

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re	:	Chapter 11
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SUNSHINE MINING AND	:	
REFINING COMPANY, et al.,	:	Case No. 00-3409 (MFW)
	:	
Debtors.	:	Jointly Administered
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**ORDER (i) APPROVING DISCLOSURE STATEMENT,  
(ii) APPROVING PROPOSED BALLOTS AND SOLICITATION  
PROCEDURES, (iii) FIXING VOTING AND OBJECTION DEADLINES  
AND DATE, TIME AND PLACE OF HEARING ON CONFIRMATION,  
AND (iv) APPROVING PROPOSED FORM OF NOTICE**

A hearing having been held on September 29, 2000 (the "Hearing"), to consider the motion (the "Motion")<sup>1/2</sup> for an Order (i) approving the Debtors' second amended disclosure statement as filed on October 2, 2000, as it may have been amended prior to or at the hearing thereon (the "Disclosure Statement") pursuant to section 1125 of the Bankruptcy Code, (ii) approving the forms of ballots for voting on the Second Amended Joint Chapter 11 Plan of Reorganization proposed by the Debtors, the Elliott Group and the Stonehill Group as filed on October 2, 2000 (the "Plan") and the manner for voting and the procedures for soliciting and tabulating votes, (iii) fixing the date upon which acceptances and rejections of the Plan must be submitted and the deadline for objections to confirmation, as well as the date, time and place of the hearing on confirmation of the Plan (the "Confirmation Hearing"), and (iv) approving the proposed forms of notice of the Confirmation Hearing; and the Court finding that the Disclosure Statement, including the exhibits attached thereto, contains "adequate information" as defined in Bankruptcy Code § 1125(a)(1); that the proposed forms of Confirmation Hearing Notice,

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<sup>1/2</sup>Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion, the Plan, and the Disclosure Statement.

Publication Notice, and Eurobond Bearer Notice comply with Bankruptcy Rule 3017(d); that the proposed forms of ballots attached as Exhibits B-1 through B-4 of the Motion comply with Bankruptcy Rule 3017(d); that the procedures for transmission of solicitation materials to holders of Claims are reasonable and adequate as required by Bankruptcy Rule 3017(d); that the proposed methods of soliciting acceptances or rejections of the Plan and tabulating votes are reasonable; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157(b)(2) and 1334; and the consideration of the Motion, the relief requested therein and the responses thereto, if any, being a core proceeding in accordance with 28 U.S.C. § 157(b); and due notice of the hearing on approval of the Disclosure Statement, the objection deadline thereto, and of the Motion having been given, and it appearing that no other or further notice need be given; and the appearances of all interested parties having been duly noted on the record of the Hearing; and the Objection of the United States Trustee to the Disclosure Statement in Support of Debtors' Plan of Reorganization (docket no. 75) having been resolved by the parties; and certain informal objections raised by other parties having also been resolved; and upon the record of the Hearing, the Disclosure Statement and the Motion, and said responses or objections, if any; and after due deliberation and sufficient cause appearing,

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The Motion be, and hereby is, granted in all respects.
2. The Disclosure Statement is approved.
3. The form of the Confirmation Hearing Notice annexed as Exhibit "A" to the Motion, is approved in its entirety.
4. The form of the Publication Notice annexed as Exhibit "C" to the Motion is approved in its entirety.

5. The form of Eurobond Bearer Notice annexed as Exhibit "D" to the Motion is approved in its entirety.

6. The forms of ballots for voting on the Plan annexed as Exhibits "B1", "B2", "B3", and "B4" to the Motion and the instructions contained and the procedures set forth in the Motion and in the proposed forms of ballots are approved in their entirety.

7. The Debtors shall solicit votes only from those creditors who are shown on the Debtors' Schedules as holding uncontested, liquidated, non-contingent Claims. In the event that a creditor who is not shown as holding such a Claim asserts a right to vote on confirmation of the Plan, such creditor may petition this Court for temporary allowance of such Claim for voting purposes under Fed. R. Bank P. 3018(a), by filing such a motion on or prior to October 20, 2000 at 4:00 p.m. (Eastern Standard Time).

8. To the extent that Solicitation Packets are mailed to the addresses showing in the Debtors' books and records are returned as undeliverable, the Debtors need not undertake further efforts to re-mail such Solicitation Packets.

9. On or before October 6, 2000, the Debtors shall transmit copies of the Plan, Disclosure Statement, Confirmation Hearing Notice, this Order, and a ballot, only to holders of Claims in Classes Mining 1, Mining 2, Mining 4, Mining 6, Mining 7, Argentina 1, Argentina 2, Metals 1, Metals 2, Metals 4, Exploration 2, and Exploration 3, the United States Trustee, the Securities and Exchange Commission, and any party in interest who requests a Solicitation Packet in writing.

10. With respect to holders of Claims in Classes Mining 1, Mining 4, Mining 6, Argentina 1, Argentina 2, Metals 1, Exploration 2, and Exploration 3, the form of ballot to be included in the Solicitation Packets shall be substantially in the form of Exhibit "B-1" annexed to the Motion.

11. With respect to holders of Claims in Classes Mining 2 and Metals 2, the form of ballot to be included in the Solicitation Packets shall be substantially in the form of Exhibit "B-2" annexed to the Motion, which permits such holders to indicate their election to have their Claims included in convenience Classes Mining 7 and Metals 4, respectively. Holders of Claims in Classes Mining 2 and Metals 2 may elect to have their Claims included in convenience Classes Mining 7 and Metals 4, respectively, only in accordance with the procedures set forth in the Motion and the instructions contained on the form of ballot annexed to the Motion as Exhibit "B-2". Any holder of a Claim in Class Mining 2 or Metals 2 who properly elects to be included in Class Mining 7 or Metals 4, respectively, shall have its vote counted only in Class Mining 7 or Metals 4, respectively. Any holder of a Claim in Class Mining 2 or Class Metals 2 who makes the Convenience Claim Election by indicating such election on such holder's ballot but does not mark the ballot to indicate an acceptance or rejection of the Plan shall be deemed to have voted to accept the Plan.

12. With respect to holders of Claims in Class Mining 5, the Debtors shall transmit Solicitation Packets to the Intermediaries and shall be responsible for and pay each such Intermediary's reasonable costs and expenses associated with the distribution of copies of the Solicitation Packets to the beneficial owners of such Claims and with the tabulation of the beneficial owners' ballots. The Solicitation Packets shall include (in addition to copies of the Plan, Disclosure Statement, Confirmation Hearing Notice, and this Order) a form of beneficial owner ballot substantially in the form annexed to the Motion as Exhibit "B-4". The Intermediaries shall be responsible for the timely transmission of Solicitation Packets to the members of Class Mining 5, the tabulation of votes of beneficial owners, and the submission of a master ballot substantially in the form annexed to the Motion as Exhibit "B-3" in accordance with the terms of the Motion.

13. Within three (3) business days of receipt of the Plan, Disclosure Statement, Confirmation Hearing Notice, this Order, and a ballot, each Intermediary shall re-mail the same to the appropriate beneficial owners.

14. With respect to holders of Claims in Classes Mining 3 and Metals 3, the Debtors shall publish a notice substantially in the form of the Eurobond Bearer Notice annexed as Exhibit "D" to the Motion (in its revised form presented at the hearing on approval of the Disclosure Statement) in the Financial Times, as well as providing such notice to the major European clearing agencies, Euroclear and Clearstream. The Voting Agent shall provide Solicitation Packets to any bearer of a Eurobond who requests the same in writing or by telephone, and shall also provide a sufficient number of Solicitation Packets to Euroclear and Clearstream to allow Euroclear and Clearstream to distribute a sufficient number of Solicitation Packets to any Intermediaries who are recorded as holding Eurobonds for their own account or on behalf of beneficial owners such Eurobonds. Any bearer or beneficial owner of a Eurobond must follow one of two alternative procedures in order to vote on the Plan. The first alternative procedure is for such bearer to transmit its Eurobonds and a properly executed ballot (substantially in the form annexed to the Motion as Exhibit "B-1") to the Debtors' Depository Agent, American Stock Transfer & Trust Company, on or prior to the Voting Deadline. The Depository Agent shall deliver the ballots from the bearers of the Eurobonds to the Voting Agent and shall also make the Eurobonds in its possession available to the Voting Agent for inspection. The Depository Agent shall return the Eurobonds to their owners following the completion of the vote tabulation process. The second alternative procedure is for the beneficial owner of a Eurobond (i) to obtain a beneficial owner ballot (in a form substantially similar to Exhibit "B-3" annexed to the Motion as appropriately modified) from either Euroclear or Clearstream, (ii) to submit a properly executed beneficial owner ballot (which must list the serial numbers of all of

such owner's Eurobonds), either directly or through such owner's Intermediary, to Euroclear or Clearstream such that Euroclear or Clearstream has sufficient time to tabulate all such ballots and complete and transmit a master ballot to the Voting Agent so that such master ballot is received by the Voting Agent on prior to the Voting Deadline. Euroclear and Clearstream shall be responsible for the timely transmission of Solicitation Packets to the Intermediaries shown on their records as holding Eurobonds for their own account or for beneficial owners, the tabulation of votes of beneficial owners, and the submission of a master ballot to the Voting Agent on or before the Voting Deadline. The Debtors shall reimburse the Voting Agent, the Depository Agent, Euroclear, and Clearstream for their reasonable costs and expenses incurred in this process.

15. On or before October 6, 2000, the Debtors shall transmit only copies of the Confirmation Hearing Notice to all holders of unimpaired Claims and Interests (i.e., holders of Claims in Classes Mining P, Argentina P, Metals P, Exploration P, Exploration 1, and Interests in Class Exploration 4).

16. On or before October 6, 2000, the Debtors shall transmit only copies of the Confirmation Hearing Notice to (1) all persons shown on the Debtors' mailing matrices and Schedules that have either (a) not been scheduled by the Debtors, or (b) if scheduled, (i) were listed as disputed, contingent or unliquidated or (ii) were scheduled at \$0.00, and to (2) all persons who have filed proofs of claim with the Bankruptcy Court on or before September 29, 2000.

17. With respect to all holders of Interests in Class Mining 8, Class Argentina 3, and Class Metals 5 as provided in the Motion, in light of the fact that the Debtors have provided notice to such parties of the Confirmation Hearing in a notice of the commencement of

these Bankruptcy Cases, the Debtors shall not be required to provide any further notice to such parties.

18. The Debtors shall cause the Publication Notice to be published once in the national edition of The Wall Street Journal at least twenty (20) days before the Confirmation Objection Deadline.

19. The Proposed Procedures and Standard Assumptions for tabulating ballots as set forth in the Motion hereby are approved in their entirety.

20. Only creditors holding Claims scheduled as uncontested, non-contingent, and in a liquidated amount shall be entitled to vote on confirmation of the Plan unless a creditor's Claim is temporarily allowed for voting purposes pursuant to Bankruptcy Rule 3018. Any motion to allow a claim for voting purposes pursuant to Bankruptcy Rule 3018 must be filed with the Bankruptcy Court and served on the parties identified and in the manner described in paragraph 45 of the Motion on or before October 20, 2000, Eastern Standard Time.

21. The Voting Record Date shall be September 29, 2000.

22. The Confirmation Hearing shall commence on November 7, 2000 at 2:00 p.m. before the undersigned United States Bankruptcy Judge at the United States Bankruptcy Court, 824 Market Street, 6<sup>th</sup> Floor, Wilmington, Delaware, and such hearing may be continued from time to time by announcing such continuance in open Court or otherwise, all without further notice to parties in interest.

23. Any objections to confirmation of the Plan pursuant to Bankruptcy Rule 3020(b) must conform with the Local Bankruptcy Rules and the procedures described in the Motion, and must be filed and served on or before 4:00 p.m. (Eastern Time) on October 31, 2000 (the "Confirmation Objection Deadline").

24. The deadline for submitting ballots on the Plan shall be 4:00 p.m. Eastern Time on October 31, 2000 (the "Voting Deadline"). All ballots (including master ballots) must be received by the Voting Agent on or prior to the Voting Deadline except that bearers of the Eurobonds must transmit their ballots along with their Eurobonds to the Depository Agent so that they are received by the Depository Agent on or prior to the Voting Deadline.

25. No votes on the Plan shall be accepted by facsimile.

26. Responses to objections to the Plan and the Debtors' memorandum in support of confirmation must be filed and served on or before 4:00 p.m. on November 3, 2000.

27. Except as otherwise expressly provided herein, the deadlines and procedures for filing and serving documents and evidence relating to confirmation of the Plan as set forth in the Motion are approved in their entirety.

28. The Voting Agent shall file a report of plan voting on or before November 6, 2000 @ 4:00 p.m.

29. In the event of any inconsistency between the provisions of this Order, the Motion, any provision of the Disclosure Statement, the Plan, or any other document approved for transmittal as part of the Solicitation Packets, this Order shall control.

Dated: Wilmington, Delaware  
October 3, 2000

/s/ Hon. Mary F. Walrath  
UNITED STATES BANKRUPTCY JUDGE