

WATERFRONT CAPITAL CORPORATION

2489 Bellevue Avenue
West Vancouver, British Columbia
V7V 1E1

INFORMATION CIRCULAR

(as at May 8, 2013 except as otherwise indicated)

SOLICITATION OF PROXIES

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the Management of Waterfront Capital Corporation (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on Wednesday, June 12, 2013 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by 10:00 a.m. (local time in Vancouver, British Columbia) on Monday, June 10, 2013, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Computershare, or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting,

or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company (the “Management”) knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own

(“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Company’s NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO’s intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

Financial Statements

The audited financial statements of the Company for the year ended December 31, 2012, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of common shares of which 9,654,066 common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote.

Shareholders registered as at May 8, 2013, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company.

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. The number of directors of the Company was set at four at the Company's last annual general meeting. Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors for the ensuing year at five.

Pursuant to the Advance Notice Policy adopted by the board of directors of the Company on April 18, 2013 and discussed in further detail below, any additional director nominations for the Meeting must have been received by the Company in compliance with the Advance Notice Policy no later than the close of business on May 12, 2013. As no such nominations were received by the Company prior to such date, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
<p>Douglas L. Mason British Columbia, Canada</p> <p><i>Chief Executive Officer, President and Director</i></p>	<p>Chief Executive Officer, Chairman and Director of International Bethlehem Mining Corp., White Tiger Mining Corp., Rainy Mountain Royalty Corp., Columbia Yukon Explorations Inc. and Black Panther Mining Corp. and President, Director and sole shareholder of Criterion Capital Corp. (a private investment and financial consulting company); and formerly President, Chief Executive Officer and a Director of Clearly Canadian Beverage Corporation from 1986 to March 2006.</p>	<p>February 10, 2006</p>	<p>1,183,056</p>
<p>Sead Hamzagic British Columbia, Canada</p> <p><i>Chief Financial Officer, Secretary and Director</i></p>	<p>Certified General Accountant; Chief Financial Officer and Director of White Tiger Mining Corp., International Bethlehem Mining Corp., Rainy Mountain Royalty Corp., Columbia Yukon Explorations Inc. and Black Panther Mining Corp.</p>	<p>February 7, 2008</p>	<p>Nil</p>
<p>Bruce E. Morley⁽²⁾ British Columbia, Canada</p> <p><i>Director</i></p>	<p>Lawyer; Bruce E. Morley Law Corp. since 1994 (formerly partner/lawyer with Vancouver, B.C. law firm from 1981 to 1994); Director of Black Panther Mining Corp., Rainy Mountain Royalty Corp., International Bethlehem Mining Corp., Columbia Yukon Explorations Inc. and White Tiger Mining Corp. and formerly Director, Chief Legal Officer with Clearly Canadian Beverage Corporation from 1994 to March 2006.</p>	<p>March 31, 2000</p>	<p>66,257</p>
<p>Valerie Samson⁽²⁾ British Columbia, Canada</p> <p><i>Director</i></p>	<p>Corporate Consultant; and formerly Vice President of Administration and Corporate Affairs for Black Panther Mining Corp. and Clearly Canadian Beverage Corporation.</p>	<p>March 23, 2010</p>	<p>Nil</p>

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
Andrzej Kowalski⁽²⁾ British Columbia, Canada <i>Director</i>	Lawyer; Business Consultant involved in financing, operating and selling technology companies in the private and public sector. Director of Columbia Yukon Explorations Inc., International Bethlehem Mining Corp., Rainy Mountain Royalty Corp., White Tiger Mining Corp. and Black Panther Mining Corp.	June 1, 2012	Nil

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the audit committee.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, no director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Bruce Morley was a director of CPG Debenture Corp. (“CPG”). CPG became a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (the “Jurisdictions”) by obtaining receipts for its final prospectus on April 17, 2003. CPG, together with Churchill Institutional Real Estate Limited Partnership (“CIRE LP”), completed an offering of Series A Debentures of CPG and limited partnership units of CIRE LP. On March 11, 2004, all of the Series A Debentures of CPG were redeemed,

and therefore CPG determined to make application to obtain non-reporting issuer status in each of the Jurisdictions. Prior to such applications being filed, cease trade orders were issued against CPG by the Executive Director of the British Columbia Securities Commission on July 8, 2004 and by the Director of Ontario Securities Commission on June 28, 2004 for the failure by CPG to file its interim financial statements for the financial period ended March 31, 2004. CPG was granted non-reporting status in British Columbia on July 23, 2004 and in the other Jurisdictions on December 15, 2004. CPG was dissolved as of December 17, 2007.

Settlement Agreement

On October 30, 2000, the British Columbia Securities Commission (the "Commission") issued a Notice of Hearing with respect to regulatory proceedings against Douglas Mason, a director of the Company. The Notice of Hearing alleged that Mr. Mason failed to comply with certain insider reporting and control person reporting requirements with respect to certain trades in shares of certain other publicly traded companies, and that Mr. Mason engaged or participated in improper trading of shares of certain companies. On August 25, 2004, Mr. Mason entered into a settlement agreement (the "Settlement") with the Commission. The Settlement provided that Mr. Mason, subject to certain exceptions, cease trading, directly or indirectly, in securities for a period of 12 months (from August 25, 2004 and expiring August 24, 2005). All such restrictions expired on August 24, 2005. As part of the Settlement, the Commission acknowledged and agreed that none of the trading in question was undertaken by Mr. Mason in reliance upon undisclosed material facts or changes and that there was no evidence of any illicit purpose on the part of Mr. Mason in connection with the subject trading.

Individual Bankruptcies

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

EXECUTIVE COMPENSATION

Named Executive Officers

During the financial year ended December 31, 2012, the Company had two Named Executive Officers ("NEOs") being, Douglas L. Mason, the Chief Executive Officer ("CEO") and President, and Sead Hamzagic, the Chief Financial Officer ("CFO") of the Company.

“Named Executive Officer” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

The compensation of the Company’s Named Executive Officers is determined by the Company’s Board of Directors (the “**Board**”).

The general objectives of the Board’s compensation decisions are:

- to encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value;
- to align management’s interests with the long-term interest of shareholders;
- to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives; and
- to ensure that total compensation paid takes into account the Company’s overall financial position.

The Board’s compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility. In general, a Named Executive Officer’s compensation is comprised of contractor payments and stock option grants.

The objectives and reasons for this system of compensation are generally to allow the Company to remain competitive compared to its peers in attracting experienced personnel. The salaries and/or consulting fees are set on a basis of a review and comparison of compensation paid to executives at similar companies, (the “peer group”). The companies in the peer group operate in a similar business environment and are of similar size, scope and complexity. Currently our peer group consists of the following companies: Goldrea Resources Corp., Pacific North West Capital Corp., Northern Gold Mining Inc., Pacific Ridge Exploration Ltd., Balmoral Resources Ltd., Rye Patch Gold Corp. and San Marco Resources Inc., International Bethlehem Mining Corp., Rainy Mountain Royalty Corp., Black Panther Mining Corp., White Tiger Mining Corp. and Columbia Yukon Explorations Inc. Changes to the peer group may be made from time to time as recommended by management.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs.

Share-Based and Option-Based Awards

The Company does not grant share-based awards. The Board is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

Risk of Compensation Practices and Disclosure

The Company has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long term sustainability. The discretionary nature of annual bonus awards and option grants are significant elements of the Company's compensation plans and provide the Board with the ability to reward historical performance and behaviour that the Board considers to be aligned with the Company's best interests. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company's three most recently completed financial years to the Company's NEOs.

Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Douglas L. Mason, CEO & President	2012	30,000	Nil	Nil	N/A	N/A	N/A	Nil	30,000
	2011	30,000	Nil	Nil	N/A	N/A	N/A	2,000	32,000
	2010	30,000	Nil	Nil	N/A	N/A	N/A	Nil	30,000

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Sead Hamzagic, CFO	2012	12,000	Nil	4,903	N/A	N/A	N/A	Nil	16,903
	2011	12,000	Nil	3,613	N/A	N/A	N/A	2,000	17,613
	2010	11,500	Nil	Nil	N/A	N/A	N/A	Nil	11,500

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Risk-free interest rate:	1.16%	1.43%	N/A
Expected dividend yield:	0.00%	0.00%	
Expected volatility:	136.69%	131.95%	
Expected life of option:	5 years	5 years	

The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements.

Narrative Discussion

The Company pays office rent to Beachfront Enterprises Limited Partnership ("Beachfront Enterprises"), a limited partnership, the majority of which partnership is owned by a director/officer of the Company, namely, Douglas L. Mason. During the most recently completed financial year, the Company paid \$51,333 in rent to Beachfront Enterprises.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a NEO. The following table sets forth the outstanding option-based awards held by the NEOs of the Company at the end of the most recently completed financial year:

**Outstanding Share -Based Awards and
Option-Based Awards**

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Douglas L. Mason CEO & President	Nil	N/A	N/A	Nil	N/A	N/A
Sead Hamzagic, CFO	200,000	\$0.10	November 1, 2016	Nil	N/A	N/A
	100,000	\$0.10	February 12, 2013	Nil	N/A	N/A

Note:

- (1) "In-the-Money Options" means the excess of the market value of the Company's shares on December 31, 2012 over the exercise price of the options. The market price for the Company's common shares on December 24, 2012, the last day the shares traded prior to the December 31, 2011 year end which was \$0.025.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

**Value Vested or Earned for Incentive Plan Awards During the Most
Recently Completed Financial Year**

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Douglas L. Mason, CEO & President	Nil	Nil	Nil
Sead Hamzagic, CFO	Nil	Nil	Nil

Narrative Discussion

The Company has a stock option plan to grant options to directors, employees and consultants to acquire up to 1,800,000 common shares in the capital of the Company, which plan was approved by the shareholders of the Company at its annual general meeting held on June 15, 2007. The exercise price of each option granted under the plan is determined by the directors but cannot be less than the closing price of the Company's shares on the day preceding the date on which the directors grant such options, less any discount allowed by the TSX Venture Exchange (the "Exchange"). The options can be granted for a maximum term of five years and are subject to vesting over an 18 month period, with one-quarter of the options available for exercise on the date of grant and an additional one-quarter available for exercise at each subsequent six month interval.

The Company's Board proposes to implement a new stock option plan, subject to shareholder and regulatory approval, to allow for the purchase of shares issuable in connection with stock options granted under the new stock option plan to equal 10% of the Company's issued and outstanding common shares at any given time. For additional information pertaining to the new stock option plan, see the section of this Circular entitled "*Particulars of Matters to be Acted Upon – Adoption of New Stock Option Plan*".

PENSION BENEFITS

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has entered into a consulting agreement dated February 10, 2006 with Criterion Capital Corporation (a corporation controlled by Douglas L. Mason) under which the Company is required to pay a consulting fee equal to \$2,500 per month. Additionally, the Company has entered into a consulting agreement dated October 1, 2008, as amended, with Sead Hamzagic, Inc. (a corporation controlled by Sead Hamzagic) under which the Company is required to pay a consulting fee of \$1,000 per month. If either of the consulting agreements is terminated without cause, the Company is required to pay an amount equal to five times the annual consulting fee payable thereunder.

Other than disclosed herein, the Company and its subsidiaries have no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive more than \$100,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the Named Executive Officer's employment with the Company or its subsidiaries, a change of control of the Company or its subsidiaries, or a change in responsibilities of the Named Executive Officer following a change in control.

The table below sets out the estimated incremental payments, payables and benefits due to each of the Named Executive Officers on termination without cause or on termination on a change of control or resignation for good cause following a change of control, assuming termination as of December 31, 2012.

Name	Base Salary (Payable only on Termination) (\$)	Bonus (Payable only on Termination) (\$)	Option-Based Awards (Payable only on Termination) (\$)	All Other Compensation (Payable only on Termination) (\$)	Total Compensation (Payable only on Termination) (\$)
Douglas L. Mason, CEO & President	150,000	Nil	Nil	100,000	250,000
Sead Hamzagic, CFO	60,000	Nil	Nil	100,000	160,000

DIRECTOR COMPENSATION

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

Set out below is a summary of compensation paid or accrued during the Company's most recently completed financial year to the Company's directors, other than the NEOs previously disclosed:

Director Compensation Table

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Bruce E. Morley ⁽²⁾	30,000	Nil	Nil	N/A	N/A	Nil	30,000
Valerie Samson	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Andrzej Kowalski ⁽³⁾	1,167	Nil	1,581	N/A	N/A	Nil	2,748

Notes:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions:
 Risk-free interest rate: 1.16%
 Expected dividend yield: 0.00%
 Expected volatility: 136.69%
 Expected life of option: 5 years
 The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements.
- (2) Such compensation was paid to a company controlled by Bruce E. Morley and was for legal services provided to the Company.
- (3) Andrzej Kowalski was appointed a director of the Company on June 1, 2012.

Narrative Discussion

Other than referred to herein, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the board of directors of the Company or its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year, save and accept that the Company entered into a Legal Services Agreement dated March 1, 2006 with Bruce E. Morley Law Corporation (a corporation controlled by Bruce E. Morley, a director of the Company) under which the Company is required to pay a fee for legal services rendered equal to \$2,500 per month. If the Legal Services Agreement is terminated without cause, the Company is required to pay an amount equal to five times the annual fee payable thereunder.

The Company has entered into three agreements with certain directors/officers for services rendered in such capacities. If such agreements are terminated without consent of the director/officer or the director/officer resigns within 120 days following a change in defacto control, the Company must pay \$100,000 to such director/officer and allow any unvested stock options owned by such director/officer to vest.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a director. The following table sets forth details of all awards granted to directors of the Company which are outstanding at the end of the most recently completed financial year.

**Outstanding Option-Based Awards and
Option-Based Awards**

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Bruce Morley	Nil	N/A	N/A	Nil	N/A	N/A
Valerie Samson	Nil	N/A	N/A	Nil	N/A	N/A
Andrzej Kowalski	75,000	0.10	July 24, 2017	Nil	N/A	N/A

Note:

- (1) "In-the-Money Options" means the excess of the market value of the Company's shares on December 31, 2012 over the exercise price of the options. The market price for the Company's common shares on December 24, 2012, the last day the shares traded prior to the December 31, 2011 year end which was \$0.025.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each director:

Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Bruce E. Morley	Nil	Nil	Nil
Valerie Samson	Nil	Nil	Nil
Andrzej Kowalski	Nil	Nil	Nil

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the most recently completed financial year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	375,000	\$0.10	1,425,000
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
Total	375,000	\$0.10	1,425,000

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

APPOINTMENT OF AUDITOR

Auditor

Management intends to nominate Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia, for re-appointment as auditor of the Company. Forms of proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of Davidson & Company LLP, Chartered Accountants, as the auditor of the Company to hold office for the ensuing year with remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, no Management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

AUDIT COMMITTEE

The Company is required to have an audit committee (the “**Audit Committee**”) comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the Audit Committee’s charter is attached as Schedule “A” to this Circular.

Composition of Audit Committee and Independence

The Company’s current Audit Committee consists of Valerie Samson, Bruce E. Morley and Andrzej Kowalski.

National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company’s Board, reasonably interfere with the exercise of the member’s independent judgment. Of the Company’s current Audit Committee members, a majority thereof, namely, Valerie Samson and Andrzej Kowalski are “independent” within the meaning of NI 52-110.

NI 52-110 provides that an individual is “financially literate” if he or she has 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 Company’s financial statements. All of the members of the Audit Committee are “financially literate” as that term is defined. The following sets out the Audit Committee members’ education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Relevant Education and Experience

Bruce E. Morley is a director of the Company and has been a practicing lawyer and a member in good standing with the Law Society of British Columbia since 1981. Mr. Morley also has a Bachelor of Commerce degree. Mr. Morley has held a variety of senior positions with various public companies since 1994.

Valerie Samson is a corporate consultant providing communications, marketing and human resources consulting to private and public companies. Over the past 18 years Ms. Samson has held senior positions as Vice President of Administration and Vice President of Corporate Affairs with several publicly traded companies.

Andrzej Kowalski is a director of the Company and a successful entrepreneur and multiple business owner. Mr. Kowalski is also a qualified lawyer experienced in commercial law and litigation. Much of Mr. Kowalski’s business career has involved founding, financing, operating and selling technology companies both in the private and public sectors.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

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

- (d) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to Davidson & Company LLP, Chartered Accountants, for services rendered in the last two fiscal years:

	<u>2012</u>	<u>2011</u>
	(\$)	(\$)
Audit fees ⁽¹⁾	35,000	28,000
Audit related fees ⁽²⁾	700	\$560
Tax fees ⁽³⁾	2,500	2,750
All other fees ⁽⁴⁾	<u>Nil</u>	<u>Nil</u>
Total	<u>\$38,200</u>	<u>\$31,310</u>

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

Exemption in Section 6.1

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company’s approach to corporate governance is set out below.

Board of Directors

Management is nominating five individuals to the Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. Two of the current members of the Board are considered “independent” and three members are considered not “independent” within the meaning of NI 52-110.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO. The Board will give direction and guidance through the CEO to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the CEO, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) (the “**Act**”), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees.

Directorships

The following directors of the Company are also directors of other reporting issuers as stated:

- Douglas L. Mason is a director of International Bethlehem Mining Corp, Columbia Yukon Explorations Inc., Black Panther Mining Corp., White Tiger Mining Corp. and Rainy Mountain Royalty Corp.;
- Sead Hamzagic is a director of International Bethlehem Mining Corp., White Tiger Mining Corp., Black Panther Mining Corp., Columbia Yukon Explorations Inc. and Rainy Mountain Royalty Corp.;
- Bruce E. Morley is a director of Columbia Yukon Explorations Inc., International Bethlehem Mining Corp., Black Panther Mining Corp., White Tiger Mining Corp. and Rainy Mountain Royalty Corp.; and
- Andrzej Kowalski is a director of Columbia Yukon Explorations Inc., Rainy Mountain Royalty Corp., White Tiger Mining Corp., Black Panther Mining Corp. and International Bethlehem Mining Corp.

Orientation and Continuing Education

The Board's practice is to recruit for the Board only persons with extensive experience in business and public company matters. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Company's affairs and plans prior to obtaining their consent to act as a director.

The Board provides training and education courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements.

Ethical Business Conduct

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company's operations, and the small number of officers and consultants, allow the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

Nomination of Directors

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

Compensation Committee

The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. As well, the number of options to be granted is determined by the Board as a whole, which allows the independent directors to have input into compensation decisions. At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

Other Board Committees

As the Company grows, and its operations and management structure become more complex, the Board expects it will constitute formal standing committees, such as a Corporate Governance Committee, a Compensation Committee and a Nominating Committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

PARTICULARS OF MATTERS TO BE ACTED UPON

Adoption of New Stock Option Plan

The Company's stock option plan (the "**Current Plan**") was initially approved by the shareholders of the Company at an annual general meeting held on June 16, 2000. At an annual general meeting held on June 28, 2001, shareholders of the Company approved an amendment to the Current Plan to allow for the granting of options to acquire up to 764,012 common shares and at an annual general meeting held on June 15, 2007, shareholders of the Company approved an amendment to the Current Plan to allow for the granting of options to acquire up to 1,800,000 common shares (which was equal to approximately 20% of the Company's then issued and outstanding common shares). The Company's Board wishes to implement a new stock option plan (the "**New Plan**"), subject to shareholder and regulatory approval, which will allow for the purchase of shares issuable pursuant to stock options granted under the New Plan to equal 10% of the issued and outstanding shares of the Company on a rolling basis.

The Current Plan is a "fixed" plan and the number of common shares available for issuance thereunder does not increase with a corresponding increase in the Company's share capital. Under the New Plan, the Company will have a "rolling" stock option plan that will allow the Company to issue up to 10% of the Company's issued and outstanding common shares at any given time.

The purpose of the New Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants, to reward such of those directors, employees and consultants as may be awarded options under the New Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such directors, employees and consultants to acquire shares as long term investments.

Stock options will be exercisable over periods of up to five years as determined by the Board and are required to have an exercise price of no less than the closing price of the Company's shares on the Exchange on the day preceding the date of grant, less any discount permitted by the Exchange. The maximum number of common shares which may be issued pursuant to stock options previously granted and those granted under the New Plan will be 10% of the issued and outstanding common shares of the Company at the time of grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or not more than 2% of the issued shares on a yearly basis if granted to any one consultant or to any one employee engaged in investor relations activities.

Stock options shall be subject to vesting at the discretion of the Board. All options granted to consultants performing investor relations activities will vest over 12 months with not more than one quarter of the options vesting in any three month period. The New Plan provides that if a change of control, as defined therein, occurs, all shares subject to stock options shall immediately become vested and may thereupon be exercised in whole or in part by the stock option holder.

Any stock options granted pursuant to the New Plan will terminate within 60 days of the stock option holder ceasing to act as a director, officer, employee or consultant of the Company unless such cessation is on account of death or the stock option holder is engaged primarily to provide investor relations activities. Any stock options granted to a stock option holder engaged primarily to provide investor relations activities will terminate within 30 days of the stock option holder ceasing to be employed in such capacity. If such cessation is on account of death, the stock options terminate on the earlier of one year of the stock option holder's death and the expiration date of the stock options.

The New Plan, and any material amendments thereto, must be approved by a majority of the votes cast by shareholders. The New Plan is subject to approval by the Exchange.

If the New Plan is approved by shareholders, a total of 965,406 common shares will be reserved for issuance pursuant to the exercise of options to be granted pursuant to the New Plan as at the Record Date for the Meeting, of which a total of 950,000 options are currently outstanding and of which a total of 15,406 options will be available for grant pursuant to the New Plan.

All options to acquire common shares of the Company previously issued by the Company to directors, officers, employees and consultants of the Company and currently outstanding shall be deemed to have been granted and issued under the New Plan and otherwise be governed by the terms and conditions of the New Plan, subject to the specific terms and conditions as to exercise price, vesting periods, if any, and expiry dates as are currently applicable to such options.

The full text of the New Plan will be available for review at the Meeting.

At the Meeting, shareholders will be asked to pass the following resolution:

“IT IS RESOLVED, as an ordinary resolution that the new 10% rolling stock option plan is hereby approved and confirmed and the directors and officers of the Company be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to the true intent of this resolution.”

Ratification and Approval of Advance Notice Policy

Effective April 18, 2013, the Board adopted an advance notice policy (the “**Advance Notice Policy**”) with immediate effect, a copy of which is attached as Schedule “B” to this Circular. In order for the Advance Notice Policy to remain in effect following termination of the Meeting, the Advance Notice Policy must be ratified and approved at the Meeting.

Purpose of the Advance Notice Policy

The Board is committed to facilitating an orderly and efficient process for the nomination of directors at shareholder meetings, ensuring that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees to register an informed vote.

The purpose of the Advance Notice Policy is to provide shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline prior to any shareholders’ meeting called for the election of directors by which a registered shareholder may submit director nominations to the Company, and sets forth the information that the nominating shareholder must include in the notice to the Company in order for a nominee to be eligible for election.

Terms of the Advance Notice Policy

The following information is intended as a brief description of the Advance Notice Policy and is qualified in its entirety by the full text of the Advance Notice Policy. Briefly, the Advance Notice Policy:

- provides that advance notice to the Company must be given where nominations of persons for election to the board of directors are made by shareholders of the Company other than pursuant to: (i) a requisition made in accordance with section 167 of the Act; or (ii) a ‘proposal’ made in accordance with section 188 of the Act;
- fixes a deadline by which a registered shareholder may submit director nominations to the Company prior to any annual or special general meeting and sets out the specific information that must be included in the written notice to the Company for an effective nomination to occur;
- provides that, in the case of an annual meeting, notice to the Company must be given no fewer than 30 days nor more than 65 days prior to the date of the meeting; provided that if the meeting is to be held on a date that is fewer than 50 days after the date on which the first public announcement of the date of the meeting was made, notice may be given no later than the close of business on the 10th day following such public announcement;
- provides that in the case of a special general meeting that is not also an annual meeting, notice to the Company must be made no later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made; and
- provides that the Board, in its sole discretion, may waive any requirement of the Advance Notice Policy.

Ratification and Approval of Advance Notice Policy by Shareholders

If the Advance Notice Policy is ratified and approved by the shareholders at the Meeting, it will be subject to an annual review by the Board. The Board will update the Advance Notice Policy to reflect any changes required by securities regulatory authorities and applicable stock exchanges or as otherwise determined to be in the best interests of the Company and its shareholders.

Accordingly, at the Meeting, the shareholders will be asked to consider, and if thought appropriate, to pass, with or without amendment, an ordinary resolution as follows:

“IT IS RESOLVED, as an ordinary resolution that:

- (a) the Company’s Advance Notice Policy (the “**Advance Notice Policy**”), a copy of which is attached as Schedule “B” to the information circular of the Company dated April 18, 2013, be and is hereby ratified and approved;
- (b) the board of directors of the Company be and is authorized in its absolute discretion to administer the Advance Notice Policy and to amend or modify the Advance Notice Policy to the extent needed to reflect changes required by securities regulatory authorities and applicable stock exchanges, or as otherwise determined to be in the best interests of the Company and its shareholders; and
- (c) any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver all such documents, instruments and assurances as in the opinion of such director or officer may be necessary or desirable to give effect to the foregoing resolutions.”

Under the Articles of the Company and the Act, the ordinary resolution to ratify and approve the Advance Notice Policy must be approved by at least a simple majority of 50% plus one vote of the votes cast by the shareholders present in person or by proxy at the Meeting.

The Board has determined that the Advance Notice Policy is in the best interests of the Company and its shareholders, and unanimously recommends that shareholders vote in favour of the resolution ratifying and approving the Advance Notice Policy. In the absence of contrary directions, the management designees of the Company intend to vote proxies in the accompanying form of proxy in favour of the ordinary resolution ratifying and approving the Advance Notice Policy.

General Matters

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements to December 31, 2012, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at 604-922-2030.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 8th day of May, 2013.

ON BEHALF OF THE BOARD

(signed) "Douglas L. Mason"

Douglas L. Mason
Chief Executive Officer

WATERFRONT CAPITAL CORPORATION

Schedule "A" Audit Committee Charter

The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The audit committee will:

- (a) review and report to the board of directors of the Company on the following before they are published:
 - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;
 - (ii) the auditor's report, if any, prepared in relation to those financial statements,
- (b) review the Company's annual and interim earnings press releases before the Company publicly discloses this information,
- (c) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures,
- (d) recommend to the board of directors:
 - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - (ii) the compensation of the external auditor,
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established,
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company,
- (h) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

- (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor,
- (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company, and
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with Multilateral Instrument 52-109.

Composition of the Committee

The committee will be composed of 3 directors from the Company's board of directors, a majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each independent committee member will have no direct or indirect relationship with the Company which, in the view of the board of directors, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

Authority

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

Reporting

The reporting obligations of the committee will include:

1. reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
2. reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.

WATERFRONT CAPITAL CORPORATION
(the “Corporation”)

Schedule “B”
Alterations to Articles

ADVANCE NOTICE POLICY

(Adopted by the Board of Directors with immediate effect on April 18, 2013)

INTRODUCTION

The Corporation is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of this Advance Notice Policy (the “**Policy**”) is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. This Policy fixes a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the Corporation that this Policy is in the best interests of the Corporation, its shareholders and other stakeholders. This policy will be subject to an annual review by the board of directors of the Corporation, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

NOMINATIONS OF DIRECTORS

1. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the “**Board**”) may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
 - (a) by or at the direction of the Board, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders pursuant to a “proposal” made in accordance with Division 7 of the *British Columbia Business Corporations Act* (the “**Act**”), or a requisition of the shareholders made in accordance with section 167 of the Act; or

- (c) by any person (a “**Nominating Shareholder**”): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Policy and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Policy.
2. In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Chief Executive Officer of the Corporation at the principal executive offices of the Corporation.
 3. To be timely, a Nominating Shareholder’s notice to the Chief Executive Officer of the Corporation must be made:
 - (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder’s notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of such notice.

4. To be in proper written form, a Nominating Shareholder’s notice to the Chief Executive Officer of the Corporation must set forth:
 - (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the citizenship of such person; (D) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (E) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

- (b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- 5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- 6. For purposes of this Policy:
 - (a) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - (b) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- 7. Notwithstanding any other provision of this Policy, notice given to the Chief Executive Officer of the Corporation pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Chief Executive Officer of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Chief Executive Officer at the address of the principal executive offices of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.
- 8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy.

EFFECTIVE DATE

This Policy was approved and adopted by the Board on April 18, 2013 (the “**Effective Date**”) and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date. Notwithstanding the foregoing, if this Policy is not approved by ordinary resolution of shareholders of the Corporation present in person or voting by proxy at the next meeting of those shareholders validly held following the Effective Date, then this Policy shall terminate and be void and of no further force and effect following the termination of such meeting of shareholders.

GOVERNING LAW

This Policy shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in that province.