

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Waterfront Capital Corporation  
2489 Bellevue Avenue  
West Vancouver, British Columbia V7V 1E1

(the "Company" or "Waterfront Capital")

**Item 2 Date of Material Change**

December 11, 2014

**Item 3 News Release**

Issued in Vancouver, B.C. on December 11, 2014 and disseminated through the facilities of Market News and Stockwatch.

**Item 4 Summary of Material Change**

Xylitol Canada Inc. engages Waterfront Capital for capital markets advice.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

Waterfront Capital announced that it has entered into an agreement, subject to any required regulatory approvals, to provide capital markets and advisory services to Xylitol Canada Inc. ("Xylitol Canada") of Davenport, Ontario (XYL-V [www.xylitolcanada.com](http://www.xylitolcanada.com)).

Xylitol Canada markets xylitol and xylitol-based products. Xylitol is an all-natural sweetener which is marketed globally, including Canada and the United States, and is accepted by the American Food and Drug Administration, the World Health Organization and the American Dental Association.

"Waterfront Capital's impressive network of retail Investment Advisors across Canada provides a strong capital markets platform for our company to get our message out for us in a timely and effective manner at a critical time in our growth strategy," said Andrew Reid, President and CEO, Xylitol Canada.

"The Xylitol Canada story is clearly one that will resonate with our audience of more than 700 Investment Advisors in every major dealer across Canada," said Rick Peterson, Waterfront Capital's President.

"Xylitol Canada's products are seen on the floor of major food stores across the country. As well, the health benefits of an all-natural sweetener and the potential market share available for Xylitol Canada makes this a tremendously interesting growth story," said Mr. Peterson.

**About Xylitol Canada**

Xylitol Canada is focused on becoming a major, low-cost manufacturer of xylitol and related products, serving the global market from operations in North America. Its business strategy is to leverage novel proprietary technology and processes to become North America's premier manufacturer of low cost, high quality xylitol from readily available, environmentally-sustainable

biomass. Xylitol contains 75% less carbohydrates and 40% fewer calories than sugar, has a myriad of oral health benefits, including the prevention of tooth decay, and is safe for diabetics. To date, wider spread use of xylitol has been limited due to the lack of a reliable, low cost, high quality supplier.

### **About Waterfront Capital**

Waterfront Capital offers a full range of financial and communications services to growth companies in leading industry sectors. Waterfront Capital 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. Waterfront Capital's professionals have extensive financing and operating experience and assist promising public and private companies that require infusions of capital, management and restructuring to realize the value and potential of their underlying business.

In connection with the advisory business services that are presently provided, Waterfront Capital is working towards expanding its business services to potentially include the distributions of exempt market securities, and in connection therewith, has made 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").

For further information, contact Mr. Clive Shallow, Shareholder Communications, at 604-922-2030 or visit the Company's website at [www.waterfrontcapitalcorp.com](http://www.waterfrontcapitalcorp.com)

### **5.2 Disclosure for Restructuring Transactions**

Not Applicable.

#### **Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable

#### **Item 7 Omitted Information**

No information has been intentionally omitted from this form.

#### **Item 8 Executive Officers**

The name and business telephone number of an executive officer of the Corporation who is knowledgeable about the material change and this report is:

Douglas L. Mason, CEO  
Telephone: (604) 922-2030

Further information may be obtained from Bruce E. Morley, a director of the Company, at (604) 922-2030.

#### **Item 9 Date of Report**

This report is dated the 11<sup>th</sup> day of December, 2014.