

## REPORT UNDER PART 3

### NATIONAL INSTRUMENT 62-103

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

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

Douglas Mason (the “**Offeror**”)  
3912 Marine Drive  
West Vancouver, British Columbia 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:**

On January 26, 2016, pursuant to a private placement offering, the Offeror acquired ownership of 1,000,000 units (“**Units**”) of Waterfront Capital Corporation (the “**Company**”).

Each Unit consists of one common share of the Company and one common share purchase warrant (a “**Warrant**”) with each Warrant entitling the holder to purchase one additional common share of the Company (each, a “**Warrant Share**”) for a period of two years at an exercise price of \$0.06 per Warrant Share.

The acquisition of the 1,000,000 common shares of the Company acquired by the Offeror, represent approximately 5.39% of the issued and outstanding common shares of the Company.

**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 this report:**

Immediately following the transaction noted in Item 2 above, the Offeror owned 3,141,556 common shares representing approximately 16.9% of the Company’s issued and outstanding common shares. The Offeror also holds share purchase warrants for the purchase of an additional 5,050,000 common shares of the Company and options to purchase an additional 280,000 common shares of the Company. In the event that the Offeror exercised these share purchase warrants and options in full, the Offeror would own a total of 8,471,556 common shares of the Company, or approximately 35.5% 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:**

See Item 3 above.

**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:**

Not applicable.

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

Not applicable.

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

The Units were purchased pursuant to a private transaction.

**6. The value, in Canadian dollars, or 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 acquired at a price of \$0.05 per unit for total consideration of \$50,000.

**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 Units were acquired for investment purposes. The Offeror may acquire additional securities or dispose of existing securities on the basis of the Offeror's assessment of market conditions and in compliance with applicable securities regulatory requirements.

**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 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 pursuant to a subscription agreement dated January 26, 2016 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 securities, including an issuance from treasury, the nature and value of the consideration paid by the Offeror:**

The Units were acquired at a price of \$0.05 per Unit in cash 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 Units were issued to the Offeror pursuant to the prospectus exemption contained in Section 2.5 of National Instrument 45-106 - *Prospectus and Registration Exemptions*.

Dated this 28th day of January, 2016.

/s/Douglas Mason

Douglas Mason