

REPORT UNDER PART 3

NATIONAL INSTRUMENT 62-103

The Early Warning System and Related Take-over Bid and Insider Reporting Issues

WATERFRONT CAPITAL CORPORATION

1. **Name and Address of Offeror:**

Douglas Mason
3912 Marine Drive
West Vancouver, BC V7V 1N4

2. **The designation and number or principal amount of securities and the Offeror's securityholding percentage in the class of securities of which the Offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the report, and whether it was ownership or control that was acquired in those circumstances:**

The Offeror acquired ownership of 1,500,000 units (the "Units") of Waterfront Capital Corporation (the "Company"). The Units are comprised of 1,500,000 common shares in the capital of the Company and share purchase warrants entitling the Offeror to purchase an additional 1,500,000 common shares until August 28, 2016 at a price of \$0.20 per common share. The acquisition of the common shares by the Offeror represents approximately 11.45% of the Company's issued and outstanding common shares.

3. **The designation and number or principal amount of securities and the Offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the report:**

Immediately following the acquisition noted in Item 2 above, the Offeror owned 2,016,556 common shares, representing approximately 15.39% of the Company's issued and outstanding common shares. The Offeror also holds share purchase warrants for the purchase of an additional 2,050,000 common shares of the Company and stock options for the purchase of an additional 275,000 common shares of the Company. In the event that the Offeror exercised these share purchase warrants and stock options in full, the Offeror would own a total of 4,341,556 common shares of the Company, or approximately 28.14% of the Company's then issued and outstanding share capital, assuming no other shares of the Company are issued.

4. **The designation and number or principal amount of securities and the percentage of outstanding securities referred to in paragraph 3 over which:**

(a) **The Offeror, either alone or together with any joint actors, has ownership and control:**

Immediately following the transaction noted in Item 2 above, the Offeror owned 2,016,556 common shares, representing approximately 15.39% of the Company's issued and outstanding common shares and 2,050,000 warrants exercisable into 2,050,000 common shares of the Company, as well as 275,000 options exercisable into 275,000 common shares. In the event that these share purchase warrants and stock options are exercised in full, the Offeror would own 4,341,556 common shares or approximately 28.14% of the Company's then issued and outstanding share capital, assuming no other common shares of the Company are issued.

- (b) **the Offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the Offeror or any joint actors:**

None.

- (c) **The Offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:**

None.

5. **The name of the market in which the transaction or occurrence giving rise to the report took place:**

The Units were purchased by the Offeror pursuant to a private transaction.

6. **The value, in Canadian dollars, of any consideration offered per security if the Offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file this report:**

The Units were purchased by the Offeror at a price of \$0.10 per Unit, for total consideration of \$150,000.

7. **The purpose of the Offeror and any joint actors in effecting the transaction or occurrence giving rise to the report, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

The Offeror acquired the Units for investment purposes. The Offeror may, in the ordinary course of business, acquire additional securities of the Company for investment purposes.

8. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the Offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the report, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

The Units were purchased by the Offeror pursuant to a subscription agreement dated August 25, 2014 between the Company and the Offeror.

9. **The names of any joint actors in connection with the disclosure required by National Instrument 62-103:**

Not applicable.

10. **In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the Offeror:**

The Units were purchased at a price of \$0.10 per Unit for total consideration of \$150,000 pursuant to a private placement transaction.

11. **If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 in respect of the reporting issuer's securities:**

Not applicable.

12. **If applicable, a description of the exemption from securities legislation being relied on by the Offeror and the facts supporting that reliance:**

The Offeror relied on Section 2.24 of National Instrument 45-106 *Prospectus and Registration Exemptions* in connection with the issuance of the Units.

Dated at West Vancouver, British Columbia, this 5th day of September, 2014.

"Douglas Mason"

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