

**Form 45-106F1**  
**Report of Exempt Distribution**

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

**Issuer information**

1. State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report.

Waterfront Capital Corporation

Name of Issuer

2489 Bellevue Avenue, West Vancouver, British Columbia, V7V 1E1

Address

604-922-2030

Telephone Number

2. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The Issuer is a reporting issuer in each of the Provinces of British Columbia and Alberta.

3. Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- ☐ Bio-tech
- Financial Services
  - ☒ investment companies and funds
  - ☐ mortgage investment companies
- ☐ Forestry
- ☐ Hi-tech
- ☐ Industrial

- Mining
  - ☐ exploration/development
  - ☐ production
- ☐ Oil and gas
- ☐ Real estate
- ☐ Utilities
- ☐ Other (describe)

B.C. Securities  
Commission  
2007 FEB 16 AM 10:55  
RECEIVED

## **Details of distribution**

- 4. Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.**

See attached Schedule I.

- 5. State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.**

The securities were distributed on February 6, 2007.

- 6. For each security distributed:**

- (a) Describe the type of security**

The issuance of 2,000,000 units (the "Units") at a price of \$0.10 per Unit. Each Unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share at a price of \$0.10 for a period of one year from the closing date.

- (b) State the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date**

The Issuer has distributed 2,000,000 Units of the Issuer at a price of \$0.10 per Share.

- (c) State the exemption(s) relied on**

Section 2.3 of National Instrument 45-106.

- 7. Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.**

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$)	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	7	\$0.10	\$200,000
<b>Total number of Purchasers</b>	<b>7</b>		
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>			<b>\$200,000</b>

### Commissions and finder's fees

8. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Compensation paid or to be paid (cash and/or securities)				
	Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Pietro Rossi 1926 Custer Court Coquitlam, B.C. V3J 6R1	Nil	70,000 Units and 100,000 Finder's Warrants	\$0.10 per Unit	Section 2.3 of NI 45-106 February 6, 2007	\$7,000.00

\* Each Warrant entitles the holder to purchase one additional common share in the share capital of the Issuer for a period of one year at an exercise price of \$0.10.

9. If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario Securities Commission.

**Certificate**

On behalf of the issuer, I certify that the statements made in this report are true.

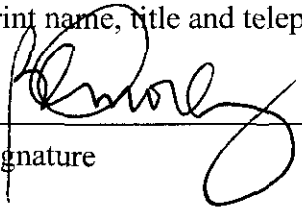
Date: February 15, 2007

WATERFRONT CAPITAL CORPORATION

Name of issuer (please print)

Bruce Morley, Director 604-922-2030

Print name, title and telephone number of person signing

  
Signature

10. State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

**IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.**