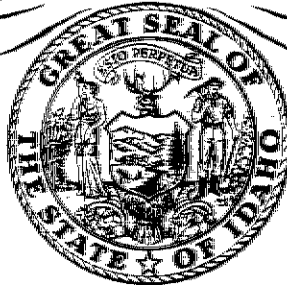


# State of Idaho



## Department of State

### CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION

I, ARNOLD WILLIAMS, Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that the

#### SIDNEY MINING COMPANY

a corporation organized and existing under and by virtue of the laws of the State of Idaho, filed in this office on the **Twenty-eighth** day of **May**, 1962, original articles of amendment, as provided by Sections 30-146, 30-147, 30-151 & 30-152, Idaho Code, merging ST. PAUL LEAD CO. and SIDNEY MINING COMPANY, both Idaho corporations, the latter being the survivor,

and that the said articles of amendment contain the statement of facts required by law, and are recorded on Film No. **119** of Record of Domestic Corporations of the State of Idaho.

I THEREFORE FURTHER CERTIFY, That the Articles of Incorporation have been amended accordingly.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State. Done at Boise City, the Capital of Idaho, this **28th** day of **May**, A. D., 19**62**.

Secretary of State

## MERGER AGREEMENT

THIS AGREEMENT, entered into this 16<sup>th</sup> day of January 1962, between SIDNEY MINING COMPANY, hereinafter called "Sidney" and sometimes called "the surviving corporation," an Idaho corporation, and its directors, or a majority of them, and ST. PAUL LEAD CO., hereinafter called "St. Paul", an Idaho corporation, and its directors, or a majority of them.

### WITNESSETH:

WHEREAS, Sidney and St. Paul, hereinafter sometimes collectively called "the constituent corporations," desire to consolidate and merge pursuant to the applicable statutes of the State of Idaho, in accordance with the terms and conditions hereinafter set forth; and,

WHEREAS, Sidney is a corporation duly organized and existing under the laws of the State of Idaho, having been originally incorporated on June 20, 1910, and its incorporation renewed on June 26, 1958; and whereas St. Paul is a corporation duly organized and existing under the laws of the State of Idaho, having been incorporated on August 19, 1953; and,

WHEREAS, Sidney is capitalized for One Million Five Hundred , Thousand (\$1, 500, 000.00) Dollars divided into Six Million (6, 000, 000) shares of assessable common stock of the par value of Twenty-Five (25¢) cents per share and has issued and outstanding One Million Six Hundred Seventy Thousand Eighty (1, 670, 080) shares of such stock, and St. Paul is capitalized for Two Hundred Twenty Thousand (\$220, 000) Dollars divided into Two Million Two Hundred Thousand (2, 200, 000) shares

of non-assessable common stock of the par value of Ten (10¢) cents per share, and has issued and outstanding Two Million One Hundred Ten Thousand Six Hundred Forty-Six (2,110,646) shares of such stock; and,

WHEREAS, the respective Boards of Directors of the constituent corporations are of the opinion that it would be for the benefit and to the advantage of each of said corporations and the stockholders thereof to merge St. Paul into Sidney under and pursuant to the provisions of Section 30-151 to 30-156, inclusive, Idaho Code,

NOW, THEREFORE, in consideration of the mutual premises, covenants, agreements and grants herein contained and by each of the parties hereto to be faithfully kept and performed, IT IS HEREBY MUTUALLY AGREED by and between the said parties and their respective Boards of Directors, that St. Paul shall be, and it hereby is merged into Sidney under and pursuant to the provisions of Section 30-151 to 30-156, inclusive, Idaho Code.

IT IS HEREBY FURTHER MUTUALLY AGREED, That St. Paul shall be merged into Sidney in the manner and upon the terms and conditions following, to-wit:

1. There shall be issued to each and every stockholder of St. Paul one (1) share of Sidney for every three (3) shares of St. Paul owned by each and every stockholder of St. Paul.
2. Upon the consummation of this agreement and the completion of the merger of St. Paul into Sidney, as hereinafter provided, Sidney shall cause to be issued and delivered to a responsible custodian, trustee or responsible custodians or trustees, one certificate for Seven Hundred Thirty Three Thousand Three Hundred Thirty-Three (733,333) shares of

the capital stock of Sidney, that is to say, the number of shares which shall be required for issuance or transfer to St. Paul stockholders at the rate of one (1) share of Sidney for every three (3) shares of St. Paul. Each and every such stockholder in St. Paul shall be directed to deliver to such custodians or trustees for cancellation such stockholder's certificate or certificates of St. Paul stock duly endorsed, with such endorsements satisfactorily guaranteed, and as such certificates are so delivered to said custodians or trustees, said custodians or trustees shall cause to be transferred and delivered to each such St. Paul stockholder, whose St. Paul certificates shall have been so delivered to said custodians or trustees, out of the stock represented by the aforesaid certificate the number of shares of Sidney which each of such St. Paul stockholders shall be entitled to receive at the aforesaid rate of one (1) share of Sidney for every three (3) shares of St. Paul PROVIDED, however, that in order to eliminate the issuance of fractional shares evidenced by fractional script certificates issued to "Bearer", there shall be issued to each shareholder of St. Paul Lead Co. otherwise entitled to receive a fractional share of stock of Sidney Mining Company equalling one-half (1/2) or more of one (1) full share, a certificate for one (1) full share of stock of Sidney Mining Company; and to each St. Paul Lead Co. shareholder otherwise entitled to receive a fractional share of Sidney Mining Company stock amounting to less than one-half (1/2) of one (1) full share, no shares of Sidney Mining Company stock shall be issued to such a shareholder for such fractional share.

3. Upon the consummation of this agreement and the completion and effectuation of the merger of St. Paul into Sidney said two corporations shall become and thereafter be one corporation, to-wit, Sidney Mining Company, and the separate corporate existence of St. Paul shall cease

and Sidney Mining Company shall possess all the rights, privileges, franchises and powers theretofore possessed by St. Paul and Sidney, or either of them, and the title to and ownership of all property, real, personal or mixed, of each of said corporations, and all debts due or owing on whatsoever account to St. Paul, and/or Sidney, including subscriptions for shares and other choses in action belonging to either of said corporations shall be taken and deemed to be transferred to and vested in Sidney, without further act or deed, and Sidney shall be responsible for all of the liabilities and obligations of St. Paul, including the obligation to perform any and all contracts or agreements heretofore entered into by St. Paul with any other corporation or corporations, in the same manner and to the same extent as if Sidney itself had incurred such liabilities or obligations, and the liabilities of St. Paul and Sidney or of their respective shareholders, directors or officers shall not be affected, nor shall the rights of the creditors of St. Paul or those of Sidney or of any persons who shall theretofore have had dealings with St. Paul and/or Sidney be impaired by such merger and any claim then existing or action or proceeding then pending by or against St. Paul and/or Sidney may be prosecuted to judgment as if such merger had not taken place, or Sidney may be proceeded against or substituted in the place of St. Paul in such action or proceeding; and all property, rights, privileges, powers and franchises, and all and every other interest of St. Paul shall be thereafter as effectually the property of Sidney as they were the property of St. Paul and the title to any real estate vested by deed or otherwise in St. Paul shall not revert or be in any way impaired by the merger of St. Paul into Sidney, PROVIDED, however, that all rights of creditors and all liens, if any, upon any property

theretofore owned by St. Paul shall be preserved and unimpaired, and all debts, liabilities and duties of St. Paul shall thence forth attach to Sidney and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by Sidney.

Notwithstanding any of the provisions of the foregoing paragraph, the officers and directors of St. Paul jointly and severally obligate themselves to hold Sidney harmless from any liability which may be imposed against Sidney, as the surviving corporation, by reason of the failure of any one or more of the officers or directors of St. Paul to have properly performed the corporate duties and responsibilities imposed by law on officers or directors of corporations.

It is warranted and represented jointly and severally by the officers and directors of St. Paul that the attached Exhibit A contains a true and correct listing of all liabilities of St. Paul including all production notes or other notes and that all other liabilities of St. Paul at the time of the execution of this agreement do not exceed a total of Five Hundred (\$500.00) Dollars, and that all outstanding shares of stock of St. Paul were properly issued in accordance with the applicable laws of the State of Idaho and the rules of the Securities and Exchange Commission.

4. IT IS FURTHER MUTUALLY UNDERSTOOD AND AGREED, That pending final consummation of this agreement, neither of the constituent corporations shall engage in any activity or transaction other than in the ordinary course of business without first obtaining the approval of the other, neither shall they pledge or subject to lien or encumbrance any of their properties or property rights, nor shall

they sell or otherwise dispose of or transfer any of their assets nor incur or become liable for any obligations or liabilities except such as must necessarily be incurred in the ordinary and usual course of their business, and they shall not make any unusual or extraordinary expenditures except for work which must necessarily be performed, or for materials, equipment and supplies which must necessarily be purchased, in compliance with contracts or agreements which they may heretofore have entered into with the other parties or for the proper maintenance of their mining properties, nor will either of them issue any rights to subscribe to, or to convey any obligation into, or grant any other options to purchase, any shares of its capital stock, or issue or sell any shares of its capital stock otherwise than by subscription to a public offering or right to purchase outstanding at the time of execution of this agreement, nor will either of them make any distribution of funds to its shareholders by way of dividends or otherwise.

5. Any and all expenses which necessarily are incurred after approval by the shareholders of the constituent corporations under or in connection with effectuating the merger shall be assumed and paid by Sidney.

6. IT IS FURTHER MUTUALLY UNDERSTOOD AND AGREED, that upon the consummation of this agreement and the effectuation of the merger of St. Paul into Sidney, Sidney shall be governed by the laws of the State of Idaho, and the date on which the merger becomes effective under the laws of the State of Idaho shall be deemed to be the effective date of the merger.

7. This agreement shall be executed initially by St. Paul's and Sidney's respective Boards of Directors upon the same being

approved by a majority of each of said Boards of Directors and thereupon this agreement shall be submitted for consideration by the stockholders of St. Paul at a meeting of such stockholders to be duly called in the manner provided by Section 30-133, Idaho Code, and for consideration by the stockholders of Sidney at a meeting of such stockholders to be duly called in the manner provided by Section 30-133, Idaho Code; and at each of said meetings, which shall be called and held separately, this agreement shall be considered and a vote by ballot, in person or by proxy, shall be taken for the adoption or rejection of the same, each share entitling the holder thereof to one vote; and if the votes of the stockholders of St. Paul representing two-thirds (2/3) of the total number of shares of its capital stock shall be for the adoption of this agreement, and if the votes of the stockholders of Sidney representing two-thirds (2/3) of the total number of shares of its capital stock shall be for the adoption of this agreement, then that fact shall be certified on this agreement by the Secretary of each of said corporations, under the seal thereof; and this agreement so adopted and certified shall be signed in duplicate by the President and Secretary of each of said corporations under the respective corporate seals thereof and acknowledged by the President of each of said corporations, before a duly appointed and qualified Notary Public to be the respective act, deed and agreement of each of said corporations; and a duplicate original of this agreement, so adopted, certified and acknowledged, shall be filed and recorded in the office of the Secretary of State of the State of Idaho, and a copy thereof, certified by the Secretary of State, shall be filed for record in the offices of the county



recorders of all counties in the State of Idaho in which either of said corporations has its registered office and/or in which either of said corporations has land, the title to which will be transferred as a result of said merger.

8. Anything herein or elsewhere to the contrary notwithstanding this agreement may be terminated and abandoned prior to the effective date of the merger if:

- (a) The Boards of Directors of both constituent corporations agree to such termination; or
- (b) In the judgment of the Board of Directors of either of the constituent corporations, any material litigation shall be pending or threatened against or affecting either of the constituent corporations, or any of their respective assets or the merger, which renders it inadvisable to proceed with the merger; or,
- (c) This agreement is not duly adopted by a vote of at least two-thirds (2/3) of all the issued and outstanding capital stock of each of the constituent corporations on or prior to June 1, \_\_\_\_\_, 1962, and the Board of Directors of either of the constituent corporations elects that the merger shall not be made effective; or
- (d) As of a date twenty (20) days after the adoption of this agreement by the stockholders of both of the constituent corporations, the aggregate market value of dissenting shares of both companies exceeds Two Thousand \_\_\_\_\_ Dollars (\$ 2,000.00).

9. In the event of termination and abandonment of this agreement by the Board of Directors of either of the constituent corporations as provided above, notice shall be given to the other and thereupon, or upon

the termination and abandonment of this agreement by the Boards of Directors of both of the constituent corporations, this agreement shall become wholly void and of no effect and there shall be no liability on the part of either of the constituent corporations or the respective Boards of Directors or stockholders.

10. Sidney, the surviving corporation, agrees that it may be served with process in the State of Idaho in any proceeding for enforcement of any obligation of St. Paul, as well as for enforcement of any obligation of the surviving corporation arising from the merger, including any suit or other proceeding to enforce the rights of appraisal of dissenting shareholders set forth in Section 30-156, Idaho Code; and the surviving corporation hereby irrevocably appoints the Secretary of State of the State of Idaho as its agent to accept service of process in any such suit or other proceeding; and specifies 102 Weber Bank Building, Kellogg, Idaho, as the address to which a copy of said process shall be mailed by the Secretary of State of the State of Idaho.

11. For the convenience of the parties and to facilitate the filing and recording of this agreement, any number of counterparts thereof may be executed and each such counterpart shall be deemed an original instrument.

12. The Board of Directors of St. Paul, pursuant to a resolution adopted by unanimous vote of the members of said Board of Directors at a duly called special meeting of said Board on the 26th day of December, 1961, and the Board of Directors of Sidney, pursuant to a resolution adopted by unanimous vote of the members of said Board of Directors at a duly called special meeting of said Board on the 16th day of January, 1962, have approved this agreement.

IN WITNESS WHEREOF, this agreement has been executed  
on behalf of Sidney by each and all of the members of the Board of  
Directors of Sidney Mining Company and this agreement has been  
executed on behalf of St. Paul by each and all of the members of the  
Board of Directors of St. Paul Lead Co.

SIDNEY MINING COMPANY

M. C. Brown  
M. C. Brown

E. K. Barnes  
E. K. Barnes

Myron H. Ross  
Myron H. Ross

ATTEST:

Ben Smick  
Secretary

Ben Smick  
Ben Smick

Hugh S. Cannon  
Hugh S. Cannon

Dunham Bell  
Dunham Bell

H. F. Magnuson  
H. F. Magnuson

BOARD OF DIRECTORS

ST. PAUL LEAD CO.

A. L. Osborn  
A. L. Osborn

ATTEST:

Ronald E. Egardt  
Secretary-Treasurer

R. P. Charpentier  
R. P. Charpentier

Raymen Paulsen

Earl Chilcott  
Earl Chilcott

David Lofoefer  
David Lofoefer

BOARD OF DIRECTORS

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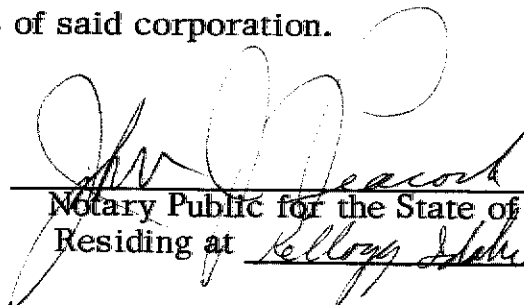
STATE OF ~~IDAHO~~ <sup>Washington</sup>  
County of ~~Shoshone~~ <sup>Spokane</sup> SS:

On this 21 day of May, 1962, before me,  
the undersigned, a Notary Public in and for the State of Idaho, personally  
appeared M. C. BROWN and BEN SMICK, known to me to be the president  
and secretary, respectively, of SIDNEY MINING COMPANY, the  
corporation that executed the within instrument, and acknowledged  
to me that such corporation executed the same, and the said BEN SMICK,  
secretary of Sidney Mining Company, certifies that the stockholders of the  
said Sidney Mining Company representing more than two-thirds (2/3)  
of the total number of shares of its outstanding capital stock adopted  
and approved the foregoing agreement at a special shareholders'  
meeting held at Kellogg, Idaho, on the 14 day of April, 1962,  
notice of said meeting having been mailed to each shareholder at his  
last known address as same appears in the records of said corporation.

Glenns Burquist  
Notary Public for the State of ~~Idaho~~ <sup>Washington</sup>  
Residing at Spokane

STATE OF IDAHO     )  
                              ) ss:  
County of Shoshone    )

On this 23<sup>rd</sup> day of February, 1962, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared A. L. OSBORN and RONALD EGGART, known to me to be the president and secretary-treasurer, respectively, of ST. PAUL LEAD CO., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same, and the said RONALD EGGART, secretary-treasurer of St. Paul Lead Co. certifies that the stockholders of the said St. Paul Lead Co. representing more than two-thirds (2/3) of the total number of shares of its outstanding capital stock adopted and approved the foregoing agreement at a special shareholders' meeting held at Kellogg, Idaho, on the 26th day of December, 1961, notice of said meeting having been mailed to each shareholder at his last known address as same appears in the records of said corporation.

  
\_\_\_\_\_  
Notary Public for the State of Idaho,  
Residing at Kellogg Idaho.

St. Paul Lead Company  
Kellogg Idaho

EXHIBIT A -  
Page 2 of 2 Pages

NOTES TO BALANCE SHEET  
February 28, 1962

NOTE 1: The St. Paul Lead Company has a lease and an option to purchase the Snowshoe group of claims. The purchase price of these claims is \$100,000.00 payable from 10% of the net smelter returns.

Merger Mines, Inc. had owned an undivided one-half interest in the Snowshoe group ore body and an undivided one-half interest in a mill on the property. This interest in the Snowshoe ore body and the mill was acquired by P. L. Sandberg. St. Paul Lead subsequently purchased this interest from P. L. Sandberg through the issuance of 600,000 shares of St. Paul Lead Company stock with a par value of 10¢ per share or \$60,000.00 and the assumption of P. L. Sandberg's contract to Merger Mines for \$35,000.00. Also an additional \$42,500.00 is to be paid to Merger Mines at the rate of 2% of net smelter returns .

The purchase price set forth on the balance sheet is presented below:

Purchase of one-half interest in mill	\$22,000.00
Purchase of one-half interest in Snowshoe ore body	<u>73,000.00</u>
Total	<u>\$95,000.00</u>
Paid by	
Capital stock (600,000 shares 10¢ per value)	\$60,000.00
Contract payable	<u>35,000.00</u>
	<u>\$95,000.00</u>

NOTE 2: An option is held by E. M. Horrall to purchase 30,000 shares of St. Paul Lead Company stock, at 17¢ per share.

## A S S E T S

## BUILDINGS AND EQUIPMENT:

Mill at cost	\$ 96,609.52	
Trucks	2,068.00	
Equipment	6,640.48	
Total	<u>105,318.00</u>	
Less - accumulated depreciation to 12/31/61	<u>17,412.30</u>	\$ 87,905.70

## OTHER ASSETS:

Organization expense	342.28	
Advance royalty payment	<u>1,000.00</u>	1,342.28

SNOWSHOE MINING LEASE (par value of capital stock issued therefor) (Note 1)		73,000.00
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DEVELOPMENT AND EXPLORATION (par value of shares issued therefor)		61,956.20
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PREPAID MINING EXPENSES		165,555.01
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Total

\$389,759.19

NOTE: This pro forma statement reflects the financial condition of St. Paul Lead Company after the current assets, certain items of equipment and the investment in Daybreak Uranium, Inc. capital stock have been eliminated from the balance sheet. In addition, all liabilities other than those set forth on this statement have been removed from the balance sheet.

Company  
Idaho

INCE SHEET  
1962

## LIABILITIES AND CAPITAL

### CURRENT LIABILITIES

Advance payable ASARCO	\$ 7,049.31	
Current portion - contract payable Merger Mines, Inc.	<u>5,000.00</u>	
Total current liabilities		\$ 12,049.31

### LONG-TERM LIABILITIES:

Production notes payable (payable from smelter returns)		93,650.00	
Interest on production notes (payable from smelter returns)		3,109.50	
Contract payable - Merger Mines, Inc. (payable \$5,000 per year beginning October 7, 1962)	\$ 35,000.00		
Less - portion due within one year	<u>5,000.00</u>	<u>30,000.00</u>	126,759.50

### CAPITAL:

	<u>Shares</u>	<u>Amount</u>	
Capital stock authorized with a par value of 10¢ per share	2,200,000	220,000.00	
Less - capital stock unissued	5,354	535.40	
- treasury stock (Note 2)	<u>36,000</u>	<u>3,600.00</u>	
Total outstanding	<u>2,158,646</u>		215,864.60
Capital surplus		<u>35,085.78</u>	<u>250,950.38</u>
Total			<u>\$389,759.19</u>