

State of Delaware



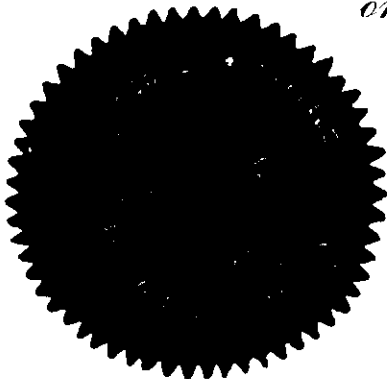
Office of Secretary of State

*I, Robert H. Reed, 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 "PEND OREILLE MINES & METALS COMPANY", a corporation organized and existing under the laws of the State of Washington, merging with and into "THE BUNKER HILL COMPANY", a corporation organized and existing under the laws of the State of Delaware, under the name of "THE BUNKER HILL COMPANY", as received and filed in this office the thirteenth day of March, A.D. 1974, at 10 o'clock A.M.

And I do hereby further certify that the aforesaid Corporation shall be governed by the laws of the State of Delaware.

*In Testimony Whereof, I have hereunto set my hand
and official seal at Dover this _____ thirteenth _____ day
of _____ March _____ in the year of our Lord
one thousand nine hundred and _____ seventy-four.*



Robert H. Reed

Robert H. Reed

Secretary of State

G. A. Biddle

G. A. Biddle

Ass't Secretary of State

**PLAN OF MERGER
OF
PEND OREILLE MINES & METALS COMPANY
AND
THE BUNKER HILL COMPANY**

PLAN OF MERGER, dated as of January 31, 1974 (the "Plan") between Pend Oreille Mines & Metals Company, a Washington corporation ("Pend Oreille"), and The Bunker Hill Company, a Delaware corporation ("Bunker Hill" or the "Surviving Company"). Pend Oreille and Bunker Hill are hereinafter collectively called the "Merging Companies".

WITNESSETH:

WHEREAS, Pend Oreille is a corporation duly organized and existing under the laws of the State of Washington with an authorized capital of 5,000,000 shares of capital stock, \$1.00 par value ("Pend Oreille Stock"), of which 2,564,848 shares (excluding 50,100 treasury shares) are issued and outstanding.

WHEREAS, Bunker Hill is a corporation duly organized and existing under the laws of the State of Delaware with an authorized capital of 1,000 shares of capital stock, \$1.00 par value ("Bunker Hill Stock"), all of which 1,000 shares are issued and outstanding and are owned by Gulf Resources & Chemical Corporation, a Delaware corporation ("Gulf"), which has an authorized capital of 10,000,000 shares of common stock, \$.10 par value ("Gulf Common Stock"), of which at December 31, 1973, 4,110,783 shares were issued and outstanding, and 4,000,000 shares of preferred stock, \$1.00 par value, of which at December 31, 1973, 260,337 shares (Series A Preferred Stock) and 763,602 shares (Series B Preferred Stock) were issued and outstanding;

WHEREAS, a majority of the boards of directors of each of the Merging Companies has approved this Plan, under which Pend Oreille will be merged into Bunker Hill, and authorized the execution hereof;

WHEREAS, the merger provided for by this Plan has been approved by the affirmative vote of the owners of record of two-thirds ($\frac{2}{3}$) of the capital stock of each of the Merging Companies in the manner required by law; and

WHEREAS, Pend Oreille, Gulf and Bunker Hill have entered into an Agreement and Plan of Reorganization dated as of January 31, 1974 (the "Agreement"), which contemplates the merger provided for by this Plan;

NOW, THEREFORE, for and in consideration of the premises and of the covenants and agreements hereinafter set forth, the parties hereto covenant and agree that:

1. On the Effective Date (as hereinafter defined) Pend Oreille shall be merged with and into Bunker Hill, which shall continue to be governed by the laws of the State of Delaware. Such merger shall be pursuant to the provisions of and with the effect provided in the Delaware Corporation Law.

2. On the Effective Date the Certificate of Incorporation and Bylaws of Bunker Hill shall be the Certificate of Incorporation and Bylaws of the Surviving Company.

3. On the Effective Date the corporate existence of Bunker Hill and Pend Oreille shall, as provided in the Delaware Corporation Law, be merged into and continued in the Surviving Company. The established offices and facilities of Bunker Hill and Pend Oreille immediately prior to the merger shall become the established offices and facilities of the Surviving Company. All rights, franchises and interests of Pend Oreille and Bunker Hill, respectively, in and to every type of property (real, personal and mixed), and choses in action shall be transferred to and vested in the Surviving Company by virtue of such merger without any deed or other transfer. On the Effective Date the Surviving Company, without any order or other action on the part of

any court or otherwise, 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 Merging Companies, and all property, real, personal and mixed, of each of such companies, and all debts due to either of said companies on whatever account, as well for stock subscriptions as all other things in action or belonging to each of said companies, shall be vested in the Surviving Company; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectually the property of the Surviving Company as they were of the several and respective Merging Companies, and the title to any real estate vested by deed or otherwise in either of the Merging Companies, 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 Merging Companies shall be preserved unimpaired, and all debts, liabilities and duties of the respective Merging Companies shall thenceforth attach to the Surviving Company 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 Company.

4. The mode of carrying into effect and the manner and basis of converting or exchanging the shares of each of the Merging Companies into shares of the Surviving Company or shares of Gulf shall be as follows:

(a) Each share of Pend Oreille Stock which shall be outstanding (other than shares held by Bunker Hill) on the Effective Date and all rights in respect thereof shall, without any action on the part of the holder thereof, be converted into and exchanged for 0.44 share of Gulf Common Stock.

(b) The shares of capital stock of Bunker Hill issued and outstanding at the time of the merger shall continue to be issued and outstanding shares of the Surviving Company. No new shares of Bunker Hill stock shall be issued.

(c) After the Effective Date each holder (other than Bunker Hill) of an outstanding certificate or certificates which prior thereto represented shares of Pend Oreille Stock shall surrender the same and such holder shall be entitled, upon such surrender, to receive in exchange therefor a certificate or certificates representing the number of whole shares of Gulf Common Stock into and for which the shares of Pend Oreille Stock so surrendered shall have been converted and exchanged as aforesaid. Until so surrendered each such outstanding certificate which prior to the Effective Date represented shares of Pend Oreille Stock shall for all purposes, other than the payment of dividends or other distributions, if any, to holders of record of shares of Gulf Common Stock, evidence the ownership of the shares of Gulf Common Stock, into and for which such shares have been so converted and exchanged; provided, however, that upon surrender of such certificate theretofore representing shares of Pend Oreille Stock, there shall be paid to the record holder or holders of the certificate or certificates of Gulf Common Stock issued in exchange therefor the amount (without interest thereon) of such dividends and other distributions, if any, which theretofore have become payable with respect to the number of the whole shares of Gulf Common Stock represented thereby.

(d) No fractional shares of Gulf Common Stock shall be issued. If any holder of shares of Pend Oreille Stock would otherwise be entitled to a fractional share upon the conversion or exchange of such shares, Gulf (i) will deliver to a bank or trust company designated by Gulf (hereinafter referred to as "Exchange Agent"), for the account of the respective holders of Pend Oreille Common Stock who would otherwise be entitled to receive a fractional interest in a share of Gulf Common Stock, a certificate registered in the name of the Exchange Agent, or in the name of its nominee, for the aggregate number of shares of Gulf Common Stock covering all fractional interests to which holders of Pend Oreille Common Stock 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 Gulf Common Stock, 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 Gulf Common Stock held by the Exchange Agent at the close of business thirty (30) 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 Pend Oreille Common Stock, 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 Gulf, 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 Gulf and shall not be transferable except as shall be provided therein.

(e) All rights of the holders of outstanding certificates of Pend Oreille Stock under this Plan will be determined from the stock records of Pend Oreille shown at the close of business on the Effective Date.

(f) No Gulf Common Stock shall be issued in exchange for Pend Oreille Stock held in the treasury of Pend Oreille or owned of record or beneficially by Bunker Hill as of the Effective Date. At the Effective Date all such shares of Pend Oreille Stock shall cease to exist, and all certificates representing such shares shall be cancelled.

5. The Board of Directors of the Surviving Company at the Effective Date shall consist of all of the persons who are directors of Bunker Hill immediately before the Effective Date.

6. At the Effective Date of the merger the Surviving Company shall assume and continue in accordance with their terms all pension plans covering salaried and hourly employees of Pend Oreille as such plans are in effect immediately prior thereto.

7. The obligations of Pend Oreille to consummate and effect the merger provided for in this Plan shall be subject to the satisfaction on or prior to the Effective Date of the following conditions:

(a) The representations of Gulf and Bunker Hill contained in the Agreement and in this Plan shall be true in all material respects as of and at the Effective Date, and shall have been true at the date hereof, and Gulf and Bunker Hill shall have performed all agreements and covenants required by the Agreement and this Plan to be performed by them at or prior to the Effective Date; and Gulf and Bunker Hill shall have delivered to Pend Oreille certificates to such effect, dated the Effective Date and signed by the President or a Vice President of Gulf and Bunker Hill.

(b) The stockholders of Pend Oreille shall have duly approved the Agreement and this Plan at a special stockholders' meeting called for the purpose of such approval (the "Meeting"), and Pend Oreille and Bunker Hill shall have full power and right to merge on the terms provided for in the Agreement and this Plan. Bunker Hill, as a stockholder of Pend Oreille, will not vote its Pend Oreille Common Stock to approve the Agreement and this Plan unless a majority of the other shares present and voting (either in person or by proxy) at the Meeting vote for such approval.

(c) Any and all orders, permits, licenses, or qualifications from authorities administering federal laws or laws of any state or other political subdivision having jurisdiction, required for the consummation of the transactions contemplated by the Agreement and by this Plan shall have been obtained.

(d) Pend Oreille shall have received an opinion, dated the Effective Date, of Messrs. Vinson, Elkins, Searls, Connally & Smith, counsel for Gulf and Bunker Hill, in form and substance satisfactory to Pend Oreille to the following effect:

(i) the corporate existence and authorized and issued capital stock of Gulf and Bunker Hill are as stated in the Agreement;

(ii) Gulf and Bunker Hill have all requisite corporate power and authority to enter into the Agreement and the Agreement has been duly authorized, approved and adopted by all requisite action of the Board of Directors and stockholders of Gulf and Bunker Hill, as the case may be;

(iii) Bunker Hill has all requisite corporate power and authority to enter into this Plan and this Plan has been duly authorized, approved and adopted by all requisite action of Bunker Hill's Board of Directors and stockholder;

(iv) the shares of Gulf Common Stock to be issued pursuant to this Plan shall, when so issued, be validly issued, full paid and nonassessable shares of Gulf Common Stock, and all shares so issued to others than Gulf will be validly outstanding; and

(v) the Registration Statement required to be filed under the Securities Act of 1933 (the "Securities Act") by reason of such transactions (the "Registration Statement"), which includes the proxy statement to be mailed to the stockholders of Pend Oreille in connection with such transactions (the "Proxy Statement"), has been duly filed with and been declared effective by the Securities and Exchange Commission, and to the best of such counsel's knowledge such Commission has not issued any stop order applicable to such registration statement.

In rendering such opinion, such counsel may rely on certificate of officers and stockholders of Gulf and Bunker Hill and of public officials and, with respect to laws of states other than Texas, upon opinions of other counsel satisfactory to Pend Oreille. Such opinion will also state that such counsel have participated in the preparation and filing of the Registration Statement, and on the basis of the facts within their knowledge such counsel have no reason to believe that the Registration Statement at the time it became effective contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(e) The Common Stock of Gulf issuable upon the merger contemplated hereby shall have been duly listed, or approved for listing, on official notice of issuance, on the New York Stock Exchange, Inc.

(f) Pend Oreille shall have received an opinion, dated the effective date, of Messrs. Baker & Botts, tax counsel for Pend Oreille, to the following effect:

(i) no gain or loss will be recognized to Pend Oreille on the merger of Pend Oreille with and into Bunker Hill solely in exchange for voting Common Stock of Gulf;

(ii) no gain or loss will be recognized to the stockholders of Pend Oreille on the receipt by them of shares of Common Stock of Gulf (including fractional shares interests) in exchange for their shares of capital stock of Pend Oreille;

(iii) the basis of the Common Stock (including fractional share interests) of Gulf received by the stockholders of Pend Oreille will be the same as the basis of the capital stock of Pend Oreille surrendered in exchange therefor;

(iv) the holding period of the Common Stock of Gulf (including fractional share interests) received by stockholders of Pend Oreille will include the period during which the capital stock of Pend Oreille exchanged therefor was held, provided the surrendered capital stock of Pend Oreille was held as a capital asset on the date of the exchange; and

(v) where cash is received by a stockholder of Pend Oreille as the result of the sale of a fractional share interest of Common Stock of Gulf by the agent of such stockholder,

gain or loss will be recognized and will be measured by the difference between the amount of cash received and the basis of the capital stock of Pend Oreille surrendered therefor properly allocated to the fractional shares sold; and provided that the Common Stock of Gulf is a capital asset in the hands of the stockholder of Pend Oreille, the gain or loss will constitute capital gain or loss, subject to the provisions and limitations of Subchapter P of Chapter 1 of the Internal Revenue Code.

8. The obligations of Gulf and Bunker Hill to consummate and effect the merger provided for in this Plan shall be subject to the satisfaction on or prior to the Effective Date of the following conditions:

(a) The representations of Pend Oreille contained in the Agreement and in this Plan shall be true in all material respects as of and at the Effective Date and shall have been true at the date hereof, and Pend Oreille shall have performed all agreements and covenants required by the Agreement and this Plan to be performed by it at or prior to the Effective Date; and Pend Oreille shall have delivered to Gulf and Bunker Hill a certificate to such effect, dated the Effective Date and signed by its President or a Vice President.

(b) The stockholders of Pend Oreille shall have duly approved this Plan, and Pend Oreille and Bunker Hill shall have full power and right to merge on the terms provided for herein and in the Agreement.

(c) Any and all orders, permits, licenses or qualifications from authorities administering federal laws or laws of any state or other political subdivision having jurisdiction, required for the consummation of the transactions contemplated hereby and by the Agreement shall have been obtained.

(d) Pend Oreille shall have obtained and delivered to Gulf the Letters from Pend Oreille Affiliates called for by Section 4.02 of the Agreement.

(e) Gulf and Bunker Hill shall have received an opinion, dated the Effective Date, of Messrs. Witherspoon, Kelley, Davenport & Toole, counsel for Pend Oreille, in form and substance satisfactory to Gulf and Bunker Hill and their counsel to the following effect:

(i) the corporate existence, good standing and authorized and issued capital stock of Pend Oreille are as stated in the Agreement;

(ii) Pend Oreille has all requisite corporate power and authority to enter into the Agreement and this Plan, and the Agreement and this Plan have been duly authorized, approved and adopted by all requisite action of Pend Oreille's Board of Directors and stockholders.

In rendering such opinion, such counsel may rely on certificates of officers and stockholders of Pend Oreille and of public officials and, with respect to laws of states other than Washington, upon opinions of other counsel satisfactory to Gulf and Bunker Hill.

9. The respective obligations of Gulf, Pend Oreille and Bunker Hill under this Plan and the Agreement are, at their respective options, subject to the further conditions that:

(a) Gulf, Pend Oreille and Bunker Hill shall have received the approval of the transactions contemplated by this Plan and the Agreement from all necessary governmental agencies and authorities, and such approvals and the transactions contemplated hereby shall not have been contested by any federal or state governmental authority or any third party (except stockholders asserting statutory dissenters' appraisal rights) by formal proceeding. It is understood that, if any contest as aforesaid is brought by formal proceedings, Gulf, Pend Oreille or Bunker Hill may, but shall not be obligated to, answer and defend such contest or otherwise pursue this transaction over such objection.

(b) There shall have been received from Arthur Andersen & Co. an opinion that the merger shall be accorded the accounting treatment of a pooling of interest.

(c) On the date on which the Registration Statement becomes effective, and also at the Effective Date, Pend Oreille shall have been furnished with letters from Arthur Andersen & Co., dated the date of delivery thereof, in form and substance satisfactory to Pend Oreille to the effect that:

(i) They are public accountants, independent with respect to both Gulf and its subsidiaries, within the meaning of the Securities Act and the applicable published rules and regulations thereunder;

(ii) The financial statements of Gulf and its consolidated subsidiaries examined by them and included in the Registration Statement or the Proxy Statement comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Securities Exchange Act of 1934 ("Exchange Act"), respectively, and of the published rules and regulations issued by the Commission thereunder with respect to registration statements on Form S-14;

(iii) At the request of Gulf, they have carried out procedures to a specified date not more than five business days prior to the date of delivery of such letter, which do not constitute an examination in accordance with generally accepted auditing standards, of the financial statements of Gulf and its consolidated subsidiaries, as follows: (1) read the unaudited financial statements of Gulf and its consolidated subsidiaries included in the Registration Statement or the Proxy Statement, (2) read the unaudited financial statements of Gulf and its consolidated subsidiaries for the period from the date of the most recent financial statements included in the Registration Statement or Proxy Statement through the date of the latest available interim financial statements, (3) read the minutes of the meetings of stockholders and boards of directors of Gulf and its consolidated subsidiaries from December 31, 1972 to said date not more than five business days prior to the date of delivery of such letter and (4) consulted with certain officers and employees of Gulf responsible for financial and accounting matters as to whether there has been any change in the common stock, capital in excess of par value, retained earnings, or long-term debt, or decrease in consolidated net current assets, net sales or in the total or pre-share amounts of net income of Gulf and its consolidated subsidiaries and, based on such procedures, nothing has come to their attention which would cause them to believe that (A) the unaudited financial statements of Gulf and its consolidated subsidiaries included in the Registration Statement and the Proxy Statement do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act, respectively, and the published rules and regulations issued by the Commission thereunder with respect to registration statements on Form S-14; (B) said financial statements are not fairly presented in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements; (C) from the date of the most recent financial statements included in the Registration Statement or the Proxy Statement to said date not more than five business days prior to the date of delivery of such letter there was, except for changes or decreases which the Registration Statement and the Proxy Statement disclose have occurred or may occur, any (i) net change in the common stock account of Gulf and its consolidated subsidiaries, (ii) decrease in either of the capital in excess of par value or the retained earnings accounts of Gulf and its consolidated subsidiaries, (iii) change in the long term debt of Gulf and its consolidated subsidiaries, or (iv) decrease in consolidated net current assets of Gulf and its consolidated subsidiaries, in each case as compared with the amounts shown in the consolidated

balance sheet of Gulf and its consolidated subsidiaries at the date of the most recent financial statements included in the Registration Statement or Proxy Statement; or (D) for a period from the date of the most recent financial statements included in the Registration Statement or Proxy Statement to said date not more than five business days prior to the date of delivery of such letter there were, except for changes or decreases which the Registration Statement and the Proxy Statement disclose have occurred or may occur, any decreases as compared with the corresponding period in the preceding year, in consolidated sales and revenues or in the total or per share amounts of consolidated income before extraordinary items or net income; and

(iv) They have read the accounting information as shown in the Registration Statement and the Proxy Statement under the heading "Business and Property of Gulf — Product Sales" which sets forth the approximate percentage of consolidated net sales of products and the approximate percentage of consolidated income (as defined) attributable to each of the principal activities, including discontinued operations, of Gulf for the years 1968, 1969, 1970, 1971 and 1972, and the nine-month periods ended September 30, 1972 and 1973. They have recomputed the approximate percentage of consolidated net sales of products and the approximate percentage of consolidated income (as defined) attributable to each of the principal activities, including discontinued operations of Gulf for the years 1968, 1969, 1970, 1971 and 1972 and the nine-month periods ended September 30, 1972 and 1973 and compared the underlying individual amounts of consolidated net sales of products and of consolidated income (as defined) attributable to each of the principal activities, including discontinued operations, of Gulf for the years 1968, 1969, 1970, 1971 and 1972, and the nine-month periods ended September 30, 1972 and 1973, with the applicable subsidiary company's general ledger and found them to be in agreement.

(d) On the date on which the Registration Statement becomes effective, and also at the Effective Date, Gulf shall have been furnished with letters from LeMaster & Daniels, Certified Public Accountants, dated the date of delivery thereof, in form and substance satisfactory to Gulf to the effect that:

(i) They are public accountants, independent with respect to both Pend Oreille and its subsidiaries, within the meaning of the Securities Act and the applicable published rules and regulations thereunder;

(ii) The financial statements of Pend Oreille and its consolidated subsidiaries examined by them and included in the Registration Statement or the Proxy Statement comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Securities Exchange Act of 1934 ("Exchange Act"), respectively, and of the published rules and regulations issued by the Commission thereunder with respect to registration statements on Form S-14;

(iii) At the request of Pend Oreille, they have carried out procedures to a specified date not more than five business days prior to the date of delivery of such letter, which do not constitute an examination in accordance with generally accepted auditing standards, of the financial statements of Pend Oreille and its consolidated subsidiaries, as follows: (1) read the unaudited financial statements of Pend Oreille and its consolidated subsidiaries included in the Registration Statement or the Proxy Statement, (2) read the unaudited financial statements of Pend Oreille and its consolidated subsidiaries for the period from the date of the most recent financial statements included in the Registration Statement or Proxy Statement through the date of the latest available interim financial statements, (3) read the minutes of the meetings of stockholders and boards of directors

of Pend Oreille and its consolidated subsidiaries from December 31, 1972 to said date not more than five business days prior to the date of delivery of such letter and (4) consulted with certain officers and employees of Pend Oreille responsible for financial and accounting matters as to whether there has been any change in the common stock, capital in excess of par value, retained earnings, or long-term debt, or decrease in consolidated net current assets, net sales or in the total or per-share amounts of net earnings of Pend Oreille and its consolidated subsidiaries and, based on such procedures, nothing has come to their attention which would cause them to believe that (A) the unaudited financial statements of Pend Oreille and its consolidated subsidiaries included in the Registration Statement and the Proxy Statement do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act, respectively, and the published rules and regulations issued by the Commission thereunder with respect to registration statements on Form S-14; (B) said financial statements are not fairly presented in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements; (C) from the date of the most recent financial statements included in the Registration Statement or the Proxy Statement to said date not more than five business days prior to the date of delivery of such letter there was, except for changes or decreases which the Registration Statement and the Proxy Statement disclose have occurred or may occur, any (i) net change in the common stock account of Pend Oreille and its consolidated subsidiaries, (ii) decrease in either of the capital in excess of par value or the retained earnings accounts of Pend Oreille and its consolidated subsidiaries, (iii) change in the long term debt of Pend Oreille and its consolidated subsidiaries, or (iv) decrease in consolidated net current assets of Pend Oreille and its consolidated subsidiaries, in each case as compared with the amounts shown in the consolidated balance sheet of Pend Oreille and its consolidated subsidiaries at the date of the most recent financial statements included in the Registration Statement or Proxy Statement; or (D) for a period from the date of the most recent financial statements included in the Registration Statement or Proxy Statement to said date not more than five business days prior to the date of delivery of such letter there were, except for changes or decreases which the Registration Statement and the Proxy Statement disclose have occurred or may occur, any decreases as compared with the corresponding period in the preceding year, in consolidated sales and revenues or in the total or per share amounts of consolidated income before extraordinary items or net income; and

(iv) They compared the amounts of operating revenues for each line of business for the years 1968, 1969, 1970, 1971 and 1972 and for the nine months ended September 30, 1973 set forth in the Registration Statement and the Proxy Statement under the heading "Business and Property of Pend Oreille - General" with the corresponding amounts shown by analyses prepared by Pend Oreille and found such amounts to be in agreement; they compared the amounts shown in the foregoing analyses with appropriate general ledgers, or summaries thereof, of Pend Oreille and its consolidated subsidiaries and found such amounts to be in agreement; they compared the amounts of operating revenues of the several lines of business for each of the aforementioned years with the corresponding amounts shown in the financial statements for such years and found that they agreed or were reconciled therewith by information disclosed therein; and they computed the percentage of operating revenues for each line of business for each of the aforementioned years and compared the computed percentages with the corresponding percentages appearing in the Registration Statement and Proxy Statement and found them to be in agreement.

(e) None of the information included in (i) the Registration Statement, or (ii) the Proxy Statement, shall have been at the respective times the Registration Statement becomes effective and the Proxy Statement is mailed, be false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make the statements therein not misleading or, in the case of the Proxy Statement or any amendment thereof or supplement thereto, at the time of the Meeting referred to in Section 7(b) hereof, necessary to correct any statement in any earlier communication with respect to the solicitation of any proxy for the Meeting.

10. This Plan and the Agreement may be terminated at any time on or prior to the Effective Date whether before or after action thereon by the stockholders of Pend Oreille:

(a) By the mutual consent of the respective Board of Directors of Pend Oreille, Gulf and Bunker Hill; or

(b) By the Board of Directors of Bunker Hill or Gulf if holders of more than 50,000 shares of Pend Oreille Common Stock shall have properly notified Pend Oreille of such holders' intent to dissent to the merger contemplated hereby pursuant to Sections 23A.24.030 and 23A.23.040 of the Washington Business Corporation Act; or if any suit, action or other proceeding shall be pending or threatened before any court or governmental agency seeking to restrain, prohibit or otherwise affect the consummation of the merger contemplated hereby or which might materially restrict the operation of the business of Pend Oreille and its subsidiaries on a consolidated basis after such merger, or which might affect the right of Gulf to own the stock of Pend Oreille after the merger or restrict or prohibit the exercise by Gulf of any rights pertaining thereto; or

(c) By the Board of Directors of Pend Oreille if any of the representations of Gulf or Bunker Hill contained in the Agreement or in this Plan shall be false in any material respect as of the Effective Date; or Gulf or Bunker Hill shall, as of the Effective Date, have failed to comply with any of its covenants or agreements contained therein or herein to be performed at or prior to the Effective Date; or if any of the conditions to the obligations of Pend Oreille contained herein or in the Agreement shall not have been satisfied at the Effective Date; or

(d) By the Board of Directors of Bunker Hill or Gulf if any of the representations of Pend Oreille contained in the Agreement or in this Plan shall be false in any material respect as of the Effective Date or Pend Oreille, as of the Effective Date, has failed to comply with any of its covenants or agreements contained therein or herein to be performed at or prior to the Effective Date.

This Plan and the Agreement shall automatically terminate on September 30, 1974, if the merger contemplated hereby shall not have become effective on or before such date, unless the Board of Directors of Gulf, Pend Oreille and Bunker Hill shall have otherwise agreed in writing prior to such date.

As soon as practicable after the execution of the Agreement and this Plan, the Merging Companies shall execute and file such documents and take such other actions as may be necessary or appropriate to effect the transactions contemplated by this Plan. The merger shall become effective on the date of the certificate issued by the Secretary of State of Delaware under the seal of his office approving the merger (such date being herein called the "Effective Date").

IN WITNESS WHEREOF, Bunker Hill and Pend Oreille have each caused this Plan to be executed in counterparts on its behalf and its corporate seal to be hereunto affixed by its officers thereunto duly authorized, all as of the date and year first above written.

CORPORATE SEAL

PEND OREILLE MINES & METALS COMPANY

By /s/ FRANK G. WOODRUFF
Frank G. Woodruff, President

ATTEST:

By /s/ DONALD M. ROSE
Donald M. Rose, Assistant Secretary

THE BUNKER HILL COMPANY

CORPORATE SEAL

By /s/ B. N. RAMSTEDT
B. N. Ramstedt, Vice President

ATTEST:

By /s/ JACK M. WEBB
Jack M. Webb, Assistant Secretary

I, Jack M. Webb, Assistant Secretary of The Bunker Hill Company, a corporation organized and existing under the laws of the State of Delaware, hereby certify, as such assistant secretary, that the Plan 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 Pend Oreille Mines & Metals Company, a corporation of the State of Washington was duly adopted pursuant to subsection (f) of section 251 of Title 8 of the Delaware Code of 1953, without any vote of the stockholders of the surviving corporation; and that the Plan of Merger does not amend in any respect the certificate of incorporation of the surviving corporation, and each share of stock of The Bunker Hill Company outstanding immediately prior to the effective date of the merger is to be an identical outstanding or treasury share of the surviving corporation after the effective date of the merger, and either no shares of common stock of the surviving corporation and no shares, securities or obligations convertible into such stock are to be issued or delivered under the Plan of Merger, or the authorized unissued shares or the treasury shares of common stock of the surviving corporation to be issued or delivered under the Plan of Merger plus those initially issuable upon conversion of any other shares, securities or obligations to be issued or delivered under such plan do not exceed 20 percent of the shares of common stock of the surviving corporation outstanding immediately prior to the effective date of the merger; and that the outstanding shares of the corporation were such as to render subsection (f) of section 251 of Title 8 of the Delaware Code of 1953 applicable; and that the Plan of Merger was adopted by action of the Board of Directors of The Bunker Hill Company, and is the duly adopted agreement and act of the said corporation.

WITNESS my hand on this 12th day of March, 1974.

/s/ JACK M. WEBB
Jack M. Webb, Assistant Secretary

THE ABOVE PLAN 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 the Business Corporation Act of the State of Washington, the President (or Vice-President) of each corporate party thereto does now hereby execute the said Plan of Merger and the Assistant Secretary of each corporate party thereto does now hereby attest the said Plan of Merger, as the respective act, deed and agreement of each of said corporations, on this 13th day of March, 1974.

CORPORATE SEAL

PEND OREILLE MINES & METALS COMPANY

BY /s/ FRANK G. WOODRUFF
Frank G. Woodruff, President

ATTEST:

/s/ DONALD M. ROSE
Donald M. Rose, Assistant Secretary

THE BUNKER HILL COMPANY

CORPORATE SEAL

BY /s/ B. N. RAMSTEDT
B. N. Ramstedt, Vice President

ATTEST:

/s/ JACK M. WEBB
Jack M. Webb, Assistant Secretary