

This is the form of a material change report required under section 85(1) of the *Securities Act* (British Columbia) and section 151 of the *Securities Rules* thereunder and under section 118(1) of the *Securities Act* (Alberta).

FORM 27

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE *SECURITIES ACT* (BRITISH COLUMBIA) (the “B.C. Act”) AND SECTION 118(1) OF THE *SECURITIES ACT* (ALBERTA) (the “Alberta Act”)

This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

Every report required to be filed under section 85(1) of the B.C. Act and 118(1) of the Alberta Act shall be sent to the Commissions in an envelope addressed to each Commission and marked “Continuous Disclosure”.

WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS “CONFIDENTIAL SECTION 85 OR 118”, AND EVERYTHING THAT IS REQUIRED TO BE FILED SHALL BE PLACED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED ”CONFIDENTIAL”.

1. Reporting Issuer

Waterfront Capital Corporation
1820 - 999 West Hastings Street
Vancouver, B.C. V6C 2W2
Telephone: (604) 683-3070

(the “Issuer”)

2. Date of Material Change

November 3, 2000

3. Press Release

Issued news release on November 3, 2000. The news release was disseminated through the facilities of Market News, Canada Stockwatch, and the George Cross Newsletter with a copy to CDNX.

4. Summary of Material Change

The Issuer announced the British Columbia Securities Commission notice of hearing.

5. Full Description of Material Change

The Issuer announced that it has been advised by Douglas Mason, the Company’s President and a Director, that the British Columbia Securities Commission has issued a Notice of Hearing dated October 31, 2000, making certain allegations against him. Mr. Mason has categorically denied the allegations being made against him and has indicated that he will vigorously defend his position.

The allegations in the Notice of Hearing revolve around Mr. Mason's connection with a trust established and administered under the laws of the Island of Jersey. Mr. Mason has stated that his position is that his conduct has not contravened Canadian law, and specifically, any provision of the British Columbia Securities Act. Mr. Mason has further denied categorically that he has in any way acted in a manner that would have any improper effect on the market.

6. Reliance on Section 85(2) of the Securities Act (British Columbia) or Section 118(2) of the Securities Act (Alberta)

Not applicable.

7. Omitted Information

No information has been intentionally omitted from this form.

8. Senior Officers

Further information may be obtained from Sharon Constable, Corporate Secretary of the Issuer, 1820 - 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2, (604) 683-3070.

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia, this 3rd day of November, 2000

WATERFRONT CAPITAL CORPORATION

Signed: "Bruce E. Morley"

Director

(Official capacity - please print)

Bruce E. Morley

(Please print here name of individual whose signature appears above, if different from name of vendor or agent printed above)

THIS IS THE FORM OF A MATERIAL CHANGE REPORT REQUIRED UNDER SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA) AND SECTION 118(1) OF THE SECURITIES ACT (ALBERTA).