ENTHEOS CAPITAL CORP.
(Formerly Waterfront Capital Corporation)

Management's Discussion and Analysis

For the year ended December 31, 2019

1500 – 409 Granville Street
Vancouver, BC
V6C 1T2

DESCRIPTION OF BUSINESS AND OVERVIEW OF OPERATIONS AND FINANCIAL CONDITION

The following is management's annual discussion and analysis ("MD&A"), prepared as of April 20, 2020. This MD&A should be read in conjunction with the Company's audited Financial Statements and the accompanying notes for the year ended December 31, 2019, all as prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This report includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties, assumptions and other factors of which are beyond the reasonable control of the Company. You can identify these statements by forward-looking words such as "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimated", "projects", "potential", "scheduled", forecast", "budget", and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur and similar words. Such statements give the Company's current expectations or forecasts of future events and are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made, and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Factors that could cause actual results to differ materially from those in forward-looking statements include, for example, such matters as continued availability of capital and financing and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Description of Business

The Company provides business advisory services to public and non-public companies. The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol ENTH.

In January 2020, the Company settled outstanding debts of $94,589 by assigning a loan receivable of $63,711 and recognized a gain of $30,878. In February 2020, the Company welcomed a new Board of Directors consisting of Brayden Sutton, Chief Executive Officer, Joshua Taylor and Corey Larricq. Additionally, the Company appointed a new Chief Financial Officer, Samantha Shorter. This was followed by a ten for one share consolidation and financing of $250,000.

In April 2020, the Company completed a private placement of 3,333,333 units at a price of $0.075 per unit ("Unit") for gross proceeds of $250,000. Each Unit consists of one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase a common share at a price of $0.15 for a period of one year.

These recent transactions leave the Company well positioned in the current market to investigate and identify new business opportunities.

PERFORMANCE SUMMARY

The following is a summary of the significant events and transactions that occurred during the year ended December 31, 2019 and for the subsequent period to the report date hereof:

- Effective April 1, 2020, the Company effected a share consolidation on the basis of ten (10) pre-consolidation common shares for one (1) post-consolidation share. The Company concurrently changed its name from Waterfront Capital Corporation to Entheos Capital Corp.

- On January 2, 2020, the Company announced that a transaction it had been pursing with Whistler Water Inc. was terminated.

SELECTED ANNUAL INFORMATION

	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenues	-	-	-
Operating loss	(298,269)	(505,127)	(516,001)
Net loss and comprehensive loss	(292,497)	(507,863)	(515,505)
Basic loss per share	(0.07)	(0.12)	(0.20)
Diluted loss per share	(0.07)	(0.12)	(0.20)
Total assets	78,876	264,728	507,118

The operating losses for the periods presented reflect activity directed toward due diligence and transaction work. As at December 31, 2019, the Company had not completed a successful transaction.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of quarterly results of the Company for the eight most recently completed financial quarters ended December 31, 2019:

	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Total assets	$ 78,876	$ 114,944	$ 129,584	$ 202,042
Working capital (deficit)	(51,845)	36,915	101,934	177,483
Shareholders' equity (deficit)	(51,845)	36,915	101,934	177,483
Total Revenue	-	-	-	-
Operating expenses	89,892	65,636	77,964	64,777
Net loss and comprehensive loss	(88,760)	(65,019)	(75,549)	(63,169)
Basic loss per share	(0.02)	(0.01)	(0.02)	(0.01)
Diluted loss per share	(0.02)	(0.01)	(0.02)	(0.01)

	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Total assets	$ 264,728	$ 505,655	$ 582,152	$ 689,225
Working capital (deficit)	240,652	478,734	559,070	667,391
Shareholders' equity (deficit)	240,652	478,734	559,070	667,391
Total Revenue	-	-	-	-
Operating expenses	236,409	82,719	108,261	77,738
Net loss and comprehensive loss	(238,082)	(80,336)	(108,321)	(81,124)
Basic loss per share	(0.05)	(0.02)	(0.03)	(0.02)
Diluted loss per share	(0.05)	(0.02)	(0.03)	(0.02)

Results of Operations

The following discussion addresses the operating results and financial condition of the Company for the three and twelve months ended December 31, 2019, compared with the three and twelve months ended December 31, 2018. The Management's Discussion and Analysis should be read in conjunction with the Company's financial statements and the accompanying notes for the year ended December 31, 2019.

For the three-month period ended December 31, 2019:

The Company had a net loss for the three-month period ended December 31, 2019 of $88,760 (2018 - $238,082). The net decrease of $149,322 in the net loss for the three-month period ended compared to the three-month period ended December 31, 2018 was primarily due to a decrease in all general and administrative expenses and a decrease in other income as noted below:

In comparison to the three-month period ended December 31, 2018:

- Consulting fees of $32,500 (2018 - $146,500) decreased by $114,000. Consulting fees in 2018 were significantly higher due to extinguishing consulting contracts and fees in evaluating Water Street Profile Services Inc. for a possible acquisition of all of its shares.
- Office and miscellaneous of $8,383 (2018 - $7,034) remained fairly consistent.
- Professional fees of $36,958 (2018 - $64,779) decreased by $27,821 due to due diligence on Water Street Profile Services Inc. in the prior period.
- Regulatory and transfer agent fees of $1,885 (2018 - $6,136) decreased by $4,251 due to regulatory fees on the contemplated transactions with Water Street Profile Services Inc.
- Rent of $5,955 (2018 - $5,955) remained consistent.
- Wages and benefits of $4,205 (2018 - $7,024) decreased by $2,819 mainly due to the timing of employee benefits paid under the Company's health and welfare benefits plan.

For the twelve-month period ended December 31, 2019:

Net loss for the period

The Company had a net loss for the twelve-month period ended December 31, 2019 of $292,497 (2018 - $507,863). The net decrease of $215,366 in the net loss for the twelve-month period ended compared to the twelve-month period ended December 31, 2018 was primarily due to a decrease in all general and administrative expenses and a decrease in other income as noted below:

In comparison to the twelve-month period ended December 31, 2018:

- Consulting fees of $112,000 (2018 - $270,750) decreased by $158,750 and was mainly due to extinguishing consulting contracts and fees in valuating Water Street Profile Services Inc. for a possible acquisition of all of its shares in the prior year.
- Office and miscellaneous of $23,794 (2018 - $23,873) remained fairly consistent.
- Professional fees of $101,965 (2018 - $136,697) decreased by $34,732 due to due diligence and subsequent extinguishment of contracts related to Water Street Profile Services Inc. in the prior year.
- Regulatory and transfer agent fees of $16,684 (2018 - $23,491) decreased by $6,807 due to regulatory fees on the contemplated transactions with Water Street Profile Services Inc.
- Rent of $23,818 (2018 - $23,818) remained consistent.
- Wages and benefits of $20,002 (2018 - $26,485) decreased by $6,483 mainly due to the timing of employee benefits paid under the Company's health and welfare benefits plan.
- Other income of $5,598 (2018 - $3,541) increased by $2,057 and as the Company accrued interest income on the loan receivable from June 2018 from Water Street Profile Services Inc.
- Unrealized gain on investments of $174 (2018 – loss of $6,277) increased by $6,451 due to market values of securities held.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements or transactions.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily through the issuance of common shares, warrants and debenture financing. The Company continues to seek capital through various means including the issuance of equity and/or debt. The Company anticipates spending some of its capital resources on exploring new business opportunities during the year.

The Company assesses its financing requirements and its ability to access equity or debt markets on an ongoing basis. The assessment considers: the stage and success of the Company's evaluation activities to date; the continued participation of the Company's investors in evaluation activities; and financial market conditions. Further financing may be required to cover the Company's long-term cash requirements. It is possible that future economic events and global conditions may result in further volatility in the financial markets which could negatively impact the Company's ability to access equity or debt markets in the future.

As at December 31, 2019, the Company had working capital deficiency of $51,845 compared to $240,652 as at December 31, 2018. As at December 31, 2019, the Company had cash of $1,220 compared to cash of $144,183 as at December 31, 2018.

Net cash used in operating activities for the period ended December 31, 2019 was $183,455 compared to $498,513 for the same period in the prior year.

Net cash provided by (used in) investing activities for the period ended December 31, 2019 was $40,492 (2018 – ($100,000)) for principal and interest payments on the loan extended in 2018 of $100,000.

Net cash provided by financing activities for the period ended December 31, 2019 was $nil compared to $264,000 for the same period in the prior year, consisting of $nil (2018 - $264,000) from proceeds on issuance of shares.

TRANSACTIONS WITH RELATED PARTIES

During the period ended December 31, 2019, the Company reimbursed Waterfront Communications Inc. (a company with certain directors in common) on a cost basis, to cover shared administrative payroll costs in the amount of $20,002 (2018 - $26,485), shared expenses in the amount of $14,635 (2018 - $37,734) and a break fee of $nil (2018 - $20,000) to cover committed expenses.

Included in accounts payable at December 31, 2019 is $60,172 (2018 - $1,050) due to companies controlled by directors, former directors and/or companies with certain directors in common.

During the period ended December 31, 2019, the Company recovered, paid or accrued the following amounts to directors, companies or limited partnerships controlled by directors, and/or companies with common directors:

Name of Company	**Directors/Officers**	**December 31, 2019**	**December 31, 2018**
Waterfront Capital Partners Inc. (formerly Criterion Capital Corporation) (consulting fees)	Douglas L. Mason (former CEO and director)	30,000	80,000
Sead Hamzagic, Inc. (consulting fees)	Sead Hamzagic (former CFO)	30,000	80,000
Andrzej Kowalski (director's fee)	Andrzej Kowalski (former director)	-	3,167
Mehrun Payravi (director's fee)	Mehrun Payravi (former director)	-	1,833
Joshua Taylor (director's fee)	Joshua Taylor	1,000	-
Joseph Bleackley (director's fee)	Joseph Bleackley (former director)	1,000	-
Corey Larricq (director's fee)	Corey Larricq	2,000	-
Sutton Ventures Ltd. (consulting fees)	Brayden Sutton	30,000	5,000
Beachfront Enterprises Limited Partnership (rent)	a limited partnership, the majority of which is owned by a director, namely, Douglas L. Mason (former CEO and director)	23,818	23,816

Included in consulting fees in 2018 are one-time payments of $50,000 to terminate existing consulting contracts with Waterfront Capital Partners Inc. and Sead Hamzagic, Inc.

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

CAPITAL MANAGEMENT

The Company manages its common shares and stock options as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regard to the expected timing of expenditures from continuing operations.

To fund future operating activities the Company may need to raise funds through future share issuances, issue new debt or dispose of assets.

There have been no changes to the Company's approach to capital management during the period ended December 31, 2019. The Company is not subject to externally imposed capital requirements.

The Company expects to raise sufficient capital to carry its corporate and administrative services and operations through its current operating year.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

FINANCIAL INSTRUMENTS

Fair value

The Company classifies its cash and investments as fair value through profit or loss; accounts receivable and loans receivable at amortized cost; and accounts payable and accrued liabilities at amortized cost.

The carrying values of accounts receivable, loan receivables, accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash, investments, accounts receivable, and loan receivable.

The Company's credit risk is primarily attributable to cash, investments and loans receivable. Management believes that the credit risk concentration with respect to cash and investments is remote as it maintains accounts with highly-rated financial institutions.

Credit risk with respect to accounts receivable and loans receivable has been assessed as low from management, as the Company has strong working relationships with the parties involved and its loan receivable is secured against a general security agreement.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

		2019		2018
Bank accounts	$	1,220	$	144,183
Investments		872		698
Accounts receivable		6,147		10,962
Loan receivable		68,388		103,518
	$	76,627	$	259,361

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At December 31, 2019, the Company had accounts payable and accrued liabilities of $130,721 (2018 - $24,076). Based on the current funds held as at December 31, 2019, the Company will need to rely upon financing from shareholders and/or debt holders to obtain sufficient working capital to proceed with a proposed acquisition. There is no assurance that such financing will be available on terms and conditions acceptable to the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not currently exposed to any significant interest rate or foreign currency risk. The Company is exposed to other price risk with respect to its investments, as they are carried at fair values based on quoted market prices.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the impairment of assets, valuation of share-based payments and recognition of deferred tax amounts.

Critical accounting estimates:

a) Impairment of assets

At each reporting period, assets, including accounts receivable, loan receivable and investments, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates and future operating performance.

b) Income taxes

Related assets and liabilities are recognized for the estimated tax consequences between amounts included in the financial statements and their tax base using substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences and, accordingly, affect the amount of the deferred tax asset or liability calculated at a point in time.

CHANGES IN ACCOUNTING POLICIES

IFRS 16, Leases

In January 2016, the IASB issued IFRS 16, Leases, which would replace IAS 17, Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company adopted this standard on January 1, 2019, the date of initial application. The adoption of IFRS 16 did not have an impact on the Company's financial statements.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

OUTSTANDING SHARE DATA as of April 20, 2020:

a) Authorized Share Capital:
unlimited number of common shares without par value
unlimited number of preferred shares without par value

b) Issued and Outstanding Shares:
7,801,817 common shares

c) Outstanding incentive stock options:

Number of Options	Exercise Price	Expiry Date
85,000	$ 1.00	October 13, 2022

d) Outstanding warrants:

Number of Options	Exercise Price	Expiry Date
1,666,666	$ 0.15	April 13, 2021

OFFICERS AND DIRECTORS

Brayden Sutton, CEO and Director
Samantha Shorter, CFO
Corey Larricq, Director
Joshua Taylor, Director