

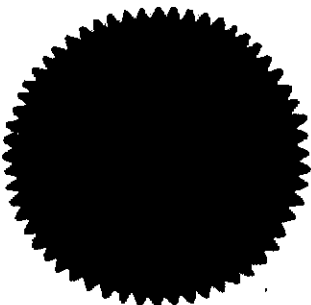
State of Delaware



Office of Secretary of State

J. Elisha C. Dukes, Secretary of State of the State of Delaware,
do hereby certify that the above and foregoing is a true and correct copy of
Certificate of Agreement of Merger of "THE BUNKER HILL COMPANY", merging
with and into the "GULF RESOURCES & CHEMICAL CORPORATION", under the
name of "GULF RESOURCES & CHEMICAL CORPORATION", as received and filed
in this office the thirty-first day of May, A.D. 1968, at 10 o'clock
A.M.

In Testimony Whereof, I have hereunto set my hand
and official seal at Dover this fourth day
of June in the year of our Lord
one thousand nine hundred and sixty-eight.



J. Elisha C. Dukes

Secretary of State

J. P. Glavin

Asst. Secretary of State

Certified Copy

[CONFORMED COPY]

AGREEMENT OF MERGER

Agreement of Merger dated as of March 15, 1968, between GULF RESOURCES & CHEMICAL CORPORATION, a Delaware corporation (hereinafter sometimes called "Gulf"), and THE BUNKER HILL COMPANY, a Delaware corporation (hereinafter sometimes called "Bunker Hill"), such corporations being hereinafter sometimes collectively referred to as the "Constituent Corporations."

The authorized capital stock of Gulf as of the date hereof consists of (a) 2,000,000 shares of Preferred Stock, par value \$1 per share, of which 382,237 shares of Series A Cumulative Convertible Preferred Stock ("Series A Preferred Stock") are duly issued and outstanding and 11,435 shares of Series A Preferred Stock are reserved for issuance upon exercise of outstanding options assumed by Gulf under qualified stock option plans, and (b) 4,500,000 shares of Common Stock, par value 10¢ per share, of which 2,139,488 shares are duly issued and outstanding, 787,344 shares are reserved for issuance upon conversion of the Series A Preferred Stock, and 156,400 shares are reserved for issuance upon exercise of outstanding qualified stock options and 139,100 shares are reserved for issuance upon exercise of options to be granted pursuant to a qualified stock option plan.

The authorized capital stock of Bunker Hill consists of 2,000,000 shares of Common Stock, par value \$2.50 per share, of which 1,506,579 shares (excluding 99,421 treasury shares) have been duly issued and are outstanding.

The board of directors of each of the Constituent Corporations has adopted a resolution approving this Agreement of Merger.

In consideration of the premises and the agreements, provisions, covenants and grants herein contained, the parties hereto hereby agree, in accordance with the applicable provisions of the laws of the State of Delaware, that Gulf and Bunker Hill shall be, and hereby are, merged into a single corporation (hereinafter sometimes called the "Surviving Corporation"), to wit: Gulf Resources & Chemical Corporation, a Delaware corporation, one of the Constituent Corporations; and that the terms and conditions of the merger hereby agreed upon (hereinafter sometimes called "the merger") and the mode of carrying the same into effect are, and shall be, as follows:

First: The corporate name of Gulf, to wit, Gulf Resources & Chemical Corporation, its purposes, powers and objects, and its identity, existence, privileges, powers, franchises and immunities shall continue unaffected and unimpaired by the merger except as modified in this Agreement of Merger and the identity, existence, property, assets, rights, privileges, powers, franchises and immunities of Bunker Hill shall be merged with and into Gulf, and Gulf shall be fully vested therewith. The separate existence and the corporate organization of Bunker Hill shall cease as soon as (i) this Agreement shall have been adopted by the votes of the stockholders of each of the Constituent Corporations in accordance with the requirements of the laws of the State of Delaware applicable to the merger and that fact shall have been certified hereon by the Secretary or an Assistant Secretary of each of the Constituent Corporations under its corporate seal, and (ii) this Agreement, so adopted and certified, shall have been executed, acknowledged and filed, and shall become effective, in accordance with the General Corporation Law of the State of Delaware. The time when this Agreement shall so become effective is hereinafter sometimes called "the effective date of the merger".

Second: From and after the effective date of the merger and until further amended as provided by the laws of the State of Delaware, the Certificate of Incorporation, as amended, of Gulf as in effect at the date hereof shall be and shall continue to be the Certificate of Incorporation of the Surviving Corporation, except that from and after the effective date of the merger: (i) ARTICLE THIRD shall be amended so as to read in its entirety as follows: "The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized

<u>Name</u>	<u>Address</u>
Joseph F. Patten	One Wall Street New York, New York 10005
George Rieveschl, Jr.	232 Lothrop Road Grosse Point Farms, Michigan 48236
C. E. Schwab	P. O. Box 29 Kellogg, Idaho 83837
Jack T. Trotter	402 Pierce Houston, Texas 77002
William M. Wolf	2125 Tennessee Building Houston, Texas 77002

The names, offices and mailing addresses of the persons who shall be officers of the Surviving Corporation upon the effective date of the merger (each of whom shall continue in office until the first meeting of the Board of Directors of the Surviving Corporation following the next annual meeting of its stockholders and until his successor shall have been elected and shall qualify or until as otherwise provided in the Bylaws of the Surviving Corporation) are as follows:

<u>Name</u>	<u>Office</u>	<u>Address</u>
Robert H. Allen	President	2125 Tennessee Building Houston, Texas 77002
C. E. Schwab	Executive Vice President, Mining	P. O. Box 29 Kellogg, Idaho 83837
Harry D. Feltenstein, Jr.	Executive Vice President, Chemicals	579 Fifth Avenue New York, New York 10017
Marsden J. Dupuy	Vice President, Sulphur	2125 Tennessee Building Houston, Texas 77002
Robert H. Stebbins	Vice President, Exploration	2125 Tennessee Building Houston, Texas 77002
William M. Wolf	Vice President, General Counsel and Secretary	2125 Tennessee Building Houston, Texas 77002
Arthur M. Urech	Vice President, Finance and Treasurer	2125 Tennessee Building Houston, Texas 77002
John I. Whiteley	Assistant Secretary and Assistant Treasurer	2125 Tennessee Building Houston, Texas 77002

If, by reason of death or other unexpected occurrence, any one or more of the above-named persons should be unavailable to act as a director or an officer of the Surviving Corporation at the effective date of the merger, the vacancy may thereafter be filled in the manner provided in the Bylaws of the Surviving Corporation.

Fifth: The manner of converting shares of each of the Constituent Corporations into shares of the Surviving Corporation and the amount of cash to be received in connection therewith shall be as follows:

(a) Each share of Common Stock, of the par value of 10¢ per share, of Gulf and each share of Series A Preferred Stock, of the par value of \$1 per share, of Gulf which shall be issued and outstanding at the effective date of the merger shall continue to be one share of the Common Stock, of the par value of 10¢ per share, and one share of the Series A Preferred Stock, of the par value of \$1 per share, respectively, of the Surviving Corporation.

(b) Each share of the Common Stock, of the par value of \$2.50 per share, of Bunker Hill which shall be issued and outstanding at the effective date of the merger (excluding any shares then held in the treasury of Bunker Hill and excluding any shares then owned of record or beneficially by Gulf), and all rights in respect thereof, shall be thereupon converted into six-tenths of one share of the Common Stock, of the par value of 10¢ per share, of the Surviving Corporation, and one share of the Series B Preferred Stock, of the par value of \$1 per share, of the Surviving Corporation, such shares of Series B Preferred Stock having such voting powers and such designations, preferences and relative, participating, optional and other special rights and qualifications, limitations and restrictions thereof as are set forth in the Directors' Resolution annexed hereto as Exhibit I.

(c) Securities of the Surviving Corporation shall not be issued in respect of any shares of the Common Stock of Bunker Hill that shall be held in the treasury of Bunker Hill at the effective date of the merger, nor shall any such securities be issued in respect of any shares of the Common Stock of Bunker Hill that shall be owned of record or beneficially by Gulf at the effective date of the merger and at the effective date of the merger all of such shares of Common Stock of Bunker Hill shall cease to exist and all certificates representing such shares shall be cancelled.

(d) After the effective date of the merger each holder of record (at the close of business on the effective date of the merger) of outstanding shares of the Common Stock of Bunker Hill shall upon the surrender of all certificates representing such shares of Common Stock held of record by such holder to the Surviving Corporation be entitled (subject to the provisions of subparagraph (f) of this Article Fifth) to receive in exchange therefor (i) a certificate or certificates representing the number of full shares of the Common Stock of the Surviving Corporation and a certificate or certificates representing the number of shares of the Series B Preferred Stock of the Surviving Corporation into which the shares of Common Stock of Bunker Hill theretofore represented by the certificate or certificates so surrendered shall have been converted as aforesaid and (ii) cash, without interest thereon, in an amount per share of Bunker Hill Common Stock so surrendered equal to one-third of \$.01 per day for each day elapsed between the last Bunker Hill regular quarterly cash dividend payment date and the effective date of the merger. Until so surrendered, each outstanding certificate which, prior to the effective date of the merger, represented shares of the Common Stock of Bunker Hill shall be deemed for all corporate purposes other than the payment of dividends to evidence the ownership of the number of full shares of the Common Stock and the number of shares of the Series B Preferred Stock of the Surviving Corporation into which such shares of Bunker Hill shall have been so converted. Unless and until any such outstanding certificates shall be so surrendered, no dividends payable to the holders of the Common Stock or the Series B Preferred Stock of the Surviving Corporation as of any time subsequent to the effective date of the merger shall be paid to the holders of such outstanding certificates; provided, however, that upon surrender and exchange of such outstanding certificates which prior to the effective date of the merger represented shares of Common Stock of Bunker Hill there shall be paid to the record holders of the certificates issued in exchange therefor, the amount, without interest thereon, of dividends and other distributions, if any, which theretofore were declared and became payable with respect to the number of full shares of Common Stock or the shares of Series B Preferred Stock of the Surviving Corporation represented thereby.

(e) If a certificate for any shares of the Surviving Corporation is to be issued in a name other than that in which the certificates surrendered for exchange shall be registered, it shall be a condition of such exchange that the certificate so surrendered shall be properly endorsed for transfer and that the person requesting such exchange shall pay to the Surviving

Corporation any transfer or other taxes required by reason thereof or establish to the satisfaction of the Surviving Corporation that such taxes have been paid or are not payable.

(f) The Surviving Corporation shall not be required to issue any fractional interests in shares of its Common Stock in connection with the conversion of shares of the Common Stock of Bunker Hill as aforesaid, but after the effective date of the merger, the Surviving Corporation (i) will deliver to a bank or trust company designated by the Surviving Corporation (hereinafter referred to as "Exchange Agent"), for the account of the respective holders of the Common Stock of Bunker Hill who would otherwise be entitled to receive a fractional interest in a share of Common Stock of the Surviving Corporation, a certificate registered in the name of the Exchange Agent, or in the name of its nominee, for the aggregate number of shares of the Common Stock of the Surviving Corporation covering all fractional interests to which holders of the Common Stock of Bunker Hill may be entitled, and (ii) will promptly mail to each such holder an order form by which he may instruct the Exchange Agent, as his agent, (1) to buy sufficient additional fractional interests to entitle him to a full share of Common Stock of the Surviving Corporation, or (2) to sell his fractional interest upon the understanding that, in carrying out the instructions of such holders, the Exchange Agent will offset such purchase and sell orders to the extent practicable and that any shares of Common Stock of the Surviving Corporation held by the Exchange Agent at the close of business sixty (60) days after the effective date of the merger in respect of outstanding fractional interests will be sold promptly by it for the account of the holders of said fractional interests and thereafter for a period of six years after the effective date of the merger the Exchange Agent will pay to each such holder, upon surrender of his certificate or certificates of Common Stock of Bunker Hill, his pro rata share of the proceeds of such sale without interest. The proceeds, if any, of such sale remaining after the expiration of such six year period shall be paid over to and shall become the property of the Surviving Corporation, free and clear of all claims or interests of any persons previously entitled thereto. The order form shall not entitle such holders to any voting, dividend or other rights of stockholders of the Surviving Corporation and shall not be transferable except as shall be provided therein.

(g) At the effective date of the merger there shall be reserved out of the authorized and unissued shares of Common Stock of the Surviving Corporation such number of shares of Common Stock as shall be then required for conversion of the shares of Series B Preferred Stock.

Sixth: At the effective date of the merger the Surviving Corporation shall possess all and singular the rights, privileges, powers and franchises as well of a public as of a private nature, and be subject to all the restrictions, disabilities and duties of the Constituent Corporations, and all property, real, personal and mixed, of each of such corporations, and all debts due to either of said corporations on whatever account, as well for stock subscriptions as all other things in action or belonging to each of said corporations, shall be vested in the Surviving Corporation; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectually the property of the Surviving Corporation as they were of the several and respective Constituent Corporations, and the title to any real estate vested by deed or otherwise in either of the Constituent Corporations, shall not revert or be in any way impaired by reason of the merger; provided, however, that all rights of creditors and all liens upon any property of either of the Constituent Corporations shall be preserved unimpaired, and all debts, liabilities and duties of the respective Constituent Corporations shall thenceforth attach to the Surviving Corporation and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by the Surviving Corporation.

Seventh: Bunker Hill agrees that prior to the effective date of the merger:

(a) Bunker Hill will allow Gulf, and such persons as Gulf may designate, to consult with its officers and employees and the officers and employees of its subsidiaries, to inspect

and inventory its properties and the properties of its subsidiaries and examine its books, papers and records and those of its subsidiaries; and Bunker Hill shall give to Gulf and to its representatives full access at all reasonable times during business hours to all the properties, books, records, contracts and other data and information relating to Bunker Hill and its subsidiaries.

(b) Bunker Hill shall, and shall cause each of its subsidiaries to, (i) conduct its operations in the ordinary course of business, (ii) maintain in force all insurance now being carried by it, (iii) keep all of its and their respective properties and assets in good condition, repair and working order, reasonable wear and use excepted, (iv) cause all of its and their respective properties and assets to be operated in accordance with the terms and provisions of all leases, assignments and other agreements applicable to interests therein, (v) pay and discharge all costs and expenses of carrying on its business and operating and maintaining its properties, (vi) give prompt notice to Gulf of any notice of default or termination received by Bunker Hill or its subsidiaries under any material instrument or agreement to which it is bound or to which its properties, assets and rights may be subject and perform its obligations under all of such instruments and agreements (whether or not in the ordinary course of business), (vii) use its best efforts to comply with all applicable laws, rules, regulations and orders of all governmental agencies and authorities in connection with its properties, operations and the conduct of its business, and (viii) use its best efforts to keep its employees and maintain intact its present working force.

(c) Bunker Hill shall not, nor shall any of its subsidiaries, without the prior written consent of Gulf (i) make any change in its certificate of incorporation or bylaws, (ii) incur any indebtedness other than liabilities incurred in the ordinary course of its business, (iii) change any material contract or enter into any material contract or make any material commitment or incur any material obligation, except in the ordinary course of its business, (iv) make any expenditure for capital additions or betterments except those previously budgeted and approved by the Board of Directors of Bunker Hill, a summary of which has been furnished to Gulf, (v) issue or purchase or agree to issue or purchase any additional shares of its capital stock or other securities, (vi) cancel or compromise any material claims or debts or sell, exchange or otherwise dispose of any properties, assets or rights which are material or potentially material to its business or operations, except inventory held for sale in the ordinary course of business, (vii) mortgage, pledge or subject to lien or other encumbrance or charge, any of its properties, assets or rights, (viii) make any loans or advances or payments of any kind to any person or corporation, except payments in respect of indebtedness and liabilities incurred in the ordinary course of business and ordinary expense advances to employees, (ix) declare or pay any dividends on its Common Stock or other securities, other than regular quarterly cash dividends of \$.30 per share to the holders of Bunker Hill Common Stock, or authorize or make any distribution upon or with respect to its Common Stock or other securities or purchase any shares of its Common Stock or other securities, (x) pay or agree to pay any increased compensation or bonus to any director, officer or employee, except normal increases in compensation for any employee in accordance with The Bunker Hill Salary Administration Plan, (xi) acquire any securities or all or substantially all of the assets or any stock of any corporation or interest in any business enterprise, the aggregate cumulative cost of which exceeds \$60,000, (xii) make any significant change in any method of management, operations or accounting, or (xiii) except as above provided, enter into any transaction other than in the ordinary course of business.

Eighth: Gulf agrees that prior to the effective date of the merger:

(a) Gulf will allow Bunker Hill and such persons as Bunker Hill may designate, to consult with its officers and employees and the officers and employees of its subsidiaries, to inspect and inventory its properties and the properties of its subsidiaries and examine its

books, papers and records and those of its subsidiaries; and Gulf shall give to Bunker Hill and to its representatives full access at all reasonable times during business hours to all the properties, books, records, contracts and other data and information relating to Gulf and its subsidiaries.

(b) Gulf shall, and shall cause each of its subsidiaries to, conduct its operations in the ordinary course of business and protect and preserve all of its properties, assets and rights in accordance with present practice.

(c) Gulf shall not, nor shall any of its subsidiaries, without the prior written consent of Bunker Hill (i) make any change in its certificate of incorporation or bylaws, (ii) issue or agree to issue any additional shares of capital stock or other securities, except upon conversion of shares of its outstanding Series A Preferred Stock or upon exercise of outstanding qualified stock options or for the granting of additional stock options under Gulf's existing qualified stock option plan, (iii) sell, exchange or otherwise dispose of any of its properties, assets or rights, except inventory held for sale in the ordinary course of business, (iv) declare or pay any dividends on its capital stock, other than regular semi-annual dividends on the Series A Preferred Stock, or authorize or make any distribution upon or with respect to its capital stock or purchase any shares of its capital stock or other securities, (v) make any significant change in any method of management, operations or accounting, or (vi) enter into any transaction materially adversely affecting the financial condition of Gulf and its subsidiaries.

Ninth: Bunker Hill shall have the right to terminate this Agreement unless as of the effective date of the merger:

(a) The information which shall have been furnished by or on behalf of Gulf or its management for inclusion in the proxy soliciting material sent to the stockholders of Bunker Hill in connection with the meeting of such stockholders to be held in connection with the merger, shall not be false or misleading in any material respect nor omit to state any fact necessary to make the statements therein not false or misleading in any material respect.

(b) The holders of at least two-thirds of the outstanding shares of the Common Stock and Series A Preferred Stock of Gulf, voting together as a single class, and the holders of at least two-thirds of the outstanding shares of Bunker Hill Common Stock shall have voted in favor of the adoption of this Agreement and the merger contemplated hereby.

(c) Bunker Hill shall have received a letter from Arthur Andersen & Co., dated the effective date of the merger, in form and substance satisfactory to Bunker Hill, stating that on the basis of consultation with officers of Gulf responsible for financial and accounting matters, a reading of the latest unaudited interim financial statements prepared by Gulf and other specified procedures and inquiries deemed appropriate by such accountants, nothing has come to their attention which caused them to believe that during the period from December 31, 1967, to a specified date not more than five days prior to the effective date of the merger there has been any material adverse change in the consolidated financial condition of Gulf from that set forth by the consolidated balance sheet of December 31, 1967, or any material adverse change in the consolidated results of operations of Gulf as compared with the corresponding period in the preceding year.

(d) Bunker Hill shall have received (i) an opinion from Messrs. Vinson, Elkins, Weems & Searls, dated the effective date of the merger, to the effect that this Agreement has been duly executed and delivered by Gulf and has been duly authorized and approved by all requisite action of Gulf's Board of Directors and stockholders; that the shares of Common Stock and the shares of Series B Preferred Stock of Surviving Corporation into which the shares of Common Stock of Bunker Hill will be converted by the merger as in this Agreement

provided are duly authorized, and, at the effective date of the merger, will be validly issued, full paid and non-assessable; and that Gulf has duly reserved sufficient shares of its Common Stock for conversion of the Series B Preferred Stock; and (ii) an opinion or opinions of such firm or other counsel acceptable to Bunker Hill, in form and substance satisfactory to Bunker Hill, as to the title of Gulf and its subsidiaries (other than Mexican subsidiaries) to their properties and assets.

(e) Bunker Hill shall have been furnished with an opinion of Creel y Ogarrio of Mexico City, D. F., Mexico, dated not earlier than fifteen days prior to the effective date of the merger, in form and substance satisfactory to counsel for Bunker Hill, to the effect that (i) the Mexican subsidiaries of Gulf are corporations duly organized and existing and in good standing under the laws of Mexico, (ii) such subsidiaries have corporate power to carry on their respective businesses as then being conducted, (iii) all of the outstanding shares of stock of such subsidiaries are validly issued, fully paid and non-assessable and, except for qualifying shares, are owned by Gulf or one of its subsidiaries, (iv) such subsidiaries are duly qualified to do business and are in good standing in each jurisdiction in which they own, operate or lease a facility or mining right, or otherwise engage in business, and (v) each mining right, concession (including the Mezquital Concessions), charter, license or lease held by such subsidiaries has been validly issued and constitutes a valid and binding obligation of the parties thereto enforceable by Gulf or such subsidiaries in accordance with its terms.

(f) The shares of Common Stock and the shares of Series B Preferred Stock of the Surviving Corporation issuable upon the merger being effected to the stockholders of Bunker Hill and the shares of Common Stock of the Surviving Corporation into which all such shares of Series B Preferred Stock will be convertible shall have been duly listed on the American Stock Exchange or the New York Stock Exchange, or approved for such listing on official notice of issuance, and the Series B Preferred Stock and the Common Stock of the Surviving Corporation shall have been duly registered under the Securities Exchange Act of 1934.

(g) The representations of Gulf contained in a document of even date signed by an officer of Gulf for identification shall be true on the effective date of the merger as though made on such date, except to the extent any such representation is made as of a specified date.

Tenth: Gulf shall have the right to terminate this Agreement unless as of the effective date of the merger:

(a) The information which shall have been furnished by or on behalf of Bunker Hill or its management for inclusion in the proxy soliciting material sent to the stockholders of Gulf in connection with the meeting of such stockholders to be held in connection with the merger shall not be false or misleading in any material respect nor omit to state any fact necessary to make the statements therein not false or misleading in any material respect.

(b) The holders of at least two-thirds of the outstanding shares of the Common Stock and the Series A Preferred Stock of Gulf, voting together as a class, and the holders of at least two-thirds of the outstanding shares of Bunker Hill Common Stock shall have voted in favor of the adoption of this Agreement and the merger contemplated hereby.

(c) Gulf shall have received a letter from John F. Forbes & Company, dated the effective date of the merger, in form and substance satisfactory to Gulf, stating that, on the basis of consultation with officers of Bunker Hill responsible for financial and accounting matters, a reading of the latest unaudited interim financial statements prepared by Bunker Hill and other specified procedures and inquiries deemed appropriate by such accountants, nothing has come to their attention which caused them to believe that during the period from Decem-

ber 31, 1967, to a specified date not more than five days prior to the effective date of the merger there has been any material adverse change in the financial condition of Bunker Hill from that set forth by the balance sheet of December 31, 1967, or any material adverse change in the results of operations of Bunker Hill as compared with the corresponding period in the preceding year.

(d) Gulf shall have received (i) an opinion from Messrs. Brown, Peacock & Keane, dated the effective date of the merger, to the effect that this Agreement has been duly executed and delivered by Bunker Hill and has been duly authorized and approved by all requisite action of Bunker Hill's Board of Directors and stockholders; that all issued and outstanding shares of Common Stock of Bunker Hill are validly issued and full paid and non-assessable; and that consummation of the transactions contemplated by this Agreement, including a subsequent transfer of the assets of Bunker Hill to a wholly-owned subsidiary of Gulf, will not violate or result in a breach of or constitute a default under any provisions of any charter, by-law, indenture, mortgage, lien, material lease, material agreement, material contract, material instrument, order, judgment, decree, ordinance, regulation, or any other restriction of any kind or character to which any property of Bunker Hill or any of its subsidiaries is subject or by which Bunker Hill or any of its subsidiaries is bound; and (ii) an opinion or opinions of such firm or other counsel acceptable to Gulf, in form and substance satisfactory to Gulf, as to the title of Bunker Hill and its subsidiaries to their properties and assets.

(e) The representations of Bunker Hill contained in a document of even date signed by an officer of Bunker Hill for identification shall be true on the effective date of the merger as though made on such date, except to the extent any such representation is made as of a specified date.

Eleventh: In addition to the provisions of Articles Ninth and Tenth hereof, this Agreement may be terminated at any time on or before the effective date of the merger:

- (a) by mutual agreement of the Boards of Directors of Bunker Hill and Gulf; or
- (b) at the option of either of the Constituent Corporations if, in the opinion of counsel for such corporation, all approvals, consents or waivers under leases, options, or other agreements to which the other Constituent Corporation is a party, deemed necessary or advisable to complete the merger, have not been received.

If terminated by either Bunker Hill or Gulf as provided in this Article or in Articles Ninth or Tenth, this Agreement shall thereupon become wholly void and of no effect, except with respect to the payment of expenses as hereinafter provided, and there shall be no liability on the part of either Bunker Hill or Gulf or their respective directors, officers or stockholders. The Surviving Corporation shall pay all expenses of carrying this Agreement into effect and of accomplishing the merger; provided, however, that in the event the merger shall not become effective for any reason, each of the parties thereto shall pay the fees and expenses of its respective financial advisers, counsel and accountants, but all other expenses incident to the preparation for the merger shall be divided equally between them.

Twelfth: Gulf and Bunker Hill each represents to the other that it has not incurred and will not incur any liability for fees or commissions (other than legal, engineering and accounting fees and expenses) in connection with the merger, except to Bear, Stearns & Co. or Smith, Barney & Co.

Thirteenth: Any failure of either of the Constituent Corporations to comply with any of its obligations, agreements or conditions as set forth herein may be expressly waived in writing by the other Constituent Corporation.

Fourteenth: Consummation of the merger is subject to the condition that Gulf and Bunker Hill shall have received a satisfactory tax ruling from the Internal Revenue Service to the effect, among other things, that the merger will constitute a reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code of 1954, as amended; there will be no taxable gain or deductible loss to either Gulf or Bunker Hill by virtue of the merger; the receipt by Bunker Hill stockholders of Common Stock and Series B Preferred Stock of the Surviving Corporation will not result in taxable gain or deductible loss, except with respect to any income, gain or loss which may be recognized by holders of Bunker Hill Common Stock in connection with sales of fractional share interests or any cash payment received pursuant to Article Fifth hereof; the basis of the Common Stock and Series B Preferred Stock of the Surviving Corporation received by Bunker Hill stockholders will be the same as the basis of the Bunker Hill shares surrendered, adjusted in respect to any fractional shares sold or purchased, and such basis will be allocated between the shares of the Series B Preferred Stock and Common Stock in proportion to the respective fair market values of such stock on the effective date of the merger; a holding period with respect to Common Stock and Series B Preferred Stock of the Surviving Corporation received for Bunker Hill shares will include the holding period of the Bunker Hill shares surrendered, provided that the Bunker Hill shares surrendered constituted a capital asset in the hands of the surrendering stockholder on the effective date of the merger; and the sale or other disposition of the Series B Preferred Stock will not be subject to the provisions of Section 306(a) of the Internal Revenue Code of 1954, as amended.

Fifteenth: At the effective date of the merger the Surviving Corporation shall assume and continue in accordance with their terms all pension plans covering salaried and hourly employees of Bunker Hill as such plans are in effect immediately prior thereto.

Sixteenth: For the convenience of the parties and to facilitate filing, 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 document.

IN WITNESS WHEREOF, each Constituent Corporation has caused this Agreement to be executed by its President and attested by its Secretary, and its corporate seal to be affixed, all on the day and year first above written.

Gulf Resources & Chemical Corporation
Corporate Seal
Delaware

GULF RESOURCES & CHEMICAL
CORPORATION

By ROBERT H. ALLEN
President

[SEAL]

Attest:

WILLIAM M. WOLF
Secretary

THE BUNKER HILL COMPANY

The Bunker Hill Company
Incorporated March 1924
Delaware

By C. E. SCHWAB
President

[SEAL]

Attest:

R. G. ERICKSON
Secretary

GULF RESOURCES & CHEMICAL CORPORATION

CERTIFICATE

Pursuant to Section 151 of the General
Corporation Law of the State of Delaware

I, Robert H. Allen, President of Gulf Resources & Chemical Corporation, a Delaware corporation (hereinafter called the "corporation"), pursuant to the provisions of Section 151 of the General Corporation Law of the State of Delaware, do hereby make this Certificate under the corporate seal of the corporation and do hereby state and certify that pursuant to the authority expressly vested in the Board of Directors of the corporation by the Certificate of Incorporation, as amended, the Board of Directors, at a meeting thereof duly called and held on March 18, 1968, at which meeting a quorum was present, duly adopted the following resolutions providing for the issue of shares of Preferred Stock hereinafter referred to, and further providing with respect to such issue of shares of Preferred Stock for such voting powers, and such designations, preferences and relative, participating, optional, conversion and other special rights, and the qualifications, limitations or restrictions thereof, as are hereinafter set forth, in addition to those set forth in said Certificate of Incorporation:

Resolved, that, pursuant to Article Fourth of the Certificate of Incorporation, as amended (which creates and, at the date of filing this Directors' Resolution in the manner provided by Section 103 of the General Corporation Law of the State of Delaware, will authorize 4,000,000 shares of Preferred Stock of the par value of \$1 per share, hereinafter called the "Preferred Stock", of which 382,237 shares of Series A Cumulative Convertible Preferred Stock, hereinafter called the "Series A Stock", have been issued and are presently outstanding and 11,435 are reserved for issuance upon exercise of options), the Board of Directors hereby provides for the issue of a series of 966,779 shares of Preferred Stock designated "\$1.30 Series B Cumulative Convertible Preferred Stock."

Resolved, that the voting powers, designations, preferences and relative, participating, optional, conversion and other special rights, and the qualifications, limitations or restrictions thereof, of the shares of the Series B Cumulative Convertible Preferred Stock, in addition to those set forth in said Article Fourth, are as follows (the \$1.30 Series B Cumulative Convertible Preferred Stock being hereinafter in this resolution called the "Series B Stock"):

1. *Dividends.* The holders of shares of Series B Stock shall be entitled to receive, when and as declared by the Board of Directors, cumulative preferential dividends in cash at the rate of One Dollar and Thirty Cents (\$1.30) per share per annum, and no more, payable quarterly on the first days of February, May, August and November in each year commencing on August 1, 1968. Such dividends shall accrue and be cumulative as follows: As to shares issued at a time when no other shares of the same series are outstanding, from the date of issuance; as to shares issued at a time when other shares of the same series are outstanding, from such date as shall make the dividend rights per share of the shares being issued uniform with the dividend rights per share of the shares then outstanding of such series, excluding rights to dividends declared and directed to be paid to shareholders of record as of a date preceding the date of issuance of the shares being issued.

2. *Dividend Preference.* So long as any shares of Series B Stock are outstanding, no dividends whatsoever, whether in cash, stock or otherwise (except for dividends paid in shares of junior stock) shall be paid or declared nor shall any distribution be made on any junior stock, nor shall any shares of junior stock (other than junior stock acquired in exchange for or out of proceeds of the issue of other junior stock or out of contributions to the capital of the corporation) be purchased, redeemed, retired or otherwise acquired for valuable consideration by the corporation, unless all dividends on the Series B Stock for all past quarterly dividend periods shall have been paid or declared and a sum sufficient for the payment thereof set apart, and the full dividend thereon for the then current quarterly dividend period shall have been paid or declared. The Series B Stock shall rank on a parity with the Series A Stock of the corpora-

tion with respect to dividends. The term "junior stock" for purposes of this Paragraph 2 shall mean the Common Stock of the Corporation and all other shares of stock of the corporation by their terms ranking junior to the Series B Stock as to dividends.

3. *Redemption.* The Series B Stock shall be redeemable in the manner hereinafter provided, in whole or in part at any time or from time to time on and after November 1, 1973, at the option of the corporation, at a price of Fifty Dollars (\$50) per share, plus accrued and unpaid dividends to the redemption date (herein called "redemption price").

In case of the redemption of only part of the Series B Stock, shares to be redeemed may be selected ratably or by lot in such manner as may be prescribed by resolution of the Board of Directors.

Notice of any such redemption shall be given to each holder of shares being redeemed, either personally or by mail, not less than twenty (20) nor more than fifty (50) days before the date fixed for redemption (the "redemption date"). If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the holders at their addresses as they appear on the stock transfer books of the corporation, with postage thereon prepaid.

The notice of redemption shall set forth the redemption date, the redemption price, the place at which the holders of Series B Stock may obtain payment of the redemption price upon surrender of their respective share certificates, and shall include a statement as to any right of conversion with respect to the Series B Stock to be redeemed, the period within which such right may be exercised and the current price of Common Stock. If notice of redemption shall have been duly given and if on or before the redemption date all funds necessary for such redemption shall have been set aside by the corporation so as to be and continue to be available for redemption, or shall have been deposited for such purpose with a bank or trust company acting as redemption agent, then from and after the redemption date all shares called for redemption shall no longer be deemed to be outstanding and all rights of the holders thereof shall cease and terminate excepting only the right to receive the redemption price.

The corporation may, on or prior to the redemption date for any Series B Stock, deposit with any bank or trust company in the United States having a capital, surplus and undivided profits aggregating at least \$5,000,000, as a trust fund, a sum sufficient to redeem the shares called for redemption with irrevocable instructions and authority to such bank or trust company to give or complete the notice of redemption thereof and to pay to the respective holders of such shares, as evidenced by a list of holders of such shares certified by the corporation by its President or a Vice President and by its Secretary or an Assistant Secretary, the redemption price upon surrender of their respective share certificates. Subject to any right to convert such shares of Series B Stock, such deposit shall be deemed to constitute full payment of such shares to the holders thereof and after any such deposit shall have been made such shares shall no longer be deemed to be outstanding, and the holders thereof shall cease to be stockholders with respect to such shares, and shall have no rights with respect thereto except the right to receive from the said bank or trust company payment of the redemption price, without interest, upon the surrender of their respective share certificates. In case the holders of any shares shall not, within six (6) years after such deposit, claim the amount deposited for redemption thereof, such bank or trust company shall, upon demand, pay over to the corporation the balance of such amount so deposited and such bank or trust company shall thereupon be relieved of all responsibility to the holders thereof.

Any shares of Series B Stock which are redeemed, converted or purchased by the corporation and retired shall be restored to the status of authorized but unissued shares of Preferred Stock and may be reissued as shares of another series.

4. *Liquidation Preference.* Upon any voluntary liquidation, dissolution or winding up of the corporation, the Series B Stock shall be entitled, before any distribution is made on the

Common Stock of the corporation or any other shares ranking junior to the Series B Stock in right of payment, to be paid the sum of Fifty Dollars (\$50) per share, and an amount equal to all unpaid cumulative dividends which have accrued thereon to the date of such distribution. Upon any involuntary liquidation, dissolution, or winding up of the Corporation, the Series B Stock shall be entitled, before any distribution is made on the Common Stock of the Corporation or any other shares ranking junior to the Series B Stock in right of payment, to be paid the sum of Twenty-three Dollars (\$23) per share, and an amount equal to all unpaid cumulative dividends which have accrued thereon to the date of such distribution. The Series B Stock shall rank on a parity with the Series A Stock of the corporation in right of payment hereunder.

5. *Conversion Rights.* (a) The shares of Series B Stock shall be convertible at any time at the option of the holders thereof into full paid and non-assessable Common Stock of the corporation at any time at the rate of one and one-quarter (1.25) shares of Common Stock for each one (1) share of Series B Stock (the number of shares of Common Stock issuable at any time in exchange for one share of Series B Stock being hereinafter called the "Conversion Rate").

(b) The Conversion Rate shall be subject to the following adjustments:

(i) If the corporation shall declare and pay to the holders of Common Stock a dividend in shares of Common Stock, the Conversion Rate in effect immediately prior to the record date fixed for the determination of stockholders entitled to such dividend shall be proportionately increased, such adjustment to become effective immediately after the opening of business on the day following such record date;

(ii) If the corporation shall subdivide the outstanding shares of Common Stock into a greater number of shares of Common Stock or combine the outstanding shares of Common Stock into a smaller number of shares of Common Stock, or issue by reclassification of its Common Stock any shares of the corporation, the Conversion Rate in effect immediately prior thereto shall be adjusted so that a holder of Series B Stock thereafter surrendered for conversion shall be entitled to receive the number of shares which he would have owned or been entitled to receive after the happening of any of the events described above had such Series B Stock been converted immediately prior to the happening of such event, such adjustment to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination or reclassification, as the case may be, becomes effective;

(iii) If the corporation shall issue rights or warrants to all holders of Common Stock, entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the current market price per share of Common Stock at the record date mentioned below, the Conversion Rate in effect immediately prior to such record date shall be adjusted by multiplying such Conversion Rate by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of additional shares of Common Stock offered for subscription or purchase, and the denominator of which shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of shares which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at such current market price, such adjustment to become effective immediately after the opening of business on the day following the record date for the determination of stockholders entitled to receive such rights or warrants;

(iv) If the corporation shall distribute to all holders of its Common Stock evidences of indebtedness or securities or assets (excluding cash dividends payable out of consolidated earnings or earned surplus or dividends payable in shares of Common Stock) or rights to

subscribe thereto (excluding those referred to in clause (iii) above), the Conversion Rate in effect immediately prior to the record date mentioned below shall be adjusted by multiplying such Conversion Rate by a fraction, the numerator of which shall be the current market price per share of Common Stock on the date of such distribution and the denominator of which shall be such current market price per share of the Common Stock, less the fair market value (as determined by the Board of Directors, whose determination shall be conclusive) of the portion of the assets or securities or evidences of indebtedness so distributed or of such subscription rights applicable to one (1) share of Common Stock, such adjustment to become effective immediately after the opening of business on the day following the record date for the determination of stockholders entitled to receive such distribution; for purposes of this clause (iv), consolidated earnings or earned surplus shall be computed by adding thereto all charges against earned surplus on account of dividends paid in shares of Common Stock in respect of which the Conversion Rate has been adjusted, all as determined by the independent public accountants then regularly auditing the accounts of the corporation, whose determination shall be conclusive;

(v) No adjustment in the Conversion Rate shall be made if, at the same time as the corporation shall issue shares of Common Stock as a dividend or distribution on the outstanding Common Stock which, as provided in clause (i) above, would otherwise call for an adjustment in the Conversion Rate, the corporation shall issue shares of Common Stock as a dividend or distribution on the outstanding Series B Stock equivalent to the number of shares distributable on the shares of Common Stock into which the Series B Stock is then convertible;

(vi) No adjustment in the Conversion Rate shall be made by reason of the issuance of shares of Common Stock or any security convertible into shares of Common Stock in exchange for cash, property or services, except as otherwise specifically provided in this subparagraph 5(b);

(vii) If the corporation shall be consolidated with or merged into any other corporation, provisions shall be made as part of the terms of such consolidation or merger whereby the holders of any Series B Stock outstanding immediately prior to such event shall thereafter be entitled to such conversion rights with respect to securities of the corporation resulting from such consolidation or merger, as shall be substantially equivalent to the conversion rights provided herein;

(viii) Anything in this paragraph to the contrary notwithstanding, the corporation shall not be required, except as hereinafter provided, to make any adjustment of the Conversion Rate in any case in which the amount by which such Conversion Rate would be increased in accordance with the foregoing provisions would be less than one one-hundredth (.01) of a share of Common Stock, but in such case any adjustment that would otherwise be required then to be made will be carried forward and made at the time and together with the next subsequent adjustment which, together with any and all such adjustments so carried forward, shall amount to one one-hundredth (.01) or more of a share of Common Stock. In the event of any subdivision or combination of shares of Common Stock said amount of one one-hundredth (.01) (as theretofore decreased or increased) shall be proportionately decreased or increased;

(ix) No fraction of a share of Common Stock shall be issued upon conversion, but in lieu thereof the corporation may, notwithstanding any other provision of this Paragraph 5, pay therefor in cash at the market value of the Common Stock at the time of conversion;

(x) Whenever the Conversion Rate is adjusted, the corporation shall file with any transfer agent of the Series B Stock a statement signed by two officers of the corporation,

stating the adjusted Conversion Rate and sufficient facts to show the reason for the manner of computing the adjustments;

(xi) Neither the purchase or other acquisition by the corporation of any Common Stock nor the sale or other disposition by the corporation of any Common Stock at any time theretofore purchased or otherwise acquired by it shall effect any adjustment of the Conversion Rate or be taken into account in computing any subsequent adjustment of the Conversion Rate.

(c) For the purposes of this Paragraph 5, the term "current market price" shall mean the average daily closing prices for shares of Common Stock of the corporation for any thirty (30) consecutive business days in the forty-five (45) business days preceding the day in question. The closing price per share of Common Stock for each such day shall be the last reported sales price regular way or, in the case no such reported sale takes place on such day, the average of the reported closing bid and asked prices regular way, in either case, on the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading as determined by the corporation, which determination shall be conclusive, or, if not listed or admitted to trading on any national securities exchange, the mean between the average bid and asked prices per share of Common Stock in the over-the-counter market as furnished by any member of the National Association of Securities Dealers, Inc., selected by the corporation for the purpose.

(d) The corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion or exchange of shares of Series B Stock, the full number of whole shares of Common Stock then deliverable upon the conversion or exchange of all shares of Series B Stock at the time outstanding.

(e) The Series B Stock shall be convertible at the office of any transfer agent for the Series B Stock (or such other place as may be designated by the corporation). Such conversion shall be deemed to have been made as of the date of such surrender of certificates representing shares of Series B Stock for conversion and the person entitled to receive the Common Stock issuable on conversion shall be treated for all purposes as having become the record holder of such Common Stock on such date. The corporation shall make no payment or adjustment on account of any dividends accrued on the shares of Series B Stock surrendered for conversion, except that all dividends accrued and unpaid on such shares up to the dividend payment date immediately preceding such surrender for conversion shall constitute a debt of the corporation payable without interest to the converting stockholder, and no dividend shall be declared or paid in respect of shares of Common Stock until such debt shall be fully paid or sufficient funds set apart for the payment thereof. In case of the call for redemption of any Series B Stock, such right of conversion shall cease and terminate, as to the shares called for redemption, at the close of business on the third (3rd) day preceding the redemption date unless default shall be made in the payment of the redemption price.

6. *Voting.* The holders of shares of Series B Stock, together with the holders of any other series of Preferred Stock who shall have the right and power to vote and the holders of the Common Stock, all voting as one class, shall possess voting power for the election of directors and for all other purposes, subject to such limitations as may be imposed by law and by any other provisions of the certificate of incorporation. In the exercise of its voting power, the Series B Stock shall be entitled to one (1) vote for each share held.

7. *Special Directors.* Whenever, at any time or times dividends payable on any series of Preferred Stock shall be in arrears in an amount equivalent to four (4) quarterly or two (2) semi-annual dividend payments, there shall be vested in the holders of the Preferred Stock of the corporation outstanding, voting as one class and with one (1) vote for each share regardless of series, the right to elect three (3) directors of the corporation.

After vesting, such voting rights shall continue until all accrued dividends on Preferred Stock shall have been paid in full and the full dividends on each series of Preferred Stock for the then current quarter or semi-annual period shall have been paid in full or declared and set aside for payment.

Such voting rights may be exercised at any annual meeting of stockholders or at any special meeting called as hereinafter provided, at which meeting the holders of Preferred Stock, voting separately and as a class, shall have the right to elect the number of directors above provided and the holders of the Common Stock and Preferred Stock, also voting separately as one class, shall have the right to elect all directors not so elected by the holders of Preferred Stock. At any time after such voting rights shall have vested in the holders of Preferred Stock, the Secretary of the corporation may, and at the written request of the holders of ten percent (10%) or more of the Preferred Stock at the time outstanding, addressed to the Secretary of the corporation at its principal office, shall, call a special meeting of the stockholders of the corporation for the election of directors as herein provided, to be held at the hour and place of holding the last annual meeting within forty (40) days after receipt of such request upon notice similar to that provided in the bylaws for an annual meeting; provided, the Secretary shall not be required to call such special meeting if the request for such meeting is received less than ninety (90) days before the date fixed for the next ensuing annual meeting of stockholders. At any such meeting the holders of record of a majority of Preferred Stock outstanding shall constitute a quorum for the election of directors for whom the holders of Preferred Stock are entitled to vote and the holders of a majority of the Common Stock and Preferred Stock outstanding shall constitute a quorum for the election of directors for whom the holders of Common Stock and Preferred Stock are entitled to vote. If at any such meeting or adjournment thereof a quorum of such Preferred Stock shall not be present, no election of directors by such Preferred Stock shall take place and the meeting may be adjourned from time to time for periods not exceeding thirty (30) days until a quorum of such Preferred Stock is present at such adjourned meeting. Notwithstanding the absence of a quorum of such Preferred Stock, the holders of Common Stock and Preferred Stock, as a class, may, if a quorum of such class is present, elect the number of directors for whom they are entitled to vote as herein provided. The directors so elected shall serve until the next annual meeting and until their successors shall be elected and shall qualify; provided, whenever the right of Preferred Stock to elect directors no longer exists, the term of office of all directors elected by the Preferred Stock shall terminate and the vacancies so created shall be filled by a majority of the remaining directors. If a director elected by Preferred Stock shall resign, die or be removed, the other director or directors elected by Preferred Stock shall designate a successor to fill the vacancy so created.

8. *Approval of Changes.* So long as any shares of Series B Stock shall be outstanding, the corporation shall not without the affirmative vote or written consent of the holders of record of at least two-thirds of the outstanding shares of Series B Stock (i) amend or repeal any provision of or add any provision to the certificate of incorporation or bylaws if such action would materially alter or change the designation or the preferences or rights of the Series B Stock or the qualifications, limitations or restrictions thereof, or (ii) authorize or create any shares of Preferred Stock in excess of 4,000,000 shares or any class of stock on a parity with or having any preference or priority as to dividends or assets over the Series B Stock, or authorize or create shares of stock of any class or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having optional rights to purchase, any shares of any class of stock on a parity with or having any such preference or priority to the Series B Stock, or (iii) issue any shares of any series of the Preferred Stock having any preference or priority as to dividends or assets over the Series B Stock, or authorize or create shares of stock of any class or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having optional rights to purchase, any shares of stock having any such preference or priority to the Series B Stock.

Resolved, that before the corporation shall issue any Series B Stock, a certificate pursuant to Section 151 of the General Corporation Law of the State of Delaware shall be made, executed, acknowledged and filed concurrently with the merger of The Bunker Hill Company with and into Gulf Resources & Chemical Corporation being effected pursuant to an Agreement of Merger signed by the President of the corporation this date; and the proper officers of the corporation are hereby authorized and directed to do all acts and things which may be necessary or proper in their opinion to carry into effect the purposes and intent of this and the foregoing resolutions.

I further certify that there are 966,779 shares of such Series B Stock.

IN WITNESS WHEREOF, this certificate has been made under the seal of the corporation and the hands of the undersigned, said Robert H. Allen, President of the corporation, this day of, 1968.

**GULF RESOURCES & CHEMICAL
CORPORATION**

[SEAL]

By

President

Attest:

[Seal]

.....
Secretary

STATE OF TEXAS
COUNTY OF HARRIS

} ss:

BE IT REMEMBERED that on this day of, 1968, personally came before me, a Notary Public in and for the County and State aforesaid, Robert H. Allen, President of Gulf Resources & Chemical Corporation, a corporation of the State of Delaware, and he duly executed the foregoing Certificate before me and acknowledged the said Certificate to be his act and deed and the act and deed of said corporation and that the facts stated therein are true; and that the seal affixed to said Certificate and attested by the Secretary of said corporation is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

.....
Notary Public

(SEAL)

**CERTIFICATE OF ADOPTION
OF
AGREEMENT OF MERGER**

I, William M. Wolf, Secretary of Gulf Resources & Chemical Corporation, a corporation organized and existing under the laws of the State of Delaware, hereby certify, as such Secretary and under the seal of the said corporation, that the Agreement of Merger to which this certificate is attached, after having been first duly signed on behalf of the said corporation and having been signed on behalf of The Bunker Hill Company, a corporation of the State of Delaware, was duly submitted to the stockholders of said Gulf Resources & Chemical Corporation at a special meeting of said stockholders called and held separately from the meeting of stockholders of any other corporation after at least 20 days' notice by mail as provided by Section 251 of the General Corporation Law of the State of Delaware, on the 28th day of May, 1968, for the purpose of considering and taking action upon the proposed Agreement of Merger; and that the proposed Agreement of Merger was approved by the stockholders by an affirmative vote representing at least two-thirds of the total number of outstanding shares of the capital stock of said corporation.

WITNESS my hand and the seal of said Gulf Resources & Chemical Corporation on this 28th day of May, 1968.

[Seal] *Gulf Resources & Chemical Corporation*
Corporate Seal
Delaware

/s/ WILLIAM M. WOLF
Secretary

**CERTIFICATE OF ADOPTION
OF
AGREEMENT OF MERGER**

I, R. G. Erickson, Secretary of The Bunker Hill Company, a corporation organized and existing under the laws of the State of Delaware, hereby certify, as such Secretary and under the seal of the said corporation, that the Agreement of Merger to which this certificate is attached, after having been first duly signed on behalf of the said corporation and having been signed on behalf of Gulf Resources & Chemical Corporation, a corporation of the State of Delaware, was duly submitted to the stockholders of said The Bunker Hill Company at a special meeting of said stockholders called and held separately from the meeting of stockholders of any other corporation after at least 20 days' notice by mail as provided by Section 251 of the General Corporation Law of the State of Delaware, on the 28th day of May, 1968, for the purpose of considering and taking action upon said Agreement of Merger; and that the proposed Agreement of Merger was approved by the stockholders by an affirmative vote representing at least two-thirds of the total number of outstanding shares of the capital stock of said corporation.

WITNESS my hand and the seal of said The Bunker Hill Company on this 28th day of May, 1968.

{SAC}

*The Bunker Hill Company
Incorporated March 1924
Delaware*

/s/ R. G. ERICKSON
Secretary

THE ABOVE AGREEMENT OF MERGER, having been executed on behalf of each corporate party thereto, and having been adopted separately by each corporate party thereto, in accordance with the provisions of the General Corporation Law of the State of Delaware, and that fact having been certified on said Agreement of Merger by the Secretary of each corporate party thereto, the President or Vice President of each corporate party thereto does now hereby execute the said Agreement of Merger and the Secretary or Assistant Secretary of each corporate party thereto does now hereby attest the said Agreement of Merger under the corporate seals of their respective corporations, by authority of the directors and stockholders thereof, as the respective act, deed and agreement of each of said corporations, on this 28th day of May, 1968.

**GULF RESOURCES & CHEMICAL
CORPORATION**

*Gulf Resources
Chemical Corporation*
[Seal] *Corporate Seal*
Delaware

By */s/* ROBERT H. ALLEN
President

Attest:

/s/ WILLIAM M. WOLF
Secretary

THE BUNKER HILL COMPANY

[Seal] *The Bunker Hill Company*
Incorporated March 1929
Attest: *Delaware*

By */s/* C. E. SCHWAB
President

/s/ R. G. ERICKSON
Secretary

STATE OF TEXAS
COUNTY OF HARRIS

} ss:

BE IT REMEMBERED that on this 29th day of May, 1968, personally came before me, a Notary Public in and for the County and State aforesaid, Robert H. Allen, President of Gulf Resources & Chemical Corporation, a corporation of the State of Delaware, and he duly executed said Agreement of Merger before me and acknowledged the said Agreement of Merger to be his act and deed and the act and deed of said corporation; that the facts stated therein are true; and that the seal affixed to said Agreement of Merger and attested by the Secretary of said corporation is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

[SEAL]

Maria F. Demeris
Notary Public
County of Harris, Texas

/s/ MARIA F. DEMERIS
Notary Public

MARIA F. DEMERIS
Notary Public in and for Harris County, Texas
My commission expires June 1, 1969

STATE OF WASHINGTON
COUNTY OF SPOKANE

} ss:

BE IT REMEMBERED that on this 28th day of May, 1968, personally came before me, a Notary Public in and for the County and State aforesaid, C. E. Schwab, President of The Bunker Hill Company, a corporation of the State of Delaware, and he duly executed said Agreement of Merger before me and acknowledged the said Agreement of Merger to be his act and deed and the act and deed of said corporation; that the facts stated therein are true; and that the seal affixed to said Agreement of Merger and attested by the Secretary of said corporation is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

[SEAL]

William G. Ennis
Notary Public
State of Washington
Commission Expires Feb. 8, 1971

/s/ WILLIAM G. ENNIS
Notary Public