This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited annual consolidated financial statements of Edgewater Exploration Ltd. ("Edgewater" or the "Company") for the year ended December 31, 2018. 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 April 25, 2019. 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 NEX board of the TSX Venture Exchange (symbol: EDW.H). It is incorporated in Canada and its head office is located at 413 – 595 Burrard Street, P.O. Box 49167, Vancouver, British Columbia, V7X 1J1.

International Arbitration with the Kingdom of 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 additional 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 2013 NI 43-101 Measured and Indicated Resources include:

- Measured and Indicated resources 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 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). 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.

The international arbitration under the BIT between the Company and Spain is currently ongoing. As of the date of this MD&A, there is no new information to report on the international arbitration.

Key Highlights for 2018:

- During 2018, the Company recorded a net loss of $453,878 as compared to a net income of $3,842,703 during the prior year.

- The Company had a net loss per share of $0.01 during 2018. In comparison, the Company had a net income per share of $0.12 during 2017.

- As at December 31, 2018, the Company had total assets of $1,262,394 compared to $1,741,846 as at December 31, 2017. Cash and short-term investment account for majority of the assets as at December 31, 2018.

(Expressed in Canadian Dollars - Unaudited)

Selected Annual Information

The following financial information is derived from the audited financial statements of the Company, which are prepared in accordance with IFRS.

	2018	2017	2016
Revenue	$Nil	$Nil	$Nil
Expenses	$455,512	$233,403	$271,732
Net loss (income)	$453,878	$(3,842,703)	$262,252
Comprehensive loss (income)	$450,056	$(3,667,605)	$40,488
Net loss (income) per share – basic and diluted	$0.01	$(0.12)	$0.01
Total Current Assets	$1,262,394	$1,741,846	$462,527
Total Exploration and Evaluation Assets	$Nil	$Nil	$Nil
Total Assets	$1,262,394	$1,741,846	$1,335,793
Total Liabilities	$240,448	$269,844	$4,274,797
Total Shareholders' Deficit (Equity)	$(1,021,946)	$(1,472,002)	$2,939,003

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 consolidated financial statements and related notes.

- During 2018, accounting and audit fees were $53,521 compared to $22,000 during the prior year. The increase in fees during 2018 was due to the Company engaging its external auditors for tax and share restructuring advice.

- During 2018, salaries and benefits were $345,933 compared to $117,191 during the prior year. During 2018, the Company signed an agreement with an employee in Spain for termination severance benefits. The agreement entitles the employee to benefits totaling EUR360,306 of which EUR180,000 is contingent on the successful outcome of the Company's litigation against Spain. The remaining EUR180,306 (CAD$277,101) was paid by the Company to the employee in 2018 and accordingly, was expensed during the year.

- During 2017, as a result of ongoing litigation against Spain and the determination that the Company does not see any prospect of continuing to advance the Corcoesto project, the Company de-recognized the deferred revenue balance of $3,820,911. There was no de-recognized deferred revenue during 2018.

- The Company received a refund of $910,085 (equivalent to €618,049) in reclamation deposits in 2017. The funds were returned to the Company because all reclamation obligations in Spain were assumed by a third party. The transfer of reclamation liabilities also resulted in the Company recovering input tax credits from the Spanish Government totaling $92,828, which has been accounted for as income in 2017. The Company did not encounter similar transactions during 2018.

- The Company de-recognized the reclamation liability associated with the Carles property to correspond with the return of the reclamation deposits. De-recognition of the Carles reclamation liability resulted in the Company recognizing $80,866 as income in 2017. The Company did not have any reclamation costs in 2018.

- The Company wrote-off $78,548 in trade payables during 2017. Of this balance, $56,887 relates to invoices that were settled with a third party in conjunction with the transfer of the reclamation liabilities. The remaining $21,661 pertains to old invoices that the Company deemed no longer payable. There were no trade payables written off during 2018.

(Expressed in Canadian Dollars - Unaudited)

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 (income)		Loss (income) per share
December 31, 2018[(1)]	$	Nil	$	(2,971)	$	0.00
September 30, 2018	$	Nil	$	320,120	$	0.01
June 30, 2018	$	Nil	$	119,315	$	0.00
March 31, 2018	$	Nil	$	17,414	$	0.00
December 31, 2017[(2)]	$	Nil	$	(3,928,255)	$	(0.12)
September 30, 2017	$	Nil	$	(24,718)	$	0.00
June 30, 2017	$	Nil	$	58,663	$	0.00
March 31, 2017	$	Nil	$	51,607	$	0.00

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

[(2)]During Q4 2017, as a result of ongoing arbitration with the Kingdom of Spain and the determination that the Company does not see any prospect of continuing to advance the Corcoesto project, the Company de-recognized the deferred revenue balance of $3,820,911 and recorded it in income. Also included in the Q4 2017 net income is the de-recognition of the Carles reclamation liability of $80,866. The Company de-recognized the reclamation liability associated with the Carles property to correspond with the return of the reclamation deposits to the Company during 2017.

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. All current liabilities of the Company are of a short-term nature and payable within the next 12 months. During the year ended December 31, 2018, cash outflows from operations totaled $506,004. Cash outflows from investing activities of $656,366 were comprised primarily of the purchase of short-term investments totaling $658,000. The Company did not complete any financings during 2018.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Included in GST and other receivables is a receivable from a related party of $3,956 relating to shared office rent. During 2018, the Company recovered $15,069 in rent from related companies (2017 - $9,926). The rental office sharing arrangement with Pinecrest Resources Ltd. was made in order to minimize administration costs and is on a month-to-month basis.

Fourth Quarter

Foreign exchange gain was $19,714 (2017 - $7,330) during the three months ended December 31, 2018. The higher foreign exchange balance is due to the Company conducting more foreign transactions during 2018 when compared to 2017.

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 year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Recent Accounting Pronouncements

IFRS 9, Financial Instruments ("IFRS 9"), addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 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 nine 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 was adopted by the Company on January 1, 2018. The adoption of IFRS 9 did not have a significant measurement or disclosure impact on the Company's consolidated financial statements.

In January 2016, the IASB issued a 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 does not expect the adoption of this standard to have a material measurement or disclosure impact on its consolidated financial statements.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, receivables, short-term investment, and trade and other payables. All of the financial instruments are at amortized cost. Financial assets and liabilities at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

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 7 of the 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 April 25, 2019:

	Number Outstanding
Common shares	38,673,609
Options to purchase common shares	737,500
Warrants to purchase common shares	5,000,000

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 mining laws of countries the Company decides to operate in 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 – International Arbitration with Kingdom of 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. Political risks may also exist in countries that the Company decides to operate in the future. These 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 – International Arbitration with Kingdom of 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 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 – International Arbitration with Kingdom of Spain," for further details.

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 year ended December 31, 2018. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 as at December 31, 2018.