(14,850)	-	-	(14,850)
	(14,850)	-	-	(14,850)
Income tax	-	-	-	-
Loss from discontinued operations, net of tax	$ (14,850)	$ -	$ -	$ (14,850)

Nine months ended January 31, 2017	Serbia	Italy	Bosnia	**Total**
Revenue	$ -	$ -	$ -	$ -
Renewable energy projects	(74,142)	-	-	(74,142)
Foreign exchange gain (loss)	1,218	-	36	1,254
Loss on disposal of equipment	-	(14,495)	-	(14,495)
Write-off of:				
Advances and wind-up costs	(144,550)	(187,746)	-	(332,296)
Liabilities	-	31,638	-	31,638
	(217,474)	(170,603)	36	(388,041)
Income tax	-	-	-	-
Loss from discontinued operations, net of tax	$ (217,474)	$ (170,603)	$ 36	$ (388,041)

(Expressed in Canadian dollars)

9. DISCONTINUED OPERATIONS (cont'd…)

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

	Nine months ended January 31, 2018	Nine months ended January 31, 2017
Net cash used in operating activities	$ (14,850)	$ (59,221)
Net cash used ininvesting activities	-	-
Net cash flows for the period	$ (14,850)	$ (59,221)

10. SHARE CAPITAL

Authorized Share Capital

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

In December 2017, the Company completed a private placement for aggregate proceeds of $872,500 by issuing 17,450,000 common shares at $0.05 per share. The Company paid or accrued finders' fees of $14,250.

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 nine months ended January 31, 2018, the remaining outstanding stock options of 177,750 expired. As at January 31, 2018 there are no stock options outstanding and exercisable.

Warrants

The changes in share purchase warrants outstanding are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance as at April 30, 2017	7,985,582	$ 0.39
Issued	4,000,000	0.05
Balance as at January 31, 2018	11,985,582	$ 0.28

(Expressed in Canadian dollars)

10. SHARE CAPITAL

Warrants (cont'd…)

Share purchase warrants outstanding and exercisable as at January 31, 2018 are as follows:

Expiry Date		Exercise Price	Number of Warrants
Nov 14, 2018		0.05	2,800,000
Dec 07, 2018		0.05	1,200,000
Jul 09, 2019	(1)	0.20	2,293,100
Aug 01, 2019	(1)	0.20	2,188,232
Dec 01, 2019	(2)	0.60	1,652,500
Jan 01, 2020	(2)	0.60	498,500
Feb 06, 2020	(2)	0.60	350,750
Nov 06, 2020	(3)	0.75	1,002,500
Total			11,985,582

(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.

The weighted average remaining contractual life of the warrants is 1.44 (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:

Nine months ended January 31, 2018		Salary or Fees		Share-based Payments		**Total**
Management and outside directors	$	108,000	$	-	$	108,000
Seabord Services Corp.		90,000		-		90,000
	$	198,000	$	-	$	198,000

Nine months ended January 31, 2017		Salary or Fees		Share-based Payments		**Total**
Management and outside directors	$	-	$	-	$	-
Seabord Services Corp.		90,000		-		90,000
	$	90,000	$	-	$	90,000

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS (cont'd…)

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	January 31, 2018	April 30, 2017
Included in accounts payable and accrued liabilities			
CEO	Fees	$ (30,000)	$ -
Outside directors	Fees and expense reimbursements	(32,112)	(228,943)
Seabord Services Corp.	Administrative services	(30,000)	(228,943)
Included in promissory notes payable			
Outside directors		(232,995)	(432,105)
Seabord Services Corp.		$ -	$ (51,441)

During the nine months ended January 31, 2018, the Company settled accounts payable of $291,886 and promissory notes payable of $282,246 due with related parties by making a $59,097 cash payment and issuing common shares valued at $406,200, resulting in a gain of $108,835.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the nine months ended January 31, 2018, the Company:

a) issued 1,819,540 common shares, valued at $190,160, to settle accounts payable;
b) issued 10,283,340 common shares and 4,000,000 share purchase warrants, valued at $617,000 and $106,621 respectively, on settlement of promissory notes payable and conversion of loan; and
c) accrued $13,050 of finder's fees in the private placement in accounts payable and accrued liabilities.

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

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.

(Expressed in Canadian dollars)

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 raised additional funds during fiscal 2018. As at January 31, 2018, the Company had a working capital of $344,416 (April 30, 2017 - deficiency of $1,001,415). 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 January 31, 2018		Loans and Receivables		Other Financial Liabilities
Cash	$	739,970	$	-
Accounts payable and accrued liabilities		-		(168,682)
Promissory notes payable		-		(232,995)
	$	739,970	$	(401,677)

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. EVENT AFTER THE REPORTING DATE

Subsequent to January 31, 2018, the Company entered into a Heads of Agreement with Kainji Power Holding Limited ("KPHL") for a share exchange transaction that will result in the Company owning 60% in KPHL for 158,100,000 common shares of the Company. KPHL holds a 2.1% interest in Mainstream Energy Solutions Limited ("MESL"), Nigeria's leading producing hydropower company.