

WATERFRONT CAPITAL CORPORATION

2489 Bellevue Avenue
West Vancouver, British Columbia
V7V 1E1

INFORMATION CIRCULAR

(as at May 6, 2011 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 Proxy which accompanies this Circular is for use at the annual general meeting of the shareholders of the Company to be held on Thursday, June 9, 2011 (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 am on Tuesday June 7, 2011 (excluding Saturdays, Sundays and holidays). 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 at the time and to the place noted above; or
- (a) 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 enclosed form will be voted or withheld from voting by the designated holder in accordance with the direction of the shareholder appointing him. If there is no direction by the 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 they see 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 knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Non-Registered Holders

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. A person is not a registered shareholder (a “Non-Registered Holder”) in respect of shares which are held either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“CDS”), of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “OBOs”. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has elected to send the Notice of Meeting, this Circular and the Proxy (collectively, the “Meeting Materials”) directly to the NOBOs, and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Intermediaries will frequently use service companies to forward the Meeting Materials to the OBOs. Generally, an OBO who has not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the OBO and must be completed, but not signed, by the OBO and deposited with Computershare; or
- (b) more typically, be given a voting instruction form (“VIF”) which is not signed by the Intermediary, and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

These securityholder materials are being sent to both registered shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent these materials 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 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 request for voting instruction.

The Meeting Materials sent to NOBOs who have not waived the right to receive meeting materials are accompanied by a VIF, instead of a form of proxy. By returning the VIF in accordance with the instructions noted on it, a NOBO is able to instruct the voting of the Shares owned by it.

VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant

the Non-Registered Holder, or his or her nominee, the right to attend and vote at the Meeting.

Please return your voting instructions as specified in the VIF. Non-Registered Holders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Financial Statements

The audited financial statements of the Company for the year ended December 31, 2010 (the “Financial Statements”), together with the auditor’s report thereon, 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 common shares without par value 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 6, 2011 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, the following 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:

| Member | Number of Shares | Percentage of Issued Capital |
|--------------------------|-------------------------|-------------------------------------|
| CDS & Co. ⁽¹⁾ | 8,857,284 | 91.75% |

Note:

- (1) The beneficial owner of shares held by depositories are not known to the directors or officers of the Company.

As at May 6, 2011, the total number of common shares owned by senior management and the directors of the Company and its subsidiary as a group was 1,249,313 common shares, representing 12.9% of the total issued and outstanding common shares.

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 of the Company 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 on the board of directors of the Company is currently set at four.

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 and its subsidiaries 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 positions, current and former, if any, held in the Company | Principal occupation for last five years | Served as director since | Number of common shares 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>Director (Chairman) of Columbia Yukon Explorations Inc.; Black Panther Mining Corp., White Tiger Mining Corp; International Bethlehem Mining Corp. and World Famous Pizza Company Ltd. and Director and Chief Executive Officer of Rainy Mountain Royalty 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>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., Columbia Yukon Explorations Inc., International Bethlehem Mining Corp., World Famous Pizza Company Ltd., Rainy Mountain Royalty Corp., 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> |

| Name, province or state and country of residence and positions, current and former, if any, held in the Company | Principal occupation for last five years | Served as director since | Number of common shares beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾ |
|--|--|--------------------------|---|
| Sead Hamzagic⁽²⁾ British Columbia, Canada <i>Chief Financial Officer, Secretary and Director</i> | Certified General Accountant; Director and Chief Financial Officer of White Tiger Mining Corp., Black Panther Mining Corp., Columbia Yukon Explorations Inc., International Bethlehem Mining Corp., Rainy Mountain Royalty Corp. and World Famous Pizza Company Ltd. | February 7, 2008 | Nil |
| Valerie Samson⁽²⁾ British Columbia, Canada <i>Director</i> | Corporate Consultant; and formerly Vice President of Administration and Corporate Affairs for Black Panther Mining Corp. and Clearly Canadian Beverage Corporation. | March 23, 2010 | Nil |

Notes:

- (1) The information as to common shares beneficially owned has been provided by the directors themselves.
- (2) Member of the audit committee.

No nominations for directors have been received from the shareholders of the 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.

Corporate Cease Trade Orders

Douglas Mason and Bruce Morley, directors of the Company, previously served on the board of directors of SWI Steelworks Inc. ("SWI"), a public company whose shares were formerly traded on the Canadian Venture Exchange (now the TSX Venture Exchange). Mr. Mason was appointed as a director of SWI in January 1991 and resigned in August 2004 and Mr. Morley was appointed as a director of SWI in September 1999 and resigned on October 3, 2006. SWI was an inactive company and in 2002 did not have the financial resources to complete, file and mail to its shareholders its audited and unaudited financial statements. As a result, SWI, was the subject of (a) a cease trade order issued by the Executive Director of the British Columbia Securities Commission on May 29, 2002, for failure to file annual audited financial statements for the year ended December 31, 2001; and (b) a cease trade order issued by the Alberta Securities Commission on July 19, 2002, for failure to file and send to its shareholders in Alberta annual audited financial statements for the year ended December 31, 2001 and first quarter interim unaudited financial statements for the period ended March 31, 2002. SWI was dissolved as of November 19, 2007.

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 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

Except as disclosed above, 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, 2010, the Company had two Named Executive Officers of the Company, being Douglas L. Mason, the Chief Executive Officer (“CEO”) and President, and Sead Hamzagic Chief Financial Officer (“CFO”).

“Named Executive Officer” means: (a) each Chief Executive Officer, (b) each Chief Financial Officer, (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, 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 Named Executive Officer under paragraph (c) 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 & ANALYSIS

Compensation Discussion & 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: Columbia Yukon Explorations Inc., White Tiger Mining Corp., International Bethlehem Mining Corp., Black Panther Mining Corp. and Rainy Mountain Royalty Corporation. Changes to the peer group may be made from time to time as recommended by management.

Stock option grants are designed to reward the Named Executive Officers 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 Named Executive Officers.

Option-Based Awards

Stock option grants are made on the basis of 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 recipients of incentive stock options and the terms of the stock options granted are determined from time to time by the Board. The exercise price of the stock options granted is generally determined by the market price at the time of grant.

SUMMARY COMPENSATION TABLE

Summary Compensation Table

Set out below is a summary of compensation paid during the Company’s most recently completed financial year to the Company’s Named Executive Officers:

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 | 2010 | 30,000 | Nil | Nil | N/A | N/A | N/A | Nil | 30,000 |
| | 2009 | 30,000 | Nil | Nil | N/A | N/A | N/A | Nil | 30,000 |
| | 2008 | 30,000 | Nil | Nil | N/A | N/A | N/A | Nil | 30,000 |
| Sead Hamzagic, CFO | 2010 | 11,500 | Nil | Nil | N/A | N/A | N/A | Nil | 11,500 |
| | 2009 | 7,000 | Nil | Nil | N/A | N/A | N/A | Nil | 7,000 |
| | 2008 | 12,136 | Nil | 7,362 | N/A | N/A | N/A | Nil | 19,498 |

Notes:

- (1) The Black-Scholes method was used the valuation of stock options granted during the period.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the outstanding share-based awards and option-based awards held by the Named Executive Officers 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 ⁽²⁾ (\$) | 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 | 450,000 | \$0.15 | September 10, 2012 | Nil | Nil | N/A |
| Sead Hamzagic, CFO | 100,000 | \$0.10 | February 12, 2013 | Nil | Nil | N/A |

Note:

- (1) The market value of the Company's common shares on December 29, 2010, the last day the shares traded prior to the December 31, 2010 financial year end, was \$0.055. No value has been given to unexercised options that were out-of-the money on December 31, 2010.

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 Named Executive Officer:

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

| Name | Option-based awards – Value vested during the year ⁽¹⁾ (\$) | 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 |

Note:

- (1) All options granted to the Named Executive Officers are fully vested and the exercise price of such options was equal to the closing price of the Company's shares as of the date of grant.

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 proceeding the date of which the directors grant such options, less any discount allowed by the TSX Venture Exchange. The options can be granted for a maximum term of 5 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 6 month interval.

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 are 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, 2010.

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

Notes:

- (1) Assumes no exchange of options held by Named Executive Officers for acquiring company's stock options and the vesting of all outstanding options. Calculated based on the difference between the market price of the shares on the TSX on December 31, 2010 which was \$0.055 and the exercise price of the option.

DIRECTOR COMPENSATION

Director Compensation Table

Other than compensation paid to the Named Executive Officers, 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.

The following table sets forth the details of compensation provided to the directors, other than the Named Executive Officers, during the Company's most recently completed financial year:

Director Compensation Table

| Name | Fees Earned (\$) | Share- based Awards (\$) | Option- based Awards (\$) | Non-Equity Incentive Plan Compensation (\$) | Pension Value (\$) | All Other Compensation (\$) | Total (\$) |
|--------------------------------|---------------------------------|---|--|--|-----------------------------------|--|-----------------------|
| Bruce E. Morley ⁽¹⁾ | 30,000 | Nil | Nil | N/A | N/A | Nil | 30,000 |
| Valerie Samson ⁽²⁾ | 18,000 | Nil | Nil | N/A | N/A | Nil | 18,000 |

Notes:

- (1) Such fees are paid to a company controlled by Bruce E. Morley and are for legal services provided to the Company.
 (2) Valerie Samson was appointed as a director of the Company effective March 23, 2010.

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. Additionally, the Company has an agreement with VJS Consulting (an entity controlled by Valerie Samson, a director of the Company), pursuant to which the Company is required to pay a fee of \$1,500 per month for administrative and communication services.

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 following table sets forth the outstanding share-based awards and option-based awards held by the directors 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 | | | |
|-----------------|---|----------------------------|------------------------|---|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) ⁽¹⁾ |
| Bruce E. Morley | 450,000 | \$0.15 | September 10, 2012 | Nil |
| Valerie Samson | 200,000 | \$0.15 | September 10, 2012 | Nil |

Note:

- (1) The market value of the Company's common shares on December 29, 2010, the last day the shares trade prior to the December 31, 2010 financial year end, was \$0.055. No value has been given to unexercised options that were out-of-the money on December 31, 2010.

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 fiscal 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 ⁽¹⁾ (\$) | 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 |

Note:

- (1) All options granted to the above directors are fully vested and the exercise price of such options was equal to the closing price of the Company's shares as of the date of grant.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under the Plan as at December 31, 2010:

| 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 | 1,400,000 | \$0.15 | 400,000 |
| Equity compensation plans not approved by the securityholders | Nil | N/A | N/A |
| Total | 1,400,000 | \$0.15 | 400,000 |

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the current or former directors, executive officers, employees of the Company or its subsidiaries, the proposed nominee for election as director, or their respective associates or affiliates, are or have been indebted to the Company or its subsidiaries since the beginning of the last completed financial year of the Company.

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 financial year, the proposed nominee for election to the board of directors of the Company, 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.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the persons who were directors or executive officers of the Company at any time during the Company's last financial year, the proposed nominee for election to the board of directors of the Company, nor any associate or affiliate 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 or any of its subsidiaries.

MANAGEMENT CONTRACTS

Other than as disclosed herein, no management functions of the Company or its subsidiaries are to any substantial degree performed by a person or company other than the directors or executive officers of the Company or its subsidiaries.

APPOINTMENT OF AUDITORS

Auditor

The management of the Company intends to nominate Davidson & Company, Chartered Accountants, for re-appointment as auditor of the Company. Forms of proxy given pursuant to the solicitation of the management of the Company will, on any poll, be voted as directed and, if there is no direction, for the appointment of Davidson & Company, Chartered Accountants, as auditors of the Company to hold office until the close of the next annual general meeting of the Company, at a remuneration to be fixed by the directors.

AUDIT COMMITTEE

The Company is required to have an 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. The Company's current audit committee consists of Bruce E. Morley, Sead Hamzagic and Valerie Samson.

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

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 issuer, which could, in the view of the issuer’s board of directors, reasonably interfere with the exercise of the member’s independent judgment. The majority of the members of the audit committee of the Company are not independent, as that term is defined.

Relevant Education and Experience

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 Company’s audit committee are financially literate as that term is defined.

Sead Hamzagic is the Chief Financial Officer and a director of the Company. Mr. Hamzagic is a member in good standing with the Certified General Accountants Association of British Columbia and has over 24 years of public accounting practice and financial management experience. Mr. Hamzagic has held a number of senior management positions in a variety of businesses and industries. As well, Mr. Hamzagic was previously the Vice President of Finance for a large group of privately held companies that were involved in property development and management. In these various positions, Mr. Hamzagic has actively supervised people engaged in preparing, auditing, analyzing or evaluating financial statements.

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 16 years Ms Samson has held senior positions as Vice President of Administration and Vice President of Corporate Affairs with several publicly traded companies.

In these positions, each member of the Audit Committee has been responsible for receiving financial information relating to the various companies which they have acted for. Additionally, each member has obtained an understanding of balance sheets, income statements and statements of cash flows and how these statements are integral in assessing the financial position of the Company and its operation results. Each member of the Audit Committee has a significant understanding of the business in which the Company is engaged in and has an appreciation for the relevant accounting principles for the business of the Company.

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 of directors of the Company.

Reliance on Certain Exemptions

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

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) 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>2009</u> | <u>2010</u> |
|-----------------------------------|------------------------|------------------------|
| <i>Davidson & Company LLP</i> | | |
| Audit fees..... | \$34,000 | \$28,000 |
| Audit-related fees..... | \$464 | \$560 |
| Tax fees ⁽¹⁾ | \$2,400 | \$2,750 |
| All other fees..... | <u>Nil</u> | <u>Nil</u> |
| Total | <u>\$36,864</u> | <u>\$31,310</u> |

Note:

- (1) "Tax Fees" are fees for professional services rendered by Davidson & Company, Chartered Accountants, for preparation of tax returns and related filings for the Company.

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 companies 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 Company's approach to corporate governance is set out below.

Board of Directors

Management is nominating four individuals to the Company's board of directors (the "Board"), all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every listed company 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. Of the proposed nominees and continuing directors, two persons are "inside" or management directors and accordingly, such persons are not considered to be independent within the meaning of NI 52-110. The two other directors currently have, or have had, a direct or indirect material relationship with the Company and are not considered by the Board to be independent within the meaning of NI 52-110.

The Board does not currently have a Chair and does not consider that, at this stage of the Company's development, it is necessary to have one.

Directorships

The following directors of the Company are directors of other reporting issuers:

- Douglas L. Mason is a director of International Bethlehem Mining Corp, Columbia Yukon Explorations Inc., Black Panther Mining Corp., White Tiger Mining Corp., World Famous Pizza Company Ltd. 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., World Famous Pizza Company Ltd and Rainy Mountain Royalty Corp.
- Sead Hamzagic is a director of International Bethlehem Mining Corp., White Tiger Mining Corp., World Famous Pizza Company Ltd., Black Panther Mining Corp., Columbia Yukon Explorations Inc. and Rainy Mountain Royalty Corp.

Orientation and Continuing Education

The Board does not have any formal policies with respect to the orientation of new directors nor does it take any measures to provide continuing education for the directors. At this stage of the Company's development the Board does not feel it necessary to have such policies or programs in place.

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 and Assessment

The Board does not have a formal process in place with respect to the appointment of new directors. The Board expects that when the time comes to appoint new directors to the Board that the nominees would be recruited by the current Board members, and the recruitment process would involve both formal and informal discussions among Board members and the CEO. The Board monitors, but does not formally assess, the performance of individual Board members and their contributions.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time.

Compensation

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 disclosed herein, a company owned and controlled by the President and CEO, Douglas L. Mason, receives a monthly consulting fee, and as well, a company controlled by the Chief Financial Officer, Sead Hamzagic, receives a monthly consulting fee. Additionally, a company controlled by a director, Bruce E. Morley, receives compensation for legal services provided to the Company. As well, an entity controlled by a director, Valerie Samson, receives compensation for administrative and communication services provided to the Company. With respect to stock option compensation, the number of options to be granted is determined by the Board as a whole, which allows the 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.

Other Board Committees

At the present time, the only standing committee is the Audit Committee. The written charter of the Audit Committee, as required by NI 52-110, is contained in Schedule "A" to this Circular. 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.

OTHER MATTERS TO BE ACTED UPON

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 persons named in the Proxy intend to vote, on any poll, in accordance with their best judgement, exercising discretionary authority with respect to amendments or variations of matters ratified 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 and the Company's website at www.waterfrontgroup.com. Additional financial information concerning the Company may be obtained by contacting the Company's Shareholder Communications Department, 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 6th day of May, 2011.

ON BEHALF OF THE BOARD

(signed) "Douglas L. Mason"

Douglas L. Mason
Chief Executive Officer and President

SCHEDULE “A”

WATERFRONT CAPITAL CORPORATION (the “Company”)

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.