



TRANSFORMING TOMORROW TOGETHER

Community Partnership Panel Meeting Summary

Bagdad

August 2, 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.

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.

Industry/Business Update

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

- Bagdad Q2 Performance
 - 2Q18 Highlights
 - Copper production was above forecast by 1 million lbs.
 - Net cash costs were \$0.08 lower than forecast
 - Achieved mine plan
 - Further improved milling performance
- 3Q18 Focus
 - Increase asset efficiency on the haulage fleet
 - Execute on capital projects
- Major Project Update
 - Upper Mammoth Raising Dam
 - Cleaner flotation circuit
- Overview of Bagdad Cleaner Flotation Project
 - New copper cleaner is needed because
 - The existing system is structurally failing and outdated
 - Updated cleaner will be easier to maintain and operate
 - Construction is expected to begin in September 2018
 - Commission plant in June 2019
- Bagdad Housing Update
 - Current housing situation
 - 45 vacant homes
 - 96 on wait list
 - 22 additional units purchased

Community Engagement Update

The 2017 Freeport-McMoRan [Working Toward Sustainable Development](#) report is now available on our website. The objective of the report is to provide stakeholders with a summary of 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](#) where the company has operations in Arizona, Colorado, New Mexico and Texas.

Bagdad's direct and indirect economic impact on Yavapai County was \$109 million, in 2017. Bagdad's impact on Arizona was \$226 million. In addition, at the end of 2017, Bagdad employed 900 people, with a total impact of more than 2,250 jobs on Arizona's economy.

For the sixth consecutive year, Freeport-McMoRan has been recognized as a leader in the Materials Sector by Civic 50. This is the third year in a row the company has received the top (No. 1) honor for the sector. Since 2011, the Civic 50 has provided a national standard for superior corporate citizenship and showcased 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](#) are 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](#) has been 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.

During the second quarter, Bagdad operations was proud to partner on the following initiatives and projects:

- Bagdad Unified School District
- Hillside Schools
- Aguila Schools
- Bagdad Food Bank
- Bagdad PTO
- Hualapai Tribe
- Copper Spur Rodeo
- Bagdad Youth Football
- Bagdad Little League
- Arizona Cowboy Poets Gathering
- Prescott YMCA
- Yavapai County Education Foundation
- Prescott Farmers Market
- Open Space Alliance (Earth Day)
- Wickenburg Regional Economic Development

- Turquoise Circuit Rodeo Finals (Prescott Valley Event Center)
- Local First Arizona

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 kickoff this three-day forum, Freeport-McMoRan hosted leaders across communities where we operate to share learnings and discuss opportunities around economic diversification.

Sustainable Communities Initiatives

Leadership for Sustainable Communities Initiative

During the third quarter, the Panel welcomed the Bagdad Cohort to present an update related to its work around Life Long Learning.

- Mission Statement: Facilitate and inspire learning opportunities for all
 - Defining purpose

The CPP Meets on a quarterly basis. For more information, please contact David Hernandez at dhernand4@fmi.com.