

ARBITRAGE EXPLORATION INC.

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FOR IMMEDIATE RELEASE

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Symbol: AEA

ARBITRAGE EXPLORATION: ADDITION TO BOARD AND MCVICAR LAKE UPDATE

Toronto, CANADA, July 7, 2016 – Arbitrage Exploration Inc. (“**Arbitrage**” or the “**Company**”) (CSE: **AEA**) is pleased to announce Mr. Paul Olmsted has joined the board of directors. Mr. Olmsted has been active in the mining industry for 30 years and has been an executive in the gold industry for over 15 years. Most recently he was the SVP Corporate Development for IAMGOLD Corporation, leading the merger and acquisition program that grew the company from a royalty/minority interest player into an international gold producer. Mr. Olmsted has a mining engineering degree and MBA from Queen's University.

Arbitrage Exploration recently staked 144 claim units totaling 2,304 hectares in the McVicar Lake area and Stroughton Lake area located approximately 90 kilometres west of Pickle Lake in the Lang Lake Greenstone Belt of the Uchi Subprovince - which also hosts the Red Lake and Birch-Uchi Greenstone Belts. The claims were staked in May 2016 and are 100% owned by Arbitrage Exploration.

The NW-SE trending Bear Head Fault Zone is the major dextral crustal-scale structure located on the southwest margin of the McVicar Lake claims. The past-producing Golden Patricia Mine (~ 0.6 million ounces @ 14 grams per tonne) is located 30 Km SE of McVicar Lake on a fault splay off the Bear Head Fault Zone.

The McVicar Lake claims host the Chellow Vein outcrop, which is a quartz vein that consists of smoky grey to white quartz mineralized with minor pyrite and visible gold. The vein is reported to be hosted within a massive unit of gabbro or mafic metavolcanic rock and is exposed for a strike length of approximately 125 metres. A series of 34 channel samples collected across the vein at intervals of 2 metres are reported to have averaged 28.8 g/t Au.

The gold sample information was obtained from an Assessment File Report (AFRI 52O11SW9400) from the Ontario Ministry of Northern Development and Mines. A series of 34 channel samples were cut normal to the vein at approximately 2 metre intervals along the length of the vein exposed in the trenches. The average value of the 34 samples was 0.84 oz/T (28.8 g/t) Au. Three sample (#1078, #1090, #1096) returned assays of 16.86 oz/T (578.1 g/t), 15.56 oz/T (533.5 g/t), and 12.03 oz/T (412.5 g/t) Au respectively. Sampling was completed by BHP Minerals Canada Ltd. under the supervision C. J. Waldie in 1993. Chemex Labs analyzed the samples using Fire Assay with an Atomic Absorption finish up to 10,000 ppb Au. Samples with greater than 10,000 ppb Au were re-assayed using Fire Assay with a gravimetric finish and results stated in ounces/ton Au. Assay certificates are included in the report but no Blanks or Standards used are included.

C. J. Waldie, BHP Minerals Canada Limited, Toronto, Ontario, who carried out exploration and drilling in the McVicar Lake area in 1993 (source: assessment files) wrote:

"The area south of Lower McVicar Lake is considered to be of prime interest and the best prospect for the discovery of an economic deposit. In particular, the Chellow Trenches area, which contains the best values ever recorded on the McVicar property, needs more work to fully explore and evaluate the potential of this portion of the property. The Chellow Vein, although narrow, appears to be quite evenly mineralized along the length sampled, especially along the western portion. The existence of the Cliff Zone to the south indicates the possibility of similar parallel gold-bearing structures in the area. The failure of the follow-up drilling program (Waldie, 1993) to intersect significant mineralization should not deter exploration nor prevent further work along this structure. It is recommended that a series of bulk samples be collected to better assess the average grade of the vein material. Analogies between the Chellow Vein and the Golden Patricia deposit to the southeast are striking."

"Regional aeromagnetic images, processed by BHP, of the area around the Golden Patricia mine show a distinctive, large, kilometre-scale sigmoidal pattern developed in the magnetics with the deposit located at the western end of the feature. Greg Stott (personal communication) of the Ontario Geological Survey (OGS) indicated that the rocks around the Golden Patricia mine have experienced abundant block rotation during the emplacement of the Dobie Lake Batholith, which would have created dilation zones for fluids to migrate. It is interesting to note that a smaller but similar sigmoidal feature is observed on the McVicar Lake Property in the vicinity of several visible gold-bearing smoky quartz veins south of Lower McVicar Lake. "

Technical information has been reviewed and approved by Delio Tortosa, P. Eng. who is a "Qualified Person" under National Instrument 43-101 and a Technical Advisor for Arbitrage Exploration Ltd.

Arbitrage Exploration now has a website at www.arbitrageexploration.com.

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