



RESOLUTION OF THE CITY OF MACKAY

RESOLUTION 2021-10

Phoenix Mining Operations

RESOLUTION OF THE CITY OF MACKAY, CUSTER COUNTY IDAHO, IN EXPRESSING THE OPINION OF THE CITY OF MACKAY WITH RESPECT TO THE PHOENIX COPPER AND KONNEX RESOURCES MINING OPERATIONS; AND PROVIDING AN EFFECTIVE DATE.

Whereas, Ryan McDermott, the CEO of Phoenix Copper and the President of Konnex Resources, presented information to the Council during the Regular City Council Meeting, held October 12, 2021, explaining the respective organizations; and,

Whereas, Ryan included in his presentation a description of how the Empire Mine will be operated and the regulations the companies would be obligated to enforce; and,

Whereas, Mr. McDermott presented the Council with a booklet which included maps and pictures included in his presentation; and,

Whereas, all questions asked of Ryan by the Council were answered:

THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF MACKAY, IDAHO, as follows:

Section 1: The operation of the Empire Mine by Konnex Resources will impact the City of Mackay in transporting personnel, goods, and services to the Mine.

Section 2: The City has designated that the transportation route from U.S. Highway 93, to the various work sites, will be southwest onto Main Street continuing to the end, slight left turn onto Smelter Avenue, then proceeding along Smelter Avenue and out of the City limits onto Smelter Road.

Section 3: Weight limits and speed restrictions will be established for any and all vehicles traveling along the route designated above. These limits and restrictions will be established by a third-party engineering firm, and the City Council. Study to be paid for by Konnex Resources. Speed Limit will not exceed 20 MPH.

Section 4: Konnex Resource personnel will sample the water from Mackay Spring (formerly known as City Spring) on a monthly basis. This water sample will be submitted by Konnex to a State approved laboratory for analysis and a copy of the report provided to the Public Works Supervisor of the City of Mackay.



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Section 5: The Mayor and the City Council support a close working relationship between the City and Konnex Resources to ensure the City water supply, and any affected infrastructure are maintained as a minimum in their current condition.

Dean Wall

Greg Blackwell

Wally Wallin

Richard Mangum

Section 6: It is to be understood by any and all reading this Resolution, that this Resolution documents the official position of the City of Mackay regarding Phoenix Copper, and/or Konnex Resources activities and operations on Mackay Peak (AKA Mine Hill). Any opinions voiced by the Mayor or any individual City Council member in private or public conversations are strictly the views of that individual and may not represent the conviction of the entire Council.

Section 7: The open pit, the copper recovery leach ponds, the heavy haul road, the Smelter Road, etc. are not within the confines of the designated limits or impact area of the City of Mackay. Therefore, neither the Mayor nor the City Council have jurisdiction on any matters in those areas.

Individuals who have questions regarding rules and regulations of the Idaho Department of Water Resources, The Idaho Department of Environmental Quality, The U.S. Department of Agriculture (U.S. Forest Service), US Department of the Interior (Bureau of Land Management), Custer County, Custer County Sheriff's Office, Mackay Public School District #182, Lost Rivers Hospital District, Lost River Independent Highway District, etc. are to contact those agencies.

Questions regarding the mining operation should be directed to Konnex Resources.

Section 8: This Resolution shall take effect immediately after the passage and approval of the City Council.

APPROVED AND ADOPTED THIS 25TH DAY OF OCTOBER 2021.

Wayne C. Olsen, Mayor

ATTEST

Natalie Perez, City Clerk

