This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of Edgewater Exploration Ltd. ("Edgewater" or the "Company") for the period ended March 31, 2016. The Company reports its financial position, results of operations, changes in shareholders' deficit, and cash flows in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company including the most recent Company filings can be located on SEDAR at www.sedar.com.

This MD&A is prepared as of May 26, 2016. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts, that address events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

Business Overview and Overall Performance

Business overview

Edgewater Exploration Ltd. and its subsidiaries (collectively, "Edgewater" or the "Company") are in the mineral property exploration and development business. Edgewater Exploration Ltd., the parent, is a public company that is listed on the TSX Venture Exchange (symbol: EDW). It is incorporated in Canada and its head office is located at Suite 1680 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

Corcoesto Gold Project, Spain

The Corcoesto Gold Project is a late-stage exploration gold project located in the extreme northwest corner of Spain, within La Coruña Province (Galician Community). It is located approximately 1.5 km east of the small village of Corcoesto, approximately 12 km west of the town of Carballo, and approximately 36 km west-southwest of the port city of La Coruña. The property includes 3 exploitation concessions covering 773.6 ha of surface area that are 100% owned by Mineira de Corcoesto, S.L., a wholly-owned subsidiary of Edgewater. The Corcoesto deposit is located within the boundaries of the Ciudad de Masma, Ciudad de Landró, and Emilita exploitation concessions.

On August 6, 2013, Micon International completed an updated National Instrument 43-101 ("NI 43-101") Resource Estimate at the Company's Corcoesto Gold Project. The inclusion of recent infill drilling completed by Edgewater in an updated geological model has increased the open pit-constrained gold ounces in the Corcoesto resource by 203% to 1,027,000 ounces for Measured and Indicated gold resources over the previous Measured and Indicated resource estimate from the 2011 NI 43-101 compliant Preliminary Economic Assessment study.

Corcoesto Gold Project - Open Pit-Constrained Mineral Resource

Resource Category	Cut Off g/t Au	Tonnes (kt)	Au (g/t)	Gold (koz)
Measured	0.5	14,910	1.34	644
Indicated	0.5	9,298	1.28	383
Measured + Indicated	0.5	24,208	1.32	1,027
Inferred	0.5	5,321	1.21	207

Notes:

1. Mineral resources were classified following the guidelines of the JORC Code (2012) an accepted reporting code in terms of Canadian National Instrument 43-101.
2. Mineral resources are constrained within a Whittle pit shell based on a gold price of US$1,400/oz.
3. Numbers may not compute due to rounding.
4. All grades have been quoted in grams per tonne (g/t) for the resource inventory.
5. Density values were assigned in relation to an oxide surface; no further distinction between fresh and oxide material has been made within this resource estimate.
6. There are no known legal, political, environmental or other risks that could materially affect the potential development of these mineral resources.
7. The Corcoesto resource estimate was prepared by Jason Ché Osmond, M.Sc., EurGeol., C.Geol., FGS, Senior Geologist, Micon International Co. Limited, and a Qualified Person ("QP") as defined by National Instrument 43-101.

Mr. Gregory Smith, P.Geo, the Vice-President of Exploration of the Company, is the Qualified Person as defined by NI 43-101, and is responsible for the accuracy of the technical data and information disclosed above.

Highlights of the updated 2013 NI 43-101 Measured and Indicated Resources include:

- Measured and Indicated resources have increased to over one million ounces providing a significantly greater confidence in the deposit;

- The Corcoesto Resource holds together well at higher cut off grades providing an opportunity to potentially mine higher grades during the initial years of operation; and

- All zones remain open for expansion through further exploration.

During 2013, the Galician Government took the view that the Company had failed to demonstrate the requisite technical expertise and financial ability to fund the development of the Corcoesto Gold Project, even while the feasibility process was still being completed. The Galician Government took the view that the Company and its subsidiary had to demonstrate funding sources in the amount of €30 million, which is approximately 25% of the total capital costs estimated by the Company in its previous engineering studies. On March 20, 2014, the Company was notified by the Galician authorities that its permitting applications had been denied. Notwithstanding the foregoing, based on discussions with the Galician Government, the Company understands that: (i) Edgewater's approved EIS for the Corcoesto Gold Project remains in good standing until December 2017; and (ii) Edgewater may re-apply for final Corcoesto mining permits at any time once the financial and technical (operational) requirements as formulated by the Galician Government in 2013 are met.

During 2015, the Galician Government in Spain issued a resolution declaring the "caducidad" of the mining concessions for the Corcoesto Gold Project in which unilaterally terminates the Corcoesto mining concessions. On October 21, 2015, the Company served the Kingdom of Spain a notice of dispute pursuant to the terms of the bilateral investment treaty ("BIT") between Spain and Panama (the Corcoesto Gold Project is indirectly owned by the Company's Panama subsidiary). Should Spain fail to promptly offer full compensation for the loss of investment and opportunity, the Company will prosecute its claims in international arbitration under the BIT to secure such full compensation. The Company intends to exercise all available remedies to protect the rights and the interests of its shareholders including international arbitration. There is no assurance that the Company will be able to obtain additional financing or resolve its dispute with Spain in the future.

The Company signed a litigation funding agreement with a third party in order to finance the prosecution of the Company's claims under the BIT during 2015. Compensation of the third party is contingent on a successful outcome and resolution from the dispute with Spain. The actual amount received by the third party will vary in accord to the actual settlement received by the Company from Spain.

Key Highlights:

- During Q1 2016, the Company recorded a net loss of $97,152 as compared to a net loss of $141,756 during Q1 2015. The net loss per share in both Q1 2016 and Q1 2015 remains at $nil.

- As at March 31, 2016, the Company had total assets of $1,230,948 compared to $1,320,402 as at December 31, 2015. Reclamation deposits and restricted cash account for majority of the assets as at March 31, 2016.

(Expressed in Canadian Dollars - Unaudited)

Selected Annual Information

The Company reports its financial position, results of operations, changes in shareholders' equity (deficit), and cash flows in accordance with IFRS.

	2015	**2014**	**2013**
Revenue	$Nil	$Nil	$Nil
Expenses	$518,066	$34,265,292	$2,118,909
Net loss	$492,487	$34,241,271	$2,083,520
Comprehensive loss (income)	$711,114	$34,893,255	$(404,677)
Net loss per share – basic and diluted	$0.00	$0.33	$0.02
Total Current Assets	$357,115	$541,582	$1,458,207
Total Exploration and Evaluation Assets	$Nil	$Nil	$38,193,922
Total Assets	$1,320,402	$1,944,784	$41,737,644
Total Liabilities	$4,704,931	$4,664,635	$5,857,837
Total Shareholders' Equity (Deficit)	$(3,384,529)	$(2,719,850)	$35,879,807

Results of Operations

The following discussion and analysis of the Company's financial results of its operations should be read in conjunction with the Company's condensed interim consolidated financial statements and related notes.

During Q1 2016, the Company incurred $21,851 in field-related costs and $27,425 in salaries and benefits for its remaining personnel in Spain. These amounts were recognized directly as expenses during 2016 as the Company's rights to the Corcoesto licenses were terminated by the Galician Government. These costs were classified as write-down of mineral property during Q1 2015. The total write-down of mineral property during Q1 2015 was $104,472.

Summary of Quarterly Results

The following information is derived from the Company's unaudited interim consolidated financial statements for the past eight quarters.

		Revenue		**Net loss**		**Loss per share**
March 31, 2016[1]	$	Nil	$	97,152	$	0.00
December 31 2015	$	Nil	$	146,536	$	0.00
September 30, 2015	$	Nil	$	89,360	$	0.00
June 30, 2015	$	Nil	$	114,835	$	0.00
March 31, 2015	$	Nil	$	141,756	$	0.00
December 31, 2014[2]	$	Nil	$	26,162,371	$	0.25
September 30, 2014	$	Nil	$	437,228	$	0.00
June 30, 2014	$	Nil	$	204,829	$	0.00

[1]Refer to section "Results of Operations" for an explanation of some of the expenses making up the loss for the quarter.

[2]Included in the loss for the period ending December 31, 2014, is an impairment charge of $26,614,356 relating to the Corcoesto Gold Project. The carrying value of the Corcoesto Gold Project was written off to $nil during Q4 2014 given the lack of progress in discussions with Galician authorities and uncertainties of a fair outcome, see "Business Overview and Overall Performance."

Liquidity and Capital Resources

The Company has financed the majority of its operations and work programs to date through equity issuances. There can be no assurance of continued access to sufficient equity funding. Management believes it will be able to raise equity capital as required in the long term, but recognize there will be risks involved that may be beyond their control. The Company has no outstanding debt facility upon which to draw. Cash is invested in business accounts with large financial institutions, and is available on demand for the Company's operations, and is not held in any asset backed commercial paper investments. All current liabilities of the Company are of short-term nature and payable within the next 12 months.

The condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Several adverse conditions cast significant doubt on the validity of this assumption. The Company has no source of revenue, is unable to self-finance operations, and has significant cash requirements to meet its administrative expenses. The Company has incurred operating losses since inception. As at March 31, 2016, the Company had $46,126,176 in accumulated deficit and negative working capital of $424,476.

The Company's ability to meet its administrative expenses is dependent upon management's ability to obtain additional financing and settle its dispute with the Galician Government in Spain. On October 21, 2015, the Company served the Kingdom of Spain a notice of dispute pursuant to the terms of the BIT between Spain and Panama (the Corcoesto Gold Project is indirectly owned by the Company's Panama subsidiary). Should Spain fail to promptly offer full compensation for the loss of investment and opportunity, the Company will prosecute its claims in international arbitration under the BIT to secure such full compensation. The Company intends to exercise all available remedies to protect the rights and the interests of its shareholders including international arbitration. There is no assurance that the Company will be able to obtain additional financing or resolve its dispute with Spain in the future.

The Company's condensed interim consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations, such adjustments could be material.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Key management personnel include directors and officers that provide management and consulting services to the Company.

Share-based payments to key management personnel of the Company amounted to $826 during the period ending March 31, 2016 (2015 - $14,877).

During the period ending March 31, 2016, the Company recovered $23,138 in rent expense from companies with directors and officers in common. The rental office sharing arrangement with Pinecrest Resources Ltd. and Calibre Mining Corp. was made in order to minimize administration costs and is on a month-to-month basis.

Fourth Quarter

Not applicable.

Proposed Transactions

None.

Critical Accounting Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Critical estimates and assumptions are made in particular with regard to: (i) the assumptions used in calculating the fair value of warrants and share-based payments; and (ii) provision for reclamation.

Fair value of warrants and share-based payments

The Company uses the fair-value method of accounting for share-based payments related to incentive stock options and warrants granted, issued, modified or settled. Under this method, compensation cost attributable to options is measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options or warrants, and an estimated risk-free interest rate. Changes to these estimates could result in the fair value of the options and warrants being less than or greater than the amount recorded.

Provision for reclamation

The Company assesses its provision for reclamation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Recently Issued but Not Adopted Accounting Guidance

IFRS 9, Financial Instruments ("IFRS 9"), addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("OCI") and FVTPL. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at FVTPL. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is currently assessing the impact of IFRS 9. In January 2016, the IASB issued a new standard and a number of amendments:

- New standard IFRS 16, *Leases* ("IFRS 16"). This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption, provided IFRS 15, has been applied, or is applied at the same date as IFRS 16. IFRS 16 requires lessees to recognize assets and liabilities for most leases. The Company is in the process of determining the impact of IFRS 16 on its consolidated financial statements.

- Amendments to IAS 7, *Statements of Cash Flows*. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments apply prospectively for annual periods beginning on or after January 1, 2017, with earlier application permitted. The Company intends to adopt the amendments in its financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the amendments has not yet been determined.

(Expressed in Canadian Dollars - Unaudited)

- Amendments to IAS 12, *Income Taxes* ("IAS 12"). The amendments apply for annual periods beginning on or after January 1, 2017 with retrospective application. Early application of the amendments is permitted. The amendments clarify that the existence of a deductible temporary difference is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset and also clarify the methodology to determine the future taxable profits used for assessing the utilization of deductible temporary differences. The Company intends to adopt the amendments to IAS 12 in its financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the amendments has not yet been determined.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, GST and other receivables, short-term investments, reclamation deposits and restricted cash, trade and other payables, current provision for government grants, provision for government grants, and deferred revenue. Cash, GST and other receivables, short-term investments, and reclamation deposits and restricted cash are classified as loans and receivables. Loans and receivables are initially measured at fair value and subsequently measured at amortized cost. Gains and losses resulting from revaluations, impairment write-downs, and foreign exchange translation adjustments are recognized in net earnings for the year. Revaluation gains and losses, if any, are included in other comprehensive income /loss until the asset is removed from the balance sheet.

Trade and other payables, current provision for government grants, provision for government grants, and deferred revenue are classified as other financial liabilities. Other financial liabilities are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method. Gains and losses resulting from revaluation and foreign exchange translation adjustments are recognized in net earnings for the year. The fair value of trade and other receivables approximates their carrying values due to their short-term maturity.

The Company does not use derivative instruments or hedges to manage various risks because the Company's exposure to credit risk, liquidity risk, and market risks (including interest rate risk and currency risk) is relatively low. Cash is held through large financial institutions. Additional disclosures relating to the Company's financial instruments can be found in Note 8 of the condensed interim consolidated financial statements.

Other MD&A Requirements

Additional information relating to the Company, including the most recent Company filings, can be located on the SEDAR website at www.sedar.com.

Additional Disclosure for Venture Issuers Without Significant Revenue

See Results of Operations section of the MD&A.

Disclosure of Outstanding Share Data

The following describes the outstanding share data of the Company as at May 26, 2016.

	Number Outstanding
Common shares	104,694,437
Options to purchase common shares	7,525,000
Warrants to purchase common shares	15,900,000

Additional Disclosure for Reporting Issuers with Significant Equity Investees

Not applicable.

Risk Factors

The operations of the Company are speculative due to the high risk nature of its business, which includes the acquisition, financing, exploration, development, and operation of mining properties. These risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Estimation of Mineralization, Resources and Reserves

There is a degree of uncertainty attributable to the calculation of mineralization, resources and reserves and corresponding grades being mined or dedicated to future production. Until reserves or mineralization are actually mined and processed, the quantity of mineralization and reserve grades must be considered estimates only. In addition, the quantity of reserves and mineralization may vary depending on commodity prices. Any material change in quantity of reserves, mineralization, grade or stripping ratio may affect the economic viability of a project. In addition, there can be no assurance that recoveries from laboratory tests will be duplicated in tests under on-site conditions or during production.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges and power and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's activities and profitability.

Title Matters

Any changes in the laws of Spain relating to mining could materially affect the rights and title to the interests held there by the Company. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Refer to discussion under heading, "Business Overview and Overall Performance – Corcoesto Gold Project, Spain," for further details.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other exploration and mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Funding Requirements

Mining exploration and development involves financial risk and capital investment. The continuance of the Company's development and exploration activities and its growth through the acquisition of exploration, development or production assets depend upon the Company's ability to generate positive cash flows, private and public equity financing, debt and/or other means. There is no assurance that the Company will be successful in obtaining additional financing on a timely basis or generate positive cash flows.

Uninsured Risks

The mining business is subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations or other geological or grade problems, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, yearic interruptions due to inclement or hazardous weather conditions and other acts of God. Such risks could result in damage to, or destruction of, mineral properties or facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Company maintains insurance against certain risks associated with its business in amounts that it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting claim.

Foreign Operations

Operations, development and exploration activities carried out by the Company are or may be affected to varying degrees by taxes and government regulations relating to such matters as environmental protection, land use, water use, health, safety, labour, restrictions on production, price controls, currency remittance, maintenance of mineral rights, mineral tenure, and expropriation of property. There is no assurance that future changes in taxes or such regulation in the various jurisdictions in which the Company operates will not adversely affect the Company's operations. Industrial disruptions, work stoppages and accidents in the course of the Company's operations can result in future production losses and delays, which may adversely affect future profitability. The Company currently holds mineral concessions in Spain. Although the operating environment in Spain is considered favorable compared to that in other developing countries, with various government incentives offered to attract international investment into Spain, there are still political risks. The risks include, but are not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation and labor unrest.

Changes in mining or investment policies or shifts in political attitudes may also adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, maintenance of claims, environmental legislation, expropriation of property, land use, land claims of local people, water use and safety. The effect of these factors cannot be accurately predicted. Refer to discussion under heading, "Business Overview and Overall Performance – Corcoesto Gold Project, Spain," for further details.

Exploration and Development Risks

The successful exploration and development of mineral properties is speculative and subject to a number of uncertainties that even a combination of careful evaluation, experience and knowledge may not eliminate. There is no certainty that the expenditures made or to be made by the Company in the exploration and development of its mineral properties or properties in which it has an interest will result in the discovery of mineralized materials in commercial quantities. Most exploration projects do not result in the discovery of commercially mineable deposits. While discovery of a base metal or precious metal bearing structure may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that exploration programs carried out by the Company will result in profitable commercial mining operations.

The Company's operations are subject to all of the hazards and risks normally incident to mineral exploration, mine development and operation, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The Company's activities may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Company has interests. Hazards such as unusual or unexpected formations, pressures or other conditions may also be encountered.

Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and, if warranted, commencement of production on properties in which it has an interest, require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits.

The Company believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. However, there can be no assurance that all permits which the Company may require for the conduct of mineral exploration and development can be obtained or maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any such mineral exploration or development which the Company might undertake. Amendments to current laws, regulations and permits governing operations and activities of mineral exploration companies, or more stringent interpretation, implementation or enforcement thereof, could have a material adverse impact on the Company. Refer to discussion under heading, "Business Overview and Overall Performance – Corcoesto Gold Project, Spain," for further details.

Hedging and Foreign Exchange

While hedging of commodity prices and exchange and interest rates is possible, there is no guarantee that appropriate hedging will be available at an acceptable cost should the Company choose or need to enter into these types of transactions.

Internal Controls and Disclosure Controls over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission in which the Company is registered exempted Venture Issuers from certifying disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. Since the Company is a Venture Issuer, it is now required to file basic certificates, which it has done for the period ended March 31, 2016. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 as at March 31, 2016.

Outlook

During 2015, the Government of the Autonomous Community of Galicia, Spain issued a resolution declaring the *"caducidad"* of the mining concessions for the Corcoesto Gold Project. Under Spanish law, this declaration of *"caducidad"* unilaterally terminates the Corcoesto mining concessions. Edgewater considers the *"caducidad"* declaration and related actions of the Galician Government to be manifestly unlawful and in breach of the Kingdom of Spain's obligations under international law. Edgewater intends to exercise all available remedies to protect the rights and the interests of their shareholders, including international arbitration.

On October 21, 2015, the Company served a notice of dispute on the Kingdom of Spain pursuant to the terms of the BIT between Spain and Panama. Should Spain fail to promptly offer full compensation for the loss of investment and opportunity, Edgewater will vigorously prosecute its claims in international arbitration under the BIT to secure such full compensation.

Edgewater have retained Three Crowns LLP, a specialist international arbitration firm based in London, Paris and Washington DC with extensive experience in investment disputes in the natural resource sector, to act as lead counsel in the BIT arbitration. Third party funding has also been secured to finance the prosecution of the Company's claims under the BIT. The funding was arranged on the Company's behalf by ClaimTrading Ltd, a broker of litigation finance.

Edgewater will provide further updates regarding the BIT arbitration against the Kingdom of Spain as additional information becomes available.