ARBITRAGE EXPLORATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

This Management's Discussion and Analysis ("MD&A) is prepared as November 18, 2015 and has been prepared in accordance with International Financial Reporting Standards ("IFRS). All amounts are in Canadian dollars.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's director's follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Caution Regarding Forward Looking Statements

This document contains forward looking statements, such as statements regarding future sales opportunities in various global regions and financing initiatives that are based on current expectations of management. These statements involve uncertainties and risks, including Arbitrage Exploration Inc. ("Arbitrage" or "the Company") ability to obtain and/or access additional financing with acceptable terms, and delays in anticipated product sales. Such forward-looking statements should be given careful consideration and undue reliance should not be placed on these statements.

The preparation of Management's Discussion and Analysis (MD&A) may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management bases estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Management believes the accounting policies, outlined in the Significant Accounting Policies section of its consolidated financial statements, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Overview

The following MD&A for the three months and nine months ended September 30, 2015 and September 30, 2014 has been prepared to help investors understand the financial performance of Arbitrage in the broader context of the Company's strategic direction, the risk and opportunities as understood by management, and the key metrics that are relevant to the Company's performance. The Audit Committee of the Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness, reliability and consistency.

All amounts are expressed in Canadian dollars (CAD) unless otherwise noted.

Additional information about Arbitrage Exploration Inc. ("the Company" or "Arbitrage"), this document, and the related quarterly financial statements can be viewed, and are available on SEDAR at www.sedar.com.

The Company's Common Shares are listed and traded on the Canadian Securities Exchange ("CSE") under the symbol AEA.

The Company is seeking investment opportunities.

Results of Operations

During the three and nine months ending September 30, 2015, the Company reviewed investment opportunities. The Company was approved for listing on the CSE on May 27, 2015

Revenue

The Company did not earn any revenue during the three and nine months ended September 30, 2015.

Expenses for the three months ended September 30, 2015

	September 30, 2015	September 30, 2014
Administrative expenses	$17,485	$12,767
Professional fees	$3,069	$6,214
Listing fees	$1,516	$2,678
Interest expense	$2,315	$-

Administration expenses increased by $4,718 due to the increase in activity of the Company for the quarter ending September 30, 2015. Professional fees decreased by $3,145 due to the decrease of activity following the successful listing on the CSE. Listing fees decreased by $1,162 due to the successful transition to the CSE.

Expenses for the nine months ended September 30, 2015

	September 30, 2015	September 30, 2014
Administrative expenses	$63,440	$23,443
Professional fees	$9,367	$16,939
Listing fees	$21,501	$7,545
Interest expense	$2,315	$-
Forgiveness of accounts payable	$(78,000)	$-

Administration expenses increased by $35,277 due to the increase in activity of the Company and certain write offs in the six months ending June 30, 2014. Professional fees decreased by $4,427 due to the decrease of activity following the successful listing on the CSE. Listing fees increased by $15,120 due to the successful transition to the CSE. Forgiveness of accounts payable increased by $78,000 due to one time negotiated forgiveness by debtors.

Quarterly Financial Information (unaudited)

	2015 Q3 IFRS Reporting	2015 Q2 IFRS Reporting	2015 Q1 IFRS Reporting	2014 Q4 IFRS Reporting
(a) Revenue	$ -	$ -	$ -	$ -
(b) Net Income (loss)	$ (24,478)	$ (37,264)	$ 42,839	$ (44,755)
(c) Net Income (loss) per share (Basic & Fully Diluted)	$ (0.002)	$ (0.003)	$ (0.004)	$ 0.00

	2014 Q3 IFRS Reporting	2014 Q2 IFRS Reporting	2014 Q1 IFRS Reporting	2013 Q4 IFRS Reporting
(a) Revenue	$ -	$ -	$ -	$ -
(b) Net Income (loss)	$ (21,776)	$ (10,596)	$ (15,905)	$ (206,947)
(c) Net Income (loss) per share (Basic & Fully Diluted)	$ 0.000	$ 0.000	$ (0.002)	$ (0.002)

Liquidity and Capital Resources

As at September 30, 2015 there was cash of $35,251 compared to cash of $6,102 as at December 31, 2014. The Company's September 30, 2015 short-term obligations consist of accounts payable of $19,563 (December 31, 2014 - $117,267) and HST receivable of $131 (December 31, 2014 - $(868)). The Company had long-term debt of $48,623 as of September 30, 2015 (December 31, 2014 - $nil).

The Company's working capital at September 30, 2015 was a surplus of $15,819 compared to a deficiency of $109,144 at December 31, 2014. It is clearly not sufficient for the general operations of the Company. The Company has been successful in accessing the equity market in the past and while there is no guarantee that this will be continue to be available, management has no reason to expect that this capability will diminish in the near term.

Outstanding Share Data

Shares, warrants and options outstanding are:

(a) Shares - As at September 30, 2015 the Company had 13,072,312 common shares outstanding. During the three months ending September 30, 2015 the Company did not issue any shares.

(b) Warrants – As at September 30, 2015 there were 1,930,750 warrants outstanding. During the three months ending September 30, 2015 the Company did not issue any warrants.

(c) Stock Options - The Company has established a stock option plan (the "Plan") to encourage ownership of the Company by its key officers, directors, employees and consultants. The maximum number of common shares which can be issued under the Plan at any time is a maximum of 10% of the issued and outstanding shares of the company. As at September 31, 2015 there are no options outstanding.

Related Party Transactions

The following related party transactions occurred and were reflected in the financial statements during the period ended September 30, 2015 and 2014 as follows:

		September 30, 2015		September 30, 2014
Management fees and consulting fees expense:				
Management fees were charged by officers for corporate administrative and financial management services	$	-	$	9,000
Consulting fees were charged by officers for corporate administration	$	12,000	$	-
Professional fees expense:				
Legal fees were charged by an officer for legal and corporate secretarial services	$	-	$	6,214
Rent fees expense:				
Rent fees (office premises) were charged by an officer	$	-	$	3,000

a) Included in accounts payable and accrued liabilities are management and consulting fees of $2,000 (December 31, 2014 - $39,000) to companies controlled by certain directors and officers in common with the Company and legal fees of $3,569 (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 $36,000 (September 30, 2014 - $9,000).

c) In March 2015, 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.

d) Included in long-term debt of $48,623 (December 31, 2014 - $Nil) due to a company controlled by a director in common with the Company.

Management's evaluation of disclosure controls

Management is responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls and procedures as at September 30, 2015 and have concluded that these controls and procedures are effective.

Internal Control over Financial Reporting:

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed as at September 30, 2015.

Risks and Uncertainties

The Company's business of exploring and developing mineral properties is highly uncertain and risky by its very nature. In addition, the ability to raise funding in the future to maintain the Company's exploration and development activities is dependant on financial markets, which often fail to provide necessary capital.

Regulatory standards continue to change making the review process longer, more complex and more costly. Even if an apparently mineable deposit is developed, there is no assurance that it will ever reach production or be profitable, as its potential economics are influenced by many key factors such as commodity prices, foreign exchange rates, equity markets and political interference, which can not be controlled by management. As a result, the Company's future business, operations, and financial condition could differ materially from the forward-looking information contained in this MD&A's and described in the Forward-Looking Statements section below.

Signed
"*Alex Falconer*"
Chief Financial Officer
November 18, 2015