



TRANSFORMING TOMORROW TOGETHER

Community Partnership Panel Meeting Notes

Site: New Mexico Operations

March 13, 2019

Purpose

The [Community Partnership Panel](#) is hosted by Freeport-McMoRan to keep the community informed about operational activities and to foster open and ongoing dialogue to develop thoughtful solutions to address community issues.

Safety Share

The safety and health of all Freeport-McMoRan (FCX) employees, along with our commitment to the environment, are of the highest priority. Our objective is zero workplace injuries and occupational illness.

Tyrone Fatality

FCX Statement: A contract employee was involved in an incident that resulted in fatal injuries on Wednesday, March 6t, at FCX Tyrone. The incident is currently under investigation by MSHA. FCX, in conjunction with the contractor, is fully supporting the investigation.

Komatsu Statement: We are sad to confirm that on March 6, 2019, Komatsu employee Tim Rivers lost his life in an accident that occurred while he was working at a copper mine in New Mexico. Tim was a Komatsu field service technician based in Arizona and our thoughts are with his family and friends at this time. The incident is currently under investigation and no further details are available at this time.

Industry / Business Update

For the most recent FCX financial information please visit: [Freeport-McMoRan Investor Center](#).

New Mexico Operations Update:

- Headcount: approximately 1,470 employees as of March 10, 2019
 - Headcount has decreased slightly since September 2018
 - Chino-Cobre: approximately 1,100
 - Tyrone: approximately 350
 - Reclamation Services: 3
- New Faces
 - Zach Maughan – Chief Engineer, Tyrone
 - Jeroen Van Nes – Chief Engineer, Chino (transfer from Tyrone)
- Life of Mine Challenges
 - Orebody increasingly marginal
 - Capital investment for future projects is increasing

- Environmental permitting critical for future expansions
- The right/skilled employees become less available
- Copper prices remain challenging to forecast
- Groundwater and Mining Act Permits
 - Chino
 - Four current
 - Nine renewals in progress
 - Tyrone
 - Three current
 - Five renewals in progress
- House Bills Status
 - HB 220, 'Determination of Discharge Effect on Ground Water' and HB 255, 'Financial Assurance Under Mining Act' have been pulled at this time.
 - The proposed legislation could be reintroduced in the future.
 - Concerns over the ramifications of these bills on the mining industry were significant.

The Panel discussed what these House Bills would mean to Grant County and the State of New Mexico. There is a desire to continue this dialogue about the bills as a method for educating the local community and elected officials.

- Grievance Management Update
 - New Mexico operations had a 144% increase in grievances in 2018. Of that percent increase, 84% of the 55 grievances are from the Hanover-Fierro and Highway 152 communities.
 - Factors include:
 - Promotion of Grievance Management System
 - Cobre Haul Road construction near Hanover and Fierro
 - Monthly mining district community meetings
 - Increased transparency

Community Development Update

Freeport-McMoRan has been named to the 2019 Just 100: [America's Best Corporate Citizens by Forbes!](#) Freeport-McMoRan is the industry leader in the *Basic Resources* sector, and is first overall in the *Community Treatment* category. This is the third consecutive year Freeport-McMoRan has made the list, which is now in its third year.

The company received the top Arizona honor for volunteer service: Freeport-McMoRan received the State of Arizona's highest honor for volunteerism as a recipient of the 2018 Governor's Volunteer Service Award in the Stewardship category.

Freeport-McMoRan partnered with the **United Way** for an employee campaign to raise funds for the United Way chapters located in our operating communities.

Employees pledged more than \$3.55 million during the 2018 campaign; and more than **\$9.8 million** including the company match.

New Mexico operations is proud to partner with the United Way of Southern New Mexico, supporting:

- New Mexico Lions Crane Reading Program

- Gila Valley Library⁸
- El Refugio
- Girl Scouts of the Desert Southwest
- Big Brothers Big Sisters
- Guadalupe Montessori School

Education Grant Opportunities: Mini-Grants for Education are designed to support K-12 teachers and schools in Freeport-McMoRan communities. **More than \$50,000** was invested through the Mini-Grants process in 2018.

In Grant County, six grants were awarded:

- Bayard Elementary School – STEM: Light and Sound
- Hurley Elementary School – Edible Colors
- San Lorenzo Elementary School – Planting a Rainbow
- La Plata Middle School – Science Curriculum for Special Education Program
- Cliff Elementary – Sky’s the Limit with Drones
- Cliff High – We Can Fly!

[Apply by March 15 for the STEM Innovation Grant!](#)

Social Investment

During the fourth quarter of 2018, the New Mexico operations was proud to partner on the following initiatives and projects:

- Volunteer Center – Alimento Para El Nino
- County of Grant – Volunteer Fire Departments support
- HMS – Mental Health First Aid course
- County of Grant – Corre Caminos
- Grant County Fair – Junior Live Stock Auction
- Silver City Museum Society – Ft. Sill Apache presentation
- Wreaths Across America – Wreaths at Fort Bayard National Cemetery

In 2018, the New Mexico Operations invested \$278,263 in the Grant County community!

The CPP meets on a quarterly basis – for more information please contact jbrack@fmi.com.