

ARBITRAGE EXPLORATION INC.

Suite 400, 365 Bay Street
Toronto, Ontario M5H 2V1

MANAGEMENT INFORMATION CIRCULAR

As at August 9, 2016

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF ARBITRAGE EXPLORATION INC. (the “Company”) of proxies to be used at the annual and special meeting of shareholders of the Company to be held on Tuesday, September 13, 2016 at Suite 400, 365 Bay Street, Toronto, Ontario M5H 2V1 at 11:00 a.m. (Eastern time), and at any adjournment or postponement thereof (the “Meeting”) for the purposes set out in the accompanying notice of meeting (the “Notice”). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Notice, this management information circular (“Circular”), the annual financial statements of the Company for the financial year ended December 31, 2015 and related management’s discussion and analysis and other meeting materials, if applicable (collectively the “Meeting Materials”) to the beneficial owners of the common shares of the Company (the “Common Shares”) held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice.

APPOINTMENT AND REVOCATION OF PROXIES

A Registered Shareholder may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice.

The purpose of a form of proxy is to designate persons who will vote on the shareholder’s behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Company’s transfer agent and registrar, Capital Transfer Agency Inc., at TSX Trust, at Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1 (the “Transfer Agent”), not later than 11:00 a.m. (Eastern time) on Friday, September 9, 2016 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, subject to the *Business Corporations Act* (Ontario), by electronic signature, to (i) the registered office of the Company, located at Suite 400, 365 Bay Street, Toronto, Ontario M5H 2V1, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment

thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

ADVICE TO NON-REGISTERED SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders of the Company do not hold Common Shares in their own name. Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a Non-Registered Holder are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) (a “**Clearing Agency**”) of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

Distribution of Meeting Materials to Non-Registered Holders

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Company’s OBOs can expect to be contacted by their Intermediary. The Company does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

Voting by Non-Registered Holders

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

A. *Voting Instruction Form.* In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form (a “**VIF**”). If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

or,

B. *Form of Proxy.* Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

Voting by Non-Registered Holders at the Meeting

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder’s or its nominee’s name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Company as maintained by the Transfer Agent, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of August 9, 2016 (the “**Record Date**”), there were a total of 15,701,812 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Registered Shareholder and proxy holder will have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Company’s directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares, other than as set forth below:

Name ⁽¹⁾	Number of Common Shares	Percentage of Issued and Outstanding Common Shares
Judy Baker	3,150,000	20.06%

Notes:

(1) The above information is based upon information supplied by the Transfer Agent and the Company's management.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

No director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, or any associate or affiliates of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (the "Board"), the matters to be brought before the Meeting are those matters set forth in the accompanying Notice.

1. PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended December 31, 2015 and the report of the auditors shall be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Company are available under the Company's profile at www.sedar.com.

2. ELECTION OF DIRECTORS

The Board currently consists of six directors to be elected annually. The following table states the names of the persons nominated by management for election as directors, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾	Percentage of Voting Shares Owned or Controlled
Judy Baker ⁽²⁾⁽³⁾ Ontario, Canada President, Chief Executive Officer and Director	Business Executive	June 14, 2013	3,150,000	20.06%
Alex Falconer ⁽⁴⁾ Ontario, Canada Chief Financial Officer and Director	Business Executive	May 5, 1996	326,754	2.08%
Chris Irwin ⁽⁵⁾ Ontario, Canada Secretary and Director	Partner of Irwin Lowy LLP, a law firm	January 27, 2002	972,111	6.19%
Frederick Nielsen ⁽²⁾ Ontario, Canada Director	Geologist	June 14, 2013	90,000	0.57%
George Langdon ⁽²⁾⁽⁶⁾ Director	Independent Consulting Petroleum Geologist; Director of ChroMedX Corp.	June 14, 2013	187,500	1.19%

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾	Percentage of Voting Shares Owned or Controlled
Paul Olmsted ⁽³⁾⁽⁷⁾ Ontario, Canada Director	Business Executive	Proposed	Nil	Nil

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) 319,895 Common Shares are held by Mr. Falconer directly, 60 Common Shares are held by the Falconer Family Trust and 6,799 Common Shares are held by Hudson Sierra Investments Inc., a corporation controlled by Mr. Falconer.
- (5) 365,032 Common Shares are held by Mr. Irwin directly and 607,079 Common Shares are held by Irwin Professional Corporation, a corporation controlled by Mr. Irwin.
- (6) 37,500 Common Shares are held by Mr. Langdon directly and 150,000 Common Shares are held by Tectonics, Inc., a corporation controlled by Mr. Langdon.
- (7) The principal occupation during the past five years of each nominee not elected to their present term of office by the shareholders is as follows:

Paul Olmsted: Mr. Olmsted is currently an independent consultant and has been active in the mining industry for 30 years, including as an executive in the gold industry for over 15 years. From 2003 to 2014, Mr. Olmsted was the SVP Corporate Development for IAMGOLD Corporation. Mr. Olmsted holds a Bachelor of Applied Science in mining engineering (1984) and an MBA (1991) from Queen's University.

The term of office of each director will be from the date of the Meeting at which he or she is elected until the next annual meeting, or until his or her successor is elected or appointed.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

Corporate Cease Trade Orders or Bankruptcies

Other than as set forth below, no proposed director, within 10 years before the date of this Information Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”) and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set forth below, no proposed director, within 10 years before the date of this Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Irwin was a Director, President and Secretary of Brighter Minds Media Inc., which is subject to a cease trade order resulting from a failure to file financial statements dated May 8, 2009 and May 20, 2009.

Mr. Falconer and Mr. Langdon were directors/officers of Shoal Point Energy Ltd., a private Company, when, on September 30, 2009, the Company filed a notice to make a proposal for the benefit of its creditors under the Bankruptcy and Insolvency Act (Canada), for which proposal more than 90% of the creditors of the company voted in favor. On or about November 17, 2009, the Company's proposal was approved by the Court of Queen's Bench of Alberta, in the Judicial District of Calgary, and was subsequently effected by the company.

Personal Bankruptcies

None of the directors of the Company have, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

None of the directors of the Company have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

3. APPOINTMENT OF AUDITORS

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF MNP LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITORS OF THE CORPORATION TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MNP LLP, Chartered Professional Accountants were first appointed as the auditors of the Corporation on December 10, 2014.

4. AMENDMENT TO ARTICLES OF AMALGAMATION

Shareholders of the Company are being asked to pass a special resolution, the text of which is annexed as Exhibit "A" to the accompanying Notice, which would authorize the Company to change the name of the Company to "Argo Gold Inc." or such name as the directors of the Company may determine and may be acceptable to applicable regulatory authorities.

In addition to the requisite shareholder approval being sought at the Meeting, any such name change also requires approval of all applicable regulatory authorities, including the Canadian Securities Exchange. In order to pass the special resolution amending the articles of amalgamation, at least two-thirds of the votes cast at the Meeting must be voted in favour of the resolution. If the resolution amending the articles of amalgamation does not receive the requisite shareholder approval, the Company will not proceed. Accordingly the Board recommends that shareholders vote for the special resolution amending the articles of amalgamation.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE ABOVE AMENDMENTS TO THE ARTICLES OF AMALGAMATION OF THE COMPANY UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at December 31, 2015 whose total compensation was more than \$150,000 for the financial year of the Company ended December 31, 2015 (collectively the "Named Executive Officers") and for the directors of the Company.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Company:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES ⁽¹⁾							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Judy Baker President, Chief Executive Officer and Director	2015	\$38,000.00	Nil	Nil	Nil	Nil	\$38,000.00
	2014	\$15,765.00	Nil	Nil	Nil	Nil	\$15,765.00
Alex Falconer Chief Financial Officer and Director	2015	\$31,500.00	Nil	Nil	Nil	Nil	\$31,500.00
	2014	\$36,000.00	Nil	Nil	Nil	Nil	\$36,000.00
Chris Irwin Secretary and Director	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Frederick Nielsen Director	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil
George Langdon Director	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) This table does not include any amount paid as reimbursement for expenses.

(2) During the financial year ended December 31, 2015, Irwin Lowy LLP, a limited liability partnership of which Mr. Irwin is a partner, accrued fees of \$35,833 for legal services. During the financial year ended December 31, 2014, Irwin Lowy LLP, a limited liability partnership of which Mr. Irwin is a partner, accrued fees of \$46,308 for legal services.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any Named Executive Officer or to any director of the Company during the most recently completed financial year of the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

No compensation securities were exercised by any Named Executive Officer or any director of the Company during the most recently completed financial year of the Company.

Stock Option Plan and other Incentive Plans

The Company has in place a “rolling” stock option plan (the “**Stock Option Plan**”) which was approved by the shareholders on June 14, 2013.

The purpose of the Stock Option Plan is to, among other things, encourage Common Share ownership in the Company by directors, officers, employees and consultants of the Company and its affiliates and other designated persons. Options may be granted under the Stock Option Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board. The number of options which may be issued under the Stock Option Plan is limited to 10% of the number of Common Shares outstanding at the time of the grant of the options. As at the date hereof, there are 1,570,181 Common Shares reserved for issuance under the Stock Option Plan. Any Common Shares subject to an option which, for any reason, is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares cannot be less than the market price of the Common Shares. Options granted under the Stock Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee’s employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common

Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company's capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Stock Option Plan.

The Company has no equity compensation plans other than the Stock Option Plan.

Employment, Consulting and Management Agreements

The Company does not have in place any employment agreements between the Company or any subsidiary or affiliate thereof and its Named Executive Officers.

There are no employment agreements in place with any of the directors of the Company.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

The Board, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the Stock Option Plan. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Company.

Compensation of Named Executive Officers

Principles of Executive Compensation

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long term value; and
5. connect, if possible, the Company's employees into principles 1 through 4 above.

The Board is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan. The Board also reviews and approves the hiring of executive officers.

Base Salary

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers of the Company is consistent with the administration of salaries for all other employees.

Annual Incentives

The Company is not currently awarding any annual incentives by way of cash bonuses. However, the Company, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Board approves annual incentives.

The success of Named Executive Officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officers' performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan.

Pension Disclosure

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

Termination and Change of Control Benefits

The Company does not have in place any pension or retirement plan. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issuance as of December 31, 2015:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders	1,930,750	\$0.10	1,307,200
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	1,930,750	\$0.10	1,307,200

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER

National Instrument 52-110 - *Audit Committees* (“NI 52-110”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer’s annual meeting. The Company is a “venture issuer” for the purposes of NI 52-110.

Audit Committee Charter

The full text of the charter of the Company’s Audit Committee is attached hereto as Appendix “A”.

Composition of the Audit Committee

The Audit Committee members are currently Judy Baker, Frederick Nielsen and George Langdon, each of whom is a director and financially literate. Messrs. Nielsen and Langdon are each independent in accordance with NI 52-110.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

Judy Baker, President, Chief Executive Officer and Director - Judy Baker is a consultant and currently serves on the board of directors of Arbitrage Exploration, Nemaska Lithium and Star Gold. Ms. Baker has 25 years of experience in capital markets including equity analysis, restructuring, fund management, and mineral exploration and mining company activity. Ms. Baker holds an Honours B.Sc. Geological Engineering in Mineral Resources Exploration from Queen's University (1990) and an M.B.A. from Ivey Business School (1995).

Frederick W. Nielsen, Director - Mr. Nielsen is an accredited geologist with over 40 years of worldwide mineral exploration and development experience. From 2003 to 2008, Mr. Nielsen was the V.P. Exploration of Nevsun Resources Ltd. From 2011-2013 he was V.P. Exploration of Crocodile Gold Corp. and from 2013- 2015 he was President of Kombat Copper Inc. Mr. Nielsen received a B.A.Sc. in 1973 from the University of Western Ontario and is a member of the Association of Professional Engineers and Geoscientists, Manitoba.

George Langdon, Director - Dr. Langdon is an independent consulting petroleum geologist and is a Director of ChroMedX Corp. He is a former director of Gulf Shores Resources Ltd., Contact Energy Inc., and former President of Shoal Point Energy Ltd.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110 regarding

De Minimis Non-audit Services or on a Regulatory Order Generally

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit); or
2. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter.

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2015 and December 31, 2014:

	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
Year ended December 31, 2015	10,700	Nil	Nil	10,700
Year ended December 31, 2014	8,025	Nil	Nil	8,025

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company’s annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice and advice related to relocating employees.

REPORT ON GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (the “**Governance Guidelines**”) of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. The following disclosure is required by the Governance Guidelines and describes the Company’s approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented to address the foregoing requirements.

Board of Directors

The Board is currently composed of six directors. Form 58-101F2 requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company including the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. Multilateral Instrument 52-110 (“**MI 52-110**”) provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. Of the proposed nominees, Chris Irwin, President and Secretary is an executive of the Company and accordingly is considered not “independent”. The remaining four proposed directors are considered by the Board to be “independent”, within the meaning of MI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuers
Judy Baker	Nemaska Lithium Inc., Star Gold Corp., Honey Badger Exploration Inc. and Green Swan Capital Corp.
Alex Falconer	Cava Resources Inc. and Braveheart Resources Inc.
Chris Irwin	Roscan Minerals Corporation, Minnova Corp., Geodex Minerals Ltd., Greencastle Resources Ltd., Hornby Bay Mineral Exploration Ltd., Mag Copper Limited, Kerr Mines Inc., Deveron UAS Corp., Data Deposit Box Inc., Open Source Health Inc., SecureCom Mobile Inc., Stompy Bot Corporation, White Pine Resources Inc. and Drone Delivery Canada Corp.
Frederick Nielsen	Kombat Copper Inc.
George Langdon	ChroMedX Corp.

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically board members have been nominated who are familiar with the Company and the nature of its business.

Ethical Business Conduct

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having at least two of its Board members independent of corporate matters.

Nomination of Directors

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board of directors are reviewed by the entire Board.

Other Board Committees

The Board has established an Audit Committee and a Compensation Committee.

Assessments

Currently the Board has not implemented a formal process for assessing directors.

OTHER MATTERS

The management of the Company knows of no other matters to come before the Meeting other than as set forth in the Notice. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying instrument of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

ADDITIONAL INFORMATION

Additional Information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company at its office by mail at the address set out below to request copies of: (i) this Circular; and (ii) the Company's financial statements and the related Management's Discussion and Analysis (the "MD&A") which will be sent to the shareholder without charge upon request. Financial information is provided in the Company's consolidated financial statements and MD&A for its financial year ended December 31, 2015.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Toronto, Ontario, on the 10th day of August, 2016.

BY ORDER OF THE BOARD

"Judy Baker" (Signed)

President and Chief Executive Officer

ARBITRAGE EXPLORATION INC.

Suite 400, 365 Bay Street
Toronto, Ontario M5H 2V1

APPENDIX “A”

ARBITRAGE EXPLORATION INC.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Name

There shall be a committee of the board of directors (the “Board”) of Blue Vista Technologies Inc. (the “Company”) known as the Audit Committee (the “Committee”).

Purpose

The Committee has been established to assist the Board in fulfilling its oversight responsibilities and fiduciary obligations. The primary functions and areas of responsibility of the Committee are to:

- review, report and provide recommendations to the Board on the annual and interim consolidated financial statements and related Management’s Discussion and Analysis (“MD&A”);
- identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- make recommendations to the Board regarding the appointment, terms of engagement and compensation of the external auditor;
- monitor the integrity of the Company’s financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company;
- resolve disagreements between management and the external auditor regarding financial reporting;
- receive the report of the external auditors, who must report directly to the Committee; and
- provide an avenue of communication among the Company’s external auditors, management, and the Board.

Composition and Qualifications

All Committee members shall meet all applicable requirements prescribed under the *Business Corporations Act* (Ontario), as well as any requirements or guidelines prescribed from time to time under applicable securities legislation, including National Instrument 52-110 as amended, restated or superseded. The Committee shall be comprised of not less than three directors as determined from time to time by the Board. A majority of the members shall be independent directors who are free from any direct or indirect relationship that would, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment. While it is not necessary for members to have a comprehensive knowledge of generally accepted accounting principles and standards, all members of the Committee shall be “financially literate” so as to be able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the issues raised by the Company’s financial statements. A director who is not financially literate may be appointed to the Committee by the Board provided that such director becomes financially literate within a reasonable period following his or her appointment, and provided that the Board has determined that such appointment will not materially adversely affect the ability of the Committee to act independently.

Committee members shall be appointed by the Board. The Board shall designate the Chair of the Committee. If a Chair is not designated or present at any meeting, the members of the Committee may designate a Chair by majority vote. The Chair shall have responsibility for ensuring that the Committee fulfills its mandate and duties effectively.

Each member of the Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy at any time.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate, and at least once in each fiscal quarter. A notification for each of the meetings shall be disseminated to Committee members two days prior to each meeting. A majority of the members of the Committee shall constitute a quorum for meetings.

An agenda shall be prepared by the Chair of the Committee as far in advance of each meeting as reasonably practicable. Minutes of all meetings of the Committee shall be prepared as soon as possible following the meeting and submitted for approval at or prior to the next following meeting.

The Committee should meet privately at least once per year with management of the Company, the Company's external auditors, and as a committee to discuss any matters that the Committee or any of these groups believe should be discussed.