ARBITRAGE EXPLORATION INC. (formerly Blue Vista Technologies Inc.)
(a development stage company)
CONDENSED INTERIM UNAUDITED FINANCIAL STATEMENTS
(PREPARED BY MANAGEMENT)
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2015 AND 2014

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ARBITRAGE EXPLORATION INC.
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
MARCH 31, 2015

The accompanying interim unaudited condensed financial statements of Arbitrage Exploration Inc. (the "Company") (formerly Blue Vista Technologies Inc.) were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other financial information. The Audit Committee, on behalf of the Board of Directors, meets with management to review the internal controls over the financial reporting process, the financial statements together with other financial information of the Company, and the auditor's report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Notice of no auditor review of interim financial statements:

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying interim unaudited condensed financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

ARBITRAGE EXPLORATION INC.
(a development stage company)

CONDENSED INTERIM UNAUDITED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

		March 31, 2015		December 31, 2014
ASSETS				
Current				
Cash	$	**2,797**	$	6,102
Accounts receivable		**-**		1,639
Prepaid expenses		**-**		1,250
		2,797		8,991
Exploration and evaluation asset (Note 5)		**290,000**		290,000
Equipment (Note 6)		**1,773**		1,866
	$	**294,570**	$	300,857
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	**17,393**	$	117,267
HST payable		**5,308**		868
		22,701		118,135
Long-term debt (Note 7)		**46,308**		-
		69,009		118,135
SHAREHOLDERS' EQUITY				
Share capital (Note 8)		**9,735,762**		9,735,762
Contributed surplus		**152,527**		152,527
Deficit		**(9,662,728)**		(9,705,567)
		225,561		182,722
	$	**294,570**	$	300,857

Approved on Behalf of the Board

'Alex Falconer' Director

'Chris Irwin' Director

See accompanying notes to the Condensed interim unaudited financial statements.

ARBITRAGE EXPLORATION INC.
(a development stage company)

CONDENSED INTERIM UNAUDITED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE THREE MONTH PERIODS ENDED
(Unaudited-prepared by management)

	Three Months March 31, 2015	Three Months March 31, 2014
Expenses		
Depreciation (Note 6)	**$ 93**	$ 117
Administrative expenses	**28,943**	12,172
Professional fees	**3,026**	-
Listing fees	**3,099**	3,616
Forgiveness of loan payable and accounts payable (Note 9)	**(78,000)**	-
Loss from operations	**(42,839)**	15,905
Net income (loss) and comrehensive income (loss) for the period	**42,839**	(15,905)
Net loss per share		
Basic and fully diluted loss per share	**$ 0.004**	$ (0.004)
Weighted average number of shares - basic and fully diluted	**11,134,233**	4,453,444

The 4 for 1 common share consolidation affected all of the Company's outstanding common shares as at the effective date (Note 8); as a result, the prior year presentation in the financial statements has been restated.

See accompanying notes to the Condensed interim unaudited financial statements.

ARBITRAGE EXPLORATION INC.
(a development stage company)

CONDENSED INTERIM UNAUDITED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2015 AND 2014
(Unaudited-prepared by management)

	Share capital						
	Preference shares	Amount	Common shares	Amount	Contributed Surplus	Accumulated deficit	Total
Balance January 1, 2014	910,000	$ 13,056	4,453,444	$ 9,722,706	$ 152,527	$ (9,612,535)	$ 275,754
Net loss	-	-	-	-	-	(11,905)	(11,905)
Balance, March 31, 2014	910,000	$ 13,056	4,453,444	$ 9,722,706	$ 152,527	$ (9,624,440)	$ 263,849
Balance January 1, 2015	-	$ -	11,157,312	$ 9,735,762	$ 152,527	$ (9,705,567)	$ 182,722
Net loss	-	-	-	-	-	42,839	42,839
Balance, March 31, 2015	-	$ -	11,157,312	$ 9,735,762	$ 152,527	$ (9,662,728)	$ 225,561

The 4 for 1 common share consolidation affected all of the Company's outstanding common shares as at the effective date (Note 8); as a result, the prior year presentation in the financial statements has been restated.

See accompanying notes to the Condensed interim unaudited financial statements.

ARBITRAGE EXPLORATION INC.
(a development stage company)

CONDENSED INTERIM UNAUDITED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE THREE MONTH PERIODS ENDED
(Unaudited-prepared by management)

	Three Months March 31, 2015	2014
OPERATING ACTIVITIES		
Net (loss) income for the period	**$ 42,839**	$ (15,905)
Adjustments not effecting cash:		
Depreciation	**93**	117
Forgiveness of loan payable and accounts payable (Note 9)	**(78,000)**	-
Changes in non-cash working capital		
Accounts receivable	**1,639**	-
Prepaid expenses	**1,250**	-
HST payable	**4,619**	(7,224)
Accounts payable and accrued liabilities	**70,563**	14,281
Cash provided by (used in) operating activities	**43,003**	(8,731)
FINANCING ACTIVITIES		
Long-term debt	**(46,308)**	-
Cash used in financing activities	**(46,308)**	-
Net decrease in cash	**(3,305)**	(8,731)
Cash, beginning of period	**6,102**	53,821
Cash, end of period	**$ 2,797**	$ 45,090

1. REPORTING ENTITY AND GOING CONCERN

Arbitrage Exploration Inc. (formerly Blue Vista Technologies Inc.) (the "Company") is an exploration stage enterprise incorporated under the laws of Ontario on December 9, 1995. The Company is listed on the NEX board of the TSX Venture Exchange, having the symbol BV.H and is in the process of exploring its mineral properties. Effective December 12, 2014, the company changed its name to Arbitrage Exploration Inc.

The address of the Company's corporate office and principal place of business is 365 Bay Street, Suite 400 Toronto, Ontario, M5H 2V1, Canada.

These condensed interim unaudited financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material. It is not possible to predict whether the company will be able to raise adequate financing or to ultimately attain profit levels of operations. These conditions indicate the existence of material uncertainties that may cast doubt about the Company's ability to continue as a going concern. Changes in future conditions could require material write downs of the carrying values.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of $9,613,554 as at March 31, 2015 (December 31, 2014 - $9,705,567). The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. As at March 31, 2015, the Company had current assets of $2,797 (December 31, 2014 - $8,991) to cover current liabilities of $22,701 (December 31, 2014 - $118,135).

2. BASIS OF PRESENTATION

Statement of Compliance

The condensed interim unaudited financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and therefore, do not contain all disclosures required by International Financial Report Standards ("IFRS") for annual financial statements. Accordingly, these condensed interim unaudited financial statements should be read in conjunction with the Company's most recently prepared audited annual financial statements for the fiscal year ended December 31, 2014.

The policies applied in these condensed interim unaudited financial statements are consistent with the policies disclosed in Notes 2 and 3 of the audited annual financial statements for the year ended December 31, 2014.

The condensed interim unaudited financial statements were authorized for issue by the Board of Directors on May 15, 2015.

FUTURE ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

IFRS 9, Financial Instruments ("IFRS 9")

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39, Financial Instruments – Recognition and Measurement ("IAS 39") for debt instruments with a new mixed measurement model having only two categories; amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. IFRS 9 will be effective as at January 1, 2018. The Company is in the process of assessing the impact of this pronouncement. The extent of impact has not yet been determined.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 was issued by IASB in May 2014 and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2017. The Company is in the process of analyzing IFRS 15 and determining the effect on its financial statements as a result of adopting this standard.

IAS 24, Related Party Disclosures ("IAS 24")

The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The Company is in the process of assessing the impact of this pronouncement.

3. FINANCIAL INSTRUMENTS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. The 2015 budget is planned to be funded by additional financing.

Accounts payable and accrued liabilities are current financial instruments, are due within 30 days expected to be settled in the normal course of operations.

As at March 31, 2015 the Company held cash of $2,797 (December 31, 2014 - $6,102) to settle current liabilities of $22,701 (December 31, 2014 - $118,135).

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears interest at market rates. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivable. The Company has reduced its credit risk by investing its cash with a Canadian chartered bank.

Fair Value

The Company has designated its cash as FVTPL, which is measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and HST payable are classified as other financial liabilities, which are measured at amortized cost.

The carrying value and fair value of financial instruments held at March 31, 2015 and December 31, 2014 approximate fair value due to their short term nature.

(Expressed in Canadian Dollars)

4. CAPITAL MANAGEMENT

The Company defines capital management in the manner it manages its share capital. As at March 31, 2015 the Company's share capital was $9,735,762 (December 31, 2014 - $9,735,762).

There were no changes in the Company's approach to capital management during the year ended March 31, 2015 and the Company is not subject to any externally imposed capital requirements.

The Company's objectives when managing capital are:

a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;

b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and

c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments, reduce debt levels from, or make adjustments to, its capital expenditure program.

5. EXPLORATION AND EVALUATION ASSET

	March 31, 2015	December 31, 2014
Total exploration and evaluation asset	**$ 290,000**	$ 290,000

Hurdman Property

On September 4, 2013, the Company closed the acquisition of the Hurdman property with Eloro Resources Ltd. ("Eloro"), whereby the Company acquired Eloro's wholly owned Hurdman Property, comprising 14 contiguous mining claims covering 2,944 hectares in Hurdman Township, 120 kilometres north northwest of the City of Timmins, Ontario. The acquisition was completed by issuing 5,000,000 common shares (post consolidation - 1,250,000 common shares) and paying $40,000 in cash to Eloro.

(Expressed in Canadian Dollars)

6. EQUIPMENT

	Office equipment
Cost	
Balance at December 31, 2013	$ 4,438
Additions	-
Balance at December 31, 2014	$ 4,438
Additions	-
Balance at March 31, 2015	**$ 4,438**
Accumulated Depreciation	
Balance at December 31, 2013	$ 2,106
Amortization for the period	466
Balance at December 31, 2014	$ 2,572
Amortization for the period	93
Balance at March 31, 2015	$ 2,665
Carrying Amounts	
As at December 31, 2013	$ 2,332
As at December 31, 2014	$ 1,866
Balance at March 31, 2015	$ 1,773

7. LONG-TERM DEBT

During the quarter, a director of the Company converted $43,308 of accounts payable to a long-term note. The note bears interest at 10% per annum and due March 31, 2017.

8. SHARE CAPITAL

a) Authorized:
Unlimited number of common shares
Unlimited number of special shares, issuable in series

b) Total outstanding shares:
Issued:
11,133,312 Common shares
To be Issued:
24,000 Common shares

On December 17, 2014 the Company converted preference shares at a rate of 100 for 1 common share. 8,000,000 Class A preference shares were converted for 80,000 common shares and 1,600,000 Class B preference shares were converted for 16,000 common shares.

Subsequent to the conversion of preference shares, effective December 17, 2014, the Company also executed the consolidation of the outstanding common shares on the basis of four existing common shares for one new common share. This resulted in a reduction of outstanding shares from 44,629,247 to 11,157,312. The 4 to 1 consolidation affected all of the Company's outstanding common shares as at the effective date; as a result, the prior year presentation in the financial statements has been restated.

Additionally, the Company has authorized a new class of shares ("Special Shares") which can be issued in series.

c) As at March 31, 2015, there were no warrants and stock options outstanding.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in the financial statements during the year ended March 31, 2015 and 2014 as follows:

		March 31, 2015		March 31, 2014
Management fees and consulting fees expense:				
Management fees were charged by officers for corporate administrative and financial management services	$	9,000	$	9,000
Consulting fees were charged by officers for corporate administration	$	15,000	$	15,000
Rent fees expense:				
Rent fees (office premises) were charged by an officer	$	3,000	$	3,000

a) Included in accounts payable and accrued liabilities are management and consulting fees of $Nil (December 31, 2014 - $39,000) to companies controlled by certain directors and officers in common with the Company and legal fees of $Nil (December 31, 2014 - $40,981) due to a company controlled by a director in common with the Company.

b) Key Management compensation was incurred of $24,000 (March 31, 2014 - $9,000).

c) During the period, the Company has negotiated with certain directors for the forgiveness of accounts payable due to them. The outstanding indebtedness of the Company was reduced in the amount of $78,000.