



# TRANSFORMING TOMORROW TOGETHER

## Community Partnership Panel Meeting Summary

**Graham County**  
**February 8, 2017**

### **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 please visit: [Freeport-McMoRan Investor Center](#)

Employment at operations in Southeastern Arizona remains about the same with approximately 700 employees at the Safford mine, 200 at the Central Analytical Services Center and Technology Center — Sanchez and nearly 3,100 at the Morenci mine. In 2016, Freeport-McMoRan Safford's average contractor head count was 56 per day and is currently about 35 per day while Morenci's average contractor head count in 2016 was 450 per day.

Freeport-McMoRan Safford produced 230 million pounds of copper in 2016 due to higher ore grades in the Dos Pobres mine, where mining ended in December. Copper production in 2017 is projected to be lower than 2016 due to lower ore grades in the San Juan mine.

Permitting for Lone Star remains on schedule with an anticipated Record of Decision from the Army Corps of Engineers in June 2017. Safford project staff continue to advance value engineering efforts in order to reduce the capital cost estimate of the project and have eliminated the potential mining gap between the end of San Juan and the anticipated start of mining at Lone Star.

Please note: The Lone Star project still requires approval from the Freeport-McMoRan Board of Directors.

**Q:** How were you able to close the prospective 2-year gap between the end of San Juan and beginning of Lone Star?

**A:** Our mine planning group was able to model an additional pushback in the San Juan pit that complied with our overall Freeport-McMoRan corporate guidelines on reserve pricing. The additional pushback adds sufficient mine life to eliminate the gap in operations and keeps our workforce intact should the Lone Star project receive Board approval.

**Q:** If Lone Star is such a larger and richer deposit, why didn't mining start there?

**A:** Lone Star is unique in that it requires approximately 34 months of mining to remove the overlying development rock before any meaningful levels of copper can be delivered to the processing facility. San Juan was mined concurrently with Dos Pobres as the ore deposit was situated closer to the surface.

### **Presentation – Central Analytical Services Center Gerry Buras, Manager Analytical Services**

The Central Analytical Services Center (CASC) is the world's first fully-automated analytical lab for the copper industry and began operations in December 2005. CASC operates 24 hours per day, seven days per week and serves Freeport-McMoRan mining operations around the globe by providing data to support: Mining Processes, Extraction Processes, and Final Products Appraisal. With a staff of approximately 160, CASC averages 1,659 samples per day with 6,718 determinations made day on those samples and a monthly average of 53,983 samples.

### **Community Engagement Update**

Freeport-McMoRan employees raised more than \$7 million during the **2016 United Way Campaign**. Employees at sites in Graham County pledged \$285,836 and, with Freeport-McMoRan Foundation matching funds of \$543,073, generated a total of \$828,909. Including Morenci, the regional total for campaign fundraising was \$2,866,031.

### **Freeport-McMoRan was named to the Just 100: America's Best Corporate Citizens by Forbes!**

Freeport-McMoRan was the top-rated company in the Materials industry. To compile the Just 100, Just Capital surveyed more than 50,000 Americans to determine what they consider to be the most important corporate traits. The survey results were used to derive 36 components that feed into 10 different drivers of company behavior. Nearly 900 companies were evaluated and ranked on those components, and their ensuing scores were utilized to come up with an overall score for their industry.

For the full [Just 100 list](#), methodology, and more, visit [forbes.com/just100](http://forbes.com/just100).

[Mini-Grants for Education](#) are designed to support K-12 teachers and schools in Freeport-McMoRan communities. Over **\$31,000** was invested through the Mini-Grant's process in 2016.

In Graham County, four grants were awarded:

- Pima Unified School District – Vinyl Cutting Machine
- Mt. Graham High School – Archimedes' Principle
- Thatcher Elementary School – Math & Technology
- Thatcher High School – Soil Science and Soil Health

**March 15th is the deadline to apply for STEM Innovation Grants!** These grants are designed to support K-12 teachers and schools in their efforts to develop, improve or expand innovative instructional programs in science, technology, engineering and math (STEM). Visit [FreeportInMyCommunity.com](http://FreeportInMyCommunity.com) for more information.

**Dig Into Mining** hosted a Day of Learning Virtual Field Trip at the end of 2016. This Day of Learning, was an exclusive behind-the-scenes look into the mining industry at Freeport-McMoRan, highlighted a different phase of the mining process. In an effort to reach a variety of

classrooms and students throughout the course of the day, the Day of Learning had a flexible viewing schedule where classrooms could tune-in for one segment or stay for the whole program. Each segment was paired with a customized companion activity to enhance students' learning. The segments included, Mine Exploration & Mine Planning, Hydrometallurgical Process, Pyrometallurgical Process and Reclamation.

- Participation was the highest to date for Dig Into Mining with an estimated 120K+ student viewership.
- Approximately 1,000 classrooms and 36,000 students registered for the virtual field trip
- Participants came from 46 states and the District of Columbia

For more information, please visit [digintomining.com](http://digintomining.com)

**Freeport-McMoRan's Commitment to Social Investing.** In 2017, the Freeport-McMoRan Foundation will make available up to \$350,000 Graham County Community Investment Fund to invest in projects that align with community priorities.

From 2012 – 2016, the total investment in Graham County was \$6,304,705, more specifically:

- Community and Economic Development – \$771,600
- Education and Training – \$739,038
- Health and Wellness – \$607,000
- Environment – \$161,700
- United Way – \$4,025,367 (Funds available to both Graham and Greenlee Counties)

## Community Discussion Summary

### Leadership Initiative for Sustainable Communities

During the first quarter, the Panel welcomed the Graham County Cohort to present an update related to their work around Increased Number of Businesses Developed, Attracted and/or Retained.

The Graham Leadership County Cohort is addressing the selected measurable outcome by collaboratively working to develop a streamlined process that helps increase utilization of startup services, such as the Eastern Arizona College Small Business Development Center, and also assists supports expansions or relocation prospects by providing a resource guide and mentors that help entrepreneurs to overcome barriers in the business development process.

The CPP meets on a quarterly basis – for more information please contact Sean Wenham at [swenham@fmi.com](mailto:swenham@fmi.com) or Emily Muteb at [emuteb@fmi.com](mailto:emuteb@fmi.com).