WATERFRONT CAPITAL CORPORATION

Management's Interim Discussion and Analysis

For the three month period ended March 31, 2014

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DESCRIPTION OF BUSINESS AND OVERVIEW OF OPERATIONS AND FINANCIAL CONDITION

The following is management's interim discussion and analysis ("MD&A"), prepared as of May 29, 2014. This MD&A should be read in conjunction with the unaudited Interim Consolidated Financial Statements for the three months ended March 31, 2014 and the accompanying notes, the Company's audited Financial Statements and the accompanying notes for the year ended December 31, 2013, and the MD&A included in the Company's Annual Report, all as prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Company. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward looking information. With respect to forward looking statements and information contained herein, we have made numerous assumptions including among other things, assumptions about economics and competition surrounding the services provided by the Company, anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward looking statement or information herein will prove to be accurate. Forward looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. Factors that could cause actual results to differ materially from those in forward looking statements include such matters as continued availability of capital and financing and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward looking statements or information. Any forward looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Description of Business

The Company offers a range of financial and communications services to companies in various industry sectors. The Company often serves as a company's strategic partner through the entire corporate "life-cycle", providing independent expertise and business advisory services in connection with venture capital markets, investor relations, initial public offerings and secondary financings, mergers and acquisitions, public market administration, as well as, media and marketing advice. The Company's management has extensive financing and operating experience and assists promising companies that require infusions of capital, management and restructuring to realize the value of their underlying business.

The Company trades on the TSX Venture Exchange under the symbol WFG.

PERFORMANCE SUMMARY

The following is a summary of the significant events and transactions that occurred during the three months ended March 31, 2014 and for the subsequent period to the report date hereof:

- On April 9, 2014, the Company completed a non-brokered private placement (the "Private Placement") and raised $110,000 by the issuance of 1,100,000 units (the "Units") at $0.10 per Unit. Each Unit consisted of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share for a period of two years at an exercise price of $0.20. In connection with this Private Placement, finders' fees in the amount of $5,000 were paid. All of the securities issued pursuant to the Private Placement are subject to a hold period expiring on August 10, 2014.

- On January 17, 2014, the Company completed a non-brokered private placement (the "Private Placement") and a convertible debenture financing (the "Debenture Financing") in which the Company raised an aggregate of $625,000. In connection with the Private Placement, the Company raised $25,000 by the issuance of 250,000 units (the "Units") at $0.10 per Unit. Each Unit consisted of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share for a period of two years at an exercise price of $0.20. With regard to the Debenture Financing, the Company raised $600,000 through the issuance of one Debenture to Resource Income Partners Limited Partnership, part of the Sprott Group of Companies. The Debenture pays an interest rate of 12% per annum and is convertible into common shares at $0.25 per share. The Debenture is also convertible into preferred shares (at the same conversion rate of $0.25 per share) and such preferred shares will have a cumulative dividend of 12% per annum. The Company does not currently have such preferred shares within its share capital, however, the Company will seek any required shareholder and/or regulatory approvals to create and authorize a class of preferred shares to facilitate the Debenture Financing. All of the securities issued pursuant to the Private Placement and the Debenture Financing are subject to a hold period expiring on May 18, 2014.

Results of Operations

The following discussion addresses the operating results and financial condition of the Company for the three months ended March 31, 2014 compared with the three months ended March 31, 2013. The Management's Interim Discussion and Analysis should be read in conjunction with the Company's unaudited interim consolidated financial statements and the accompanying notes for the three month period ended March 31, 2014.

For the three month period ended March 31, 2014:

Net income for the period

The Company had a net loss for the three month period ended March 31, 2014 of $269,323 (2013 - income $10,887). The net increase of $280,210 in the net loss for the three month period ended compared to net income for the three month period ended March 31, 2013 was primarily due to a decrease in revenue of $2,935, a $282,565 increase in general and administrative expenses offset by an increase in other items of $5,290.

Revenue

During the three month period ended March 31, 2014, the Company reported revenue of $56,765 compared to $59,700 in the three month period ended March 31, 2013. Items that caused the $2,935 reduction in revenue are noted in the following:

- Corporate and administrative services of $56,661 (2013 - $59,700) decreased by $3,039 due to a change in services provided to its clients.
- Other income of $104 (2013 - $nil) increased by $104 due to an interest income.

Other income (loss)

During the three month period ended March 31, 2014, the Company reported a gain in other items of $1,200 compared to a loss of $4,090 in the three month period ended March 31, 2013. Item that caused the net change in other items is noted in the following:

- Unrealized gain on investments of $1,200 (2013 – loss $4,090) increased by $5,290 due to market values of securities held. The investments the Company holds comprise of securities held in related parties.

Operating Expenses

General and administrative expenses of $327,288 (2013 - $44,723) are primarily comprised of consulting, management, administrative, professional fees, transfer agent fees and filing fees, and general office expenses. The net increase was $282,565 when compared to the three month period ended March 31, 2013. Items that caused the net increase are noted in the following:

In comparison to the three month period ended March 31, 2013:

- Interest expense of $18,949 (2013 - $nil) increased by $18,949 mainly due to the $600,000 debenture issued on January 17, 2014.
- Consulting fees of $219,000 (2013 - $11,000) increased by $208,000 mainly due to the change the type of service provided, The Company is now providing advisory business services, which resulted in an increase in consulting fees for services rendered in such capacities.
- Depreciation of $2,715 (2013 - $3,871) decreased by $1,156. Depreciation decreases each quarter are due to reduced unamortized carrying values as property and equipment are depreciated at annual rates using the declining balance method.
- Office and miscellaneous of $11,029 (2013 - $583) increased by $10,446. The increase is due to supplies used in providing advisory business services.
- Professional fees of $36,840 (2013 - $16,699) increased by $20,141. The increase was due to an increase of $15,092 in legal fees in relation to the private placement transactions and an increase in legal services provided.
- Regulatory and transfer agent fees of $8,718 (2013 - $2,586) increased by $6,132 due to the increased filing fees in relation to the private placement activities.
- Rent of $7,984 (2013 - $1,500) increased by $6,484. The increase was due to the new lease arrangement effective January 1, 2014 for office space required in providing advisory business services.
- Share-based payments of $1,084 (2013 - $5,484) decreased by $4,400 due to the timing of the option issuances in each period when and if such options are available.
- Travel of $16,078 (2013 - $nil) increased by $16,078 was due to the promotion of the advisory business in multiple cities in Canada.
- Wages and benefits of $4,891 (2013 - $3,000) decreased by $1,891 due to a reduction of administrative personnel and cost allocations due to the reduction.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements or transactions.

PROPOSED TRANSACTIONS

The Company does not have any current proposed asset or business acquisition of dispositions; however, the Company continues to seek new business opportunities to raise capital.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of quarterly results of the Company for the eight most recently completed financial quarters ended March 31, 2014:

	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013
Total assets	$ 470,235	$ 136,825	$ 160,620	$ 131,267
Working capital	422,816	59,458	84,853	62,306
Shareholders' equity	(64,800)	96,004	125,270	106,594
Total Revenue	56,765	45,921	59,100	59,100
Operating expenses	327,288	72,096	45,201	44,152
Net income (loss) and comprehensive income (loss)	(269,323)	(37,689)	18,263	1,991
Basic income (loss) per share	(0.03)	0.00	0.00	0.00
Diluted income (loss) per share	(0.03)	0.00	0.00	0.00

	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Total assets	$ 154,047	$ 130,356	$ 148,276	$ 465,748
Working capital	55,945	35,703	39,065	87,790
Shareholders' equity	104,104	87,733	96,613	400,856
Total Revenue	59,700	81,956	81,533	83,724
Operating expenses	44,723	63,781	64,825	81,368
Net income (loss) and comprehensive income (loss)	10,887	(14,766)	(304,841)	1,947
Basic income (loss) per share	0.00	(0.00)	(0.03)	0.00
Diluted income (loss) per share	0.00	(0.00)	(0.03)	0.00

SELECTED ANNUAL INFORMATION

Comparative information for periods from January 1, 2010 onwards has been restated in accordance with IFRS

	Year Ended December 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
Revenues	223,821	333,016	447,351
Operating income	17,649	39,517	85,855
Net income (loss) and comprehensive income (loss)	(6,548)	(313,782)	(265,661)
Impairment charges	-	(315,759)	(238,515)
Basic earnings (loss) per share	0.00	(0.03)	(0.03)
Diluted earnings (loss) per share	0.00	(0.03)	(0.03)
Total assets	136,825	130,356	480,386

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily through the issuance of common shares, warrants and debenture financing. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company anticipates spending some of its capital resources on exploring new business opportunities during the year in expanding its business services to potentially include the distributions of exempt market securities, and in connection therewith, intends to proceed with an application to the British Columbia Securities Commission for registration as an "Exempt Market Dealer" in accordance with National Instrument 31-103 Registration Requirements and Exemptions ("NI 31-103"). Currently, general and administrative expenses amount to approximately $90,000 per month (which includes consulting agreements totaling $15,000 per month), however, the expansion to its business advisory services (and to potentially include the distributions of exempt market securities) will cause the general and administrative expenses to increase substantially.

The Company assesses its financing requirements and its ability to access equity or debt markets on an ongoing basis. The assessment considers: the stage and success of the Company's activities to date; the continued participation of the Company's larger investors; and financial market conditions. To expand its current business operations and opportunities, on January 20, 2014, the Company announced the completion of a non-brokered private placement (the "Private Placement") and a convertible debenture financing (the "Debenture Financing") in which the Company raised an aggregate of $625,000. In connection with the Private Placement, the Company raised $25,000 by the issuance of 250,000 units (the "Units") at $0.10 per Unit. Each Unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share for a period of two years at an exercise price of $0.20. With regard to the Debenture Financing, the Company raised $600,000 through the issuance of one Debenture to Resource Income Partners Limited Partnership, part of the Sprott Group of Companies. It is possible that future economic events and global conditions may result in further volatility in the financial markets which could negatively impact the Company's ability to access equity or debt markets in the future.

As at March 31, 2014, the Company had working capital of $422,816 compared to a working capital of $59,458 as at December 31, 2013. As at March 31, 2014, the Company had cash of $313,441 compared to cash of $15,746 as at December 31, 2013.

Net cash used in operating activities for the period ended March 31, 2014 was $327,305 compared to net cash of $ 11,056 provided by operating activities for the same period in 2013.

Net cash provided by investing activities for the period ended March 31, 2014 was $625,000 compared to $nil for the same period in 2013 from proceeds on issuance of debentures and shares.

TRANSACTIONS WITH RELATED PARTIES

(a) Included in accounts receivable at March 31, 2014 is $64,579 (December 31, 2013 - $63,761) due from companies controlled by directors and/or companies with certain common directors as follows:

Name of Company	Directors/Officers	March 31, 2014	December 31, 2013
Black Panther Mining Corp.	Douglas L. Mason, Bruce E. Morley, Sead Hamzagic and Andrzej Kowalski	35,370	35,370
Grignan Holdings Ltd.	Rick Peterson	40	40
International Bethlehem Mining Corp.	Douglas L. Mason, Bruce E. Morley, Sead Hamzagic and Andrzej Kowalski	3,150	3,150
Rainy Mountain Royalty Corp.	Douglas L. Mason, Bruce E. Morley, Sead Hamzagic and Andrzej Kowalski	6,300	6,300
Waterfront Communication Inc.	Douglas L. Mason, Bruce E. Morley, Sead Hamzagic and Valerie J. Samson	818	-
Waterfront Capital Land Corp.	Douglas L. Mason	1	1
White Tiger Mining Corp.	Douglas L. Mason, Bruce E. Morley, Sead Hamzagic and Andrzej Kowalski	18,900	18,900
		$ 64,579	$ 63,761

(b) Included in prepaid expenses at March 31, 2014 is $10,000 (2013 - $10,000) as a deposit paid to Waterfront Communications Inc., a company with certain common directors, to cover shared employee payroll and office costs.

(c) Included in accounts payable at March 31, 2014 is $7,476 (2013 - $525) due to companies controlled by directors and/or directors as follows:

Name of Company/Director	Directors/Officers	March 31, 2014	December 31, 2013
Gorand Enterprises Inc.	Andrzej Kowalski	$ 525	$ 525
Waterfront Communications Inc.	Douglas L. Mason, Bruce E. Morley, Sead Hamzagic and Valerie J. Samson	6,951	-
		$ 7,476	$ 525

(d) During the three month period ended March 31, 2014, the Company paid or accrued the following amounts to directors, companies or limited partnerships controlled by directors, and/or companies with common directors:

Name of Company	Directors/Officers	March 31, 2014	March 31, 2013
Bruce E. Morley Law Corporation (legal services)	Bruce E. Morley	15,000	7,500
Criterion Capital Corporation (consulting fees)	Douglas L. Mason	15,000	7,500
Sead Hamzagic, Inc. (consulting fees)	Sead Hamzagic	15,000	3,000
Gorand Enterprises Inc. (director's fee)	Andrzej Kowalski	500	500
Grignan Holdings Ltd. (consulting fees)	Rick Peterson	105,000	-
Steven Low (consulting fees)	Steven Low	30,000	-
VJS Consulting Corp. (consulting fees)	Valerie Samson	7,500	-
Beachfront Enterprises Limited Partnership (rent)	a limited partnership, the majority of which is owned by a director, namely, Douglas L. Mason	7,984	-
Waterfront Communications Inc. (sublet rent)	Douglas L. Mason, Bruce E. Morley, Sead Hamzagic and Valerie J. Samson	-	1,500

(e) During the three month period ended March 31, 2014, the Company received corporate and administrative service revenue of $nil (2013 - $55,500) from companies controlled by directors and/or companies with common directors, namely, Douglas L. Mason, Bruce E. Morley, Sead Hamzagic and Andrzej Kowalski.

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

COMMITMENTS AND CONTINGENCIES

The Company has entered into lease arrangements for premises and equipment expiring through 2014. The minimum annual lease commitments under these leases are as follows:

2014	$	26,929

The Company has entered into three 5-year term renewable agreements with companies controlled by three directors of the Company for the provision of consulting and/or legal services at a cost of $5,000 per month ($60,000 per annum) each. If any of such agreements are terminated without cause, or if there is a change in control of the Company, the Company is required to pay an amount equal to five times the annual fees payable there under.

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 control, the Company must pay $100,000 to such director/officer and allow any unvested stock options to vest.

CAPITAL MANAGEMENT

The Company manages its common shares and stock options as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk.

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. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regard to the expected timing of expenditures from continuing operations.

To fund future operating activities the Company may need to raise funds through future share issuances, issue new debt or dispose of assets.

There have been no changes to the Company's approach to capital management during the period ended March 31, 2014. The Company is not subject to externally imposed capital requirements.

The Company expects its current capital resources will be sufficient to carry its corporate and administrative services and operations through its current operating period.

FINANCIAL INSTRUMENTS

Fair value

The Company classifies its cash and short-term investments as fair value through profit or loss; accounts receivable as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities.

The carrying values of accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's measurement of fair value of financial instruments as at March 31, 2014 and December 31, 2013 in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
March 31, 2014				
Cash	$ 313,441	$ 313,441	$ -	$ -
Investments	$ 10,244	$ 10,244	$ -	$ -
December 31, 2013				
Cash	$ 15,746	$ 15,746	$ -	$ -
Investments	$ 9,044	$ 9,044	$ -	$ -

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash, short-term investments, and accounts receivable.

The Company's credit risk is primarily attributable to cash and short-term investments. Management believes that the credit risk concentration with respect to cash and short-term investments is remote as it maintains accounts with highly-rated financial institutions. Accounts receivable are due primarily from companies with common directors and/or officers.

Credit risk with respect to other receivables is considered to be moderate due to the balance being outstanding from related parties. Credit risk with respect to trade accounts receivable has been assessed as low from management, as the Company has strong working relationships with the parties involved.

The credit risk associated with cash is minimized substantially by ensuring that these financial assets are placed with a major financial institution with strong investment-grade ratings by a primary ratings agency.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	March 31, 2014	December 31, 2013
Bank accounts	$ 313,441	$ 15,746
Investments	10,244	9,044
Trade accounts receivable	98,386	65,056
	$ 422,071	$ 89,846

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At March 31, 2014, the Company had accounts payable and accrued liabilities of $13,588 (December 31, 2013 - $40,821). Based on the current funds held as at March 31, 2014, the Company has sufficient working capital to cover its current liabilities.

The amounts listed below are the remaining contractual maturities for financial liabilities held by the Company:

	March 31, 2014		
Due Date	Accounts Payable and Accrued Liabilities	Due to Related Parties	Total
0 – 90 days	$ 6,112	$ 7,476	$ 13,588

	December 31, 2013		
Due Date	Accounts Payable and Accrued Liabilities	Due to Related Parties	Total
0 – 90 days	$ 40,296	$ 525	$ 40,821

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash and cash equivalents consist of cash held in bank accounts. Due to the short-term nature of the Company's financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values.

Future cash flows from interest income on cash and cash equivalents will be affected by interest rate fluctuations. Given the balance of the cash and equivalents, any fluctuations in the interest rate would lead to an immaterial change in the statements of comprehensive loss.

(ii) Foreign currency risk

The Company is not exposed to significant foreign currency risk.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with respect to its marketable securities, as they are carried at fair values based on quoted market prices, and investments, as they are carried at fair values based on quoted market prices.

SEGMENTED INFORMATION

The Company currently operates its business in one operating segment in Canada

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

OUTSTANDING SHARE DATA as of May 29, 2014:

a) Authorized:
unlimited number of common shares without par value

b) Issued and outstanding:
11,004,066 common shares with a stated value of $7,589,938

c) Outstanding incentive stock options:

Number of Options	Exercise Price	Expiry Date
200,000	$ 0.10	November 1, 2016
75,000	$ 0.10	July 24, 2017
675,000	$ 0.10	February 15, 2018
950,000		
781,250	Exercisable	

d) Outstanding warrants:
250,000 warrants exercisable at $0.20 per share and expiring January 17, 2016

e) Shares in escrow or pooling agreements: Nil

OFFICERS AND DIRECTORS

Douglas L. Mason, CEO and Director (Chairman)
Rick Peterson, President and Director
Sead Hamzagic, CFO and Director
Bruce E. Morley, Director
Valerie Samson, Director
Andrzej Kowalski, Director