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, 2021. The consolidated financial statements are prepared 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 27, 2022. 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 1560 – 200 Burrard Street Vancouver, British Columbia, V6C 3L6.

Key Highlights for 2021:

- During 2021, the Company recorded a net loss of $198,739 compared to a net income of $8,868 during the prior year.
- Net loss per share for the year ended 2021 was $0.01 compared to $0.00 for 2020.
- As at December 31, 2021, the Company had total assets of $829,131 compared to $923,488 as at December 31, 2020. Cash and short-term investment account for the majority of the assets as at December 31, 2021.

Selected Annual Information

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

	2021	2020	2019
Revenue	$Nil	$Nil	$Nil
Expenses	$115,343	$83,935	$255,250
Net Loss (Income)	$198,739	($8,868)	$2,175,647
Comprehensive Loss	$18,788	$125,100	$2,175,320
Net Loss per Share – Basic and Diluted	$0.00	$0.00	$0.06
Total Assets	$829,131	$923,488	$979,268
Total Liabilities	$2,076,396	$2,201,964	$2,132,642
Total Shareholders' Deficit	$1,247,266	$1,278,477	$1,153,374

(Expressed in Canadian Dollars - Unaudited)

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 2021, the Company recorded a net loss of $198,739 compared to a net income of $8,868 in the prior year. There was a recovery of legal costs of $15,860 during 2020 due to the Company recovering $22,660 of unspent legal costs in relation to the arbitration with the Kingdom of Spain.
- During 2021, the Company engaged a legal firm to restructure the Company's intercompany balances and equity.
- Foreign exchange loss was $90,334 during 2021 compared to an exchange gain of $81,209 in the prior year. The loss during 2021 is due to the weaker Euro.

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 per share
December 31, 2021[(1)]	$	Nil	$	42,460	$	0.00
September 30, 2021	$	Nil	$	60,956	$	0.00
June 30, 2021	$	Nil	$	17,546	$	0.00
March 31, 2021	$	Nil	$	77,778	$	0.01
December 31, 2020	$	Nil	$	(29,748)	$	0.00
September 30, 2020	$	Nil	$	(7,638)	$	0.00
June 30, 2020	$	Nil	$	43,563	$	0.00
March 31, 2020	$	Nil	$	(15,045)	$	0.00

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

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 recognizes 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. During the year ended December 31, 2021, cash outflows from operations totaled $138,008 (2020 - $55,091). Cash inflows from financing activities of $50,000 from the exercise of share purchase warrants.

The Company did not complete any financings during 2021. During 2021, 125,000 warrants were exercised by a director of the Company at an exercise price of $0.20 for gross proceeds of $25,000. As of December 31, 2021, the Company had a working capital deficit of $1,247,266, as a result of the accrual of the arbitration award costs in the Company's Panamanian subsidiary. Management considers that the Company has sufficient available cash and cash equivalents to be able to continue in operations for at least the next twelve months.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

During 2021, 125,000 warrants were exercised by a director of the Company at an exercise price of $0.20 for gross proceeds of $25,000.

Fourth Quarter

During Q4 2021, the Company recorded a net loss of $42,460 compared to a net loss of $29,748 during the same period in the prior year.

Foreign exchange loss was $23,870 during Q4 2021 compared to an exchange gain of $52,938 during the same period in the prior year. The loss during 2021 is due to the weaker Euro.

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.

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 measured 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 8 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.

(Expressed in Canadian Dollars - Unaudited)

Disclosure of Outstanding Share Data

The following describes the outstanding share data of the Company as at April 27, 2022:

	Number Outstanding
Common shares	38,923,609

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.

Coronavirus (COVID-19)

Since March 2020, measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). We continue to operate our business forward at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on our business operations, including the duration and impact on our future plans, cannot be reasonably estimated at this time and we anticipate this could have an adverse impact on our business, results of operations, financial position, and cash flows in 2022.

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.

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, 2021. 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, 2021.

Outlook

The Company will discuss its options with its legal advisors regarding the Spain arbitration results as well as formulate a business plan moving forward.