CORPORATE ACCESS NUMBER: 207074899

Alberta

BUSINESS CORPORATIONS ACT

CERTIFICATE

OF

AMENDMENT AND REGISTRATION

OF RESTATED ARTICLES

BALTIC RESOURCES INC.
AMENDED ITS ARTICLES ON 2008/03/10.

Restated Articles Of Incorporation

Business Corporations Act
Section 180

1. Name of Corporation	2. Corporate Access Number
BALTIC RESOURCES INC.	207074899

3. **The classes of shares, and any maximum number of shares that the corporation is authorized to issue:**

Unlimited number of Common Shares.

Filed with Alberta Registries
by Macleod Dixon LLP
MAR 10 2008
Initials

4. **Restrictions on share transfers *(if any)*:**

None

5. **Number, or minimum and maximum number, of directors:**

Minimum of One (1) and Maximum of Seven (7)

6. **If the corporation is restricted FROM carrying on a certain business, or restricted TO carrying on a certain business, specify the restriction(s):**

None

7. **Other provisions *(if any)*:**

The attached schedule A is incorporated into and forms part of these Articles.

The Restated Articles of Incorporation correctly set out above, without substantive change represent the Articles of Incorporation as amended and supersede the original Articles of Incorporation.

Scott Negraiff	S Negraiff
Name of Person Authorizing *(please print)*	Signature
Solicitor	March 6, 2008
Title *(please print)*	Date

SCHEDULE A

1. The directors may, between annual meetings of shareholders, appoint one or more additional directors of the Corporation to serve until the next annual meeting of shareholders, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last meeting of the shareholders of the Corporation.

2. Any meeting of the shareholders of the Corporation may be held in any of the following cities:

   St. John's Newfoundland
   Charlottetown, Prince Edward Island
   Halifax, Nova Scotia
   St. John, New Brunswick
   Montreal, Quebec
   Quebec City, Quebec
   Toronto, Ontario
   Ottawa, Ontario
   Winnipeg, Manitoba
   Regina, Saskatchewan
   Victoria, British Columbia
   Vancouver, British Columbia

   or in any other place selected by the directors of the Corporation in accordance with the applicable corporate legislation.

Arti

1000020710264174

1. **Name of Corporation** — 2. **Corporate Access Number**

Name of Corporation	Corporate Access Number
BALTIC RESOURCES INC.	207074899

3. **In accordance with the order approving the arrangement, the articles of the corporation are amended as follows:**

In accordance with the order of the Court of Queen's Bench of Alberta dated March 7/08 approving the arrangement pursuant to Section 193 of the *Business Corporations Act* (Alberta), a copy of which is attached hereto as Schedule "A", the Plan of Arrangement, a copy of which is attached hereto as Schedule "B" (which are incorporated into and form a part hereof), involving Baltic Resources Inc., Canadian Orebodies Inc., Phoscan Chemical Corp. and 1366825 Alberta Ltd. is hereby effected.

The Articles of the Corporation are amended as provided in section 3.1 of the Plan of Arrangement.

Filed with Alberta Registries
by Macleod Dixon LLP
MAR 10 2008
Initials

Scott Negraiff
Name of Person Authorizing *(please print)*

Signature

Lawyer
Title *(please print)*

March 10, 2008
Date

This information is being collected for the purposes of corporate registry records in accordance with the Business Corporations Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Coordinator for Alberta Registries, Box 3140, Edmonton, Alberta T5J 4L4, (780) 427-7013.

REG 3059 (2003/05)

ARRANGEMENT AGREEMENT

This Arrangement Agreement made as of the 30th day of January, 2008.

BETWEEN:

BALTIC RESOURCES INC., a corporation incorporated under the laws of the Province of Alberta, (hereinafter referred to as "**Baltic**")

- and -

CANADIAN OREBODIES INC., a corporation incorporated under the laws of the Province of Alberta, (hereinafter referred to as "**Orebodies**")

- and -

PHOSCAN CHEMICAL CORP., a corporation incorporated under the laws of Canada, (hereinafter referred to as "**PhosCan**")

- and -

1366825 ALBERTA LTD., a corporation incorporated under the laws of the Province of Alberta, (hereinafter referred to as "**PhosCan Sub**")

WHEREAS:

A. PhosCan wishes to acquire Baltic's interest in the Martison Project through PhosCan's wholly-owned subsidiary, PhosCan Sub.

B. Baltic, Orebodies, PhosCan and PhosCan Sub wish to propose an arrangement involving, among other things, the amalgamation of PhosCan Sub and Baltic, the issuance of PhosCan common shares to shareholders of Baltic and the distribution of common shares of Orebodies to the shareholders of Baltic.

C. Orebodies has not carried on any active business to date and will acquire all of Baltic's assets, other than Baltic's interest in the Martison Project (as defined herein) and the Warrant Proceeds (as defined herein), and Baltic's liabilities, other than the PhosCan Advances, pursuant to the Arrangement as contemplated herein.

D. The parties intend to carry out the transactions set forth herein by way of an arrangement under the provisions of the *Business Corporations Act* (Alberta).

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the premises and the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals hereto, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

(a) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, C. B-9, as amended, including the regulations thereunder;

(b) "**Agreement**", "**herein,**" "**hereof**", "**hereto,**" "**hereunder**" and similar expressions means this arrangement agreement, including the appendices attached hereto, as supplemented, modified or amended from time to time;

(c) "**Alternative Proposal**" means, with respect to Baltic or PhosCan (hereinafter referred to in this definition as the "**Target**"), any proposal or offer made by any Person to the Target or the Target's shareholders with respect to (i) any merger, amalgamation, arrangement, share exchange, take-over bid, tender offer, recapitalization, liquidation, dissolution, reorganization, business combination or any similar transaction involving the Target or any of its subsidiaries by any Person or combination of Persons (other than PhosCan, Baltic or any of their respective Subsidiaries) that, if consummated, would result in any Person (other than PhosCan, Baltic or any of their respective Subsidiaries) beneficially owning more than 20% of the voting rights attached to the Target's common shares; (ii) the acquisition in any manner, directly or indirectly, by any Person (or group of Persons acting jointly or in concert) (other than PhosCan pursuant to the Arrangement) of all or part of the Target's interest in the Martison Project (or any option, joint venture or other arrangement having a similar economic effect to the purchase or sale of such assets); (iii) the acquisition in any manner, directly or indirectly, by any Person (or group of Persons acting jointly or in concert) (other than PhosCan pursuant to the Arrangement) of beneficial or registered ownership of any common shares of the Target or other securities which could have the effect of such Person (or group of Persons acting jointly or in concert) acquiring or beneficially owing or exercising control or direction over (in a single transaction or a series of related transactions) more than 20% of the issued and outstanding common shares of the Target or otherwise granting a Person *de facto* control of the Target; or (iv) any sale of treasury shares of the Target or any Subsidiary thereof or securities convertible, exercisable or exchangeable for such treasury shares which exceed 20% of the issued and outstanding common shares of the Target in a single transaction or a series of related transactions or otherwise granting a Person *de facto* control of the Target;

(d) "**Amalgamated PhosCan Sub**" means the corporation continuing from the amalgamation of Baltic and PhosCan Sub pursuant to the Arrangement and which will retain the name "PhosCan Sub";

(e) "**Amalgamated PhosCan Sub Common Shares**" means the common shares in the capital of Amalgamated PhosCan Sub;

(f) "**Applicable Canadian Securities Laws**" means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;

(g) "**Applicable Laws**", in the context that refers to one or more Persons, means the laws that apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

(h) "**Arrangement**" means the statutory arrangement pursuant to the provisions of section 193 of the ABCA on the terms and subject to the conditions set out in the Plan of Arrangement, as supplemented, modified or amended;

(i) "**Arrangement Resolution**" means the special resolution in respect of the Arrangement, substantially in the form and content set out in Schedule E to the Baltic Circular;

(j) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement that are required by the ABCA to be filed with the Registrar after the Final Order is made to give effect to the Arrangement;

(k) "**Assumed Liabilities**" means all of the liabilities and obligations of Baltic existing at, or otherwise accruing with respect to the period preceding, the Effective Time, including without limitation, subject to section 4.2(s) of the Agreement, any tax liabilities of Baltic in respect of any period up to and including the taxation year ending on the Effective Date, but excluding the PhosCan Advances;

(l) "**Baltic**" means Baltic Resources Inc., a corporation existing under the ABCA;

(m) "**Baltic Circular**" means the management information circular and proxy statement of Baltic, together with all schedules and appendices thereto, prepared and sent to the Shareholders or such other security holders of Baltic as may be required pursuant to the Interim Order in connection with the Meeting;

(n) "**Baltic Class A Shares**" means the class A shares in the capital of Baltic created pursuant to the Plan of Arrangement having the rights, privileges, restrictions and conditions as set out in Exhibit II to the Plan of Arrangement;

(o) "**Baltic Common Shares**" mean common shares in the capital of Baltic;

(p) "**Baltic Information**" means the information included in the Baltic Circular describing the business, operations and affairs of Baltic and Orebodies;

(q) "**Baltic Option**" means an option to purchase one Baltic Common Share outstanding immediately prior to the Effective Time granted pursuant to the Baltic stock option plan;

(r) "**Baltic Public Documents**" means all documents and information filed on SEDAR by Baltic since January 1, 2007;

(s) "**Baltic Warrant**" means an existing Baltic common share purchase warrant entitling the holders thereof to acquire one Baltic Common Share outstanding immediately prior to the Effective Time;

(t) "**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the City of Toronto, Ontario;

(u) "**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

(v) "**Confidentiality Agreement**" means the confidentiality agreement between Baltic and PhosCan dated as of October 29, 2007;

(w) "**Court**" means the Court of Queen's Bench of Alberta;

(x) "**Dissenting Shareholder**" means a registered holder of Baltic Common Shares who dissents in respect of the Arrangement Resolution in strict compliance with the procedures set out in the Interim Order;

(y) "**Effective Date**" means the date the Arrangement is effective under the ABCA;

(z) "**Effective Time**" means the time at which the Articles of Arrangement are filed with the Registrar, on the Effective Date;

(aa) "**Expiry Date**" means March 15, 2008;

(bb) "**Final Order**" means the final order of the Court approving the Arrangement under subsection 193(9) of the ABCA, as such order may be amended, modified or affirmed by any court of competent jurisdiction;

(cc) "**Governmental Authority**" means any multinational, federal, provincial, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, any subdivision, agent, commission, board or authority of any of the foregoing, or any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

(dd) "**Interim Order**" means the interim order of the Court under subsection 193(4) of the ABCA containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

(ee) "**ITA**" means the *Income Tax Act* (Canada), as amended, including any regulations enacted thereunder;

(ff) "**Joint Venture Agreement**" means the joint venture agreement dated February 28, 2002 between Baltic and PhosCan;

(gg) "**Laws**" means all laws, statutes, regulations, by-laws, statutory rules, orders, ordinances, protocols, codes, guidelines, notices, directions (including all Applicable Canadian Securities Laws), and terms and conditions of any grant of approval, permission, authority or licence of any court, Governmental Authority, statutory body or self-regulatory authority (including the TSXV);

(hh) "**Lien**" means any lien, mortgage, charge, hypothec, pledge, security interest, prior assignment, option, warrant, lease, sublease, right to possession, encumbrance, claim, right or restriction which affects, by way of a conflicting ownership interest or otherwise, the right, title or interest in or to any particular property;

(ii) "**Martison Project**" means the Martison property, as defined in the Joint Venture Agreement, and the other property and assets of, tangible and intangible, and interest in, the related joint venture between Baltic and PhosCan;

(jj) "**Material Adverse Effect**" and "**Material Adverse Change**" means, with respect to either Baltic or PhosCan, as the case may be, any matter or action that has an effect or change that is, or would reasonably be expected to be, material and adverse to the business, operations, assets, capitalization, financial condition or prospects of such party and its subsidiaries, taken as a whole, other than any matter, action, effect or change relating to or resulting from: (i) general economic, financial, currency exchange, securities or commodity prices in Canada, the United States or elsewhere; (ii) conditions affecting the mining industry as a whole, and not specifically relating to any party and/or its subsidiaries, including changes in laws; (iii) any decline in prices of phosphate on a current or forward basis; (iv) any matter which has been publicly disclosed or has been communicated in writing, in the case of PhosCan, to Baltic, and in the case of Baltic or Orebodies, to PhosCan, as of the date of this Agreement; or (v) any changes arising from matters consented to or approved in writing by Baltic, in the case of changes relating to PhosCan, or by PhosCan in the case of changes relating to Baltic or Orebodies, as applicable;

(kk) "**Material Contracts**" means each contract or understanding, written or oral, to which Baltic or PhosCan or any of its subsidiaries is a party which involves a price or consideration of more than $150,000, or which could materially affect the business or financial condition of Baltic or PhosCan, respectively.

(ll) "**Meeting**" means the special meeting, and any adjournment or postponement thereof, of the Shareholders held to consider the Arrangement;

(mm) "**Non-Resident**" means: (i) a person (within the meaning of the ITA but, for greater certainty, not including a partnership) who is not resident in Canada for purposes of the ITA; or (ii) a partnership that is not a "Canadian partnership" as defined in the ITA;

(nn) "**Non-Resident Shareholder**" means a Baltic Shareholder that is a Non-Resident;

(oo) "**Orebodies**" means Canadian Orebodies Inc., a corporation incorporated under the ABCA in order to facilitate the Arrangement;

(pp) **"Orebodies Commitment"** means the agreement to be entered into among Orebodies, Baltic and PhosCan pursuant to which Orebodies will commit to issue, upon the exercise of Baltic Warrants that are outstanding on the Effective Date, Orebodies Common Shares to the holders of such Baltic Warrants in consideration of receipt of 10% of the exercise price paid by the holder (or such other portion as the parties may agree and the TSXV may permit) and PhosCan will commit to issue, upon the exercise of Baltic Warrants that are outstanding on the Effective Date, PhosCan Common Shares to the holders of such Baltic Warrants in consideration of receipt of 90% of the exercise price paid by the holder;

(qq) **"Orebodies Common Shares"** means the common shares in the capital of Orebodies;

(rr) **"Participating Shareholder"** means a Shareholder, other than a Dissenting Shareholder;

(ss) **"Person"** means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof;

(tt) **"PhosCan"** means PhosCan Chemical Corp., a corporation incorporated under the CBCA;

(uu) **"PhosCan Advances"** has the meaning ascribed thereto in subsection 4.2(d) hereof;

(vv) **"PhosCan Common Shares"** means the common shares in the capital of PhosCan;

(ww) **"PhosCan Information"** means the information included in the Baltic Circular describing the business, operations and affairs of PhosCan and PhosCan Sub;

(xx) **"PhosCan Meeting"** means the special meeting of shareholders of PhosCan, and any adjournment or adjournments thereof, to consider the Arrangement;

(yy) **"PhosCan Options"** means rights (whether vested or not) to purchase PhosCan Common Shares which will be issued pursuant to the Arrangement and, for greater certainty, "1.4 PhosCan Options" means a right to purchase 1.4 PhosCan Common Shares;

(zz) **"PhosCan Public Documents"** means all documents and information filed on SEDAR by PhosCan since January 1, 2007;

(aaa) **"PhosCan Shareholders"** means the holders of PhosCan Common Shares at the applicable time;

(bbb) **"PhosCan Sub"** means 1366825 Alberta Ltd., a corporation incorporated under the ABCA in order to facilitate the Arrangement;

(ccc) **"Plan of Arrangement"** means the plan of arrangement substantially in the form set out in Appendix V hereto as amended or supplemented from time to time in accordance with this Agreement and the Plan of Arrangement;

(ddd) **"Pre-Merger Agreement"** means the letter agreement between Baltic and PhosCan dated October 29, 2007 in contemplation of the Arrangement;

(eee) **"Registrar"** means the Registrar appointed under section 263 of the ABCA;

(fff) **"SEDAR"** means the System for Electronic Document Analysis and Retrieval;

(ggg) **"Shareholders"** means the holders of Baltic Common Shares at the applicable time;

(hhh) **"Subsidiary"** means, with respect to a specified body corporate, a body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of directors thereof, (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency), are at the time owned, directly or indirectly, by such specified body corporate, and includes a body corporate, partnership, joint venture or other entity over which it exercises control or direction or which it is in like relation to a Subsidiary;

(iii) **"Superior Proposal"** means, with respect to Baltic or PhosCan (hereinafter referred to in this definition as the **"Target"**) an unsolicited bona fide written Alternative Proposal which the board of directors of the Target received after October 29, 2007 and which it determines in good faith (a) after receiving written advice from counsel, that the consideration, negotiation, approval and/or recommendation to its shareholders of such Alternative Proposal would be a proper exercise of its fiduciary duties under applicable laws and (b) after consultation with its financial and/or legal advisors, determines that such Alternative Proposal would, if consummated in accordance with its terms, result in a transaction: (i) more favourable to its shareholders than the Arrangement; (ii) providing consideration with a value to the shareholders of Target (payable either in cash or in a marketable security listed on a stock exchange, or any combination thereof) that is financially superior to the value shareholders of the Target would receive pursuant to the Arrangement; and (iii) that is reasonably capable of being completed within a reasonable period of time; and (c) is not contingent upon financing;

(jjj) **"Transferred Assets"** means all of the assets of Baltic immediately prior to the Effective Time, other than Baltic's interest in the Martison Project and the Warrant Proceeds, and specifically including the mineral resource property interests, cash and other assets described in Appendix I attached hereto as such appendix may be amended or replaced from time to time;

(kkk) **"TSXV"** means the TSX Venture Exchange;

(lll) **"Warrant Proceeds"** means the dollar amount equal to 90% of the proceeds resulting from the exercise of Baltic Warrants exercised on or after October 29, 2007 and up to and including the Effective Date.

1.2 Headings

The division of this Agreement into articles, sections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including the appendices hereto) as a whole and not to any particular article, section, paragraph or other portion hereof and include any agreement, document or instrument supplementary or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, all references herein to articles, sections, paragraphs and other portions are to articles, sections, paragraphs and other portions of this Agreement.

1.3 Construction

In this Agreement, unless something in the context is inconsistent therewith:

(a) the words "include" or "including" when following any general term or statement are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting it to refer to all other items or matters that could reasonably fall within its broadest possible scope;

(b) a reference to time or date is to the time or date in Toronto, Ontario, unless specifically indicated otherwise;

(c) a word importing the masculine gender includes the feminine gender or neuter and a word importing the singular includes the plural and vice versa; and

(d) a reference to "approval", "authorization", "consent", "designation" or "notice" means written approval, authorization, consent, designation or notice unless specifically indicated otherwise.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder by either of the parties hereto is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day at such place, unless otherwise agreed to by the parties hereto.

1.5 Currency

All amounts of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

1.6 Accounting Principles

Whenever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be to the Canadian generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor thereto, applicable as at the date on which a calculation is made or required to be made in accordance with generally accepted accounting principles.

1.7 Appendices

The attached Appendix I, titled "Description of Transferred Assets", Appendix II, titled "Share Capitalization" (PhosCan), Appendix III, titled "Share Capitalization" (Baltic), Appendix IV, titled "Confidentiality Agreement" and Appendix V, titled "Plan of Arrangement", shall be deemed to be incorporated into, and form part of, this Agreement.

1.8 Entire Agreement

This Agreement, together with the appendices, agreements and other documents herein or therein referred to, constitutes the entire agreement between the parties hereto pertaining to the subject manner hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties hereto with respect to the subject matter hereof including, for greater certainty, the Pre-Merger Agreement, but excluding the Confidentiality Agreement.

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement

Baltic, Orebodies, PhosCan and PhosCan Sub agree to effect the Arrangement pursuant to the provisions of section 193 of the ABCA on the terms and subject to the conditions contained in this Agreement and on the terms set forth in the Plan of Arrangement.

2.2 Plan of Arrangement

As soon as is reasonably practicable, Baltic will forthwith file, proceed with and diligently prosecute an application for an Interim Order providing for, among other things, the calling and holding of the Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement Resolution and the other matters to be considered at the Meeting. Provided all necessary approvals for the Arrangement Resolution are obtained from the Shareholders, Baltic shall submit the Arrangement to the Court and apply for the Final Order. Upon issuance of the Final Order and subject to the conditions precedent in Article 5 hereof, Baltic shall forthwith proceed to file the Articles of Arrangement and such other documents as may be required to give effect to the Arrangement with the Registrar pursuant to Subsection 193(10) of the ABCA, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any further act or formality.

2.3 Interim Order

The Interim Order shall provide that:

(a) the securities of Baltic for which holders shall be entitled to vote on the Arrangement Resolution shall be the Baltic Common Shares;

(b) the Shareholders shall be entitled to vote on the Arrangement Resolution with each Shareholder being entitled to one vote for each Baltic Common Share held by such holder;

(c) the requisite majority for the approval of the Arrangement Resolution shall be two thirds of the votes cast by the Shareholders present in person or by proxy at the Meeting; and

(d) Shareholders shall be entitled to dissent in respect of the Arrangement Resolution.

2.4 Information Circulars and the Meetings

As promptly as practical following the execution of this Agreement, and in compliance with the Interim Order and Applicable Laws (including Applicable Canadian Securities Laws):

(a) PhosCan shall prepare the PhosCan Information for inclusion in the Baltic Circular and provide the PhosCan Information to Baltic in a timely and expeditious manner;

(b) Baltic shall prepare the Baltic Circular and Baltic shall ensure that the Baltic Circular provides Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, in all cases ensuring compliance in all material respects with all Applicable Laws on the date of issue thereof;

(c) Baltic shall convene the Meeting;

(d) Baltic shall cause the Baltic Circular to be mailed to the Shareholders and such other security holders of Baltic or other third parties as may be required pursuant to the Interim Order, and filed with applicable regulatory authorities and other Governmental Authorities in all jurisdictions where the same are required to be mailed and filed;

(e) PhosCan shall prepare the PhosCan Circular and PhosCan shall ensure that the PhosCan Circular provides shareholders of PhosCan with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, in all cases ensuring compliance in all material respects with all Applicable Laws on the date of issue thereof;

(f) PhosCan shall convene the PhosCan Meeting; and

(g) PhosCan shall cause the PhosCan Circular to be mailed to the PhosCan Shareholders and such other security holders of PhosCan or other third parties as may be required pursuant to all Applicable Laws, and filed with applicable regulatory authorities and other Governmental Authorities in all jurisdictions where the same are required to be mailed and filed.

2.5 Preparation of Filings

(a) PhosCan and Baltic shall cooperate in:

(i) the preparation of any application for the orders and the preparation of any required registration statements and any other documents reasonably deemed by PhosCan or Baltic to be necessary to discharge their respective obligations under Canadian and United States federal, provincial, territorial and state securities Laws in connection with the Arrangement and the other transactions contemplated hereby;

(ii) the taking of all such action as may be required under any applicable Canadian and United States federal, provincial, territorial or state securities laws (including "**blue sky**

laws") in connection with the issuance of the PhosCan Shares in connection with the Arrangement; provided, however, that with respect to the United States "blue sky" and Canadian provincial qualifications neither PhosCan nor Baltic shall be required to register or qualify as a foreign corporation or to take any action that would subject it to service of process in any jurisdiction where such entity is not now so subject, except as to matters and transactions arising solely from the offer of the PhosCan Shares in connection with the Arrangement; and

(iii) the taking of all such action as may be required under the ABCA, Applicable Canadian Securities Laws, and applicable securities laws of the United States in connection with the transactions contemplated by this Agreement and the Plan of Arrangement;

(b) Each of PhosCan and Baltic shall promptly furnish to the other all information concerning it and its security holders as may be required for the effectuation of the actions described in Section 2.4 and the foregoing provisions of this Section 2.5, and each covenants that no information furnished by it (to its knowledge in the case of information concerning its shareholders) in connection with such actions or otherwise in connection with the consummation of the Arrangement and the other transactions contemplated by this Agreement will contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished.

2.6 Orebodies and Completion of Transactions

Baltic, as the sole shareholder of Orebodies, covenants and agrees to cause Orebodies to take all steps, to do and perform all such acts and things and to execute and deliver all such agreements, documents and other instruments as are reasonably necessary or desirable to effect and complete the transactions contemplated herein and in the Plan of Arrangement in accordance with the terms and conditions hereof and thereof and any and all covenants and agreements of Baltic contained herein and in the Plan of Arrangement shall, to the extent that they are required to be performed by Orebodies, be and be deemed to be covenants and agreements of both Baltic and Orebodies. For greater certainty, Baltic shall cause the transfer of the Transferred Assets to Orebodies and the assumption by Orebodies of the Assumed Liabilities, pursuant to this Agreement and the Plan of Arrangement. Provided, however, that following completion of the Arrangement, Orebodies shall be solely responsible for any breach by either Baltic or Orebodies of any covenants, representations, warranties and/or agreements of Baltic provided for herein, and Orebodies shall have no right to claim contribution or indemnity from Baltic for any such breach.

If any claim is made against Orebodies as a result of its assumption of Baltic's liabilities arising pursuant to the Joint Venture Agreement, Orebodies shall have, in connection with such claim, the benefit of any rights of Baltic under the Joint Venture Agreement to claim against or set-off against PhosCan in its capacity as operator pursuant to the Joint Venture Agreement.

The parties agree that Orebodies shall be permitted to secure, at its own expense, "run off" directors' and officers' liability insurance for Baltic's current and former directors and officers, covering claims made prior to or within six years after the Effective Date which has a scope and coverage substantially equivalent in scope and coverage to that provided pursuant to Baltic's current directors' and officers' insurance policy and PhosCan agrees to not take any action to terminate or otherwise adversely affect such directors' and officers' insurance.

2.7 PhosCan Sub and Completion of Transactions

PhosCan, as the sole shareholder of PhosCan Sub, covenants and agrees to cause PhosCan Sub to take all steps, to do and perform all such acts and things and to execute and deliver all such agreements, documents and other instruments as are reasonably necessary or desirable to effect and complete the transactions contemplated herein and in the Plan of Arrangement in accordance with the terms and conditions hereof and thereof and any and all covenants and agreements of PhosCan contained herein and in the Plan of Arrangement shall, to the extent that they are required to be performed by PhosCan Sub, be and be deemed to be covenants and agreements of both PhosCan and PhosCan Sub.

2.8 Recommendation of Baltic Board of Directors

The Baltic Board of Directors has unanimously determined that the Arrangement is fair to, and in the best interests of, Baltic and the Shareholders, and has, based upon, among other things, the opinion of Baltic's financial advisor, unanimously determined that the consideration in respect of the Arrangement is fair, from a financial point of view, to Shareholders, unanimously approved the Arrangement and the entering into of the Arrangement Agreement and has resolved unanimously to recommend Shareholders vote in favour of the Arrangement. Notice of such approvals, determinations and resolution shall, subject to the terms hereof, be included, along with the written fairness opinion of Baltic's financial advisors, confirming the aforementioned opinions of such financial advisor, in the Baltic Circular.

2.9 Recommendation of PhosCan Board of Directors

The PhosCan Board of Directors has resolved unanimously to approve, and to recommend that PhosCan Shareholders vote in favour of approving, this Agreement, the election of Donald McKinnon, Chris Hodgson and Gordon McKinnon as directors of PhosCan to take effect as at the Effective Date, and the amendment of the PhosCan stock option plan to increase the number of PhosCan Common Shares issuable thereunder to 10 million.

Notice of such approvals and resolution shall, subject to the terms hereof, be included in the PhosCan information Circular.

2.10 Dissenting Shareholders

Registered Shareholders entitled to vote at the Meeting may exercise dissent rights with respect to their Baltic Common Shares in connection with the Arrangement pursuant to and in the manner set forth in the Plan of Arrangement. Baltic shall give PhosCan prompt notice of any written notice of a dissent, withdrawal of such notice, and any other instruments served pursuant to such Dissent Rights and received by Baltic and provide PhosCan with copies of such notices and written objections.

2.11 PhosCan Guarantee

PhosCan hereby unconditionally and irrevocably guarantees in favour of Baltic and Orebodies the due and punctual performance by PhosCan Sub of each and every covenant and obligation of PhosCan Sub arising under the Arrangement. PhosCan hereby agrees that neither Baltic nor Orebodies shall have to proceed first against PhosCan Sub before exercising its rights under this guarantee against PhosCan.

2.12 Baltic Guarantee

Baltic hereby unconditionally and irrevocably guarantees in favour of PhosCan and PhosCan Sub the due and punctual performance by Orebodies of each and every covenant and obligation of Orebodies arising under the Arrangement. Baltic hereby agrees that neither PhosCan nor PhosCan Sub shall have to proceed first against Orebodies before exercising its rights under this guarantee against Baltic.

2.13 Effective Date of Arrangement

The Arrangement shall become effective on the Effective Date.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Baltic and Orebodies

Baltic and Orebodies hereby jointly and severally represent and warrant to PhosCan, as follows:

(a) Board Recommendation.

The board of directors of Baltic has unanimously (i) determined that the Arrangement is fair to, and in the best interests of, Baltic and the Shareholders; (ii) determined that the consideration in respect of the Arrangement is fair, from a financial point of view, to Shareholders; (iii) approved the Arrangement and the entering into of this Arrangement Agreement; and (iv) resolved to recommend that Shareholders vote in favour of the Arrangement.

(b) Organization and Qualification.

Baltic is a corporation duly organized, validly existing and in good standing under the ABCA. Orebodies is a corporation duly organized, validly existing and in good standing under the ABCA. Baltic has the requisite power and authority to carry on its business as it is now being conducted. Baltic is duly registered to do business, and is in good standing, in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on Baltic, taken as a whole, or on the ability of Baltic to consummate the transactions contemplated hereby.

(c) Authority Relative to this Agreement.

Each of Baltic and Orebodies has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the boards of directors of each of Baltic and Orebodies, and no other corporate proceedings on the part of either Baltic or Orebodies are necessary to authorize this Agreement and the transactions contemplated hereby other than the approval by the Shareholders of the consummation of the transactions contemplated thereby. This Agreement has been duly executed and delivered by each of Baltic and Orebodies and constitutes a legal, valid and binding obligation of each of them enforceable against Baltic and Orebodies in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting the rights of creditors, and equitable remedies, including specific performance, are discretionary and may not necessarily be ordered by a court.

(d) No Violations.

Neither the execution nor the delivery of this Agreement by Baltic and Orebodies, nor the consummation of the transactions contemplated hereby, nor compliance by Baltic and Orebodies with any of the provisions hereof will:

(i) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Lien upon the Martison Property or assets of Baltic or under any of the terms, conditions or provisions of its governing documents or any material note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Baltic is a party, or to which it or any of its properties or assets may be subject, or by which Baltic is bound; or

(ii) violate any judgment, ruling, order, writ, injunction, determination, award, decree or law applicable to Baltic; or

(iii) cause the suspension or revocation of any authorization, consent, approval or licence currently in effect which would have a Material Adverse Effect on Baltic.

(e) Compliance with Law.

Baltic has complied with and is in compliance with all laws applicable to the operation of its business, except where such non-compliance would not, considered individually or in the aggregate, have a Material Adverse Effect on Baltic or on the ability of Baltic to consummate the transactions contemplated hereby.

(f) Capitalization.

Appendix III sets out the authorized share capital of Baltic as of January 15, 2008 as well as the issued and outstanding Baltic Common Shares, including the number of Baltic Common Shares that may be issued upon exercise of Baltic Options and Baltic Warrants and the exercise prices therefor. Except as set forth in Appendix III, there are no options, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Baltic of any securities of Baltic (including the Baltic Common Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Baltic (including the Baltic Common Shares). All outstanding Baltic Common Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights, and all Baltic Common Shares issuable upon the exercise of outstanding Baltic Options and Baltic Warrants, in accordance with their terms, will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.

(g) Subsidiaries.

Orebodies is Baltic's only Subsidiary.

(h) Reporting Issuer Status.

Baltic is a "reporting issuer" in "good standing" under the securities laws of the provinces of British Columbia, Alberta and Ontario. The Baltic Common Shares are listed only on, and Baltic is in material compliance with the rules and policies of, the TSXV.

(i) Filings Complete and Accurate.

The Baltic Public Documents, as of their respective dates, complied in all material respects with all Applicable Canadian Securities Laws and at the time filed (after giving effect to all subsequent filings or re-filings in relation to all matters covered in earlier filings) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) Accurate Information.

All data and information provided by Baltic (or its agents or representatives) to PhosCan (or its affiliates or its and their agents and representatives) taken as a whole is true and correct in all material respects and does not omit any data or information available to Baltic or Orebodies necessary to make the data and information provided not misleading. Other than the information contained in the Baltic Public Documents, there are no facts respecting Baltic specifically which, if learned by PhosCan, might reasonably be expected to materially diminish PhosCan's evaluation of the value of the Martison Project or which, if learned by PhosCan, might reasonably be expected to deter PhosCan from completing the transactions contemplated by this Agreement on the terms of this Agreement.

Notwithstanding the foregoing paragraph, PhosCan agrees that any geological or other technical information concerning the Martison Project and based on interpretation of fact is only provided as information and Baltic provides no representation or warranty as to its truth or correctness.

(k) Cross-Ownership.

Neither Baltic nor Orebodies owns, directly or indirectly, or exercise control or discretion over, any PhosCan Common Shares or options of PhosCan.

(l) Further Representation and Warranties.

(i) Baltic's and Orebodies' principal offices are not located within the United States, their assets and property are located outside the United States and they did not generate any sales in or into the United States during its most recent financial year;

(ii) Baltic is a "foreign private issuer" within the meaning of rule 405 of Regulation C adopted by the United States Securities and Exchange Commission under the *United States Securities Act of 1933*, as amended; and

(iii) to the knowledge of Baltic and Orebodies, Baltic is not an "investment company" within the meaning of the *United States Investment Company Act of 1940*, as amended.

3.2 Representations and Warranties of PhosCan

PhosCan and PhosCan Sub hereby jointly and severally represent and warrant to Baltic, as follows:

(a) Board Recommendation.

The board of directors of PhosCan has unanimously (i) approved the entering into of this Agreement by PhosCan; (ii) determined that the Arrangement is in the best interests of PhosCan and its shareholders; (iii) resolved to recommend that PhosCan shareholders vote in favour of approving, this Agreement, the election of Donald McKinnon, Chris Hodgson and Gordon McKinnon as directors of PhosCan to take effect as at the Effective Date, and the amendment of the PhosCan stock option plan to increase the number of PhosCan Common Shares issuable thereunder to 10 million.

(b) Organization and Qualification.

PhosCan is a corporation duly organized, validly existing and in good standing under the CBCA. PhosCan Sub is a corporation duly organized, validly existing and in good standing under the ABCA. PhosCan has the requisite power and authority to carry on its business as it is now being conducted. PhosCan is duly registered to do business, and is in good standing, in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on PhosCan, taken as a whole, or on the ability of the PhosCan to consummate the transactions contemplated hereby.

(c) Authority Relative to this Agreement.

Each of PhosCan and PhosCan Sub has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the boards of directors of each of PhosCan and PhosCan Sub, and no other corporate proceedings on the part of either PhosCan or PhosCan Sub are necessary to authorize this Agreement and the transactions contemplated hereby other than the consummation of the transactions contemplated thereby. This Agreement has been duly executed and delivered by each of PhosCan and PhosCan Sub and constitutes a legal, valid and binding obligation of each of them enforceable against them in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting the rights of creditors, and equitable remedies, including specific performance, are discretionary and may not necessarily be ordered by a court.

(d) No Violations.

Neither the execution nor the delivery of this Agreement by PhosCan and PhosCan Sub, nor the consummation of the transactions contemplated hereby, nor compliance by PhosCan and PhosCan Sub with any of the provisions hereof will:

(i) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Lien upon any of the properties or assets of PhosCan or under any of the terms, conditions or provisions of its respective governing documents or any material note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which PhosCan is a party, or to which it or any of its respective properties or assets may be subject, or by which PhosCan is bound; or

(ii) violate any judgment, ruling, order, writ, injunction, determination, award, decree or law applicable to PhosCan or PhosCan Sub or any of their respective properties or assets; or

(iii) cause the suspension or revocation of any authorization, consent, approval or licence currently in effect which would have a Material Adverse Effect on PhosCan and its Subsidiaries taken as a whole.

(e) Compliance with Law.

PhosCan has complied with and is in compliance with all laws applicable to the operation of its business, except where such non-compliance would not, considered individually or in the aggregate, have a Material Adverse Effect on PhosCan, taken as a whole, or on the ability of PhosCan to consummate the transactions contemplated hereby.

(f) Capitalization.

Appendix II sets out the authorized share capital of PhosCan as of January 15, 2008 as well as the issued and outstanding PhosCan Common Shares, including the number of PhosCan Common Shares that may be issued upon exercise of options and broker compensation warrants of PhosCan and the exercise prices therefor. Except as set forth in Appendix II, there are no options, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by PhosCan of any securities of PhosCan (including the PhosCan Common Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of PhosCan (including the PhosCan Common Shares). All outstanding PhosCan Common Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights, and all PhosCan Common Shares issuable upon the exercise of outstanding options and broker compensation warrants of PhosCan, in accordance with their terms, will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.

(g) Subsidiaries.

PhosCan does not have any Subsidiaries other than PhosCan Sub that are material to its business or that own any assets that are material to PhosCan.

(h) Fully-Paid and Non-Assessable Shares.

All PhosCan Common Shares issued pursuant to the Arrangement and upon exercise of the PhosCan Options and Baltic Warrants shall be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the CBCA, and PhosCan covenants to reserve for issuance out of its unissued share capital a sufficient number of PhosCan Common Shares to enable it to give effect to such issuances.

(i) Reporting Issuer Status.

PhosCan is a "reporting issuer" in "good standing" under the securities laws of the provinces of British Columbia, Alberta and Ontario. The PhosCan Common Shares are only listed on, and PhosCan is in material compliance with the rules and policies of, the TSXV.

(j) Filings Complete and Accurate.

The PhosCan Public Documents, as of their respective dates, complied in all material respects with all Applicable Canadian Securities Laws and at the time filed (after giving effect to all subsequent filings in relation to all matters covered in earlier filings) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(k) Accurate Information.

All data and information provided by PhosCan (or any of its Subsidiaries or its or their agents or representatives) to Baltic (or its affiliates or its and their agents and representatives) taken as a whole is true and correct in all material respects and does not omit any data or information available to PhosCan or its Subsidiaries necessary to make the data and information provided not misleading. Other than the information contained in the PhosCan Public Documents, there are no facts respecting PhosCan and its Subsidiaries specifically which, if learned by Baltic, might reasonably be expected to materially diminish Baltic's evaluation of the value of the PhosCan Common Shares or which, if learned by Baltic, might reasonably be expected to deter Baltic from completing the transactions contemplated by this Agreement on the terms of this Agreement.

Notwithstanding the foregoing paragraph, Baltic agrees that any geological or other technical information concerning the Martison Project based on interpretation of fact is only provided as information and PhosCan provides no representation or warranty as to its truth or correctness.

(l) Cross-Ownership.

Neither PhosCan, nor any of its Subsidiaries owns, directly or indirectly, or exercise control or discretion over, any Baltic Common Shares, Baltic Options or Baltic Warrants.

3.3 Survival of Representations and Warranties

The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished on the Effective Date.

ARTICLE 4
COVENANTS

4.1 Covenants of Baltic and Orebodies

Baltic and Orebodies hereby covenant and agree with PhosCan that, from the date hereof until the Effective Date or termination of this Agreement, except with the prior written consent of PhosCan (such consent not to be unreasonably withheld or delayed) and except as otherwise expressly permitted or contemplated by this Agreement or the Plan of Arrangement or required by Applicable Laws:

(a) Baltic shall carry on its business in the ordinary course and shall not enter into any transaction or incur any obligation or liability out of the ordinary course of business (other than any transaction that does not directly or indirectly relate to or affect the Martison Project), except as otherwise contemplated in this Agreement;

(b) Baltic shall allow representatives of PhosCan such access to the books, records, documents, personnel and facilities of Baltic and its affiliates as may be necessary or desirable for PhosCan to carry out its due diligence review and shall make available all relevant legal, financial, geological and technical data relating to the Martison Project;

(c) Baltic shall co-operate with PhosCan in the preparation of shareholder approval documentation in respect of PhosCan's obtaining shareholder approval of the Arrangement and any necessary or desirable regulatory filings or submissions and shall participate in meetings with relevant regulatory authorities and stakeholders provided that it shall have been given reasonable advance notice thereof;

(d) Baltic shall, in a timely and expeditious manner, file the Baltic Circular in all jurisdictions where the Baltic Circular is required to be filed by Baltic and mail or cause to be mailed the Baltic Circular to the Shareholders, the directors of Baltic and the auditors of Baltic, all in accordance with the terms of the Interim Order and Applicable Laws;

(e) Baltic and Orebodies shall perform the obligations required to be performed by them, and shall enter into all agreements required to be entered into by them (including the entry by Orebodies into the Orebodies Commitment), under this Agreement and the Plan of Arrangement and shall do all such other acts and things as may be necessary or desirable in order to carry out and give effect to the Arrangement and related transactions as described in the Baltic Circular and, without limiting the generality of the foregoing, Baltic shall seek:

    (i) the approval of the Shareholders required for the completion of the Arrangement,

    (ii) the Interim Order and the Final Order, and

    (iii) such other consents, orders, rulings, approvals and assurances as counsel may advise are necessary or desirable in connection with the completion of the Arrangement, including those referred to in Section 5.1 hereof;

(f) Baltic will convene the Meeting as soon as practicable and will solicit proxies to be voted at the Meeting in favour of the Arrangement and all other resolutions referred to in the Baltic Circular;

(g) Baltic will use all reasonable efforts to cause each of the conditions precedent set out in Sections 5.1 and 5.2 hereof to be complied with on or before the Effective Date to the extent the fulfillment of the same is within the control of Baltic and Orebodies, as applicable;

(h) Baltic shall not issue any Baltic Common Shares, Baltic Options or Baltic Warrants (other than Baltic Common Shares issuable upon the exercise of Baltic Options or Baltic Warrants outstanding as at the date hereof) or amend the terms of any such Baltic Common Shares, Baltic Options or Baltic Warrants, or incur any indebtedness (other than liabilities to trade creditors incurred in the normal course of business or in connection with the Arrangement);

(i) neither Baltic nor Orebodies shall take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere with or affect the consummation of the Arrangement in accordance with the terms and conditions herein;

(j) Baltic and Orebodies shall jointly and severally (or, if the Arrangement is completed, Orebodies alone) indemnify and save harmless PhosCan, its Subsidiaries and their respective directors, officers, employees, advisors and agents from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which PhosCan, its subsidiaries and their respective directors, officers, employees, advisors or agents may be subject or which PhosCan, its subsidiaries and their respective directors, officers, employees, advisors or agents may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of

    (i) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the Baltic Information which prevents or restricts the trading in the PhosCan Common Shares; or

    (ii) Baltic and/or Orebodies not complying with any requirement of Applicable Laws in connection with the Arrangement,

except to the extent that such liabilities, claims, demands, losses, costs, damages and expenses arise from an act or omission of PhosCan or PhosCan Sub;

(k) except for non-substantive communications with third parties and communications to legal and other advisors of Baltic, Baltic and Orebodies will furnish promptly to PhosCan: (i) a copy of each notice, report, schedule or other document delivered, filed or received by Baltic or Orebodies in connection with the Arrangement from any Governmental Authority; (ii) any filings under Applicable Laws in connection with the Arrangement; and (iii) any documents related to dealings with Governmental Authorities in connection with the transactions contemplated herein;

(l) except as contemplated herein, neither Baltic nor Orebodies shall take any action that would render, or may reasonably be expected to render, any representation or warranty made by Baltic or Orebodies, as the case may be, in this Agreement untrue in any material respect;

(m) Baltic shall promptly notify PhosCan in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Baltic threatened) in the business, operations, affairs, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities of Baltic, whether contractual or otherwise;

(n) Baltic and Orebodies shall use their reasonable commercial efforts to obtain the consent of any third parties required by Baltic and Orebodies for the transactions contemplated hereby and provide the same to PhosCan on or prior to the Effective Date; and

(o) Baltic and Orebodies shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement and the Plan of Arrangement.

4.2 Covenants of PhosCan and PhosCan Sub

PhosCan and PhosCan Sub hereby covenant and agree with Baltic as follows:

(a) except with the prior written consent of Baltic (such consent not to be unreasonably withheld or delayed) or except as otherwise contemplated in this Agreement, until the Effective Date, PhosCan and PhosCan Sub shall not directly or indirectly:

   (i) merge into or with, or amalgamate or consolidate, or enter into any other corporate reorganization with, any other corporation or Person, perform any act or enter into any transaction or negotiation which reasonably could be expected to, directly or indirectly, interfere or be inconsistent with the completion of the Arrangement or the other transactions contemplated by this Agreement;

   (ii) amend the constating documents of PhosCan or PhosCan Sub, except as may be required in connection with the Arrangement;

   (iii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;

(b) PhosCan shall allow representatives of Baltic such access to the books, records, documents, personnel and facilities of PhosCan and its affiliates as may be necessary or desirable for Baltic to carry out its due diligence review and shall make available all relevant legal, financial, geological and technical data relating to PhosCan's business;

(c) PhosCan shall co-operate with Baltic in the preparation of the Baltic Circular in respect of Baltic's obtaining Shareholder approval of the Arrangement and any necessary or desirable regulatory filings or submissions and shall participate in meetings with relevant regulatory authorities and stakeholders provided that it shall have been given reasonable advance notice thereof;

(d) During the period from the date hereof to the Effective Date, PhosCan shall advance on behalf of Baltic all amounts to be contributed by Baltic to the Martison Project, which advances and any similar loans advanced to Baltic by PhosCan pursuant to the Pre-Merger Agreement (collectively, the "**PhosCan Advances**"), shall constitute a non-interest bearing loan from PhosCan to Baltic. In the event that the Arrangement is not completed on or before the Expiry Date, or in the event that this Agreement is terminated, the PhosCan Advances shall become immediately due and payable. For greater certainty, it is acknowledged and agreed that, prior to the Effective Date, there shall have been no dilution of Baltic's interest under, or a default by Baltic pursuant to, the Joint Venture Agreement as a consequence of PhosCan having made the PhosCan Advances and Baltic shall continue to have the right to be represented on the management committee established pursuant to the Martison Project and to vote its participating interest in the Martison Project.

(e) PhosCan and PhosCan Sub shall perform the obligations required to be performed by them, and shall enter into all agreements required to be entered into by them (including the entry by PhosCan into the Orebodies Commitment), under this Agreement and the Plan of Arrangement and shall do all such other acts and things as may be necessary or desirable in order to carry out and give effect to the Arrangement and related transactions as described in the Baltic Circular and, without limiting the generality of the foregoing, to the extent requested by Baltic, they shall carry out the terms of and cooperate with Baltic in seeking:

  (i) the Interim Order and the Final Order, and

  (ii) such other consents, orders, rulings, approvals and assurances as counsel may advise are necessary or desirable in connection with the completion of the Arrangement, including those referred to in Section 5.1 hereof;

(f) PhosCan will convene the PhosCan Meeting as soon as practicable and will solicit proxies to be voted at the PhosCan Meeting in favour of the Arrangement Agreement and all other resolutions referred to in the PhosCan Circular;

(g) PhosCan and PhosCan Sub will use all reasonable efforts to cause each of the conditions precedent set out in sections 5.1 and 5.2 hereof to be complied with on or before the Effective Date;

(h) the business of PhosCan and PhosCan Sub shall be conducted only in the usual and ordinary course consistent with past practices;

(i) PhosCan will use reasonable commercial efforts to obtain approval of the listing of PhosCan Common Shares issuable under the Arrangement and pursuant to the PhosCan Options and Baltic Warrants on the TSXV prior to the mailing of the Baltic Circular;

(j) PhosCan and PhosCan Sub will make all other necessary filings and applications under Applicable Laws required on the part of PhosCan and PhosCan Sub, as the case may be, in connection with the transactions contemplated herein and take all reasonable action necessary to be in compliance with such Applicable Laws;

(k) neither PhosCan nor PhosCan Sub shall take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere with or affect the consummation of the Arrangement in accordance with the terms and conditions herein;

(l) PhosCan and PhosCan Sub shall jointly and severally indemnify and save harmless Baltic, its Subsidiaries and their respective directors, officers, employees, advisors and agents from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Baltic, its subsidiaries and their respective directors, officers, employees, advisors or agents may be subject or which Baltic, its subsidiaries and their respective directors, officers, employees, advisors or agents may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of

   (i) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the PhosCan Information which prevents or restricts the trading in the PhosCan Common Shares; or

   (ii) PhosCan and PhosCan Sub not complying with any requirement of Applicable Laws in connection with the Arrangement;

except to the extent that such liabilities, claims, demands, losses, costs, damages and expenses arise from an act or omission of Baltic or Orebodies;

(m) except for non-substantive communications with third parties and communications to legal and other advisors of PhosCan, PhosCan and PhosCan Sub will furnish promptly to Baltic: (i) a copy of each notice, report, schedule or other document delivered, filed or received by PhosCan and PhosCan Sub in connection with the Arrangement from any Governmental Authority; (ii) any filings under Applicable Laws in connection with the Arrangement; and (iii) any documents related to dealings with Governmental Authorities in connection with the transactions contemplated herein;

(n) except as contemplated herein, neither PhosCan nor PhosCan Sub shall take any action that would render, or may reasonably be expected to render, any representation or warranty made by PhosCan and PhosCan Sub, as the case may be, in this Agreement untrue in any material respect;

(o) PhosCan and PhosCan Sub shall promptly notify Baltic in writing of any material change (actual, anticipated, contemplated or, to the knowledge of PhosCan and PhosCan Sub threatened) in the business, operations, affairs, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities of PhosCan and PhosCan Sub, whether contractual or otherwise;

(p) PhosCan and PhosCan Sub shall use their reasonable commercial efforts to obtain the consent of any third parties required by PhosCan and PhosCan Sub for the transactions contemplated hereby and provide the same to Baltic on or prior to the Effective Date;

(q) PhosCan and PhosCan Sub shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement and the Plan of Arrangement;

(r) Prior to the Effective Time, PhosCan shall not: (i) issue any securities or enter into any agreements to issue or grant options, warrants or rights to purchase any of its securities; or (ii) carry on any business, enter into any transaction or effect any corporate act whatsoever, other than as contemplated herein or as reasonably necessary to carry out the transactions contemplated by the Plan of Arrangement unless previously consented to in writing by Baltic, acting reasonably; and

(s) PhosCan shall cause Amalgamated PhosCan Sub to claim any discretionary deductions or other amounts, in the tax returns in respect of the taxation year of Baltic that includes the transfer by Baltic of the Transferred Assets to Orebodies and/or the disposition by Baltic of the Orebodies Common Shares to Baltic's Shareholders pursuant to the Arrangement, and, to the extent permitted by law, any previous taxation year of Baltic, so as to minimize the amount of any tax liabilities, related interest and/or penalties of Baltic arising up to and including the Effective Date in respect of the transfer by Baltic of the Transferred Assets to Orebodies and/or the disposition by Baltic of the Orebodies Common Shares distributed to the Baltic Shareholders. In connection with the foregoing, Orebodies shall prepare a draft tax return of Amalgamated PhosCan Sub and PhosCan shall cause Amalgamated PhosCan Sub to file such return as drafted provided that its contents are legally supportable.

4.3 Mutual Covenants Regarding the Arrangement

From the date of this Agreement until the Effective Date or termination of this Agreement, each of PhosCan and Baltic will use its reasonable commercial efforts to: (i) satisfy (or cause the satisfaction of) the conditions precedent to its obligations (and those of any of its Subsidiaries) hereunder; (ii) not take, or cause to be taken, any action or cause anything to be done that would cause such obligations not to be fulfilled in a timely manner; and (iii) take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement, including using reasonable commercial efforts:

(a) to ensure that the Baltic Circular provides Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, and, in that regard, the Baltic Circular will set out the PhosCan Information in the form approved by PhosCan and the Baltic Information in the form approved by Baltic and shall include, without limitation, the unanimous determination of the Baltic Board of Directors that the Arrangement is fair to, and in the best interests of, Baltic and the Shareholders, and include the unanimous recommendation of the Baltic Board of Directors that the Shareholders vote in favour of the Arrangement Resolution; and (iii) the fairness opinion of Baltic's financial advisors that the consideration to be received by Shareholders from PhosCan as a result of the Arrangement is fair, from a financial point of view, to Shareholders;

(b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any agreements and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;

(c) to effect all necessary registrations, filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Arrangement; and

(d) to cause the Effective Date to occur on or before the Expiry Date and to cause the mailing of the Baltic Circular to Shareholders to occur as soon as reasonably practicable following the date hereof and in any event by no later than February 5, 2008 (the "**Mailing Date**").

Each of PhosCan and Baltic will use its reasonable commercial efforts to cooperate with the other in connection with the performance by the other of their obligations under this Section 4.3 and this Agreement including, without limitation, continuing to provide reasonable access to information and to maintain ongoing communications as between officers of PhosCan and Baltic, subject in all cases to the Confidentiality Agreement.

ARTICLE 5
CONDITIONS

5.1 Mutual Conditions Precedent

The respective obligation of the parties hereto to complete the transactions contemplated by this Agreement, including the Arrangement, shall be subject to the satisfaction, on or before the Effective Date, of the following conditions, any of which may be waived by mutual consent of such parties without prejudice to their right to rely on any other of such conditions:

(a) the Interim Order shall have been granted in form and substance satisfactory to each of Baltic and PhosCan, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to Baltic and PhosCan, acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved at the Meeting by the requisite majority of the votes cast by the Shareholders thereon at the Meeting in accordance with the Interim Order and in a form and substance satisfactory to each of Baltic and PhosCan, acting reasonably;

(c) the Final Order shall have been granted in form and substance satisfactory to Baltic and PhosCan, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to Baltic and PhosCan, acting reasonably, on appeal or otherwise, and shall include a declaration of the Court that the terms and conditions of the Arrangement are fair to the Shareholders and that the Court is aware that such finding of fairness will form the basis of an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended;

(d) the shareholders of PhosCan shall have approved the Arrangement and all related matters;

(e) the TSXV shall have conditionally approved the listing thereon of the Orebodies Common Shares to be issued pursuant to the Arrangement (including the Orebodies Common Shares which, as a result of the Arrangement, are issuable upon the exercise of the Orebodies Options and Baltic Warrants) as of the Effective Date, subject only to compliance with the usual requirements of the TSXV;

(f) the TSXV shall have conditionally approved the listing thereon of the PhosCan Common Shares to be issued pursuant to the Arrangement (including the PhosCan Common Shares which, as a result of the Arrangement, are issuable upon the exercise of the PhosCan Options and the Baltic Warrants) as of the Effective Date, subject only to compliance with the usual requirements of the TSXV;

(g) all governmental, court, regulatory, third party and other approvals, consents, expiry of waiting periods, waivers, permits, exemptions, orders and agreements and all amendments and modifications to, and terminations of, agreements, indentures and arrangements considered by Baltic to be necessary or desirable for the Arrangement to become effective and for the transfer of the Transferred Assets to Orebodies and the assumption of the Assumed Liabilities by Orebodies shall have been obtained or received on terms that are satisfactory to Baltic and PhosCan, acting reasonably;

(h) there shall not be in force any order or decree restraining or enjoining the completion of the transactions contemplated by the Arrangement;

(i) this Agreement shall not have been terminated pursuant to Article 8 hereof;

(j) the Articles of Arrangement to be filed with the Registrar in accordance with the Arrangement shall be in form and substance satisfactory to each of Baltic and PhosCan, acting reasonably;

(k) the Effective Date shall have occurred not later than the Expiry Date;

(l) all domestic and foreign statutory and regulatory waiting periods applicable to the transactions contemplated by the Arrangement, shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made during any applicable statutory or regulatory period;

(m) PhosCan and Baltic shall have obtained all consents, waivers, permissions and approvals necessary to complete the Arrangement by or from relevant Governmental Authorities, on terms and conditions satisfactory to the parties, acting reasonably; and

(n) there shall be no action taken under any existing Applicable Law, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any Governmental Authority, that:

   (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated herein; or

(ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein;

(o) Orebodies. PhosCan and Baltic shall have entered into the Orebodies Commitment.

The foregoing conditions are for the mutual benefit of PhosCan and Baltic and may be asserted by PhosCan and Baltic regardless of the circumstances and may be waived by PhosCan and Baltic (with respect to such party) in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which PhosCan or Baltic may have. If any of the foregoing conditions are not satisfied or waived, Baltic or PhosCan, as the case may be, may terminate this Agreement (save and except for Article 7 and Sections 2.11 and 2.12 hereof which shall survive such termination and remain in full force and effect), provided that, prior to the filing of the Articles of Arrangement for the purpose of giving effect to the Arrangement, the party intending to rely thereon has delivered a written notice to the other party, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable conditions precedent. More than one such notice may be delivered by a party.

5.2 Closing Conditions Precedent for the Benefit of Baltic

The obligations of Baltic to complete the transactions contemplated by the Arrangement shall be subject to the fulfillment of the following conditions precedent on or before the Expiry Date:

(a) the Arrangement Resolution shall have been passed by the Shareholders , and a similar resolution shall have been passed by the holders of Baltic Options, duly approving the Arrangement and all ancillary matters;

(b) approval of the Arrangement under the ABCA shall have been obtained from the Court;

(c) the representations and warranties of PhosCan set forth herein (i) that are qualified by a reference to Material Adverse Effect shall be true and correct in all respects as of the Effective Date as if made on and as of such date, and (ii) that are not qualified by a reference to a Material Adverse Effect shall be true and correct in all respects as of the Effective Date as if made on and as of such date unless the failure to be true or correct has not had or would not reasonably be expected to have, a Material Adverse Effect (and, for this purpose, any reference to "material" or other concepts of materiality in such representations and warranties shall be ignored), except in each case (i) to the extent such representations and warranties speak as of an earlier date (in which case such representations and warranties shall be true and correct in all respects as of such date), or (ii) as affected by transactions contemplated or permitted by this Agreement and PhosCan shall have provided to Baltic a certificate of two senior officers certifying such accuracy on the Effective Date;

(d) PhosCan and PhosCan Sub shall have complied in all material respects with their respective covenants herein, except where the failure to comply with such covenants would not reasonably be expected to have a Material Adverse Effect on PhosCan, and PhosCan shall have provided to Baltic a certificate of two senior officers certifying compliance with such covenants;

(e) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any Governmental Authority or by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, which in the sole judgment of Baltic, acting reasonably, in either case has had or, if the Arrangement was consummated, would result in a Material Adverse Effect on PhosCan or would have a material adverse effect on the ability of the parties to complete the Arrangement;

(f) PhosCan and PhosCan Sub shall have each furnished Baltic with certified copies of the resolutions duly passed by the board of directors of PhosCan and the board of directors of PhosCan Sub approving this Agreement and the consummation of the transactions contemplated hereby and PhosCan shall have furnished Baltic with certified copies of the resolutions duly passed by the PhosCan Shareholders approving this Agreement, the election of Donald McKinnon, Chris Hodgson and Gordon McKinnon as directors of PhosCan to take effect as at the Effective Date, and the amendment of the PhosCan stock option plan to increase the number of PhosCan Common Shares issuable thereunder to 10 million;

(g) between the date hereof and the Effective Time, there shall have not occurred or have been disclosed to Baltic or the public, if not previously disclosed to Baltic or the public, any Material Adverse Change in PhosCan;

(h) Baltic shall have obtained all approvals, required or necessary to complete the Arrangement and shall have received from the TSXV conditional approval of the listing of the Orebodies Common Shares on terms acceptable to Baltic, acting reasonably;

(i) all of the PhosCan Common Shares issuable to Shareholders pursuant to the Arrangement and pursuant to the exercise of Baltic Options and Baltic Warrants shall be conditionally listed on the TSXV and shall not be subject to any hold periods or other resale restrictions (other than hold periods or resale restrictions applicable to control blocks, if applicable);

(j) Baltic shall not have received any written objections to the Arrangement, pursuant to the dissent rights provided in section 191 of the ABCA, from the holders of more than 5% of the issued and outstanding Baltic Common Shares;

(k) Baltic shall have obtained any required consent of parties to Material Contracts in respect of the transactions contemplated herein; and

(l) Baltic shall be satisfied acting reasonably that no third party has any rights that may materially adversely impact on the rights of PhosCan in respect of the Martison Project.

The parties acknowledge and agree that Baltic shall not be entitled to claim that there has been a Material Adverse Effect or Material Adverse Change in PhosCan and its Subsidiaries, as a result of, arising from or based upon the results of work being conducted by or on behalf of Baltic and PhosCan with respect to the Martison Project.

The foregoing conditions precedent are for the benefit of Baltic and may be waived, in whole or in part, by Baltic in writing at any time. If any of the said conditions precedent shall not be satisfied or waived by Baltic on or before the date required for the performance thereof, Baltic may rescind and terminate this Agreement by written notice from Baltic to PhosCan, save and except for Article 7, Section 2.11 and Section 2.12.

5.3 Closing Conditions Precedent for the Benefit of PhosCan

The obligations of PhosCan and PhosCan Sub to complete the transactions contemplated by the Arrangement shall be subject to the fulfillment of the following conditions precedent on or before the Expiry Date or such other date as specified below:

(a) resolutions shall have been passed by the shareholders of PhosCan duly approving the Arrangement and all ancillary matters;

(b) the representations and warranties of Baltic and Orebodies set forth herein (i) that are qualified by a reference to Material Adverse Effect shall be true and correct in all respects as of the Effective Date as if made on and as of such date, and (ii) that are not qualified by a reference to a Material Adverse Effect shall be true and correct in all respects as of the Effective Date as if made on and as of such date unless the failure to be true or correct has not had or would not reasonably be expected to have, a Material Adverse Effect (and, for this purpose, any reference to "material" or other concepts of materiality in such representations and warranties shall be ignored), except in each case (i) to the extent such representations and warranties speak as of an earlier date (in which case such representations and warranties shall be true and correct in all respects as of such date), or (ii) as affected by transactions contemplated or permitted by this Agreement and Baltic shall have provided to PhosCan a certificate of two senior officers certifying such accuracy on the Effective Date;

(c) Baltic and Orebodies shall have complied in all material respects with their respective covenants herein, except where the failure to comply with such covenants would not reasonably be expected to have a Material Adverse Effect on Baltic or PhosCan or materially impede the Effective Date, and Baltic shall have provided to PhosCan a certificate of two senior officers certifying compliance with such covenants;

(d) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any Governmental Authority or by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, which in the sole judgment of Baltic, acting reasonably, in either case has had or, if the Arrangement was consummated, would result in a Material Adverse Effect on Baltic or PhosCan or would have a material adverse effect on the ability of the parties to complete the Arrangement;

(e) Baltic and Orebodies shall have each furnished PhosCan with certified copies of the resolutions duly passed by the Baltic Board of Directors and the Orebodies Board of Directors approving this Agreement and the consummation of the transactions contemplated hereby;

(f) between the date hereof and the Effective Time, there shall have not occurred or have been disclosed to PhosCan or the public, if not previously disclosed to PhosCan or the public, any Material Adverse Change in Baltic;

(g) Baltic shall have no liabilities immediately before the Effective Time, other than (i) tax liabilities, if any (which tax liabilities form part of the Assumed Liabilities and are the responsibility of Orebodies), (ii) liabilities relating to the Martison Project, if any (which liabilities form part of the Assumed Liabilities and are the responsibility of Orebodies), and (iii) the PhosCan Advances;

(h) immediately after the Effective Time, Baltic shall have no assets other than the Warrant Proceeds, its interest in the Martison Project and the benefit of any amounts advanced by Baltic to the Martison Project; for greater certainty, it is acknowledged and agreed that Baltic's tax pools as at such time need not include the tax pools associated with the Martison Project;

(i) PhosCan shall be satisfied acting reasonably that no third party has any rights that may materially adversely impact on the rights of Baltic in respect of the Martison Project.

The parties acknowledge and agree that PhosCan shall not be entitled to claim that there has been a Material Adverse Effect on Baltic as a result of, arising from or based upon the results of work being conducted by or on behalf of PhosCan and Baltic with respect to the Martison Project.

The foregoing conditions precedent are for the benefit of PhosCan and may be waived, in whole or in part, by PhosCan in writing at any time. If any of the said conditions precedent shall not be satisfied or waived by PhosCan on or before the date required for the performance thereof, PhosCan may rescind and terminate this Agreement by written notice from PhosCan to Baltic, save and except for Article 7, Section 2.11 and Section 2.12.

ARTICLE 6
NON-SOLICITATION

6.1 Non-Solicitation by Baltic

(a) Prior to the Effective Date, neither Baltic nor Orebodies shall, directly or indirectly, through any officer, director, employee, representative or agent of Baltic or Orebodies, or otherwise:

(i) solicit, initiate, invite or knowingly facilitate or knowingly encourage (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in any inquiries or proposals regarding any Alternative Proposal; or

(ii) subject to this Article 6, provide any material non-public information to, initiate, continue or participate in any discussions or negotiations relating to any such transactions with, or otherwise co-operate with or assist or facilitate, encourage or participate in any effort to take such action by, any Person,

provided that nothing contained in this Article 6 shall prevent or restrict the board of directors of Baltic from, subject to complying with this Article 6:

(A) considering, responding to, negotiating or making any disclosure to the Shareholders of any unsolicited bona fide Alternative Proposal made by a third party that is a Superior Proposal;

(B) approving and recommending to the Shareholders a Superior Proposal;

(C) entering into an agreement in respect of a Superior Proposal;

(D) where necessary or advisable in order for the directors of Baltic to satisfy their fiduciary obligations, withdrawing, qualifying or changing their recommendation to the Shareholders in respect of the Arrangement;

(E) taking any other action with regard to an Alternative Proposal to the extent ordered or otherwise mandated by any court of competent jurisdiction; or

(F) complying with Section 172 of the *Securities Act* (Alberta) and similar provisions under applicable laws relating to the provisions of directors' circulars and making appropriate disclosure with respect thereto.

(b) Any good faith determination that an Alternative Proposal is a Superior Proposal to be made by the board of directors of Baltic shall only be made after receipt by the board of directors of Baltic of written advice of outside counsel (which may include a written opinion) or advice of outside counsel that is reflected in the minutes of the Baltic board of directors to the effect that the board of directors of Baltic is required to consider such Alternative Proposal and/or to furnish information concerning Baltic in connection therewith in order to discharge its fiduciary duties under applicable law.

(c) Baltic shall, and shall direct and cause its directors, officers, employees, representatives and agents to, immediately cease and cause to be terminated any discussions or negotiations with any Persons, other than PhosCan, with respect to any proposal that constitutes, or may reasonably be expected to constitute an Alternative Proposal, and Baltic shall immediately close any data rooms, as applicable and request the return or destruction of all information provided to third parties under confidentiality agreements. Baltic has not released and agrees not to release any third party from, nor will it waive or otherwise forbear in the enforcement of, any confidentiality or standstill agreement to which Baltic and such third party are parties. Baltic shall immediately advise PhosCan orally and in written form of any response or action by any recipient of such information which Baltic reasonably believes could adversely affect the completion of the Arrangement, or give rise to an Alternative Proposal.

(d) Baltic shall immediately notify PhosCan of any inquiry that constitutes, or may reasonably be expected to lead to, an Alternative Proposal. Such notice to PhosCan shall be made, from time to time, orally and in writing and shall indicate such details of the proposal, inquiry or contact known to Baltic as PhosCan may reasonably request, including the identity of the Person making such proposal, inquiry or contact and a copy of the Alternative Proposal and any amendment thereto.

Baltic shall keep PhosCan informed of the status of any such Alternative Proposal or inquiry, including any changes to the material terms.

(e) If Baltic receives a request for material non-public information from a Person who makes to Baltic a bona fide written Alternative Proposal and the board of directors of Baltic determines that such proposal is a Superior Proposal, then, and only in such case, Baltic may, subject to the execution of a confidentiality agreement substantially in the form attached as Appendix IV, provide such Person with access to information regarding Baltic. Baltic shall provide a copy of any such confidentiality agreement to PhosCan forthwith following its execution and provide PhosCan with a list of all information provided to such Person (and copies of any such information not previously provided to PhosCan) forthwith after the information is provided to such Person.

(f) Baltic shall ensure that the directors, officers, employees, representatives and agents of Baltic (including any investment banker, other advisor or representative retained by Baltic) are aware of the provisions of this Article, and Baltic shall be responsible for any breach of this Article by any of the foregoing.

(g) During the term of this Agreement Baltic will not enter into any agreement (other than a confidentiality agreement substantially in the form attached as Appendix IV) regarding a Superior Proposal (the "**Proposed Agreement**") or release the Person making the Superior Proposal from any standstill agreements without providing PhosCan with an opportunity of not less than five Business Days to amend this Agreement to provide at least as favourable terms as those to be included in the Proposed Agreement. In particular, Baltic covenants to provide PhosCan with all material terms and conditions of any Proposed Agreement at least five Business Days prior to its proposed execution by Baltic. The board of directors of Baltic will review any offer by PhosCan to amend the terms of this Agreement in good faith in order to determine, acting reasonably and exercising its fiduciary duties, whether PhosCan's offer, upon acceptance by Baltic, would result in the Proposed Agreement not being a Superior Proposal. If the board of directors of Baltic so determines, it will enter into an amended agreement with PhosCan reflecting PhosCan's amended proposal. In the event PhosCan agrees to amend this Agreement as provided above within such five Business Day period, Baltic covenants to not enter into the Proposed Agreement or release the Person making the Superior Proposal from any standstill agreements.

(h) If after giving effect to subsection (g) of this section, the board of directors of Baltic withdraws its recommendation in respect of the Arrangement or causes Baltic to enter into a binding agreement (other than a confidentiality agreement in the form in Appendix IV) respecting a Superior Proposal, Baltic shall terminate this agreement by written notice from Baltic to PhosCan. On this

Agreement being terminated pursuant to this Article 6 neither party shall have any further liability to the other under this Agreement, other than as specified in Article 7.

6.2 PhosCan Non-Solicitation.

(a) Prior to the Effective Date, neither PhosCan nor any of its Subsidiaries shall, directly or indirectly, through any officer, director, employee, representative or agent of PhosCan or any of its Subsidiaries or otherwise:

(i) solicit, initiate, invite or knowingly facilitate or knowingly encourage (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in any inquiries or proposals regarding any Alternative Proposal; or

(ii) subject to this Article 6, provide any material non-public information to, initiate, continue or participate in any discussions or negotiations relating to any such transactions with, or otherwise co-operate with or assist or facilitate, encourage or participate in any effort to take such action by, any Person,

provided that nothing contained in this Article 6 shall prevent or restrict the board of directors of PhosCan from, subject to complying with this Article :

(A) considering, responding to, negotiating or making any disclosure of any unsolicited bona fide Alternative Proposal made by a third party that is a Superior Proposal;

(B) approving and recommending to its shareholders a Superior Proposal;

(C) entering into an agreement in respect of a Superior Proposal;

(D) where necessary or advisable in order for the directors of PhosCan to satisfy their fiduciary obligations, withdrawing, qualifying or changing their recommendation to the shareholders of PhosCan in respect of the Arrangement;

(E) taking any other action with regard to an Alternative Proposal to the extent ordered or otherwise mandated by any court of competent jurisdiction; or

(F) complying with Section 172 of the *Securities Act* (Alberta) and similar provisions under applicable laws relating to the provisions of directors' circulars and making appropriate disclosure with respect thereto.

(b) Any good faith determination that an Alternative Proposal is a Superior Proposal to be made by the board of directors of PhosCan shall only be made after receipt by the board of directors of PhosCan of written advice of outside counsel (which may include a written opinion) or advice of outside counsel that is reflected in the minutes of the PhosCan board of directors to the effect that the board of directors of PhosCan is required to consider such Alternative Proposal and/or to furnish information concerning PhosCan in connection therewith in order to discharge its fiduciary duties under applicable law.

(c) PhosCan and its Subsidiaries shall, and shall direct and cause their directors, officers, employees, representatives and agents to, immediately cease and cause to be terminated any discussions or negotiations with any Persons, other than Baltic, with respect to any proposal that constitutes or may reasonably be expected to constitute an Alternative Proposal, and PhosCan shall immediately close any data rooms, as applicable and request the return or destruction of all information provided to third parties under confidentiality agreements. PhosCan has not released and agrees not to release any third party from, nor will it waive or otherwise forbear in the enforcement of, any confidentiality or standstill agreement to which PhosCan and such third party are parties. PhosCan shall immediately advise Baltic orally and in written form of any response or action by any recipient of such information which PhosCan reasonably believes could adversely affect the completion of the Merger, or give rise to an Alternative Proposal.

(d) PhosCan shall immediately notify Baltic of any inquiry that constitutes, or may reasonably be expected to lead to, an Alternative Proposal. Such notice to Baltic shall be made, from time to time, orally and in writing and shall indicate such details of the proposal, inquiry or contact known to PhosCan as Baltic may reasonably request, including the identity of the Person making such proposal, inquiry or contact and a copy of the Alternative Proposal and any amendment thereto. PhosCan shall keep Baltic informed of the status of any such Alternative Proposal or inquiry, including any change to the material terms.

(e) If PhosCan receives a request for material non-public information from a Person who makes to PhosCan a bona fide written Alternative Proposal and the board of directors of PhosCan determines that such proposal is a Superior Proposal, then, and only in such case, PhosCan may, subject to the execution of a confidentiality agreement substantially in the form attached as Appendix IV, provide such Person with access to information regarding PhosCan. PhosCan shall provide a copy of any such confidentiality agreement to Baltic forthwith following its execution and provide Baltic with a list of all information provided to such Person (and copies of any such information not previously provided to Baltic) forthwith after the information is provided to such Person.

(f) PhosCan shall ensure that the directors, officers, employees, representatives and agents of PhosCan and its Subsidiaries (including any investment banker, other advisor or representative retained by PhosCan), are aware of the provisions of this Article, and PhosCan shall be responsible for any breach of this Article by any of the foregoing.

(g) During the term of this Agreement PhosCan will not enter into any agreement (other than a confidentiality agreement substantially in the form attached as Appendix IV) regarding a Superior Proposal (the "**Proposed Agreement**") or release the Person making the Superior Proposal from any standstill agreements without providing Baltic with an opportunity of not less than five business days to amend this Agreement to provide at least as favourable terms as those to be included in the Proposed Agreement. In particular, PhosCan covenants to provide Baltic with all material terms and conditions of any Proposed Agreement at least five Business Days prior to its proposed execution by PhosCan. The board of directors of PhosCan will review any offer by Baltic to amend the terms of this Agreement in good faith in order to determine, acting reasonably and exercising its fiduciary duties, whether Baltic's offer, upon acceptance by PhosCan, would result in the Proposed Agreement not being a Superior Proposal. If the board of directors of PhosCan so determines, it will enter into an amended agreement with Baltic reflecting Baltic's amended proposal. In the event Baltic agrees to amend this Agreement as provided above within such five Business Day period, PhosCan covenants to not enter into the Proposed Agreement or release the Person making the Superior Proposal from any standstill agreements.

(h) If after giving effect to subsection (g) of this section, the board of directors of PhosCan withdraws its recommendation in respect of the Arrangement or causes PhosCan to enter into a binding agreement (other than a confidentiality agreement in the form in Appendix IV) respecting a Superior Proposal, PhosCan shall terminate this agreement by written notice from PhosCan to Baltic. On this Agreement being terminated pursuant to this Article 6 neither party shall have any further liability to the other under this Agreement, other than as specified in Article 7.

ARTICLE 7

COMPENSATION FEE

7.1 Compensation Fee Paid by Baltic.

Provided that there is no breach or non performance by PhosCan or PhosCan Sub, in any material respect, of any of their representations, warranties or covenants made in this Agreement (excluding the breach of a covenant where PhosCan or PhosCan Sub is precluded from satisfying its obligation through action or omission of Baltic), if at any time after the execution of the Pre-Merger Agreement and prior to the termination of this Agreement:

(a) the board of directors of Baltic has failed to make, withdrawn or, in any manner adverse to PhosCan, redefined, modified or changed any of its recommendations or determinations referred to in this Agreement prior to the Expiry Date, or has resolved or proposed publicly to do so;

(b) if any *bona fide* Alternative Proposal for Baltic Common Shares is publicly announced or commenced prior to the Expiry Date and the board of directors of Baltic shall have failed to reaffirm and maintain its recommendation of the Merger to its shareholders within four business days after the announcement or commencement of any such Alternative Proposal;

(c) prior to the Expiry Date, the board of directors of Baltic shall have recommended that its shareholders deposit their Baltic Common Shares under, vote in favour of, or otherwise accept, an Alternative Proposal;

(d) Baltic shall have entered into an agreement (other than a confidentiality agreement substantially in the form attached as Appendix IV) with any person with respect to an Alternative Proposal prior to the Expiry Date;

(e) an Alternative Proposal is publicly announced, proposed, offered or made to Baltic or its shareholders prior to the Expiry Date, and, on or prior to the date which is 12 months subsequent to the Expiry Date, Baltic shall have entered into any agreement (other than a confidentiality agreement, which will be in the form of Appendix IV if executed during the term of this Agreement) in respect of such Alternative Proposal or such Alternative Proposal shall have been otherwise consummated; or

(f) Baltic fails to comply fully with, in all material respects, or breaches, in any material respect, any of its representations, warranties or covenants made in this Agreement prior to the Effective Date and does not cure its noncompliance or breach within a period not exceeding 10 days from the date that notice of the non-compliance or breach is delivered by PhosCan to Baltic;

Baltic shall pay to PhosCan the amount of One Million Canadian Dollars (C$1,000,000) (the "**PhosCan Compensation Fee**"). Such payment shall be made in immediately available funds in an account designated by PhosCan, within three Business Days after the first to occur of the events described above. Baltic shall only be obligated to make one payment pursuant to this section. Payment of the PhosCan Compensation Fee shall be considered to be a genuine pre-estimate of PhosCan's liquidated damages to compensate PhosCan for its direct and indirect costs of negotiating with Baltic, settling this Agreement and completing the Arrangement, and is not considered a penalty and shall be in full and final settlement and release of all actions, proceedings, covenants, demands, damages, liabilities, claims, suits and causes of action that PhosCan may have against Baltic, all of its Subsidiaries and all of its officers and directors arising from this Agreement.

7.2 Compensation Fee Paid by PhosCan.

Provided that there is no breach or non-performance by Baltic or Orebodies, in any material respect, of any of its representations, warranties or covenants made in this Agreement or the Pre-Merger Agreement (excluding the breach of a covenant where Baltic or Orebodies is precluded from satisfying its obligations through action or omission of PhosCan), if at any time after the execution of the Pre-Merger Agreement and prior to the termination of this Agreement:

(a) the board of directors of PhosCan has failed to make, withdrawn or, in any manner adverse to Baltic, redefined, modified or changed any of its recommendations or determinations referred to in this Agreement prior to the Effective Date, or has resolved or proposed publicly to do so;

(b) if any *bona fide* Alternative Proposal for PhosCan Common Shares is publicly announced or commenced prior to the Expiry Date and the board of directors of PhosCan shall have failed to reaffirm and maintain its recommendation of the Merger to its shareholders within four business days after the announcement or commencement of any such Alternative Proposal;

(c) prior to the Expiry Date, the board of directors of PhosCan shall have recommended that its shareholders deposit their PhosCan Common Shares under, vote in favour of, or otherwise accept, an Alternative Proposal;

(d) PhosCan shall have entered into an agreement (other than a confidentiality agreement substantially in the form attached as Appendix IV) with any person with respect to an Alternative Proposal prior to the Expiry Date;

(e) an Alternative Proposal is publicly announced, proposed, offered or made to PhosCan or its shareholders prior to the Expiry Date, and, on or prior to the date which is 12 months subsequent to the Expiry Date, PhosCan shall have entered into any agreement (other than a confidentiality agreement, which will be in the form of Appendix IV if executed during the term of this Agreement) in respect of such Alternative Proposal or such Alternative Proposal shall have been otherwise consummated; or

(f) PhosCan fails to comply fully with, in all material respects, or breaches, in any material respect, any of its representations, warranties or covenants made in this Agreement prior to the Effective Date and does not cure its noncompliance or breach within a period not exceeding 10 days from the date that notice of the non-compliance or breach is delivered by Baltic to PhosCan.

PhosCan shall pay to Baltic the amount of One Million Canadian Dollars (C$1,000,000) (the "**Baltic Compensation Fee**"). Such payment shall be made in immediately available funds in an account designated by Baltic, within three Business Days after the first to occur of the events described above. PhosCan shall only be obligated to make one payment pursuant to this section. Payment of the Baltic Compensation Fee shall be considered to be a genuine pre-estimate of Baltic's liquidated damages to compensate Baltic for its direct and indirect costs of negotiating with PhosCan, settling this Agreement and completing the Arrangement, and is not considered a penalty and shall be in full and final settlement and release of all actions, proceedings, covenants, demands, damages, liabilities, claims, suits and causes of action that Baltic may have against PhosCan, all of its Subsidiaries and all of its officers and directors arising from this Agreement.

ARTICLE 8
AMENDMENT AND TERMINATION

8.1 Amendment

This Agreement may at any time and from time to time before or after the holding of the Meeting be amended by written agreement of the parties hereto without, subject to Applicable Law, further notice to or authorization on the part of their respective security holders and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the parties;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties; or

(d) waive compliance with or modify any other conditions precedent contained herein, provided that no such amendment reduces or materially adversely affects the consideration to be received by a Shareholder without approval by the affected security holders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

8.2 Termination

(a) This Agreement may be terminated at any time prior to the Effective Date:

(i) by mutual written consent of PhosCan and Baltic;

(ii) as provided in Sections 5.1, 5.2 and 5.3;

(iii) by Baltic upon the occurrence of an event as provided in Section 7.1 provided that Baltic has paid to PhosCan the PhosCan Compensation Fee;

(iv) by PhosCan upon the occurrence of an event as provided in Section 7.2, provided that PhosCan has paid to Baltic the Baltic Compensation Fee;

(v) by Baltic if:

(A) PhosCan is in breach of any of its covenants made in this Agreement which individually or in the aggregate causes or would reasonably be expected to have a Material Adverse Effect on the affairs, operations or business of any of PhosCan or PhosCan Sub or materially impedes the completion of the Arrangement and the transactions contemplated herein, and PhosCan fails to cure or cause the cure of such breach within five Business Days after receipt of written notice thereof from Baltic (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Expiry Date); or

(B) PhosCan is in breach of any of its representations or warranties made in this Agreement (i) that are qualified by a reference to Material Adverse Effect or (ii) that are not qualified by a reference to a Material Adverse Effect and the breach thereof has or would reasonably be expected to have, a Material Adverse Effect (and, for this purpose, any reference to "material" or other concepts of materiality in such representations and warranties shall be ignored) on PhosCan or, in either case, such breach materially impedes the completion of the Arrangement, and PhosCan fails to cure or cause the cure of such breach within five Business Days after receipt of written notice thereof from Baltic (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Expiry Date); or

(vi) by PhosCan if:

(A) Baltic is in breach of any of its covenants made in this Agreement which breach individually or in the aggregate causes or would reasonably be expected to have a Material Adverse Effect on the affairs, operations or business of Baltic with respect to the Martison Project, or materially impedes the completion of the Arrangement and the transactions contemplated herein, and Baltic fails to cure or cause the cure of such breach within five Business Days after receipt of written notice thereof from PhosCan (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Expiry Date); or

(B) Baltic is in breach of any of its representations or warranties made in this Agreement (i) that are qualified by a reference to Material Adverse Effect or (ii) that are not qualified by a reference to a Material Adverse Effect and the breach thereof has or would reasonably be expected to have a Material Adverse Effect (and, for this purpose, any reference to "material" or other concepts of materiality in such representations and warranties shall be ignored) on Baltic with respect to the Martison Project or, in either case, such breach materially impedes the completion of the Arrangement, and Baltic fails to cure or cause the cure of such breach within five Business Days after receipt of written notice thereof from PhosCan (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Expiry Date); and

(b) If this Agreement is terminated in accordance with the foregoing provisions of this Section 8.2, this Agreement shall forthwith become void and no party shall have any further liability to perform its obligations hereunder except as provided in Article 7, Section 2.11 and Section 2.12 and each Party's obligations under the Confidentiality Agreement, which shall survive such termination, and provided that neither the termination of this Agreement nor anything contained in this Section 8.2(b) shall relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made herein, prior to the date of such termination.

ARTICLE 9

GENERAL

9.1 Notices

All notices to any of the parties hereto which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by facsimile, in each case to the attention of the senior officer at the following address or at such other address as shall be specified by a party hereto by like notice:

(a) if to Baltic:

Baltic Resources Inc.
360 Bay Street, Suite 500
Toronto, ON M5H 2V6

Attention: Donald McKinnon, President and Chief Executive Officer
Facsimile: (705) 268-5532

with a copy to:

Macleod Dixon LLP
500 – 100 Wellington Street West
Toronto, ON M5K 1H1

Attention: Marvin J. Singer
Facsimile: (416) 360-8277

(b) if to PhosCan:

PhosCan Chemical Corp.
2 Bloor Street West, Suite 1730
Toronto, ON M4W 3E2

Attention: Stephen D. Case, President and Chief Executive Officer
Facsimile: (416) 972-0662

with a copy to:

Beach Hepburn LLP
36 Toronto Street, Suite 1000
Toronto, ON M5C 2C5

Attention: Mark F. Wheeler
Facsimile: (416) 350-3510

Any notice that is delivered to such address shall be deemed to be delivered on the date of delivery if delivered on a Business Day prior to 5:00 p.m. (local time at the place of receipt) or on the next Business Day if delivered after 5:00 p.m. or on a non-Business Day. Any notice delivered by facsimile transmission shall be deemed to be delivered on the date of transmission if delivered on a Business Day prior to 5:00 p.m. (local time at the place of receipt) or on the next Business Day if delivered after 5:00 p.m. or on a non-Business Day.

9.2 Time of the Essence

Time shall be of the essence in this Agreement.

9.3 Assignment

None of the parties hereto may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other.

9.4 Binding Effect

This Agreement and the Plan of Arrangement shall be binding upon and shall enure to the benefit of each of the parties hereto and the respective successors and permitted assigns thereof.

9.5 Waiver

Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing executed by the party hereto granting such waiver or release.

9.6 Further Assurances

Each party hereto shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts, and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as may be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Arrangement.

9.7 Governing Law

This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario. Each party hereto hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario in respect of all matters arising under or in relation to this Agreement.

9.8 Expenses

All costs and expenses incurred in connection with the negotiation and execution of the Arrangement by PhosCan shall be borne by PhosCan, and all costs and expenses incurred in connection with the negotiation and execution of the Arrangement by Baltic and/or Orebodies shall be borne by Orebodies.

9.9 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

BALTIC RESOURCES INC.

Per: ______________________

Name: Donald McKinnon

Title: Chief Executive Officer

CANADIAN OREBODIES INC.

Per: ______________________

Name:

Title:

PHOSCAN CHEMICAL CORP.

Per: ______________________

Name: Stephen D. Case

Title: President and Chief Executive Officer

1366825 ALBERTA LTD.

Per: ______________________

Name: Stephen D. Case

Title: President and Chief Executive Officer

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

BALTIC RESOURCES INC.

Per: ______________________________

Name: Donald McKinnon

Title: Chief Executive Officer

CANADIAN OREBODIES INC.

Per: ______________________________

Name:

Title:

PHOSCAN CHEMICAL CORP.

Per: ______________________________

Name: Stephen D. Case

Title: President and Chief Executive Officer

1366825 ALBERTA LTD.

Per: ______________________________

Name: Stephen D. Case

Title: President and Chief Executive Officer

APPENDIX I

DESCRIPTION OF TRANSFERRED ASSETS

Webequie Area Projects

A 50% interest in the following mining claims located in the Province of Ontario:

Claim	Division	Area	G-Plan	Date Recorded	Date Due	Count	Units
4224664	Thunder Bay	Grady Lake	G-0260	2007-Oct-18	2009-Oct-18	1	16
4224665	Thunder Bay	Grady Lake	G-0260	2007-Oct-18	2009-Oct-18	2	16
4224666	Thunder Bay	Abbott Lake	G-0186	2007-Oct-18	2009-Oct-18	3	12
4224667	Thunder Bay	Abbott Lake	G-0186	2007-Oct-18	2009-Oct-18	4	16
4224668	Thunder Bay	Grady Lake	G-0260	2007-Oct-18	2009-Oct-18	5	16
4224669	Thunder Bay	Grady Lake	G-0260	2007-Oct-18	2009-Oct-18	6	16
4224671	Thunder Bay	Abbott Lake	G-0186	2007-Oct-18	2009-Oct-18	7	16
4224672	Thunder Bay	Abbott Lake	G-0186	2007-Oct-18	2009-Oct-18	8	16
4224673	Thunder Bay	Abbott Lake	G-0186	2007-Oct-18	2009-Oct-18	9	16
4224674	Thunder Bay	Grady Lake	G-0260	2007-Oct-18	2009-Oct-18	10	16
4224678	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	11	16
4224679	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	12	16
4224680	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	13	16
4224681	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	14	16
4224682	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	15	16
4224683	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	16	16
4224687	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	17	16
4224688	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	18	16
4224689	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	19	16
4224690	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	20	16
4224691	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	21	16
4224692	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	22	16
4224698	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	23	16
4224699	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	24	16
4224700	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	25	16
4224701	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	26	12
4224702	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	27	8
					Total	**27**	**416**

Claim	Division	Area	G-Plan	Date Recorded	Date Due	Count	Units
4221631	Thunder Bay	BMA 524864	G-4265	2007-Oct-17	2009-Oct-17	1	16
4221632	Thunder Bay	BMA 524864	G-4265	2007-Oct-17	2009-Oct-17	2	16
4221633	Thunder Bay	BMA 524864	G-4265	2007-Oct-17	2009-Oct-17	3	16
4221634	Thunder Bay	BMA 524864	G-4265	2007-Oct-17	2009-Oct-17	4	16
4221635	Thunder Bay	BMA 524863	G-4274	2007-Oct-17	2009-Oct-17	5	16
4221636	Thunder Bay	BMA 524863	G-4274	2007-Oct-17	2009-Oct-17	6	16
4221637	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	7	16
4221638	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	8	16
4221639	Thunder Bay	BMA 525864	G-4276	2007-Oct-17	2009-Oct-17	9	16
4221640	Thunder Bay	BMA 525864	G-4276	2007-Oct-17	2009-Oct-17	10	16
4221641	Thunder Bay	BMA 525864	G-4276	2007-Oct-17	2009-Oct-17	11	16
4221642	Thunder Bay	BMA 525864	G-4276	2007-Oct-17	2009-Oct-17	12	16
4221643	Thunder Bay	BMA 525864	G-4276	2007-Oct-17	2009-Oct-17	13	16
4221644	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	14	16
4221645	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	15	16
4221646	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	16	16
4221647	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	17	16
4221648	Thunder Bay	BMA 525864	G-4276	2007-Oct-17	2009-Oct-17	18	16
4221649	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	19	16
4221650	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	20	12
					Total	**20**	**316**

Claim	Division	Area	G-Plan	Date Recorded	Date Due	Count	Units
4221662	Porcupine	BMA 527854	G-4219	2007-Oct-15	2009-Oct-15	1	16
4221663	Porcupine	BMA 527854	G-4219	2007-Oct-15	2009-Oct-15	2	16
4221664	Porcupine	BMA 527853	G-4226	2007-Oct-15	2009-Oct-15	3	16
4221668	Porcupine	BMA 528854	G-4190	2007-Oct-12	2009-Oct-12	4	16
4221665	Porcupine	BMA 527854	G-4219	Filed Only			16
4220825	Porcupine	BMA 527854	G-4219	Filed Only			8
					Total	**4**	**88**
					TOTAL	**51**	**820**

A 100% interest in the following claims located in the Province of Ontario, subject to a 2% net smelter royalty, held as to 1% by Noront Resources Ltd. and as to 1% by Temex Resources Corp.:

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 533864	G-4291	2007-Oct-24	2009-Oct-24	Baltic	1	16
BMA 533864	G-4291	2007-Oct-24	2009-Oct-24	Baltic	2	16
				Total	**2**	**32**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 533862	G-4272	2007-Nov-07	2009-Nov-07	Baltic	1	16
BMA 532863	G-4303	2007-Nov-07	2009-Nov-07	Baltic	2	16
				Total	**2**	**32**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 533862	G-4272	2007-Oct-23	2009-Oct-23	Baltic	1	16
BMA 533862	G-4272	2007-Oct-23	2009-Oct-23	Baltic	2	16
BMA 533862	G-4272	2007-Oct-23	2009-Oct-23	Baltic	3	16
BMA 533862	G-4272	2007-Oct-23	2009-Oct-23	Baltic	4	16
BMA 533862	G-4272	2007-Oct-23	2009-Oct-23	Baltic	5	16
				Total	**5**	**80**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 533861	G-4271	2007-Nov-08	2009-Nov-08	Baltic	1	16
BMA 533861	G-4271	2007-Nov-08	2009-Nov-08	Baltic	2	16
BMA 533861	G-4271	2007-Nov-08	2009-Nov-08	Baltic	3	16
				Total	**3**	**48**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 532864	G-4289	2007-Oct-26	2009-Oct-26	Baltic	1	16
BMA 532863	G-4290	2007-Oct-26	2009-Oct-26	Baltic	2	16
				Total	**2**	**32**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	1	16
BMA 531862	G-4305	2007-Nov-01	2009-Nov-01	Baltic	2	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	3	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	4	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	5	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	6	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	7	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	8	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Baltic	9	16
BMA 531863	G-4288	2007-Nov-01	2009-Nov-01	Baltic	10	16
BMA 531863	G-4288	2007-Nov-01	2009-Nov-01	Baltic	11	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	12	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Baltic	13	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Baltic	14	16
				Total	**14**	**224**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 532862	G-4303	2007-Oct-26	2009-Oct-26	Baltic	1	16
BMA 532862	G-4303	2007-Oct-26	2009-Oct-26	Baltic	2	16
BMA 532862	G-4303	2007-Oct-26	2009-Oct-26	Baltic	3	16
				Total	**3**	**48**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	1	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	2	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	3	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	4	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	5	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	6	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	7	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	8	16
				Total	**8**	**128**

TOTAL 39 624

A 1% net smelter royalty in the following claims:

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	1	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	2	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	3	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	4	16
Nabish Lake	G-0339	2007-Oct-17	2009-Oct-17	Noront	5	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	6	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	7	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	8	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	9	16
Nabish Lake	G-0339	2007-Oct-17	2009-Oct-17	Temex	10	16
Nabish Lake	G-0339	2007-Oct-17	2009-Oct-17	Temex	11	16
Nabish Lake	G-0339	2007-Oct-17	2009-Oct-17	Temex	12	16
Nabish Lake	G-0339	2007-Oct-17	2009-Oct-17	Temex	13	16
Nabish Lake	G-0339	2007-Oct-17	2009-Oct-17	Temex	14	16
Nabish Lake	G-0339	2007-Oct-24	2009-Oct-24	Temex	15	16
Nabish Lake	G-0339	2007-Oct-24	2009-Oct-24	Temex	16	16
Nabish Lake	G-0339	2007-Oct-24	2009-Oct-24	Temex	17	16
Nabish Lake	G-0339	2007-Oct-24	2009-Oct-24	Temex	18	16
				Total	**18**	**288**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 532864	G-4289	2007-Oct-17	2009-Oct-17	Noront	1	16
BMA 532864	G-4289	2007-Oct-17	2009-Oct-17	Noront	2	8
BMA 532864	G-4289	2007-Oct-17	2009-Oct-17	Noront	3	16
BMA 532864	G-4289	2007-Oct-17	2009-Oct-17	Noront	4	16
BMA 532864	G-4289	2007-Oct-17	2009-Oct-17	Noront	5	16
BMA 533864	G-4291	2007-Oct-17	2009-Oct-17	Temex	6	16
BMA 533863	G-4292	2007-Oct-24	2009-Oct-24	Temex	7	16
BMA 533863	G-4292	2007-Oct-24	2009-Oct-24	Temex	8	16
BMA 533863	G-4292	2007-Oct-24	2009-Oct-24	Temex	9	8
BMA 533863	G-4292	2007-Oct-24	2009-Oct-24	Temex	10	12
				Total	**10**	**140**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Temex	1	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Temex	2	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Temex	3	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Temex	4	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Temex	5	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Temex	6	16
BMA 533862	G-4272	2007-Oct-22	2009-Oct-22	Noront	7	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Noront	8	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Noront	9	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Noront	10	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Noront	11	16
BMA 533862	G-4272	2007-Oct-22	2009-Oct-22	Noront	12	16
				Total	**12**	**192**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Temex	1	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Temex	2	16
BMA 531863	G-4288	2007-Nov-01	2009-Nov-01	Temex	3	16
BMA 531863	G-4288	2007-Nov-01	2009-Nov-01	Temex	4	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Temex	5	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Temex	6	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Temex	7	16
BMA 532863	G4303	2007-Oct-25	2009-Oct-25	Temex	8	16
BMA 532863	G-4290	2007-Oct-25	2009-Oct-25	Temex	9	16
BMA 532863	G-4290	2007-Oct-25	2009-Oct-25	Temex	10	16
BMA 532863	G-4290	2007-Oct-25	2009-Oct-25	Temex	11	16
BMA 532863	G-4290	2007-Nov-01	2009-Nov-01	Temex	12	16
BMA 532863	G-4290	2007-Nov-01	2009-Nov-01	Temex	13	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Temex	14	16
BMA 531862	G-4305	2007-Nov-01	2009-Nov-01	Noront	15	16
BMA 531862	G-4305	2007-Nov-01	2009-Nov-01	Noront	16	16
BMA 531862	G-4305	2007-Nov-01	2009-Nov-01	Noront	17	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Noront	18	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Noront	19	16

BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Noront	20	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Noront	21	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Noront	22	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Noront	23	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Noront	24	16
BMA 532862	G-4303	2007-Oct-25	2009-Oct-25	Noront	25	16
BMA 532862	G-4303	2007-Oct-25	2009-Oct-25	Noront	26	16
BMA 532862	G-4303	2007-Nov-01	2009-Nov-01	Noront	27	16
BMA 532862	G-4303	2007-Nov-01	2009-Nov-01	Noront	28	16
				Total	**28**	**448**

Area	**G-Plan**	**Date Recorded**	**Date Due**	**Interest_Main**	**Count**	**Units**
BMA 532862	G-4303	2007-Nov-08	2009-Nov-08	Temex	1	16
BMA 532862	G-4303	2007-Nov-08	2009-Nov-08	Temex	2	16
BMA 532862	G-4303	2007-Nov-08	2009-Nov-08	Temex	3	16
BMA 532862	G-4303	2007-Nov-08	2009-Nov-08	Temex	4	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Temex	5	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Temex	6	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Temex	7	16
				Total	**7**	**112**

Area	**G-Plan**	**Date Recorded**	**Date Due**	**Interest_Main**	**Count**	**Units**
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Noront	1	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Noront	2	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Noront	3	16
BMA 528862	G-4308	2007-Nov-08	2009-Nov-08	Noront	4	16
BMA 528862	G-4308	2007-Nov-08	2009-Nov-08	Noront	5	16
BMA 528862	G-4308	2007-Nov-08	2009-Nov-08	Noront	6	16
				Total	**6**	**96**

TOTAL	81	1276

Coral Rapids Project

The following mineral claims located in the Province of Ontario :

Township	Claim #	Recording Date	Due Date	Status	Ownership	Amount Required	Amount Spent	Reserve	Claim Bank
HAMLET	3000682	2002-Apr-02	2007-Oct-02	A	100%	$5,600	$16,800	$0	$0
HAMLET	3002352	2003-Mar-11	2008-Mar-11	A	100%	$6,000	$18,000	$0	$0
KILMER	1223523	1998-Oct-08	2008-Oct-27	A	100%	$1,200	$7,200	$0	$0
KILMER	1223532	1998-Oct-08	2008-Oct-27	A	100%	$6,400	$38,400	$0	$0
KILMER	1228205	1997-Oct-27	2008-Oct-27	A	100%	$400	$2,800	$0	$0
KILMER	1228206	1997-Oct-27	2008-Oct-27	A	100%	$6,400	$44,800	$0	$0
KILMER	1228684	1998-Oct-08	2008-Oct-27	A	100%	$6,400	$38,400	$0	$0
KILMER	4223271	2007-Sep-27	2009-Sep-27	A	100%	$4,800	$0	$0	$0
KILMER	4223272	2007-Sep-27	2009-Sep-27	A	100%	$3,600	$0	$0	$0
KILMER	4223273	2007-Sep-27	2009-Sep-27	A	100%	$6,000	$0	$0	$0
KILMER	4223274	2007-Sep-24	2009-Sep-24	A	100%	$3,600	$0	$0	$0
KINERAS	4207639	2005-Sep-28	2007-Sep-28	A	100%	$4,800	$0	$0	$0
PITT	1192934	2002-Apr-26	2008-Apr-26	A	100%	$6,400	$25,600	$0	$0
PITT	1192935	2002-Apr-26	2008-Apr-26	A	100%	$6,400	$25,600	$0	$0
PITT	1192936	2002-Apr-26	2008-Apr-26	A	100%	$6,367	$25,633	$0	$0
PITT	1192937	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
PITT	1192938	2002-Apr-26	2007-Nov-30	A	100%	$6,400	$19,200	$0	$0
PITT	1192939	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
PITT	1192940	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
PITT	1192941	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
PITT	1192942	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
PITT	1192943	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
PITT	1223526	1998-Oct-08	2008-Oct-27	A	100%	$5,600	$33,600	$0	$0
PITT	3000670	2002-Apr-02	2007-Oct-02	A	100%	$1,600	$4,800	$0	$0
PITT	3000671	2002-Apr-02	2007-Oct-02	A	100%	$5,600	$16,800	$0	$0
PITT	3000672	2002-Apr-02	2007-Oct-02	A	100%	$4,800	$14,400	$0	$0
PITT	3000673	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000674	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000675	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000676	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000677	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000678	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0

Township	Claim #	Recording Date	Due Date	Status	Ownership	Amount Required	Amount Spent	Reserve	Claim Bank
PITT	3000679	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000680	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000681	2002-Apr-02	2008-Apr-02	A	100%	$5,600	$22,400	$0	$0
PITT	3000683	2002-Apr-02	2007-Oct-02	A	100%	$5,600	$16,800	$0	$0
PITT	3000684	2002-Apr-02	2007-Oct-02	A	100%	$4,800	$14,400	$0	$0
PITT	3000685	2002-Apr-02	2007-Oct-02	A	100%	$4,800	$14,400	$0	$0
PITT	3000686	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000687	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000688	2002-Apr-02	2007-Oct-02	A	100%	$1,200	$3,600	$0	$0
PITT	3015249	2004-Apr-30	2007-Oct-11	A	100%	$6,400	$6,400	$0	$0
PITT	3015255	2004-Apr-30	2007-Oct-11	A	100%	$6,400	$6,400	$0	$0
PITT	4207640	2006-Feb-02	2008-Feb-02	A	100%	$3,200	$0	$0	$0
PITT	4207641	2006-Feb-02	2008-Feb-02	A	100%	$4,800	$0	$0	$0
VALENTINE	1199445	2002-Feb-25	2008-Feb-25	A	100%	$6,400	$25,600	$0	$0
VALENTINE	1199446	2002-Feb-25	2008-Feb-25	A	100%	$5,600	$22,400	$0	$0
VALENTINE	1223530	1998-Oct-08	2008-Oct-27	A	100%	$2,400	$14,400	$0	$0
VALENTINE	1223531	1998-Oct-08	2008-Oct-27	A	100%	$6,000	$36,000	$0	$0
VALENTINE	1228039	1998-Oct-08	2008-Oct-27	A	100%	$1,200	$7,200	$0	$0
VALENTINE	1238781	2000-Nov-17	2007-Nov-17	A	100%	$4,000	$20,000	$0	$0
VALENTINE	3000689	2002-Apr-02	2007-Oct-02	A	100%	$5,600	$16,800	$0	$0
VALENTINE	3000690	2002-Apr-02	2007-Oct-02	A	100%	$1,200	$3,600	$0	$0
VALENTINE	3001895	2002-Feb-25	2008-Feb-25	A	100%	$4,400	$17,600	$0	$0
VALENTINE	3015251	2004-Apr-30	2007-Oct-11	A	100%	$4,400	$4,400	$0	$0
VALENTINE	3015252	2004-Apr-30	2007-Oct-11	A	100%	$5,600	$5,600	$0	$0
VALENTINE	3015253	2004-Apr-30	2007-Oct-11	A	100%	$2,800	$2,800	$0	$0
VALENTINE	3015254	2004-Apr-30	2007-Oct-11	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	1192945	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
WACOUSTA	1192946	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
WACOUSTA	1192947	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
WACOUSTA	1192948	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
WACOUSTA	1192949	2002-Apr-26	2008-Apr-26	A	100%	$3,600	$14,400	$0	$0
WACOUSTA	3002356	2003-Apr-01	2007-Oct-02	A	100%	$6,400	$12,800	$0	$0
WACOUSTA	3002382	2003-Apr-14	2008-Apr-14	A	100%	$5,200	$15,600	$0	$0
WACOUSTA	3002383	2003-Apr-14	2008-Apr-14	A	100%	$6,000	$18,000	$0	$0
WACOUSTA	3006939	2003-Oct-08	2007-Oct-08	A	100%	$4,000	$8,000	$0	$0

Township	Claim #	Recording Date	Due Date	Status	Ownership	Amount Required	Amount Spent	Reserve	Claim Bank
WACOUSTA	3010925	2003-Apr-01	2007-Oct-02	A	100%	$6,400	$12,800	$0	$0
WACOUSTA	3015250	2004-Apr-30	2007-Oct-11	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	3019064	2004-Sep-13	2008-Mar-13	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	3019065	2004-Sep-13	2008-Mar-13	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	4203108	2005-Sep-14	2007-Sep-14	A	100%	$1,200	$0	$0	$0
WACOUSTA	4203109	2005-Sep-14	2007-Sep-14	A	100%	$6,400	$0	$0	$0
WACOUSTA	4203110	2005-Sep-14	2007-Sep-14	A	100%	$6,400	$0	$0	$0
WACOUSTA	4203111	2005-Sep-14	2007-Sep-14	A	100%	$6,400	$0	$0	$0
WACOUSTA	4203112	2005-Sep-14	2007-Sep-14	A	100%	$6,400	$0	$0	$0
WACOUSTA	4203113	2005-Sep-14	2007-Sep-14	A	100%	$6,400	$0	$0	$0
WACOUSTA	4206314	2005-Apr-21	2008-Apr-21	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	4206317	2005-Apr-21	2008-Apr-21	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	4206318	2005-Apr-21	2008-Apr-21	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	4207648	2005-Oct-13	2007-Oct-13	A	100%	$4,800	$0	$0	$0

Hawkins Project

The following mineral claims, mineral leases and application for quarry lease located in the Province of Ontario :

Township	Claim #	Recording Date	Due Date	Status	Ownership	Amount Required	Amount Spent	Reserve	Claim Bank
HAWKINS	1229071	1997-Jun-06	2008-Jun-06	A	100%	$3,200	$28,800	$0	$0
HAWKINS	1229072	1997-Jun-06	2008-Jun-06	A	100%	$6,400	$51,200	$0	$0
HAWKINS	1229073	1997-Jun-06	2008-Jun-06	A	100%	$6,400	$51,200	$0	$0
HAWKINS	3002377	2003-Jun-12	2008-Jun-12	A	100%	$6,400	$12,800	$0	$0
HAWKINS	3016341	2003-Jul-14	2008-Jul-14	A	100%	$6,400	$19,200	$0	$0
HAWKINS	3016342	2003-Jul-14	2008-Jul-14	A	100%	$6,400	$19,200	$15,206	$0
HAWKINS	3016376	2003-Jul-09	2008-Jul-09	A	100%	$6,000	$18,000	$10,208	$0
HAWKINS	3016377	2003-Jul-09	2008-Jul-09	A	100%	$6,000	$18,000	$2,758	$0
HAWKINS	3017789	2004-Jun-24	2008-Jun-24	A	100%	$6,400	$6,400	$0	$0
HAWKINS	3017790	2004-Jun-24	2008-Jun-24	A	100%	$6,400	$6,400	$0	$0
WALLS	3002378	2003-Jun-12	2008-Jun-12	A	100%	$4,000	$8,000	$0	$0
WALLS	3002396	2003-Jun-12	2008-Jun-12	A	100%	$6,000	$12,000	$0	

Other Assets

(a) Telephone Numbers belonging to Baltic:

(705) 268-9000;

(416) 933-6362;

(b) All documents, agreements, applications, instruments and information in any form whatsoever relating to the ownership, exploration and development of all of the above properties, including without limitation, all agreements to which Baltic is a party and technical reports; and

(c) all cash and other assets of Baltic other than the Warrant Proceeds and its interest in the Martison Project.

APPENDIX II

SHARE CAPITALIZATION

PhosCan Chemical Corp.
Share Capital Structure as of January 15, 2008

	Issue Date	Expiry Date	# of shares	Exercise
ISSUED AND OUTSTANDING			87,359,569	
OPTIONS-Directors, officers, employees etc.	November 4, 2003	November 4, 2008	650,000	$0 15
	April 21, 2006	April 21, 2011	800,000	$0.20
	May 25, 2007	May 25, 2012	300,000	$0.59
Total Number of Options			1,750,000	
WARRANTS				
Brokers compensation warrants	August 14, 2007	August 14, 2008	1,062,600	$0.90
	November 20, 2007	November 20, 2008	963,000	$1.10
Total Number of Warrants			2,025,600	
PROPERTY ACQUISITION AGREEMENTS				
				0
FULLY DILUTED NUMBER OF SHARES			91,135,169	

APPENDIX III

SHARE CAPITALIZATION

Baltic Resources Inc.
Share Capital Structure as of January 15, 2008

	Issue Date	Expiry Date	# of shares	Exercise
ISSUED AND OUTSTANDING			37,030,899	
			37,030,899	
OPTIONS-Directors, officers, employees etc.	August 15, 2005	August 15, 2010	200,000	$0.24
	August 15, 2005	August 15, 2010	200,000	$0.24
	August 15, 2005	August 15, 2010	200,000	$0.24
	August 15, 2005	August 15, 2010	200,000	$0.24
Total Number of Options			800,000	
BROKER WARRANTS AND OPTIONS				
Brokers compensation warrants Pope & Company	March 29, 2007	March 29, 2009	420,000	$0.40
Total Number of Broker Warrants and Options			420,000	
WARRANTS				
PROPERTY ACQUISITION AGREEMENTS				
				0
FULLY DILUTED NUMBER OF SHARES			38,250,899	

APPENDIX IV

CONFIDENTIALITY AGREEMENT

CONFIDENTIAL

<DATE>, 2008

•

Attention: •

Dear Sirs/Mesdames:

Re: Confidential Information

You have requested that • (the "**Corporation**") provide you with financial, operating and other information concerning the Corporation in connection with your consideration of a possible transaction between you and the Corporation and/or its security holders (the "**Transaction**").

You acknowledge that the information provided to you by the Corporation may include information that is not generally available to the public relating to the Corporation and its affiliates, associates and other Persons or entities in which the Corporation may have an interest or may have made an investment, to which the Corporation may have made loans or with which the Corporation may have contractual relations, and may be in written form, magnetically encoded, transmitted verbally or in any other form of media ("**Confidential Information**"), Confidential Information shall include all such information, whether or not marked as confidential or proprietary.

Subject to the terms and conditions hereof, the Corporation agrees to provide you with such information, which may include Confidential Information, as the Corporation determines, in its sole discretion, for you to use solely for the purpose of evaluating the Transaction (the "**Permitted Purpose**"). For greater certainty and without limiting the generality of the foregoing, the Permitted Purpose does not include any operational or commercial purpose. Further, nothing in this Agreement obligates the Corporation or its Representatives to make any particular disclosure of information or to complete, revise or update any such information that is disclosed.

As used herein, the term "Representatives" means, in respect of any Person, such Person, such Person's affiliates, such Person's lenders and prospective lenders and its and their officers, directors, employees, agents, counsel, accountants, investment bankers and other advisors (including financial advisors) and representatives. The term "Person" as used in this Agreement shall be broadly interpreted and shall include, without limitation, any individual, corporation, company, limited liability company, unincorporated organization, association, group, trust, partnership or other entity. Further, other terms used herein and not defined, such as "affiliate" and "associate", shall have the meanings given in the *Securities Act* (Ontario).

You agree that any and all Confidential Information furnished to you by the Corporation or its Representatives, whether before or after the date of this Agreement, together with any reports, analyses, compilations, memoranda, notes and any other writings (including, without limitation, any such materials in written form, magnetically encoded or in any other form of media) prepared by or for you or your Representatives which contain, reflect, review or are based in whole or in part upon Confidential Information (collectively with the Confidential Information, the "**Evaluation Material**"), will be held confidential by you, will not be disclosed by you in whole or in part to any Person and will not be used by you or caused or permitted by you to be used by any other Person in whole or in part in any way other than for the Permitted Purpose; provided, however, that:

(i) any of such Evaluation Material may be disclosed to your Representatives who need to know such information for the Permitted Purpose and for no other purpose whatsoever, who shall be informed by you of the confidential nature of the information and who agree to be bound by the terms of this Agreement (it being understood that you will cause your Representatives to treat such information in a confidential manner and in accordance with the terms hereof and that, in the case of outside advisors, such Persons must be acceptable to the Corporation, acting reasonably, and must have signed an agreement with the Corporation substantially in the form of this Agreement); and

(ii) any disclosure of Evaluation Material may be made to which the Corporation consents in writing.

As a condition to the foregoing, you and the Corporation further agree as follows:

1. Except as may be expressly permitted pursuant to the terms of this Agreement, you will not, and will cause your Representatives not to, disclose to any other Person that this Agreement exists, any term or condition of this Agreement, that you or any of your Representatives have received or produced any Evaluation Material, that discussions or negotiations are taking place concerning the Transaction or any of the terms, conditions or other facts with respect to the Transaction, including the status thereof.

2. Except as herein contemplated, you will not, and will cause your Representatives not to, contact any Representative of the Corporation or its affiliates other than •, the • of the Corporation (the "**Designated Representative**"), with respect to the Transaction, Evaluation Material or any other matter contemplated in this Agreement. All requests for Evaluation Material made by you shall be to the Designated Representative by [**phone/fax/e-mail at •**]. As noted above, however, the Corporation shall provide you with such information as it determines in its sole discretion. Further, any notices authorized or required by

this Agreement to be given to the Corporation shall be delivered to the Designated Representative in the manner specified above.

3. On request, you shall notify the Corporation of the full name, title, employer, location and function of each Person to whom you have delivered or disclosed any Evaluation Material or by whom any Evaluation Material has been produced for you. You agree to be responsible, and you will be responsible, for any breach of this Agreement by any of your Representatives or any other Person to whom you deliver or disclose any Evaluation Material. You shall make all reasonable, necessary and appropriate efforts to safeguard the Evaluation Material from disclosure to anyone other than as permitted hereby. Further, you agree to comply with all applicable laws in respect of the Evaluation Material, including, without limitation, securities, antitrust and competition laws.

4. The Confidential Information shall not be copied, reproduced in any form or stored in a retrieval system or data base by you or your Representatives without the prior written consent of the Corporation, except for such copies and storage as may be required internally by you or your Representatives in connection with the Permitted Purpose.

5. If at any time you determine that you do not wish to be involved in the Transaction, you will promptly advise the Corporation of that fact. The Corporation may also advise you at any time that it does not wish to be involved in the Transaction with you. In either event, upon the expiration of this Agreement or if the Corporation so requests (whichever comes first), you will return to the Corporation all Confidential Information and either (at your option) promptly deliver to the Corporation or destroy all other Evaluation Material, without retaining copies thereof or of any of the Confidential Information. In such event, you shall confirm forthwith such delivery or destruction to the Corporation by delivering to the Corporation a certificate in writing by you (or another individual who confirms in writing that he has been specifically authorized by you to sign the certificate and who certifies such delivery or destruction).

6. The obligations imposed on you hereunder shall not apply to any Evaluation Material which:

   (a) is or becomes generally available to the public other than as a result of a disclosure by you or your Representatives in breach of this Agreement;

   (b) becomes available to you lawfully and in good faith on a non-confidential basis from a source other than the Corporation or its Representatives, provided that you do not believe, after a good faith enquiry, that such source is bound by a confidentiality agreement with the Corporation or its Representatives or is otherwise prohibited from transmitting the Evaluation Material to you by a contractual, legal or fiduciary obligation; or

(c) you can demonstrate was known to you lawfully and in good faith on a non-confidential basis prior to disclosure to you by the Corporation or its Representatives, provided that such information is not known by you to be subject to another confidentiality agreement with or other obligation of secrecy of the Corporation or another Person.

7. Although you understand that the Corporation will endeavour to include in the Evaluation Material provided to you those materials which are believed to be reliable and relevant for the Permitted Purpose, you acknowledge that neither the Corporation nor any of its Representatives makes any representation or warranty as to the accuracy or completeness of the Evaluation Material, except as otherwise provided in a definitive agreement with the Corporation (other than this Agreement) entered into in connection with the Transaction which provides specific representations or warranties and only to the extent of such specific representations or warranties. You agree that neither the Corporation nor any of its Representatives shall have any liability to you or to any of your Representatives as a result of any error or omission in the Evaluation Material or in connection with the use of the Evaluation Material by you or your Representatives, except as otherwise provided in a definitive agreement with the Corporation (other than this Agreement) entered into in connection with the Transaction which provides specific representations or warranties and only to the extent of such specific representations or warranties.

8. In the event that you or any of your Representatives becomes legally compelled by any valid requirement of any governmental authority (by order, oral questions, interrogations, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Evaluation Material, you will provide the Corporation with prompt notice so that the Corporation may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. You will cooperate with the Corporation on a commercially reasonable basis in its efforts to obtain a protective order or other remedy. In the event that such protective order or other remedy is not obtained or the Corporation waives compliance with the provisions of this Agreement, you or your Representatives will furnish only that portion of the Evaluation Material which is legally required and you shall exercise commercially reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Evaluation Material.

9. You acknowledge that nothing contained in this Agreement shall be construed as granting or conferring any rights, by licence or otherwise, in any Confidential Information. Further, you acknowledge that any and all Confidential Information and other information disclosed by the Corporation or its Representatives to you or your Representatives is and shall at all times remain the property of the Corporation and all such information shall be held by you in trust for the Corporation.

10. You acknowledge and agree that the Corporation is not restricted under this Agreement in any way from disclosing Confidential Information or any other information to third parties and the Corporation may, from time to time, disclose such information to third parties for any purpose, including to enable such third party to evaluate a transaction (of the same nature as the Transaction or otherwise) with the Corporation. The Corporation and its Representatives may conduct the process (that may or may not result in the Transaction involving you) in such manner as the Corporation, in its sole discretion, may determine (including, without limitation, negotiating and entering into a definitive agreement with any other party at any price and on any terms without notice to you). Further, the Corporation shall be entitled to change, in its sole discretion without notice to you, any of the procedures relating to the consideration or evaluation of the Transaction (including, without limitation, terminating discussions with you).

11. You acknowledge that you are aware (and that your Representatives are aware or upon being provided with Confidential Information will be made aware) that the Confidential Information may contain material non-public information relating to the Corporation. Further, you acknowledge that you are aware, and you will advise your Representatives, that securities laws restrict any Person who has material non-public information concerning the matters which are the subject of this Agreement from purchasing or selling securities of the relevant issuer or from communicating such information to any other Person. In that regard, you agree that you will not purchase or sell securities of the Corporation with the knowledge of a material fact or material change or prospective material change in the business or affairs of the Corporation that you knew or ought reasonably to have known had not been generally disclosed and, if requested by the Corporation, you shall cause your Representatives who have knowledge or who hereafter acquire knowledge of the matters which are the subject of this Agreement to enter into a similar agreement with the Corporation. The provisions of this section are in addition to, and shall not derogate from, the other sections of this Agreement or any requirement of applicable law.

12. For the period ending two years from the date hereof, you and your affiliates (including any Person or entity, directly or indirectly, through one or more intermediaries, controlled by or under common control with you or acting jointly or in concert with you or such Person or entity) shall not, without the prior written authorization of the board of directors of the Corporation:

(a) acquire or agree to acquire or make any proposal to acquire, in any manner, any securities or property of the Corporation or its affiliates;

(b) propose any extraordinary transaction involving the Corporation, any of its affiliates or its securities or assets (including, without limitation, an amalgamation, merger or other business combination);

(c) engage in any discussions, or enter into any agreement, commitment or understanding with any Person with respect to any extraordinary transaction involving the Corporation, any of its affiliates or its or their securities or assets (including, without limitation, an amalgamation, merger or other business combination);

(d) commence a take-over bid for any securities of the Corporation;

(e) solicit proxies of the Corporation's shareholders, or form, join or in any way participate in a proxy group, or seek to advise or influence any Person with respect to the voting of any voting securities of the Corporation;

(f) act alone or with others to seek to control or influence the management, the board of directors or the policies of the Corporation;

(g) seek any modification to or waiver of your agreements or obligations with the Corporation;

(h) make any public announcement with respect to the foregoing, except as may be required by applicable law or regulatory authorities; or

(i) assist, advise or encourage any Person in doing any of the foregoing (including, without limitation, by providing or arranging financing).

Further, you will promptly give notice to the Corporation of any proposal made to you with respect to any matter or transaction of the nature described above.

13. Without the prior written consent of the Corporation, you agree that neither you nor any of your Representatives shall, for a period of two years from the date hereof, directly or indirectly through a third party or otherwise, solicit or cause to be solicited any employee, consultant, customer or supplier of the Corporation, which may result in a loss of the employee, customer or supplier to the Corporation or otherwise may be detrimental to the Corporation. The foregoing restriction shall not apply to any solicitation directed at the public in general by you or your Representatives.

14. You acknowledge and agree that the Corporation would not have an adequate remedy at law and may be irreparably harmed in the event that any of the provisions of this Agreement were not performed by you in accordance with their specific terms or were otherwise breached by you. Accordingly, you agree that the Corporation shall be entitled to injunctive relief to prevent breaches of this Agreement and specifically to enforce the terms and provisions hereof in addition to any other remedy to which the Corporation may be entitled at law or in equity. The prevailing party in any such litigation will be entitled to payment of its

legal fees and disbursements, court costs and other expenses of enforcing, defending or otherwise protecting its interests hereunder.

15. You agree to indemnify and save harmless the Corporation and its Representatives from any loss whatsoever arising out of a breach by you or your Representatives of any of the terms and conditions of this Agreement.

16. You acknowledge and agree that no failure or delay by the Corporation in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise of any right, power or privilege hereunder.

17. Except as specifically set forth in this Agreement, neither you nor the Corporation nor any of our respective affiliates or Representatives will be under any legal obligation or have any liability to the other party of any nature whatsoever with respect to the Transaction unless and until a definitive agreement between us (other than this Agreement) is executed and delivered.

18. The terms of this Agreement that are expressly stated to last for a finite period shall expire at the end of such finite period and the remaining terms of this Agreement shall continue in full force and effect for such period of time as is permitted by law.

19. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

If you are in agreement with the foregoing, please so indicate by signing and returning one copy of this letter whereupon this letter will constitute our agreement with respect to the subject matter hereof.

Very truly yours,

• (Insert name of the Corporation)

By:______________________________

Accepted and agreed to as of the date set forth above.

•

By:______________________________

APPENDIX V

PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER SECTION 193 OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

(a) "**ABCA**" means the *Business Corporations Act* (Alberta), as amended;

(b) "**Amalgamated PhosCan Sub**" means the corporation continuing from the amalgamation of Baltic and PhosCan Sub pursuant to the Arrangement and which will retain the name "PhosCan Sub";

(c) "**Amalgamated PhosCan Sub Common Shares**" means the common shares in the capital of Amalgamated PhosCan Sub;

(d) "**Amalgamating Corporations**" means Baltic and PhosCan Sub, collectively, and "**Amalgamating Corporation**" means either of Baltic or PhosCan Sub;

(e) "**Arrangement**" means the statutory arrangement pursuant to the provisions of section 193 of the ABCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement and Section 6.1 hereof;

(f) "**Arrangement Agreement**" means the arrangement agreement providing for, among other things, this Plan of Arrangement, dated January 30, 2008 among Baltic, PhosCan, Orebodies and PhosCan Sub, including the appendices attached thereto, as supplemented, amended and/or restated from time to time;

(g) "**Arrangement Resolution**" means the special resolution to be considered and if deemed advisable approved by holders of Baltic Common Shares at the Meeting concerning the Arrangement, substantially in the form and content set out in Schedule E to the Circular;

(h) "**Articles of Amalgamation**" means the articles of amalgamation in respect of the amalgamation of Baltic and PhosCan Sub that are required by the ABCA to be filed with the Registrar after the Final Order is made to give effect to such amalgamation;

(i) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement that are required by the ABCA to be filed with the Registrar after the Final Order is made to give effect to the Arrangement;

(j) "**Assumed Liabilities**" means all of the liabilities and obligations of Baltic existing at, or otherwise accruing with respect to the period preceding, the Effective Time, including, without limitation, subject to section 4.2(s) of the Arrangement Agreement, any tax liabilities of Baltic in respect of any period up to and including the taxation year ending on the Effective Date, but excluding the PhosCan Advances;

(k) **"Baltic"** means Baltic Resources Inc., a corporation existing under the ABCA;

(l) **"Baltic Class A Shares"** means the class A shares in the capital of Baltic created pursuant to Section 3.1(b) hereof having the rights, privileges, restrictions and conditions as set out in Exhibit I to this Plan of Arrangement;

(m) **"Baltic Class A Options"** means rights (whether vested or not) to purchase Baltic Class A Shares which will be issued pursuant to the Arrangement and, for greater certainty, one Baltic Class A Option means a right to purchase one Baltic Class A Share;

(n) **"Baltic Common Shares"** means the common shares in the capital of Baltic;

(o) **"Baltic Option Holder"** means a person who holds a Baltic Option;

(p) **"Baltic Options"** means the options to purchase Baltic Common Shares outstanding immediately prior to the Effective Time granted pursuant to the Baltic stock option plan;

(q) **"Baltic Warrant Holder"** means a person who holds a Baltic Warrant;

(r) **"Baltic Warrants"** means all warrants entitling the holders thereof to acquire Baltic Common Shares outstanding immediately prior to the Effective Time;

(s) **"Business Day"** means any day other than a Saturday, Sunday or statutory holiday in the City of Toronto, Ontario;

(t) **"Certificate"** means the certificate or other confirmation of filing issued by the Registrar pursuant to section 193(11) of the ABCA giving effect to the Arrangement and/or the amalgamation of Baltic and PhosCan Sub;

(u) **"Circular"** means the management information circular of Baltic prepared and sent to the Shareholders in connection with the Meeting;

(v) **"Coral Rapids Project"** means the mining claims located in the Kilmer, Hamlet, Valentine, Pitt and Wacousta Townships, Porcupine Mining Division, Ontario acquired by Baltic pursuant to a purchase agreement dated April 29, 2005, and the other property and assets, tangible and intangible, owned by Baltic in connection with such mining claims;

(w) **"Court"** means the Court of Queen's Bench of Alberta;

(x) **"Depositary"** means Equity Transfer & Trust Company or any other trust company, bank or financial institution, being the depositary agreed to in writing between Baltic and PhosCan for the purpose of, among other things, exchanging certificates representing Baltic Common Shares for Orebodies Common Shares and PhosCan Common Shares in connection with the Arrangement;

(y) **"Dissent Notice"** means a written objection to the Arrangement Resolution made by a registered holder of Baltic Common Shares in accordance with the Dissent Procedures;

(z) **"Dissent Procedures"** means the procedures set forth in the Interim Order required to be taken by a registered holder of Baltic Common Shares to exercise the right of dissent in respect of such Baltic Common Shares in connection with the Arrangement;

(aa) "**Dissent Right**" means the right of a registered holder of Baltic Common Shares to dissent in respect of the Arrangement Resolution in strict compliance with the Dissent Procedures, as more particularly described in Article 5 of this Plan of Arrangement;

(bb) "**Dissenting Shareholder**" means a registered holder of Baltic Common Shares who dissents in respect of the Arrangement Resolution in strict compliance with the Dissent Procedures;

(cc) "**Effective Date**" means the date the Arrangement is effective under the ABCA;

(dd) "**Effective Time**" means the time at which the Articles of Arrangement are filed with the Registrar, on the Effective Date;

(ee) "**Final Order**" means the final order of the Court approving the Arrangement under subsection 193(9) of the ABCA, as such order may be amended, modified or affirmed by any court of competent jurisdiction;

(ff) "**Hawkins Project**" means the mining claims located in the Hawkins and Walls Townships, Sault Ste. Marie Mining Division, Ontario acquired by Baltic pursuant to a purchase agreement dated April 29, 2005, and the other property and assets, tangible and intangible, owned by Baltic in connection with such mining claims;

(gg) "**holder**" means, when not qualified by the adjective "registered", the person entitled to a share hereunder whether or not registered or entitled to be registered in respect thereof in a register of holders of shares of Baltic, Orebodies or PhosCan, as the case may be;

(hh) "**Interim Order**" means the interim order of the Court under subsection 193(4) of the ABCA containing declarations and directions with respect to this Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

(ii) "**ITA**" means the *Income Tax Act* (Canada), as amended, including any regulations enacted thereunder;

(jj) "**Joint Venture Agreement**" means the joint venture agreement dated February 28, 2002 between Baltic and PhosCan;

(kk) "**Martison Project**" means the Martison property, as defined in the Joint Venture Agreement, and the other property and assets of, tangible and intangible, and interest in, the related joint venture between Baltic and PhosCan;

(ll) "**Meeting**" means the special meeting, and any adjournment or postponement thereof, of the Shareholders held to consider the Arrangement;

(mm) "**Non-Resident**" means: (i) a person (within the meaning of the ITA but, for greater certainty, not including a partnership) who is not resident in Canada for purposes of the ITA; or (ii) a partnership that is not a "Canadian partnership" as defined in the ITA;

(nn) "**Orebodies**" means Canadian Orebodies Inc., a corporation incorporated under the ABCA in order to facilitate the Arrangement;

(oo) "**Orebodies Commitment**" means the commitment of Orebodies to issue, upon the exercise of Baltic Warrants that are outstanding on the Effective Date, Orebodies Common Shares to the holders of such Baltic Warrants in consideration of receipt of 10% of the exercise price paid by the holder;

(pp) "**Orebodies Common Shares**" means the common shares in the capital of Orebodies;

(qq) **"Orebodies Options"** means rights (whether vested or not) to purchase Orebodies Common Shares which will be issued pursuant to the Arrangement and, for greater certainty, one Orebodies Option means a right to purchase one Orebodies Common Share;

(rr) **"Original Exercise Price"** means the original exercise price per share of a Baltic Option;

(ss) **"Paid-up Capital"** means paid-up capital as determined for the purposes of the ITA;

(tt) **"Participating Shareholder"** means a Shareholder, other than a Dissenting Shareholder;

(uu) **"PhosCan"** means PhosCan Chemical Corp., a corporation incorporated under the *Canada Business Corporations Act*;

(vv) **"PhosCan Advances"** means certain advances that PhosCan will contribute on behalf of Baltic during the period between the date of the Arrangement Agreement and the Effective Date, pursuant to subsection 4.2(d) of the Arrangement Agreement;

(ww) **"PhosCan Common Shares"** means the common shares of PhosCan;

(xx) **"PhosCan Options"** means rights (whether vested or not) to purchase PhosCan Common Shares which will be issued pursuant to the Arrangement and, for greater certainty, "1.4 PhosCan Options" means a right to purchase 1.4 PhosCan Common Shares;

(yy) **"PhosCan Sub"** means 1366825 Alberta Ltd., a corporation incorporated under the ABCA in order to facilitate the Arrangement;

(zz) **"Plan of Arrangement"**, **"hereof"**, **"herein"**, **"hereto"** and like references mean and refer to this plan of arrangement;

(aaa) **"Registrar"** means the Registrar appointed under section 263 of the ABCA;

(bbb) **"Shareholder"** means a holder of Baltic Common Shares or of Baltic Class A Shares collectively or individually, at the applicable time, as the context requires;

(ccc) **"Transfer Agent"** means Computershare Investor Services Inc., the registrar and transfer agent for the Baltic Common Shares;

(ddd) **"Transferred Assets"** means all of the assets of Baltic immediately prior to the Effective Time, other than Baltic's interest in the Martison Project and the Warrant Proceeds, and specifically including the mineral resource property interests, cash and other assets described in Exhibit II attached hereto as such exhibit may be amended or replaced from time to time;

(eee) **"TSXV"** means the TSX Venture Exchange;

(fff) **"Warrant Proceeds"** means the dollar amount equal to 90% of the proceeds resulting from the exercise of Baltic Warrants exercised on or after October 29, 2007 up to and including the Effective Date, and

(ggg) **"Webequie Area Projects"** means Baltic's: (a) 50% interest in certain properties in the James Bay Lowlands region of north-eastern Ontario; (b) 100% interest in certain other properties in the same region (subject to two 1% net smelter royalties); (c) 1% net smelter royalty respecting certain properties in the James Bay Lowlands owned by Temex Resources Corp. and (d) 1% net smelter royalty respecting certain properties in the James Bay Lowlands owned by Noront Resources Ltd., all as more fully described in Exhibit II hereto.

1.2 Interpretation Not Affected By Headings

The division of this Plan of Arrangement into articles, sections, paragraphs and other portions and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereunder" and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, section, paragraph or part hereof. Unless something in the subject matter or context is inconsistent therewith, all references herein to articles, sections, paragraphs and other portions are to articles, sections, paragraphs and other portions of this Plan of Arrangement.

1.3 Number and Gender

In this Plan of Arrangement, words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and neuter and words importing persons shall include individuals, partnerships, associations, forms, trusts, unincorporated organizations and corporations.

1.4 Statutes

A reference to a statute shall be deemed to include every regulation made pursuant thereto, all amendments to the statute or to any such regulation enforced from time to time, and any statute or regulation that supplements or supersedes such statute or any such regulation.

1.5 Currency

All references to currency herein are to lawful money of Canada unless otherwise specified herein.

ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

ARTICLE 3
THE ARRANGEMENT

3.1 The Arrangement

Commencing at the Effective Time, each of the events set out below shall occur and be deemed to occur in the following order without further act or formality except as otherwise provided herein:

(a) Baltic will transfer to Orebodies all of Baltic's interest in the Transferred Assets, in consideration of the issuance to Baltic of the number of Orebodies Common Shares that would result in Baltic holding the number of such shares that is equivalent to the number of issued and outstanding Baltic Common Shares at the Effective Time held by Participating Shareholders, and the assumption by Orebodies of the Assumed Liabilities;

(b) the articles of Baltic will be amended to change its authorized capital as set out in Exhibit I to this Plan of Arrangement by the addition of an unlimited number of Baltic Class A Shares, having the rights, privileges, restrictions and conditions set out in such Exhibit;

(c) each Baltic Common Share held by Participating Shareholders shall be exchanged for one Baltic Class A Share and one Orebodies Common Share and such Baltic Common Share shall be cancelled;

(d) each Baltic Option shall be exchanged for one Baltic Class A Option and one Orebodies Option and the Baltic Option shall thereupon be cancelled. The exercise price of the options received will be determined as set out in Section 3.3 below and the terms of the options received shall otherwise be the same as the terms of the Baltic Options so cancelled;

(e) PhosCan Sub and Baltic will amalgamate under the provisions of the ABCA to form Amalgamated PhosCan Sub, and will continue as one entity pursuant to the terms prescribed in this Plan of Arrangement including the following:

   (i) all of the property (except any amounts receivable from, or shares in the capital stock of, any Amalgamating Corporation) of the Amalgamating Corporations immediately before the amalgamation will become property of Amalgamated PhosCan Sub;

   (ii) all of the liabilities and obligations (except any amounts payable to any Amalgamating Corporation) of the Amalgamating Corporations immediately before the amalgamation will become liabilities and obligations of Amalgamated PhosCan Sub;

   (iii) any existing cause of action, claim or liability to prosecution shall remain unaffected;

   (iv) a civil, criminal or administrative action or proceeding pending by or against an Amalgamating Corporation may be continued to be prosecuted by or against Amalgamated PhosCan Sub;

   (v) a conviction against, or ruling, order or judgment in favour of or against, an Amalgamating Corporation may be enforced by or against Amalgamated PhosCan Sub; and

   (vi) the Articles of Amalgamation are deemed to be the articles of incorporation of Amalgamated PhosCan Sub and the Certificate shall be deemed to be the certificate of incorporation of Amalgamated PhosCan Sub;

   (vii) the authorized capital of Amalgamated PhosCan Sub shall be an unlimited number of Amalgamated PhosCan Sub Common Shares;

   (viii) the issued and outstanding Baltic Class A Shares held by PhosCan Sub shall be cancelled;

   (ix) the issued and outstanding Baltic Class A Shares (other than the Baltic Class A Shares held by PhosCan Sub, if any) and the common shares of PhosCan Sub shall be exchanged or converted, as applicable, into issued and outstanding PhosCan Common Shares or Amalgamated PhosCan Sub Common Shares as follows:

      (A) each such Baltic Class A Share shall be exchanged with PhosCan for 1.4 PhosCan Common Shares; and

      (B) each such PhosCan Sub Common Share shall be converted into one Amalgamated PhosCan Sub Common Share; and

(C) an amount equal to the aggregate Paid-up Capital of the Baltic Class A Shares so exchanged plus the aggregate Paid-up Capital of the common shares of PhosCan Sub so converted shall be added to the stated capital of the Amalgamated PhosCan Sub Common Shares; and

(D) an amount equal to the aggregate Paid-up Capital of the Baltic Class A Shares so exchanged shall be added to the stated capital of the PhosCan Common Shares;

(x) each Baltic Class A Option shall be exchanged for 1.4 PhosCan Options and the Baltic Class A Options shall thereupon be cancelled. The exercise price of the PhosCan Options received will be determined as set out in Section 3.3 hereof and the terms of the PhosCan Options shall otherwise be the same as the terms of the Baltic Class A Options so cancelled (provided that if the holder of such PhosCan Options is not a service provider to PhosCan (as defined in PhosCan's stock option plan), the term of such PhosCan Options shall expire 90 days after the Effective Date);

(xi) the name of Amalgamated PhosCan Sub shall be "Baltic Resources Inc." or such other name as the directors of PhosCan Sub may determine;

(xii) there shall be no restrictions on the business which Amalgamated PhosCan Sub is authorized to carry on or on the powers that Amalgamated PhosCan Sub may exercise;

(xiii) the registered office of Amalgamated PhosCan Sub shall be in the City of Calgary, in the Province of Alberta. The address of the registered office shall be 4500, 855 – 2nd Street SW, Calgary, Alberta, T2P 4K7.

(xiv) the holders of Amalgamated PhosCan Sub Common Shares shall be entitled to vote at all meetings of shareholders, each Amalgamated PhosCan Sub Common Share carrying one vote and, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares, to receive the remaining property of Amalgamated PhosCan Sub upon dissolution;

(xv) there shall be no restrictions upon the right to transfer any shares of Amalgamated PhosCan Sub;

(xvi) the minimum number of directors of Amalgamated PhosCan Sub shall be one and the maximum number of directors shall be seven. The directors of Amalgamated PhosCan Sub from time to time shall be empowered to determine the number of directors of Amalgamated PhosCan Sub within the minimum and maximum number set out herein and the number of directors to be elected at future annual meetings of the shareholders of Amalgamated PhosCan Sub;

(xvii) the first directors of Amalgamated PhosCan Sub, with their names and places of residence shall be as follows, to hold office until the first annual meeting of the shareholders of Amalgamated PhosCan Sub or until their successors are elected or appointed:

Name	Residence Address	Resident Canadian
Stephen D. Case	83 Summerhill Avenue Toronto, ON M4T 1A9	Yes

; and

(xviii) the by-laws of PhosCan Sub shall, to the extent not inconsistent with this Plan of Arrangement, be the by-laws of Amalgamated PhosCan Sub until repealed, amended, altered or added to.

3.2 Treatment of Baltic Warrants

Pursuant to the terms thereof, each outstanding Baltic Warrant will entitle the holder to receive upon exercise the number of PhosCan Common Shares equal to the number of such shares that such holder would have received under this Plan of Arrangement if such Baltic Warrant had been exercised immediately before this Plan of Arrangement became effective. Additionally, Orebodies shall, pursuant to the Orebodies Commitment, agree to issue upon the exercise of each outstanding Baltic Warrant the number of Orebodies Common Shares that the holder of such Baltic Warrant would have received under this Plan of Arrangement if such Baltic Warrant had been exercised immediately before this Plan of Arrangement became effective. The exercise price of each Baltic Warrant will be unchanged. Pursuant to the Orebodies Commitment, such aggregate exercise price shall be allocated between PhosCan and Orebodies on the basis that of such aggregate exercise price shall be retained by PhosCan and the balance of such aggregate exercise price shall be transferred by PhosCan to Orebodies.

3.3 Treatment of Baltic Options

The exercise price of each Baltic Class A Option and Orebodies Option issued in exchange for a Baltic Option under paragraph 3.1(d) hereof, and the exercise price of each 1.4 PhosCan Options issued in exchange for a Baltic Class A Option under paragraph 3.1(e)(x) hereof, will be determined in accordance with the following formula, in each case rounded up to the nearest whole cent:

The exercise price per Baltic Class A Option = (original exercise price of a Baltic Option) multiplied by 0.9;

The exercise price per Orebodies Option = (original exercise price of a Baltic Option) multiplied by 0.1;

The exercise price per PhosCan Option = (the exercise price of a Baltic Class A Option, as determined in this Section 3.3) divided by 1.4.

3.4 Effect of Certain Steps Described in Section 3.1

In connection with the exchanges under Section 3.1(c) hereof,

(a) each Participating Shareholder will cease to be the holder of the Baltic Common Shares so exchanged and will become the holder of that number of Baltic Class A Shares issued to such Shareholder;

(b) the name of such Participating Shareholder (or, if the Participating Shareholder is not a registered holder, the name of the registered holder on behalf of such Participating Shareholder) will be removed from the register of registered holders of Baltic Common Shares and will be added to the registers of holders of Baltic Class A Shares as the registered holder of the number of Baltic Class A Shares respectively issued to or on behalf of such Participating Shareholder;

(c) the Baltic Common Shares so exchanged will be cancelled; and

(d) an amount equal to the excess, if any, of the aggregate Paid-up Capital of the Baltic Common Shares outstanding immediately before such exchange over the fair market value of the Orebodies Common Shares will be added to the stated capital of the Baltic Class A Shares.

In connection with the exchanges under Section 3.1(e)(ix)(A) hereof,

(e) each Participating Shareholder will cease to be the holder of the Baltic Class A Shares so exchanged by such Shareholder and will become the holder of the number of PhosCan Common Shares equal to the number of Baltic Class A Shares so exchanged multiplied by 1.4; and

(f) the name of such Participating Shareholder (or, if the Participating Shareholder is not a registered holder, the name of the registered holder on behalf of such Participating Shareholder) will be removed from the register of registered holders of Baltic Class A Shares and will be added to the registers of holders of PhosCan Common Shares as the registered holder of the number of PhosCan Common Shares issued to or on behalf of such Participating Shareholder.

3.5 Arrangement Effectiveness

The Arrangement shall become finally and conclusively binding and effective as at the Effective Time.

3.6 Deemed Fully Paid and Non-Assessable Shares

All Baltic Class A Shares issued pursuant hereto shall be deemed to be or have been validly issued and outstanding as fully paid and non-assessable shares for all purposes of the ABCA.

3.7 Supplementary Actions

Notwithstanding that the transaction and events set out in Section 3.1 hereof shall occur, and shall be deemed to occur, in the order therein set out without any other act or formality, each of Baltic, Orebodies and PhosCan Sub shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to further document or evidence any of the transactions or events set out in Section 3.1 hereof, including without limitation, any resolution of directors authorizing the issue, transfer or purchase for cancellation of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, any promissory notes and receipts therefor and any necessary additions to, or deletions from, share registers.

ARTICLE 4
DELIVERY OF CERTIFICATES

4.1 Delivery of Orebodies Common Shares and PhosCan Common Shares

(a) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented one or more outstanding Baltic Common Shares which were exchanged first for Baltic Class A Shares and Orebodies Common Shares and in respect of Baltic Class A Shares, were ultimately exchanged for PhosCan Common Shares in accordance with Section 3.1 hereof, together with a letter of transmittal containing, among other things, instructions for obtaining delivery of Orebodies Common Shares and PhosCan Common Shares pursuant to this Plan of Arrangement, together with such additional documents and instruments as the Depositary may reasonably require, the registered holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such registered holder following the Effective Time, a certificate representing the Orebodies Common Shares and a certificate representing the PhosCan Common Shares which such registered holder is entitled to receive in accordance with this Plan of Arrangement.

(b) After the Effective Time and until surrendered for cancellation as contemplated by Section 4.1(a) hereof, each certificate which immediately prior to the Effective Time represented one or more Baltic Common Shares shall be deemed at all times to represent only the right to receive in exchange therefor a certificate representing the Orebodies Common Shares and a certificate representing the PhosCan Common Shares which the holder of such certificate is entitled to receive in accordance with Section 4.1(a) hereof.

4.2 Lost Certificates

In the event that any certificate which immediately prior to the Effective Time represented one or more outstanding Baltic Common Shares which were exchanged for Baltic Class A Shares and Orebodies Common Shares and ultimately PhosCan Common Shares in accordance with Section 3.1 hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the registered holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate a certificate representing the Orebodies Common Shares and a certificate representing the PhosCan Common Shares which such registered holder is entitled to receive in accordance with Section 3.4 hereof. When requesting such delivery of a certificate representing the Orebodies Common Shares and a certificate representing the PhosCan Common Shares which such registered holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the registered holder to whom a certificate representing such Orebodies Common Shares and a certificate representing such PhosCan Common Shares is to be delivered shall, as a condition precedent to the delivery of a certificate representing such Orebodies Common Shares and a certificate representing such PhosCan Common Shares, give a bond satisfactory to Orebodies, PhosCan and the Depositary in such amount as Orebodies, PhosCan and the Depositary may direct, or otherwise indemnify Orebodies, PhosCan and the Depositary in a manner satisfactory to Orebodies, PhosCan and the Depositary against any claim that may be made against Orebodies, PhosCan or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the by-laws of Orebodies or PhosCan, as applicable.

4.3 Distributions with Respect to Unsurrendered Certificates

No dividend or other distribution declared or made after the Effective Time with respect to the Orebodies Common Shares or the PhosCan Common Shares with a record date on or after the Effective Date shall be delivered to the registered holder of any unsurrendered certificate which, immediately prior to the Effective Time, represented outstanding Baltic Common Shares unless and until the registered holder of such certificate shall have complied with the provisions of Section 4.1 or Section 4.2 hereof. Subject to applicable law and to Section 4.4 hereof, at the time of such compliance there shall, in addition to the delivery of a certificate representing the Orebodies Common Shares and a certificate representing the PhosCan Common Shares to which such registered holder is thereby entitled, be delivered to such registered holder on behalf of the holder where applicable), without interest, the amount of the dividend or other distribution with a record date on or after the Effective Date theretofore paid or made with respect to such Orebodies Common Shares or PhosCan Common Shares.

4.4 Withholding Rights

Orebodies, PhosCan and the Depositary shall be entitled to deduct and withhold from all dividends or other amounts otherwise payable to any holder or registered holder of Orebodies Common Shares or PhosCan Common Shares such amounts as Orebodies, PhosCan or the Depositary is required or permitted to deduct and withhold with respect to such payment under the ITA, the United States Internal Revenue Code of 1986 or any provision of any applicable federal, provincial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder or registered holder as applicable in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

4.5 Limitation and Proscription

To the extent that a Shareholder shall not have complied with the provisions of Section 4.1 or Section 4.2 hereof on or before the date which is six years after the Effective Date, then the Orebodies Common Shares and the PhosCan Common Shares which such Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the certificate representing such Orebodies Common Shares and the certificate representing such PhosCan Common Shares shall be delivered to Orebodies and PhosCan, respectively, by the Depositary for cancellation and shall be cancelled by Orebodies and PhosCan, respectively, and the interest of the Shareholder in such Orebodies Common Shares and such PhosCan Common Shares shall be terminated as of the final proscription date.

4.6 No Fractional Shares

No fractional Orebodies Common Shares will be issued to Participating Shareholders upon the exchange of Baltic Common Shares for Orebodies Common Shares pursuant to Section 5.2(f) hereof and no fractional PhosCan

Common Shares will be issued to Participating Shareholders upon the exchange of Baltic Class A Shares for PhosCan Common Shares pursuant to Section 3.1(e)(ix)(A) hereof. If, but for this Section 4.6, a registered Participating Shareholder would be entitled to a fractional share, the number of Orebodies Common Shares or PhosCan Common Shares, as applicable, to which each registered Participating Shareholder is entitled will be rounded up to the next whole number and no payment will be made in respect of such a fractional share.

ARTICLE 5
DISSENT PROCEDURES

5.1 Dissent Procedures

Registered holders of Baltic Common Shares may exercise a right of dissent in connection with the Arrangement in accordance with the Dissent Procedures in the Interim Order provided that holders who exercise such right of dissent and who:

(a) are ultimately entitled to be paid fair value for their Baltic Common Shares shall be deemed to have transferred such Baltic Common Shares to Baltic for cancellation at the Effective Time notwithstanding the provisions of section 191 of the ABCA, effective immediately before the first transaction provided for in Section 3.1 hereof; or

(b) are ultimately not entitled, for any reason, to be paid fair value for their Baltic Common Shares shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting holder of Baltic Common Shares;

but further provided that in no case shall Orebodies, PhosCan or any other person be required to recognize Dissenting Shareholders as holders of Baltic Common Shares after the Effective Time and the names of such Dissenting Shareholders (or the names of the applicable registered holders holding on behalf of such Dissenting Shareholders) shall, in respect of such Baltic Common Shares, be deleted from the register of holders of Baltic Common Shares at the Effective Time, effective immediately before the first transaction provided for in Section 3.1 hereof. For greater certainty, in addition to any other restrictions in section 191 of the ABCA, any person who has voted in favour of the Arrangement shall not be entitled to dissent with respect to the Arrangement. The fair value of the Baltic Common Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by holders of Baltic Common Shares at the Meeting

ARTICLE 6
AMENDMENT

6.1 Amendment

This Plan of Arrangement may at any time and from time to time before or after the holding of the Meeting, but not later than the Effective Time, be amended, modified or supplemented provided that such amendment, modification or supplement is: (i) filed with the Court, and if made following the Meeting, approved by the Court; (ii) set out in writing; (iii) approved by the other parties; and (iv) communicated to holders of Baltic Common Shares, if and as required by the Court.

EXHIBIT I TO THE PLAN OF ARRANGEMENT

In accordance with the Final Order (as defined in the Plan of Arrangement) approving the Arrangement (as defined in the Plan of Arrangement), the articles of Baltic Resources Limited (the "**Corporation**") are amended as follows in accordance with the provisions of the Plan of Arrangement.

The articles of the Corporation are amended to include the following provisions:

1. CLASS A SHARES

The rights, privileges, restrictions and conditions attached to the Class A Shares are as follows:

(i) The holders of the Class A Shares shall be entitled to receive notice of, to attend at, and to vote at any meeting of the shareholders of the Corporation on the basis of one vote for each one Class A share held at the time of any such meeting;

(ii) The holders of the Class A Shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amount and payable at such times and at such place or places in Canada as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to the Class A Shares, the board of directors may in their sole discretion declare dividends on the Class A Shares to the exclusion of any other class of shares of the Corporation; and

(iii) The holders of the Class A Shares shall be entitled to share in the remaining property of the Corporation, equally with the holders of the Common Shares upon liquidation, dissolution, bankruptcy, winding up or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the creditors of the Corporation having been satisfied.

EXHIBIT II TO THE PLAN OF ARRANGEMENT

DESCRIPTION OF TRANSFERRED ASSETS

Webequie Area Projects

A 50% interest in the following mining claims located in the Province of Ontario:

Claim	Division	Area	G-Plan	Date Recorded	Date Due	Count	Units
4224664	Thunder Bay	Grady Lake	G-0260	2007-Oct-18	2009-Oct-18	1	16
4224665	Thunder Bay	Grady Lake	G-0260	2007-Oct-18	2009-Oct-18	2	16
4224666	Thunder Bay	Abbott Lake	G-0186	2007-Oct-18	2009-Oct-18	3	12
4224667	Thunder Bay	Abbott Lake	G-0186	2007-Oct-18	2009-Oct-18	4	16
4224668	Thunder Bay	Grady Lake	G-0260	2007-Oct-18	2009-Oct-18	5	16
4224669	Thunder Bay	Grady Lake	G-0260	2007-Oct-18	2009-Oct-18	6	16
4224671	Thunder Bay	Abbott Lake	G-0186	2007-Oct-18	2009-Oct-18	7	16
4224672	Thunder Bay	Abbott Lake	G-0186	2007-Oct-18	2009-Oct-18	8	16
4224673	Thunder Bay	Abbott Lake	G-0186	2007-Oct-18	2009-Oct-18	9	16
4224674	Thunder Bay	Grady Lake	G-0260	2007-Oct-18	2009-Oct-18	10	16
4224678	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	11	16
4224679	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	12	16
4224680	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	13	16
4224681	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	14	16
4224682	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	15	16
4224683	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	16	16
4224687	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	17	16
4224688	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	18	16
4224689	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	19	16
4224690	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	20	16
4224691	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	21	16
4224692	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	22	16
4224698	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	23	16
4224699	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	24	16
4224700	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	25	16
4224701	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	26	12
4224702	Thunder Bay	Bosworth Lake	G-0209	2007-Oct-18	2009-Oct-18	27	8
					Total	**27**	**416**

Claim	Division	Area	G-Plan	Date Recorded	Date Due	Count	Units
Claim	Division	Area	G-Plan	Date Recorded	Date Due	Count	Units
4221631	Thunder Bay	BMA 524864	G-4265	2007-Oct-17	2009-Oct-17	1	16
4221632	Thunder Bay	BMA 524864	G-4265	2007-Oct-17	2009-Oct-17	2	16
4221633	Thunder Bay	BMA 524864	G-4265	2007-Oct-17	2009-Oct-17	3	16
4221634	Thunder Bay	BMA 524864	G-4265	2007-Oct-17	2009-Oct-17	4	16
4221635	Thunder Bay	BMA 524863	G-4274	2007-Oct-17	2009-Oct-17	5	16
4221636	Thunder Bay	BMA 524863	G-4274	2007-Oct-17	2009-Oct-17	6	16
4221637	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	7	16
4221638	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	8	16
4221639	Thunder Bay	BMA 525864	G-4276	2007-Oct-17	2009-Oct-17	9	16
4221640	Thunder Bay	BMA 525864	G-4276	2007-Oct-17	2009-Oct-17	10	16
4221641	Thunder Bay	BMA 525864	G-4276	2007-Oct-17	2009-Oct-17	11	16
4221642	Thunder Bay	BMA 525864	G-4276	2007-Oct-17	2009-Oct-17	12	16
4221643	Thunder Bay	BMA 525864	G-4276	2007-Oct-17	2009-Oct-17	13	16
4221644	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	14	16
4221645	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	15	16
4221646	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	16	16
4221647	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	17	16
4221648	Thunder Bay	BMA 525864	G-4276	2007-Oct-17	2009-Oct-17	18	16
4221649	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	19	16
4221650	Thunder Bay	BMA 525863	G-4279	2007-Oct-17	2009-Oct-17	20	12
					Total	**20**	**316**
Claim	Division	Area	G-Plan	Date Recorded	Date Due	Count	Units
4221662	Porcupine	BMA 527854	G-4219	2007-Oct-15	2009-Oct-15	1	16
4221663	Porcupine	BMA 527854	G-4219	2007-Oct-15	2009-Oct-15	2	16
4221664	Porcupine	BMA 527853	G-4226	2007-Oct-15	2009-Oct-15	3	16
4221668	Porcupine	BMA 528854	G-4190	2007-Oct-12	2009-Oct-12	4	16
4221665	Porcupine	BMA 527854	G-4219	Filed Only			16
4220825	Porcupine	BMA 527854	G-4219	Filed Only			8
					Total	**4**	**88**
					TOTAL	**51**	**820**

A 100% interest in the following claims located in the Province of Ontario, subject to a 2% net smelter royalty, held as to 1% by Noront Resources Ltd. and as to 1% by Temex Resources Corp.:

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 533864	G-4291	2007-Oct-24	2009-Oct-24	Baltic	1	16
BMA 533864	G-4291	2007-Oct-24	2009-Oct-24	Baltic	2	16
				Total	**2**	**32**
Area	**G-Plan**	**Date Recorded**	**Date Due**	**Interest_Main**	**Count**	**Units**
BMA 533862	G-4272	2007-Nov-07	2009-Nov-07	Baltic	1	16
BMA 532863	G-4303	2007-Nov-07	2009-Nov-07	Baltic	2	16
				Total	**2**	**32**
Area	**G-Plan**	**Date Recorded**	**Date Due**	**Interest_Main**	**Count**	**Units**
BMA 533862	G-4272	2007-Oct-23	2009-Oct-23	Baltic	1	16
BMA 533862	G-4272	2007-Oct-23	2009-Oct-23	Baltic	2	16
BMA 533862	G-4272	2007-Oct-23	2009-Oct-23	Baltic	3	16
BMA 533862	G-4272	2007-Oct-23	2009-Oct-23	Baltic	4	16
BMA 533862	G-4272	2007-Oct-23	2009-Oct-23	Baltic	5	16
				Total	**5**	**80**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
Area	**G-Plan**	**Date Recorded**	**Date Due**	**Interest_Main**	**Count**	**Units**
BMA 533861	G-4271	2007-Nov-08	2009-Nov-08	Baltic	1	16
BMA 533861	G-4271	2007-Nov-08	2009-Nov-08	Baltic	2	16
BMA 533861	G-4271	2007-Nov-08	2009-Nov-08	Baltic	3	16
				Total	**3**	**48**
Area	**G-Plan**	**Date Recorded**	**Date Due**	**Interest_Main**	**Count**	**Units**
BMA 532864	G-4289	2007-Oct-26	2009-Oct-26	Baltic	1	16
BMA 532863	G-4290	2007-Oct-26	2009-Oct-26	Baltic	2	16
				Total	**2**	**32**
Area	**G-Plan**	**Date Recorded**	**Date Due**	**Interest_Main**	**Count**	**Units**
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	1	16
BMA 531862	G-4305	2007-Nov-01	2009-Nov-01	Baltic	2	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	3	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	4	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	5	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	6	16
BMA	G-4288	2007-Oct-25	2009-Oct-	Baltic	7	16

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
531863			25			
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	8	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Baltic	9	16
BMA 531863	G-4288	2007-Nov-01	2009-Nov-01	Baltic	10	16
BMA 531863	G-4288	2007-Nov-01	2009-Nov-01	Baltic	11	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Baltic	12	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Baltic	13	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Baltic	14	16
				Total	**14**	**224**
Area	**G-Plan**	**Date Recorded**	**Date Due**	**Interest_Main**	**Count**	**Units**
BMA 532862	G-4303	2007-Oct-26	2009-Oct-26	Baltic	1	16
BMA 532862	G-4303	2007-Oct-26	2009-Oct-26	Baltic	2	16
BMA 532862	G-4303	2007-Oct-26	2009-Oct-26	Baltic	3	16
				Total	**3**	**48**
Area	**G-Plan**	**Date Recorded**	**Date Due**	**Interest_Main**	**Count**	**Units**
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	1	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	2	16

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	3	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	4	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	5	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	6	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	7	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Baltic	8	16
				Total	**8**	**128**
				TOTAL	**39**	**624**

[redacted]

A 1% Net Smelter Royalty in the Following Claims

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	1	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	2	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	3	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	4	16
Nabish Lake	G-0339	2007-Oct-17	2009-Oct-17	Noront	5	16

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	6	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	7	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	8	16
Mamchur Lake	G-0315	2007-Oct-17	2009-Oct-17	Noront	9	16
Nabish Lake	G-0339	2007-Oct-17	2009-Oct-17	Temex	10	16
Nabish Lake	G-0339	2007-Oct-17	2009-Oct-17	Temex	11	16
Nabish Lake	G-0339	2007-Oct-17	2009-Oct-17	Temex	12	16
Nabish Lake	G-0339	2007-Oct-17	2009-Oct-17	Temex	13	16
Nabish Lake	G-0339	2007-Oct-17	2009-Oct-17	Temex	14	16
Nabish Lake	G-0339	2007-Oct-24	2009-Oct-24	Temex	15	16
Nabish Lake	G-0339	2007-Oct-24	2009-Oct-24	Temex	16	16
Nabish Lake	G-0339	2007-Oct-24	2009-Oct-24	Temex	17	16
Nabish Lake	G-0339	2007-Oct-24	2009-Oct-24	Temex	18	16
				Total	**18**	**288**
Area	**G-Plan**	**Date Recorded**	**Date Due**	**Interest_Main**	**Count**	**Units**
BMA 532864	G-4289	2007-Oct-17	2009-Oct-17	Noront	1	16
BMA	G-4289	2007-Oct-17	2009-Oct-	Noront	2	8

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
532864			17			
BMA 532864	G-4289	2007-Oct-17	2009-Oct-17	Noront	3	16
BMA 532864	G-4289	2007-Oct-17	2009-Oct-17	Noront	4	16
BMA 532864	G-4289	2007-Oct-17	2009-Oct-17	Noront	5	16
BMA 533864	G-4291	2007-Oct-17	2009-Oct-17	Temex	6	16
BMA 533863	G-4292	2007-Oct-24	2009-Oct-24	Temex	7	16
BMA 533863	G-4292	2007-Oct-24	2009-Oct-24	Temex	8	16
BMA 533863	G-4292	2007-Oct-24	2009-Oct-24	Temex	9	8
BMA 533863	G-4292	2007-Oct-24	2009-Oct-24	Temex	10	12
				Total	**10**	**140**
Area	**G-Plan**	**Date Recorded**	**Date Due**	**Interest_Main**	**Count**	**Units**
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Temex	1	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Temex	2	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Temex	3	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Temex	4	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Temex	5	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Temex	6	16

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 533862	G-4272	2007-Oct-22	2009-Oct-22	Noront	7	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Noront	8	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Noront	9	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Noront	10	16
BMA 533863	G-4292	2007-Oct-22	2009-Oct-22	Noront	11	16
BMA 533862	G-4272	2007-Oct-22	2009-Oct-22	Noront	12	16
				Total	**12**	**192**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Temex	1	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Temex	2	16
BMA 531863	G-4288	2007-Nov-01	2009-Nov-01	Temex	3	16
BMA 531863	G-4288	2007-Nov-01	2009-Nov-01	Temex	4	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Temex	5	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Temex	6	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Temex	7	16
BMA 532863	G4303	2007-Oct-25	2009-Oct-25	Temex	8	16

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 532863	G-4290	2007-Oct-25	2009-Oct-25	Temex	9	16
BMA 532863	G-4290	2007-Oct-25	2009-Oct-25	Temex	10	16
BMA 532863	G-4290	2007-Oct-25	2009-Oct-25	Temex	11	16
BMA 532863	G-4290	2007-Nov-01	2009-Nov-01	Temex	12	16
BMA 532863	G-4290	2007-Nov-01	2009-Nov-01	Temex	13	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Temex	14	16
BMA 531862	G-4305	2007-Nov-01	2009-Nov-01	Noront	15	16
BMA 531862	G-4305	2007-Nov-01	2009-Nov-01	Noront	16	16
BMA 531862	G-4305	2007-Nov-01	2009-Nov-01	Noront	17	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Noront	18	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Noront	19	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Noront	20	16
BMA 531863	G-4288	2007-Oct-25	2009-Oct-25	Noront	21	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Noront	22	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Noront	23	16
BMA 531862	G-4305	2007-Oct-25	2009-Oct-25	Noront	24	16
BMA	G-4303	2007-Oct-25	2009-Oct-	Noront	25	16

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
532862			25			
BMA 532862	G-4303	2007-Oct-25	2009-Oct-25	Noront	26	16
BMA 532862	G-4303	2007-Nov-01	2009-Nov-01	Noront	27	16
BMA 532862	G-4303	2007-Nov-01	2009-Nov-01	Noront	28	16
				Total	**28**	**448**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 532862	G-4303	2007-Nov-08	2009-Nov-08	Temex	1	16
BMA 532862	G-4303	2007-Nov-08	2009-Nov-08	Temex	2	16
BMA 532862	G-4303	2007-Nov-08	2009-Nov-08	Temex	3	16
BMA 532862	G-4303	2007-Nov-08	2009-Nov-08	Temex	4	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Temex	5	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Temex	6	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Temex	7	16
				Total	**7**	**112**

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Noront	1	16

Area	G-Plan	Date Recorded	Date Due	Interest_Main	Count	Units
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Noront	2	16
BMA 531862	G-4305	2007-Nov-08	2009-Nov-08	Noront	3	16
BMA 528862	G-4308	2007-Nov-08	2009-Nov-08	Noront	4	16
BMA 528862	G-4308	2007-Nov-08	2009-Nov-08	Noront	5	16
BMA 528862	G-4308	2007-Nov-08	2009-Nov-08	Noront	6	16
				Total	**6**	**96**
				TOTAL	**81**	**1276**

Coral Rapids Project

The following mineral claims located in the Province of Ontario :

Township	Claim #	Recording Date	Due Date	Status	Ownership	Amount Required	Amount Spent	Reserve	Claim Bank
HAMLET	3000682	2002-Apr-02	2007-Oct-02	A	100%	$5,600	$16,800	$0	$0
HAMLET	3002352	2003-Mar-11	2008-Mar-11	A	100%	$6,000	$18,000	$0	$0
KILMER	1223523	1998-Oct-08	2008-Oct-27	A	100%	$1,200	$7,200	$0	$0
KILMER	1223532	1998-Oct-08	2008-Oct-27	A	100%	$6,400	$38,400	$0	$0
KILMER	1228205	1997-Oct-27	2008-Oct-27	A	100%	$400	$2,800	$0	$0
KILMER	1228206	1997-Oct-27	2008-Oct-27	A	100%	$6,400	$44,800	$0	$0

Township	Claim #	Recording Date	Due Date	Status	Ownership	Amount Required	Amount Spent	Reserve	Claim Bank
KILMER	1228684	1998-Oct-08	2008-Oct-27	A	100%	$6,400	$38,400	$0	$0
KILMER	4223271	2007-Sep-27	2009-Sep-27	A	100%	$4,800	$0	$0	$0
KILMER	4223272	2007-Sep-27	2009-Sep-27	A	100%	$3,600	$0	$0	$0
KILMER	4223273	2007-Sep-27	2009-Sep-27	A	100%	$6,000	$0	$0	$0
KILMER	4223274	2007-Sep-24	2009-Sep-24	A	100%	$3,600	$0	$0	$0
KINERAS	4207639	2005-Sep-28	2007-Sep-28	A	100%	$4,800	$0	$0	$0
PITT	1192934	2002-Apr-26	2008-Apr-26	A	100%	$6,400	$25,600	$0	$0
PITT	1192935	2002-Apr-26	2008-Apr-26	A	100%	$6,400	$25,600	$0	$0
PITT	1192936	2002-Apr-26	2008-Apr-26	A	100%	$6,367	$25,633	$0	$0
PITT	1192937	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
PITT	1192938	2002-Apr-26	2007-Nov-30	A	100%	$6,400	$19,200	$0	$0
PITT	1192939	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
PITT	1192940	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
PITT	1192941	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
PITT	1192942	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
PITT	1192943	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0

Township	Claim #	Recording Date	Due Date	Status	Ownership	Amount Required	Amount Spent	Reserve	Claim Bank
PITT	1223526	1998-Oct-08	2008-Oct-27	A	100%	$5,600	$33,600	$0	$0
PITT	3000670	2002-Apr-02	2007-Oct-02	A	100%	$1,600	$4,800	$0	$0
PITT	3000671	2002-Apr-02	2007-Oct-02	A	100%	$5,600	$16,800	$0	$0
PITT	3000672	2002-Apr-02	2007-Oct-02	A	100%	$4,800	$14,400	$0	$0
PITT	3000673	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000674	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000675	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000676	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000677	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000678	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000679	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000680	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000681	2002-Apr-02	2008-Apr-02	A	100%	$5,600	$22,400	$0	$0
PITT	3000683	2002-Apr-02	2007-Oct-02	A	100%	$5,600	$16,800	$0	$0
PITT	3000684	2002-Apr-02	2007-Oct-02	A	100%	$4,800	$14,400	$0	$0
PITT	3000685	2002-Apr-02	2007-Oct-02	A	100%	$4,800	$14,400	$0	$0

Township	Claim #	Recording Date	Due Date	Status	Ownership	Amount Required	Amount Spent	Reserve	Claim Bank
PITT	3000686	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000687	2002-Apr-02	2007-Oct-02	A	100%	$6,400	$19,200	$0	$0
PITT	3000688	2002-Apr-02	2007-Oct-02	A	100%	$1,200	$3,600	$0	$0
PITT	3015249	2004-Apr-30	2007-Oct-11	A	100%	$6,400	$6,400	$0	$0
PITT	3015255	2004-Apr-30	2007-Oct-11	A	100%	$6,400	$6,400	$0	$0
PITT	4207640	2006-Feb-02	2008-Feb-02	A	100%	$3,200	$0	$0	$0
PITT	4207641	2006-Feb-02	2008-Feb-02	A	100%	$4,800	$0	$0	$0
VALENTINE	1199445	2002-Feb-25	2008-Feb-25	A	100%	$6,400	$25,600	$0	$0
VALENTINE	1199446	2002-Feb-25	2008-Feb-25	A	100%	$5,600	$22,400	$0	$0
VALENTINE	1223530	1998-Oct-08	2008-Oct-27	A	100%	$2,400	$14,400	$0	$0
VALENTINE	1223531	1998-Oct-08	2008-Oct-27	A	100%	$6,000	$36,000	$0	$0
VALENTINE	1228039	1998-Oct-08	2008-Oct-27	A	100%	$1,200	$7,200	$0	$0
VALENTINE	1238781	2000-Nov-17	2007-Nov-17	A	100%	$4,000	$20,000	$0	$0
VALENTINE	3000689	2002-Apr-02	2007-Oct-02	A	100%	$5,600	$16,800	$0	$0
VALENTINE	3000690	2002-Apr-02	2007-Oct-02	A	100%	$1,200	$3,600	$0	$0
VALENTINE	3001895	2002-Feb-25	2008-Feb-25	A	100%	$4,400	$17,600	$0	$0

Township	Claim #	Recording Date	Due Date	Status	Ownership	Amount Required	Amount Spent	Reserve	Claim Bank
VALENTINE	3015251	2004-Apr-30	2007-Oct-11	A	100%	$4,400	$4,400	$0	$0
VALENTINE	3015252	2004-Apr-30	2007-Oct-11	A	100%	$5,600	$5,600	$0	$0
VALENTINE	3015253	2004-Apr-30	2007-Oct-11	A	100%	$2,800	$2,800	$0	$0
VALENTINE	3015254	2004-Apr-30	2007-Oct-11	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	1192945	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
WACOUSTA	1192946	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
WACOUSTA	1192947	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
WACOUSTA	1192948	2002-Apr-26	2007-Oct-11	A	100%	$6,400	$19,200	$0	$0
WACOUSTA	1192949	2002-Apr-26	2008-Apr-26	A	100%	$3,600	$14,400	$0	$0
WACOUSTA	3002356	2003-Apr-01	2007-Oct-02	A	100%	$6,400	$12,800	$0	$0
WACOUSTA	3002382	2003-Apr-14	2008-Apr-14	A	100%	$5,200	$15,600	$0	$0
WACOUSTA	3002383	2003-Apr-14	2008-Apr-14	A	100%	$6,000	$18,000	$0	$0
WACOUSTA	3006939	2003-Oct-08	2007-Oct-08	A	100%	$4,000	$8,000	$0	$0
WACOUSTA	3010925	2003-Apr-01	2007-Oct-02	A	100%	$6,400	$12,800	$0	$0
WACOUSTA	3015250	2004-Apr-30	2007-Oct-11	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	3019064	2004-Sep-13	2008-Mar-13	A	100%	$6,400	$6,400	$0	$0

Township	Claim #	Recording Date	Due Date	Status	Ownership	Amount Required	Amount Spent	Reserve	Claim Bank
WACOUSTA	3019065	2004-Sep-13	2008-Mar-13	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	4203108	2005-Sep-14	2007-Sep-14	A	100%	$1,200	$0	$0	$0
WACOUSTA	4203109	2005-Sep-14	2007-Sep-14	A	100%	$6,400	$0	$0	$0
WACOUSTA	4203110	2005-Sep-14	2007-Sep-14	A	100%	$6,400	$0	$0	$0
WACOUSTA	4203111	2005-Sep-14	2007-Sep-14	A	100%	$6,400	$0	$0	$0
WACOUSTA	4203112	2005-Sep-14	2007-Sep-14	A	100%	$6,400	$0	$0	$0
WACOUSTA	4203113	2005-Sep-14	2007-Sep-14	A	100%	$6,400	$0	$0	$0
WACOUSTA	4206314	2005-Apr-21	2008-Apr-21	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	4206317	2005-Apr-21	2008-Apr-21	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	4206318	2005-Apr-21	2008-Apr-21	A	100%	$6,400	$6,400	$0	$0
WACOUSTA	4207648	2005-Oct-13	2007-Oct-13	A	100%	$4,800	$0	$0	$0

Hawkins Project

The following mineral claims, mineral leases and application for quarry lease located in the Province of Ontario:

Township	Claim #	Recording Date	Due Date	Status	Ownership	Amount Required	Amount Spent	Reserve	Claim Bank
HAWKINS	1229071	1997-Jun-06	2008-Jun-06	A	100%	$3,200	$28,800	$0	$0
HAWKINS	1229072	1997-Jun-06	2008-Jun-06	A	100%	$6,400	$51,200	$0	$0
HAWKINS	1229073	1997-Jun-06	2008-Jun-06	A	100%	$6,400	$51,200	$0	$0
HAWKINS	3002377	2003-Jun-12	2008-Jun-12	A	100%	$6,400	$12,800	$0	$0
HAWKINS	3016341	2003-Jul-14	2008-Jul-14	A	100%	$6,400	$19,200	$0	$0
HAWKINS	3016342	2003-Jul-14	2008-Jul-14	A	100%	$6,400	$19,200	$15,206	$0
HAWKINS	3016376	2003-Jul-09	2008-Jul-09	A	100%	$6,000	$18,000	$10,208	$0
HAWKINS	3016377	2003-Jul-09	2008-Jul-09	A	100%	$6,000	$18,000	$2,758	$0
HAWKINS	3017789	2004-Jun-24	2008-Jun-24	A	100%	$6,400	$6,400	$0	$0
HAWKINS	3017790	2004-Jun-24	2008-Jun-24	A	100%	$6,400	$6,400	$0	$0
WALLS	3002378	2003-Jun-12	2008-Jun-12	A	100%	$4,000	$8,000	$0	$0
WALLS	3002396	2003-Jun-12	2008-Jun-12	A	100%	$6,000	$12,000	$0	

Other Assets

(a) Telephone Numbers belonging to Baltic:

(705) 268-9000;

(416) 933-6362; and

(b) All documents, agreements, applications, instruments and information in any form whatsoever relating to the ownership, exploration and development of all of the above properties, including without limitation, all agreements to which Baltic is a party and technical reports;

(c) all cash and other assets of Baltic other than the Warrant Proceeds and its interest in the Martison Project.

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the date first above written.

BALTIC RESOURCES INC.

By: ______________________________

CANADIAN OREBODIES INC.

By: ______________________________

PHOSCAN RESOURCES INC.

By: ______________________________

1366825 ALBERTA LTD.

By: ______________________________

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the date first above written.

BALTIC RESOURCES INC.

By: ______________________

CANADIAN OREBODIES INC.

By: ______________________

PHOSCAN RESOURCES INC.

By: ______________________

1366825 ALBERTA LTD.

By: ______________________

Action No. 0801-01153

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

I hereby certify this to be a true copy of the original Final Order Dated this 7 day of March 2008 L. Daly for Clerk of the Court

IN THE MATTER OF Section 193 of the Business Corporations Act, R.S.A. 2000, c. B-9, as amended

AND IN THE MATTER OF a Plan of Arrangement proposed by Baltic Resources Inc. and involving PhosCan Chemical Corp., Canadian Orebodies Inc., and 1366825 Alberta Ltd.

BEFORE THE HONOURABLE MADAME JUSTICE K.M. HORNER IN CHAMBERS	)))	At the Courts Centre, in the City of Calgary, in the Province of Alberta, on Friday, the 7th day of March, 2008

FINAL ORDER

UPON THE APPLICATION of Baltic Resources Inc. ("Baltic" or the "Petitioner") for approval of a proposed arrangement (the "Arrangement") involving Baltic, PhosCan Chemical Corp., Canadian Orebodies Inc.,1366825 Alberta Ltd.;

AND UPON reading the Petition and the Affidavit of Stephen Gledhill sworn January 31, 2008, and the documents referred to therein;

AND UPON reading the Affidavit of Stephen Gledhill sworn March 5, 2008, and the documents referred to therein;

AND UPON hearing from counsel for Baltic;

AND UPON noting that the Executive Director of the Alberta Securities Commission (the "Executive Director") has been notified of the proposed application as required by subsection 193(8) of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended (the "ABCA") and that the Executive Director does not intend to appear or make submissions with respect to this application;

AND UPON it appearing that it is impracticable to effect the transactions contemplated by the Arrangement under any other provision of the ABCA;

AND UPON it appearing that the approval of the Arrangement by this Honourable Court will constitute the basis for an exemption from the registration requirements under the United States *Securities Act of 1933*, as amended, pursuant to section 3(a)(10) thereof, with respect to the securities issued under the Arrangement;

AND UPON being satisfied that the terms and conditions of the Arrangement are fair and reasonable to the Baltic Shareholders and Baltic Optionholders and that the Arrangement ought to be approved;

IT IS HEREBY ORDERED AND DIRECTED THAT:

1. All capitalized terms used in this Order shall, unless otherwise defined herein, have the same meanings as attributed thereto in the Plan of Arrangement.

2. The Arrangement is hereby approved by this Court pursuant to the provisions of Section 193 of the ABCA and the Arrangement will, upon the filing of the Articles of Arrangement, become effective in accordance with its terms and be binding on Baltic, PhosCan Chemical Corp., Canadian Orebodies Inc., 1366825 Alberta Ltd., and all other persons.

3. Articles of Arrangement in respect of the Arrangement be filed pursuant to the provisions of Section 193 of the ABCA on such date as Baltic determines.

4. Service of notice of this application, the notice in respect of the Baltic Meeting, the Interim Order and the Order of this Honourable Court granted February 1, 2008 on all persons is hereby deemed good and sufficient.

5. Service of this Order shall be made on all such persons who appeared on this application, either by counsel or in person, but is otherwise dispensed with.

"K.M. Horner"

J.C. C.Q.B.A.

ENTERED this 7 day of March, 2008

COURT SEAL

Clerk of the Court of Queen's Bench

Action No. 0801-01153

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF Section 193 of the
Business Corporations Act, R.S.A. 2000, c. B-9, as amended

AND IN THE MATTER OF a Plan of Arrangement proposed by
Baltic Resources Inc. and involving PhosCan Chemical Corp.,
Canadian Orebodies Inc., and 1366825 Alberta Ltd.

FINAL ORDER

Macleod Dixon LLP
Lawyers

3700 Canterra Tower
400 Third Avenue SW
Calgary, Alberta T2P 4H2

Attention: Roger Smith
Telephone: (403) 267-9409
Fax: (403) 264-5973

File No. 257918

CLERK OF THE COURT
MAR 0 7 2008
CALGARY, ALBERTA

1086137.v1

Name/Structure Change Alberta Corporation - Registration Statement

Alberta Amendment Date: 2008/03/10

Service Request Number:	11299607
Corporate Access Number:	207074899
Legal Entity Name:	BALTIC RESOURCES INC.
French Equivalent Name:	
Legal Entity Status:	Active

Alberta Corporation Type:	Named Alberta Corporation
New Legal Entity Name:	BALTIC RESOURCES INC.
New French Equivalent Name:	
Nuans Number:	PRE-CONV
Nuans Date:	1996/08/27
French Nuans Number:	
French Nuans Date:	

Share Structure:	THE ATTACHED SCHEDULE IS INCORPORATED INTO AND FORMS PART OF THESE ARTICLES.
Share Transfers Restrictions:	NONE
Number of Directors:	
Min Number Of Directors:	1
Max Number Of Directors:	7
Business Restricted To:	NONE
Business Restricted From:	NONE
Other Provisions:	THE ATTACHED SCHEDULE A IS INCORPORATED INTO AND FORMS PART OF THESE ARTICLES.
BCA Section/Subsection:	193

Professional Endorsement Provided:	
Future Dating Required:	

Annual Return

File Year	Date Filed
2007	2007/10/12

2006	2006/12/01
2005	2005/12/29

Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Share Structure	ELECTRONIC	2008/03/10
Other Rules or Provisions	ELECTRONIC	2008/03/10
Articles/Plan of Arrangement/Court Order	10000207102684174	2008/03/10

Registration Authorized By: SCOTT M. NEGRAIFF (TGS)
SOLICITOR

Name/Structure Change Alberta Corporation - Registration Statement

Alberta Amendment Date: 2008/03/10

Service Request Number:	11299607
Corporate Access Number:	207074899
Legal Entity Name:	BALTIC RESOURCES INC.
French Equivalent Name:	
Legal Entity Status:	Active
Alberta Corporation Type:	Named Alberta Corporation
New Legal Entity Name:	BALTIC RESOURCES INC.
New French Equivalent Name:	
Nuans Number:	PRE-CONV
Nuans Date:	1996/08/27
French Nuans Number:	
French Nuans Date:	
Share Structure:	THE ATTACHED SCHEDULE IS INCORPORATED INTO AND FORMS PART OF THESE ARTICLES.
Share Transfers Restrictions:	NONE
Number of Directors:	
Min Number Of Directors:	1
Max Number Of Directors:	7
Business Restricted To:	NONE
Business Restricted From:	NONE
Other Provisions:	THE ATTACHED SCHEDULE A IS INCORPORATED INTO AND FORMS PART OF THESE ARTICLES.
BCA Section/Subsection:	193
Professional Endorsement Provided:	
Future Dating Required:	

Annual Return

File Year	Date Filed
2007	2007/10/12

2006	2006/12/01
2005	2005/12/29

Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Share Structure	ELECTRONIC	2008/03/10
Other Rules or Provisions	ELECTRONIC	2008/03/10
Articles/Plan of Arrangement/Court Order	10000207102684174	2008/03/10

Registration Authorized By: SCOTT M. NEGRAIFF (TGS)
SOLICITOR

1. COMMON SHARES

The rights, privileges, restrictions and conditions attached to the Common Shares are as follows:

(i) The holders of the Common Shares shall be entitled to receive notice of, to attend at, and to vote at any meeting of the shareholders of the Corporation on the basis of one vote for each one Common share held at the time of any such meeting;

(ii) The holders of the Common Shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amount and payable at such times and at such place or places in Canada as the board of directors may from time to time determine; and

(iii) The holders of the Common Shares shall be entitled to share in the remaining property of the Corporation equally upon liquidation, dissolution, bankruptcy, winding up or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the creditors of the Corporation having been satisfied.

2. CLASS A SHARES

The rights, privileges, restrictions and conditions attached to the Class A Shares are as follows:

(i) The holders of the Class A Shares shall be entitled to receive notice of, to attend at, and to vote at any meeting of the shareholders of the Corporation on the basis of one vote for each one Class A share held at the time of any such meeting;

(ii) The holders of the Class A Shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amount and payable at such times and at such place or places in Canada as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to the Class A Shares, the board of directors may in their sole discretion declare dividends on the Class A Shares to the exclusion of any other class of shares of the Corporation; and

(iii) The holders of the Class A Shares shall be entitled to share in the remaining property of the Corporation, equally with the holders of the Common Shares upon liquidation, dissolution, bankruptcy, winding up or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the creditors of the Corporation having been satisfied.

SCHEDULE A

1. The directors may, between annual meetings of shareholders, appoint one or more additional directors of the Corporation to serve until the next annual meeting of shareholders, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last meeting of the shareholders of the Corporation.

2. Any meeting of the shareholders of the Corporation may be held in any of the following cities:

St. John's Newfoundland
Charlottetown, Prince Edward Island
Halifax, Nova Scotia
St. John, New Brunswick
Montreal, Quebec
Quebec City, Quebec
Toronto, Ontario
Ottawa, Ontario
Winnipeg, Manitoba
Regina, Saskatchewan
Victoria, British Columbia
Vancouver, British Columbia

or in any other place selected by the directors of the Corporation in accordance with the applicable corporate legislation.