

## REPORT UNDER PART 3

### NATIONAL INSTRUMENT 62-103

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

#### 1. Security and Reporting Issuer

**1.1** *State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.*

The designation of securities to which this report relates is common shares of Waterfront Capital Corporation (the “**Issuer**”).

The Issuer's address is:

2489 Bellevue Avenue  
West Vancouver, British Columbia V7V 1E1

**1.2** *State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.*

Not applicable.

#### 2. Identity of the Acquiror:

**2.1** *State the name and address of the acquiror.*

Douglas Mason (“**Mason**”)  
3912 Marine Drive  
West Vancouver, British Columbia V7V 1N4

**2.2** *State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.*

On October 13, 2017 Mason acquired ownership of 2,150,000 units (the “**Units**”) of the Issuer at a price of \$0.05 per Unit pursuant to a private placement transaction. Each Unit consists of one common share of the Issuer (a “**Share**”) and one share purchase warrant, with each warrant being exercisable into one additional Share, at a price of \$0.10 per Share until October 13, 2019.

On October 13, 2017, Mason was also granted stock options (the “**Options**”) for the purchase of 850,000 Shares of the Issuer, at a price of \$0.10 per Share until October 13, 2022.

**2.3** *State the names of any joint actors.*

Not applicable.

### **3. Interest in Securities of the Reporting Issuer**

***3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.***

On October 13, 2017, Mason acquired ownership of 2,150,000 Units of the Issuer, resulting in Mason acquiring an additional 2,150,000 Shares. Upon the acquisition of the Units, the number of Shares held by Mason increased to 3,236,556 Shares, representing approximately 8.54% of the Issuer's issued and outstanding Shares.

On October 13, 2017, Mason was also granted Options for the purchase of 850,000 Shares of the Issuer, at a price of \$0.10 per Share until October 13, 2022. Upon the acquisition of these Options, the number of Options held by Mason increased to 1,130,000 Options.

***3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.***

Mason acquired ownership and control over the securities that triggered the requirement to file this report.

***3.3 If the transaction involved a securities lending arrangement, state that fact.***

Not applicable.

***3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.***

Immediately prior to the transactions that triggered the requirement to file this report, Mason had beneficial ownership and control of an aggregate 1,086,556 Shares, representing approximately 5.55% of the issued and outstanding Shares on a non-diluted basis. Prior to the transaction, Mason also held 1,000,000 share purchase warrants for the purchase of an additional 1,000,000 Shares and 280,000 Options for the purchase of an additional 280,000 Shares. Assuming the exercise of the share purchase warrants and Options in full, Mason would have held 2,366,556 Shares or approximately 11.35% of the Issuer's Shares.

Immediately after the transactions giving rise to the requirement to file this report, Mason had beneficial ownership and control of an aggregate of 3,236,556 Shares, representing approximately 8.54% of the issued and outstanding Shares on a non-diluted basis. Mason now holds 3,150,000 share purchase warrants for the purchase of an additional 3,150,000 Shares and 1,130,000 Options for the purchase of an additional 1,130,000 Shares. Assuming the exercise of the Options and share purchase warrants in full, Mason would own a total of 7,516,556 Shares, representing approximately 17.83% of the issued and outstanding Shares, assuming no other Shares are issued.

***3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which***

*(a) the acquiror, either alone or together with any joint actors, has ownership and control,*

Mason alone has ownership and control over 3,236,556 Shares representing approximately 8.54% of the issued and outstanding Shares. Mason also has ownership and control over 1,130,000 Options for the purchase of 1,130,000 Shares. See item 3.4 above.

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

Not applicable.

*(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.*

Not applicable.

**3.6** *If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.*

Not applicable.

**3.7** *If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.*

Not applicable.

**3.8** *If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

Not applicable.

#### **4. Consideration Paid**

**4.1** *State the value, in Canadian dollars, of any consideration paid or received per security and in total.*

The Units were acquired at a price of \$0.05 per Unit, for total consideration of \$107,500. The Options were acquired for no consideration.

**4.2** *In the case of a transaction or other 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, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

See 4.1 above.

**4.3** *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

The Units were purchased by Mason pursuant to a private placement transaction. The 850,000 Options were granted to Mason pursuant to the Issuer's 10% rolling Option plan.

## **5. Purpose of the Transaction**

*State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have.*

Mason was granted the 850,000 Options by the Issuer and Mason acquired the Units for investment purposes. Mason may acquire additional securities or dispose of existing securities on the basis of Mason's assessment of market conditions and in compliance with applicable securities regulatory requirements.

## **6. Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

*Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.*

The Units were purchased pursuant to a subscription agreement dated September 27, 2017 and the Options were granted to Mason pursuant to an Option certificate dated October 13, 2017.

## **7. Change in material fact**

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

Not applicable.

**8. Exemption**

*If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.*

Not applicable.

**9. Certification**

**I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.**

Dated this 13<sup>th</sup> day of October, 2017.

*“Douglas Mason”*

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Douglas Mason