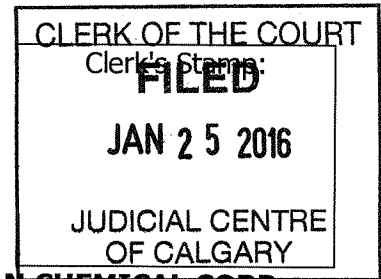


COURT FILE NUMBER 1501-13779
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANTS **PETRUS RESOURCES LTD. AND PHOSCAN CHEMICAL CORP.**
RESPONDENTS Not Applicable
DOCUMENT **FINAL ORDER**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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Date on Which Order Was Pronounced: January 25, 2016

Name of Judge Who Made This Order: Justice P.R. Jeffrey

ORDER

UPON the Originating Application (the "**Application**") of Petrus Resources Ltd. ("**Petrus**") and PhosCan Chemical Corp. ("**PhosCan**");

AND UPON reading the Affidavits of:

- (a) Cheree Stephenson, Vice President, Finance and Chief Financial Officer of Petrus sworn December 16, 2015 and January 22, 2016 and the documents referred to therein; and
- (b) Stephen White, Director of PhosCan sworn December 16, 2015 and January 22, 2016 and the documents referred to therein;

AND UPON hearing counsel for each of Petrus and PhosCan;

AND UPON BEING ADVISED that no Notices of Intention to Appear have been filed with respect to this application;

AND UPON IT APPEARING that a special meeting (the "**Petrus Meeting**") of the holders (the "**Petrus Shareholders**") of common shares of Petrus ("**Petrus Shares**") was called and conducted on January 21, 2016, in accordance with the Interim Order of this Honourable Court dated December 17, 2015 (the "**Interim Order**"), that the required quorum was present at the Petrus Meeting, and that the Petrus Shareholders approved the Arrangement in the manner and by the requisite majorities provided for in the Interim Order;

AND UPON IT APPEARING that a special meeting (the "**PhosCan Meeting**") of the holders (the "**PhosCan Shareholders**") of common shares of PhosCan ("**PhosCan Shares**") was called and conducted on January 21, 2016, in accordance with the Interim Order, that the required quorum was present at the PhosCan Meeting, and that the PhosCan Shareholders approved the Arrangement in the manner and by the requisite majorities provided for in the Interim Order;

AND UPON IT APPEARING that it is impracticable to effect the transactions contemplated by the Arrangement under any other provision of the *Business Corporations Act* (Alberta) ("**ABCA**");

AND UPON BEING SATISFIED based upon the evidence presented that the terms and conditions of the Arrangement and the procedures relating thereto are fair and reasonable to the Petrus Shareholders and the PhosCan Shareholders, respectively, and that the Arrangement ought to be approved;

AND UPON BEING ADVISED that the approval and declaration of fairness of the Plan of Arrangement and the Arrangement by this Court will constitute the basis for an exemption from the general requirement of registration requirements of the United States *Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof, with respect to the issuance of the securities issuable to the Petrus Shareholders and PhosCan Shareholders, respectively, pursuant to the Plan of Arrangement and the Arrangement;

IT IS HEREBY ORDERED AND ADJUDGED THAT:

1. The Plan of Arrangement proposed by Petrus and PhosCan, in the form attached as Schedule "A" to this Order, is hereby approved by this Court under Section 193 of the *ABCA* and will, upon the filing of the Articles of Arrangement under the *ABCA*, become effective in accordance with its terms and be binding on each of Petrus, PhosCan, Petrus Acquisition Corp. ("**New Petrus**"), Fox River Resources Corp. (formerly 9508309 Canada Inc.) ("**Fox River**"), the Petrus Shareholders, PhosCan Shareholders, the holders of subscription receipts of New Petrus, the holders of common shares of Fox River and all other persons.
2. The terms and conditions of the Plan of Arrangement and the Arrangement, and the procedures relating thereto, are fair and reasonable, substantively and procedurally, to the Petrus Shareholders and PhosCan Shareholders, respectively, and to all other affected parties.
3. The Articles of Arrangement in respect of the Arrangement shall be filed pursuant to Section 193 of the *ABCA* on such date as Petrus and PhosCan determine, provided that such date is not later than February 16, 2016.
4. Service of notice of this application, of the notices in respect of the Petrus Meeting and PhosCan Meeting, respectively, and of the Interim Order 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.
6. Petrus and PhosCan, or either of them, shall be entitled at any time to seek leave to vary this Order or to seek the advice and direction of this Court as to the implementation of this Order, on notice to the other parties.

for "Justice P. R. Jeffrey"

**Justice of the Court of Queen's Bench of
Alberta**

SCHEDULE A

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

ARTICLE 1 INTERPRETATION

1.1 In this Plan of Arrangement, the following terms have the following meanings:

- (a) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9;
- (b) "**Agency Agreement**" has the meaning ascribed thereto in the Arrangement Agreement;
- (c) "**Applicable Laws**", in the context that refers to one or more Persons, means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable 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;
- (d) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to section 193 of the ABCA, on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (e) "**Arrangement Agreement**" means the agreement made as of November 29, 2015 among Petrus, PhosCan, Petrus AcquisitionCo and PhosCan AcquisitionCo with respect to the Arrangement, including all amendments thereto;
- (f) "**Arrangement Resolutions**" means, collectively, the Petrus Arrangement Resolution, the PhosCan Arrangement Resolution, the Petrus AcquisitionCo Arrangement Resolution and the PhosCan AcquisitionCo Arrangement Resolution;
- (g) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under section 193(10) of the ABCA to be sent to the Registrar after the Final Order has been granted, giving effect to the Arrangement;
- (h) "**Business Day**" means a day other than a Saturday, a Sunday or a statutory holiday in the Provinces of Alberta or Ontario;
- (i) "**Certificate**" means the certificate or certificates or other confirmation of filing to be issued by the Registrar pursuant to section 193(11) of the ABCA giving effect to the Arrangement;
- (j) "**Court**" means the Court of Queen's Bench of Alberta;
- (k) "**Depository**" means Computershare Investor Services Inc. in its capacity as the depository under the Arrangement;
- (l) "**Dissent Rights**" means the rights of dissent granted in favour of registered PhosCan Shareholders and Petrus Shareholders, respectively, in respect of the Arrangement pursuant to section 191 of the ABCA, as modified by the Interim Order;

- (m) "**Dissenting Petrus Shareholders**" means registered Petrus Shareholders who validly exercise the Dissent Rights in accordance with Section 4.2 hereof which remain valid immediately before the Effective Time;
- (n) "**Dissenting PhosCan Shareholders**" means registered PhosCan Shareholders who validly exercise the Dissent Rights in accordance with Section 4.1 hereof which remain valid immediately before the Effective Time;
- (o) "**Dissenting Shareholders**" means, collectively, Dissenting PhosCan Shareholders and Dissenting Petrus Shareholders;
- (p) "**Effective Date**" means the date the Arrangement is effective under the ABCA, as established by the date of issue shown on the Certificate;
- (q) "**Effective Time**" means the time at which the Articles of Arrangement are filed with the Registrar on the Effective Date and the Arrangement becomes effective;
- (r) "**Encumbrances**" means, in the case of property or an asset, all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, rights of first refusal, outstanding demands, burdens, capital leases, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging, or creating a security interest in, or against title to, such property or asset, or any part thereof or interest therein, and any agreements, leases, options, easements, rights of way, restrictions, executions or other charges or encumbrances (including notices or other registrations in respect of any of the foregoing) (whether by Applicable Law, contract or otherwise) against title to any of the property or asset, or any part thereof or interest therein;
- (s) "**Final Order**" means the order of the Court approving the Arrangement to be granted pursuant to section 193(9) of the ABCA, as such order may be affirmed, amended or modified by the Court (with the consent of each of Petrus and PhosCan, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that such amendment is acceptable to each of Petrus and PhosCan, each acting reasonably) on appeal;
- (t) "**Governmental Authority**" means any:
 - (i) multinational, federal, provincial, state, regional, municipal, local or other government or any governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau ministry or agency, domestic or foreign;
 - (ii) subdivision, agent, commission, board or authority of any of the foregoing;
 - (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or
 - (iv) stock exchange;
- (u) "**Interim Order**" means an interim order of the Court concerning the Arrangement under section 193(4) of the ABCA with respect to the Arrangement, the holding of the PhosCan Meeting and the Petrus Meeting, respectively, and the passing of the Arrangement Resolutions, respectively, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (v) "**ITA**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.);
- (w) "**Letters of Transmittal**" means the letters of transmittal for use by the holders of PhosCan Shares and Petrus Shares, respectively, accompanying the: (i) information circular sent to PhosCan Shareholders for purposes of depositing certificates representing PhosCan Shares; and (ii) information circular sent to Petrus Shareholders for purposes of depositing certificates representing Petrus Shares;

- (x) "**Parties**" means, collectively, Petrus, PhosCan, Petrus AcquisitionCo and PhosCan AcquisitionCo;
- (y) "**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;
- (z) "**Petrus**" means Petrus Resources Ltd., a corporation existing under the laws of the Province of Alberta;
- (aa) "**Petrus AcquisitionCo**" means Petrus Acquisition Corp., a corporation existing under the laws of the Province of Alberta;
- (bb) "**Petrus AcquisitionCo Arrangement Resolution**" means the special resolution of the sole shareholder of Petrus AcquisitionCo approving the Arrangement;
- (cc) "**Petrus AcquisitionCo Shares**" means the common shares in the capital of Petrus AcquisitionCo, as constituted immediately prior to the Effective Time;
- (dd) "**Petrus Arrangement Resolution**" means the special resolution of the Petrus Shareholders approving the Arrangement;
- (ee) "**Petrus Meeting**" means the special meeting of Petrus Shareholders held to consider the Petrus Arrangement Resolution, and any adjournment(s) thereof;
- (ff) "**Petrus Private Placement**" means the proposed offering of Petrus Subscription Receipts pursuant to the Agency Agreement;
- (gg) "**Petrus Shareholders**" means the holders of Petrus Shares;
- (hh) "**Petrus Shares**" means the common shares in the capital of Petrus, as constituted immediately prior to the Effective Time;
- (ii) "**Petrus Subscription Receipt Agreement**" means the subscription receipt agreement entered into among Petrus, Petrus AcquisitionCo, Computershare Investor Services Inc. and the lead agent(s) for the Petrus Private Placement;
- (jj) "**Petrus Subscription Receipts**" means subscription receipts of Petrus AcquisitionCo, each of which entitles the holder thereof to receive 0.25 of one Petrus AcquisitionCo Share in accordance with the terms and conditions of the Petrus Subscription Receipt Agreement;
- (kk) "**PhosCan**" means PhosCan Chemical Corp., a corporation existing under the federal laws of Canada;
- (ll) "**PhosCan AcquisitionCo**" means 9508309 Canada Inc., a corporation existing under the federal laws of Canada;
- (mm) "**PhosCan AcquisitionCo Arrangement Resolution**" means the special resolution of the sole shareholder of PhosCan AcquisitionCo approving the Arrangement;
- (nn) "**PhosCan AcquisitionCo Shares**" means common shares in the capital of PhosCan AcquisitionCo, as constituted immediately prior to the Effective Time;
- (oo) "**PhosCan Arrangement Resolution**" means the special resolution of PhosCan Shareholders approving the Arrangement;

- (pp) "**PhosCan Conveyance Agreement**" means the agreement to be entered into between PhosCan and PhosCan AcquisitionCo as of the Effective Date to effect: (i) the transfer of the PhosCan Transferred Assets from PhosCan to PhosCan AcquisitionCo; and (ii) the assumption of the PhosCan Transferred Liabilities by PhosCan AcquisitionCo, in a form satisfactory to Petrus, PhosCan and PhosCan AcquisitionCo, each acting reasonably, and that will be attached as Appendix "B" hereto;
- (qq) "**PhosCan Exchange Ratio**" means 0.0452672, being the number of Petrus AcquisitionCo Shares issuable in exchange for one (1) PhosCan New Common Share pursuant to the Arrangement;
- (rr) "**PhosCan Meeting**" means the special meeting of PhosCan Shareholders to be held to consider the PhosCan Arrangement Resolution, and any adjournment(s) thereof;
- (ss) "**PhosCan New Common Shares**" means the newly constituted Class A common shares in the capital of PhosCan to be created pursuant to the amendment to the Articles of PhosCan under Section 3.1(d) hereof and having the rights, privileges, restrictions and conditions as set forth in Appendix "A" hereto;
- (tt) "**PhosCan Rights Plan**" means PhosCan's shareholder rights plan, approved by the PhosCan Board of Directors on September 24, 2008 and ratified and approved by PhosCan Shareholders on February 11, 2009, July 25, 2012 and July 28, 2015;
- (uu) "**PhosCan Shareholders**" means holders of PhosCan Shares;
- (vv) "**PhosCan Shares**" means the common shares in the capital of PhosCan, as constituted immediately prior to the Effective Time;
- (ww) "**PhosCan Transferred Assets**" has the meaning ascribed thereto in the Arrangement Agreement;
- (xx) "**PhosCan Transferred Liabilities**" has the meaning ascribed thereto in the Arrangement Agreement;
- (yy) "**Plan of Arrangement**" means this plan of arrangement, including any appendices hereto and any amendments, modifications or supplements hereto made from time to time in accordance with the terms hereof or made at the direction of the Court in the Final Order, with the consent of Petrus and PhosCan, each acting reasonably;
- (zz) "**Registrar**" means the Registrar of Corporations or the Deputy Registrar of Corporations appointed pursuant to section 263 of the ABCA; and
- (aaa) "**Taxing Authority**" means any Governmental Authority responsible for the imposition of any tax (domestic or foreign).

1.2 The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to Articles and Sections are to Articles and Sections of this Plan of Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders.

1.5 Unless otherwise specified, all references to "dollars" or "\$" shall mean Canadian dollars.

1.6 In the event that the date on which any action is required to be taken hereunder by any of the Parties 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 in such place.

1.7 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2 ARRANGEMENT AGREEMENT

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

2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, will become effective on, and be binding on and after, the Effective Time on: (i) all registered and beneficial PhosCan Shareholders; (ii) all registered and beneficial Petrus Shareholders; (iii) all Dissenting Shareholders; (iv) all registered and beneficial holders of Petrus Subscription Receipts; (v) all registered and beneficial PhosCan AcquisitionCo Shareholders; (vi) Petrus; (vii) PhosCan; (viii) Petrus AcquisitionCo; and (ix) PhosCan AcquisitionCo.

2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence set out therein.

ARTICLE 3 ARRANGEMENT

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

Termination of PhosCan Rights Plan

- (a) notwithstanding the terms of the PhosCan Rights Plan and any rights granted thereunder, the PhosCan Rights Plan and any rights, entitlements or privileges granted thereunder shall be deemed to be terminated and cancelled for no consideration and shall be of no further force and effect and PhosCan shall cease to have any liability in respect of the same;

Dissenting Shareholders

- (b) the PhosCan Shares held by Dissenting PhosCan Shareholders who have exercised Dissent Rights which remain valid immediately prior to the Effective Time shall, as of the Effective Time, be deemed to have been transferred to PhosCan and cancelled, and cease to be outstanding, and as of the Effective Time, such Dissenting PhosCan Shareholders shall cease to have any rights as PhosCan Shareholders, other than the right to be paid the fair value of their PhosCan Shares in accordance with Article 4 hereof;
- (c) the Petrus Shares held by Dissenting Petrus Shareholders who have exercised Dissent Rights which remain valid immediately prior to the Effective Time shall, as of the Effective Time, be deemed to have been transferred to Petrus and cancelled, and cease to be outstanding, and as of the Effective Time, such Dissenting Petrus Shareholders shall cease to have any rights as Petrus Shareholders, other than the right to be paid the fair value of their Petrus Shares in accordance with Article 4 hereof;

Amendment of PhosCan Share Capital

- (d) the Articles of PhosCan will be amended to create and authorize the issuance of the PhosCan New Common Shares having the rights, privileges, restrictions and conditions as set out in Appendix "A" to this Plan of Arrangement;

PhosCan Conveyance Agreement

- (e) the PhosCan Conveyance Agreement shall become effective and, pursuant thereto, PhosCan shall and shall be deemed to transfer the PhosCan Transferred Assets to PhosCan AcquisitionCo in consideration for (A) the assumption of the PhosCan Transferred Liabilities by PhosCan AcquisitionCo; and (B) the issuance to PhosCan of that number of PhosCan AcquisitionCo Shares which, when added to the number of PhosCan AcquisitionCo Shares already owned by PhosCan, is equal to one-quarter (0.25) of (i) the number of issued and outstanding PhosCan Shares immediately prior to the Effective Time, less (ii) the number of PhosCan Shares held by PhosCan Dissenting Shareholders;

Reorganization of PhosCan Share Capital

- (f) each PhosCan Share outstanding immediately prior to the Effective Time (other than those PhosCan Shares held by Dissenting PhosCan Shareholders) shall be and shall be deemed to be transferred to PhosCan in exchange for: (i) one (1) PhosCan New Common Share; and (ii) one-quarter (0.25) of one (1) PhosCan AcquisitionCo Share and the PhosCan Shares so exchanged shall be cancelled;

Petrus Share Exchange

- (g) each Petrus Share outstanding immediately prior to the Effective Time (other than those Petrus Shares held by Dissenting Petrus Shareholders) shall be and shall be deemed to be transferred to Petrus AcquisitionCo in exchange for one-quarter (0.25) of one Petrus AcquisitionCo Share;

Conversion of Petrus Subscription Receipts

- (h) each Petrus Subscription Receipt shall be and shall be deemed to be converted into one-quarter (0.25) of one Petrus AcquisitionCo Share and the proceeds from the issuance of the Petrus Subscription Receipts (and the interest accrued thereon) being held in escrow pursuant to the Petrus Subscription Receipt Agreement shall be released to Petrus AcquisitionCo;

PhosCan Share Exchange

- (i) each PhosCan New Common Share issued or deemed to be issued pursuant to Section 3.1(f) hereof shall be and shall be deemed to be transferred to Petrus AcquisitionCo in exchange for such number of Petrus AcquisitionCo Shares equal to the PhosCan Exchange Ratio;

Petrus Name Change

- (j) Petrus will file Articles of Amendment pursuant to section 173(1) of the ABCA to change its name to "Petrus Resources Corp.";

Petrus AcquisitionCo Name Change

- (k) Petrus AcquisitionCo will file Articles of Amendment pursuant to section 173(1) of the ABCA to change its name to "Petrus Resources Ltd."; and

PhosCan Name Change

- (l) PhosCan will file Articles of Amendment pursuant to section 173(1) of the ABCA to change its name to "Petrus Resources Inc."

3.2 Petrus, PhosCan, Petrus AcquisitionCo and PhosCan AcquisitionCo will make the appropriate entries into their securities registers to reflect the matters referred to under Section 3.1.

3.3 All Petrus Shares, PhosCan Shares, Petrus AcquisitionCo Shares and PhosCan AcquisitionCo Shares transferred or deemed to be transferred by the holders thereof under Section 3.1 shall be deemed to have been transferred free and clear of all Encumbrances.

3.4 Petrus, PhosCan, Petrus AcquisitionCo, PhosCan AcquisitionCo and the Depositary shall be entitled to deduct and withhold from any consideration or amount otherwise payable to any Person such amounts as Petrus, PhosCan, Petrus AcquisitionCo, PhosCan AcquisitionCo or the Depositary, as the case may be, 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 federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Taxing Authority. To the extent that the amount so required to be deducted or withheld from any payment to a Person exceeds the consideration otherwise payable to the Person, Petrus, PhosCan, Petrus AcquisitionCo, PhosCan AcquisitionCo and the Depositary are hereby authorized to sell or otherwise dispose of any property or amount otherwise payable to such Person to the extent necessary to provide sufficient funds to Petrus, PhosCan, Petrus AcquisitionCo, PhosCan AcquisitionCo or the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement and Petrus, PhosCan, Petrus AcquisitionCo, PhosCan AcquisitionCo or the Depositary shall remit to such Person any unapplied balance of the net proceeds of such sale.

3.5 A Petrus Shareholder who exchanges Petrus Shares with Petrus AcquisitionCo pursuant to this Plan of Arrangement shall be entitled to make an income tax election with Petrus AcquisitionCo pursuant to section 85(1) or 85(2) of the ITA, as applicable (and the analogous provisions of provincial income tax law). Petrus AcquisitionCo shall make available on the Petrus AcquisitionCo website a pre-signed version of the required ITA income tax election forms prior to 30 days following the Effective Date. A Petrus Shareholder who is required to file a similar provincial election form must provide a signed copy of the duly completed prescribed provincial election form to Petrus AcquisitionCo within 90 days following the Effective Date. Such prescribed provincial election form will be signed by Petrus AcquisitionCo and returned to the Petrus Shareholder within 30 days of receipt thereof by Petrus AcquisitionCo for filing with the applicable provincial taxation authorities. Petrus AcquisitionCo will not be responsible for the proper completion of any election form and, except for the obligation of Petrus AcquisitionCo to so sign and return duly completed provincial election forms which are received by Petrus AcquisitionCo within 90 days of the Effective Date, Petrus AcquisitionCo will not be responsible for any taxes, interest or penalties resulting from the failure by a Petrus Shareholder to properly complete or file the election forms in the form and manner and within the time prescribed by the ITA (and any applicable provincial legislation). In its sole discretion, Petrus AcquisitionCo may choose to sign and return a provincial election form received by it more than 90 days following the Effective Date but has no obligation to do so.

ARTICLE 4 DISSENTING SHAREHOLDERS

4.1 Each registered PhosCan Shareholder shall have the right to dissent with respect to the Arrangement in accordance with section 191 of the ABCA, as modified by the Interim Order and this Article 4. A Dissenting PhosCan Shareholder shall, on the Effective Date, cease to have any rights as a holder of PhosCan Shares (other than as set forth herein) and shall only be entitled to be paid by PhosCan the fair value of the holder's PhosCan Shares. A Dissenting PhosCan Shareholder who is entitled to be paid by PhosCan the fair value of the holder's PhosCan Shares shall be deemed to have transferred the holder's PhosCan Shares free and clear of all Encumbrances to PhosCan without any further act or formality as of the Effective Time, notwithstanding the provisions of section 191 of the ABCA.

4.2 Each registered Petrus Shareholder shall have the right to dissent with respect to the Arrangement in accordance with section 191 of the ABCA, as modified by the Interim Order and this Article 4. A Dissenting Petrus Shareholder shall, on the Effective Date, cease to have any rights as a holder of Petrus Shares (other than as set forth herein) and shall only be entitled to be paid by Petrus the fair value of the holder's Petrus Shares. A Dissenting Petrus Shareholder who is entitled to be paid by Petrus the fair value of the holder's Petrus Shares shall be deemed to have transferred the holder's Petrus Shares free and clear of all Encumbrances to Petrus without any further act or formality as of the Effective Time, notwithstanding the provisions of section 191 of the ABCA.

4.3 A Dissenting Shareholder who for any reason is not entitled to be paid the fair value of the holder's PhosCan Shares or Petrus Shares, as the case may be, shall be deemed to have participated in the Arrangement on the same basis as Petrus Shareholders or PhosCan Shareholders, as the case may be, who are not Dissenting Shareholders notwithstanding the provisions of section 191 of the ABCA.

4.4 The fair value of the PhosCan Shares shall be determined as of the close of business on the last Business Day before the day on which the PhosCan Arrangement Resolution is approved by the holders of PhosCan Shares at the PhosCan Meeting and the fair value of the Petrus Shares shall be determined as of the close of business on the last Business Day before the day on which the Petrus Arrangement Resolution is approved by the holders of Petrus Shares at the Petrus Meeting.

4.5 In no event shall any of Petrus, PhosCan, Petrus AcquisitionCo or PhosCan AcquisitionCo be required to recognize a Dissenting Shareholder as holder of any shares in the capital of such corporation after the Effective Time.

4.6 For the avoidance of doubt, in addition to any other restrictions in section 191 of the ABCA, any Person who has voted or instructed a proxyholder to vote in favour of the Arrangement shall not be entitled to exercise Dissent Rights with respect to the Arrangement.

ARTICLE 5 ISSUANCE OF CERTIFICATES AND FRACTIONAL SECURITIES

Issuance of Securities

5.1 From and including the Effective Date, share certificates previously representing Petrus Shares or PhosCan Shares, as the case may be, that were exchanged or deemed to be exchanged in accordance with the provisions of this Plan of Arrangement will represent the Petrus AcquisitionCo Shares and/or the PhosCan AcquisitionCo Shares, as the case may be, to be issued to Petrus Shareholders and PhosCan Shareholders, respectively, under this Plan of Arrangement.

5.2 As soon as practicable following the later of the Effective Date and receipt by the Depositary of a duly completed Letter of Transmittal, including the surrender to the Depositary for cancellation of any certificate that immediately prior to the Effective Time represented outstanding Petrus Shares or PhosCan Shares, as the case may be, and the receipt by the Depositary of such additional documents and instruments as the Depositary may reasonably require, the former holder of Petrus Shares or PhosCan Shares, as the case may be, shall be entitled to receive in exchange therefor, the PhosCan AcquisitionCo Shares and/or Petrus AcquisitionCo Shares, as the case may be, to which such former holders of PhosCan Shares or Petrus Shares, as the case may be, are entitled pursuant to the Arrangement.

5.3 Subject to Section 5.4, until surrendered as contemplated by Section 5.2, each certificate which immediately prior to the Effective Time represented:

- (a) outstanding PhosCan Shares, including PhosCan Shares held by Dissenting PhosCan Shareholders deemed to have participated in the Arrangement pursuant to Section 4.3, will be deemed from and after the Effective Time to represent only the right to receive from the Depositary upon such surrender of such certificate the PhosCan AcquisitionCo Shares and Petrus AcquisitionCo Shares, as the case may be, to which such former holders of PhosCan Shares are entitled pursuant to the Arrangement; and
- (b) outstanding Petrus Shares, including Petrus Shares held by Dissenting Petrus Shareholders deemed to have participated in the Arrangement pursuant to Section 4.3, will be deemed from and after the Effective Time to represent only the right to receive from the Depositary upon such surrender of such certificate the Petrus AcquisitionCo Shares to which such former holders of Petrus Shares are entitled pursuant to the Arrangement.

5.4 Any certificate formerly representing Petrus Shares or PhosCan Shares, as the case may be, not duly surrendered on or before the last Business Day prior to the third anniversary of the Effective Date shall cease to represent a claim by or interest of any former Petrus Shareholder or PhosCan Shareholder, as the case may be, of any kind or nature against Petrus, PhosCan, Petrus AcquisitionCo or PhosCan AcquisitionCo, or their respective successors. On such date, all consideration and other property to which such former holder was entitled shall be deemed to have been surrendered to Petrus, PhosCan, Petrus AcquisitionCo or PhosCan AcquisitionCo, or their respective successors, as applicable.

5.5 No Petrus Shareholder or PhosCan Shareholder, as the case may be, shall be entitled to receive any consideration with respect to such Petrus Shares or PhosCan Shares, respectively, other than the consideration and other property to which such holder is entitled to receive under this Plan of Arrangement and, for the avoidance of doubt, no such holder will be entitled to receive any interest, dividend, premium or other payment in connection therewith.

Loss of Certificates

5.6 If any certificate which, immediately prior to the Effective Time, represented an interest in outstanding Petrus Shares or PhosCan Shares that were exchanged pursuant to Article 3 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to have been lost, stolen or destroyed, the Depository will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration and other property to which the holder is entitled pursuant to this Plan of Arrangement as determined in accordance with this Plan of Arrangement. The Person who is entitled to receive such consideration and other property shall, as a condition precedent to the receipt thereof, give a bond satisfactory to Petrus or PhosCan, as the case may be, and its transfer agent in such form as is satisfactory to Petrus or PhosCan, as the case may be, and such transfer agent, or otherwise indemnify Petrus, PhosCan and the transfer agent, to the reasonable satisfaction of such Parties, against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

Fractional Shares

5.7 No certificates or non-certificated positions representing fractional Petrus AcquisitionCo Shares or PhosCan AcquisitionCo Shares, respectively, shall be issued under the Arrangement. In lieu of any fractional shares, each registered holder of securities, as the case may be, otherwise entitled to a fractional interest in a Petrus AcquisitionCo Shares or PhosCan AcquisitionCo Share will receive the nearest whole number of such share. For the avoidance of doubt, where such fractional interest is greater than or equal to 0.5, the number of shares to be issued will be rounded up to the nearest whole number and where such fractional interest is less than 0.5, the number of shares to be issued will be rounded down to the nearest whole number. In calculating such fractional interests, all Petrus Shares or PhosCan Shares, as the case may be, registered in the name of or beneficially held by such holder or their nominee shall be aggregated.

5.8 Notwithstanding any provision herein to the contrary, Petrus, PhosCan, Petrus AcquisitionCo and PhosCan AcquisitionCo each agree that this Plan of Arrangement will be carried out with the intention that: (1) all PhosCan New Common Shares issued on completion of this Plan of Arrangement to PhosCan Shareholders; (2) all Petrus AcquisitionCo Shares issued on the completion of this Plan of Arrangement to Petrus Shareholders; and (3) all Petrus AcquisitionCo Shares issued on the completion of this Plan of Arrangement to each Person who will be a holder of PhosCan New Common Shares, will be issued in reliance on the exemption from registration requirements of the United States *Securities Act of 1933* provided by Section 3(a)(10) thereof.

ARTICLE 6 AMENDMENTS

6.1 The Parties may by mutual agreement amend this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) filed with the Court and, if made following the PhosCan Meeting or Petrus Meeting, approved by the Court; and (iii) communicated to PhosCan Shareholders and Petrus Shareholders if and as required by the Court.

6.2 Other than as may be required under the Interim Order, any amendment to the Plan of Arrangement may be proposed by PhosCan or Petrus at any time prior to or at the PhosCan Meeting or Petrus Meeting (provided that the other Parties shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the PhosCan Meeting and Petrus Meeting, shall become part of the Plan of Arrangement for all purposes.

6.3 Any amendment to the Plan of Arrangement that is approved by the Court following the PhosCan Meeting or Petrus Meeting shall be effective only if it is consented to in writing by each of the Parties.

ARTICLE 7
FURTHER ASSURANCES

7.1 Notwithstanding that the transaction and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties to the Arrangement Agreement shall make, do and execute, or come to be made, done or executed, all such further acts, deeds, agreements, transfers, assurances, instrument or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

APPENDIX "A"

Share Conditions attaching to PhosCan Shares and the PhosCan New Common Shares at the time of the amendment contemplated in Section 3.1(d)

1. PhosCan Chemical Corp. (the "**Corporation**") is authorized to issue an unlimited number of common shares ("**Common Shares**") and an unlimited number of Class A common shares ("**Class A Common Shares**").
2. The rights, privileges, restrictions and conditions attaching to the Common Shares and the Class A Common Shares are as follows:

COMMON SHARES

(A) Voting

The holders of Common Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and to one vote in respect of each Common Share held at all such meetings.

(B) Dividend and Distribution

The Common Shares shall rank on a parity with the Class A Common Shares with respect to priority in payment of dividends and the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its Shareholders for the purpose of winding-up its affairs. The board of directors may in their discretion declare a dividend on the Common Shares without declaring a dividend on the Class A Common Shares and vice versa.

CLASS A COMMON SHARES

(A) Voting

The holders of Class A Common Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and to two (2) votes in respect of each Class A Common Shares held at all such meetings.

(B) Dividend and Distribution

The Class A Common Shares shall rank on a parity with the Common Shares with respect to priority in payment of dividends and the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its Shareholders for the purpose of winding-up its affairs. The board of directors may in their discretion declare a dividend on the Class A Common Shares without declaring a dividend on the Common Shares and vice versa.

APPENDIX "B"

FORM OF PHOSCAN CONVEYANCE AGREEMENT