



TRANSFORMING TOMORROW TOGETHER

Community Partnership Panel Meeting Summary

Site: Freeport-McMoRan Safford Operations

Date: September 12, 2018

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.

Industry / Business Update

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

[Safford operations](#) continues mine development at Lone Star, with activities occurring 24 hours a day and three production shovels in place as of September 2018. A fourth shovel is expected by end of year. Hiring is ongoing with nearly all 300 additional positions filled. Employment at Safford operations will sustain at 1,000 as Lone Star is developed from 2018 through 2020.

Approximately 300 contractors will support various activities in different phases throughout the project, including upgrades to some existing infrastructure and construction of a new leach pad, which is underway. In the second quarter, a daily average of 155 contractors were on site. Recent construction activities on the Lone Star leach pad are occurring 24 hours a day and, as a result, residents may notice lights around the construction area overnight. This will continue through the end of 2018.

Current Safford mine employment in Graham County has increased to 1,000 employees, with 215 at the Central Analytical Services Center and Technology Center at Sanchez.

The Morenci mine in Greenlee County employs more than 3,500 people and had a daily average of 1,300 contractors supporting operations and strategic projects at the site.

Attendees received an overview of FM Safford's water management program to provide insight about how the site manages water both at the mine and at our offsite properties in an effort to mitigate any effects from water consumption for mining activities as well as to offset any decreased flows to the Gila River associated with our zero discharge strategy at the mine site.

Community Engagement Update

The 2017 Freeport-McMoRan [Working Toward Sustainable Development](#) report now is available on our website. The report is designed to provide stakeholders with information on our sustainability programs, including:

- Policies
- Management Systems

- Performance Data

The company commissioned the L. William Seidman Research Institute at Arizona State University to develop annual [Economic Impact Reports](#) for the company's operations in Arizona, Colorado, New Mexico and Texas.

The combined direct and indirect economic impact of the Morenci and Safford operations on Graham and Greenlee counties was approximately \$423 million and the combined impact to the State of Arizona was \$1.1 billion. Employment at the end of 2017 was nearly 3,300 at Morenci and 740 at Safford, with a total impact of more than 10,830 jobs on Arizona's economy.

For the third consecutive year, Freeport-McMoRan has received the top honor for the Materials Sector by the Civic 50. This is the sixth consecutive year the company has been recognized as a leader for the sector. The Civic 50 has provided a national standard for superior corporate citizenship since 2011 and showcases how companies can use their time, skills and other resources to improve the quality of life in the communities they do business.

Freeport-McMoRan Foundation Investments – Grant Opportunities / Social Investing

[Mini-Grants for Education](#) – designed to support K-12 teachers and schools in Freeport-McMoRan communities. Eligible programs range from field trips to literacy efforts to incentives for student performance. Deadline to apply: Oct. 1, 2018.

[Women's Development Grant Program](#) – established with the goal of supporting programs and projects that focus on providing women and/or girls opportunities to reach their full potential and achieve economic success. Deadline to apply: Oct. 1, 2018.

[Graham County Community Investment Fund](#) – Freeport-McMoRan is proud to engage leaders in Graham County to cultivate and assess community projects that address community priorities. Three grants were made this summer:

- Graham County Rehabilitation Center's *Facility Accessibility* project for \$35,000
- Safford Downtown Association's *Safford Theatre* project for \$150,000
- The Gila Watershed Partnership's effort in *Building the Capacity of the Gila Native Plant Nursery* for \$60,500

A fund balance of \$154,000 is available for grants before Dec. 31, 2018, through an RFP process seeking proposals that address the priority area of Economic Development and the specific community outcomes of:

- Business diversification, support and attraction
- Improvements in community infrastructure

Letters of Interest were due by Sept. 14, 2018, and the process will conclude on Dec. 1, 2018.

[Site Investment Funding](#) – During the second quarter, Safford operations was proud to partner on the following events, initiatives and projects:

- Safford Lions Club Foundation – Graham County Fourth of July celebration
- Safford Rotary Club – Rotary Scholarship fundraiser
- Boys & Girls Club of the Gila Valley – Fundraiser golf tournament
- Gila Valley Softball – 2018 league season

- City of Safford – 2018 Swimming competition season

The [Rural Policy Forum](#) connects rural economic development professionals, nonprofits, community leaders, business owners and other stakeholders who are interested in sustaining rural communities. To kick off this three-day forum, Freeport-McMoRan hosted a convening of community leaders across communities where we operate to share learnings and discuss opportunities around economic diversification.

Attendees of the Rural Policy Forum offered their perspectives about the shared challenges and opportunities across Freeport-McMoRan communities, and that networking and exchanging ideas with their contemporaries from other communities was beneficial to identifying best practices.

[Leadership for Sustainable Communities Initiative](#)

To address the desired project outcome of *Business Diversification, Support and Attraction*, the Graham County Leadership Cohort is offering a local Shark Tank business entrepreneurship event on Thursday, Nov. 1, 2018, at the [David M. Player Center of the Arts](#) in Safford. The event will feature entrepreneurs presenting their startup or scale-up business ideas to a panel of local business leaders in an effort to win cash and other prizes to support their businesses.

The CPP meets on a quarterly basis – for more information please contact Sean Wenham: swenham@fmi.com or (928)792-5937