



TRANSFORMING TOMORROW TOGETHER

Community Partnership Panel Meeting Summary

New Mexico
June 7, 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.

With the summer rains coming, be aware of flash flooding and use caution when these conditions occur.

Industry/Business Update

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

Chad Fretz is being transferred to Chino as the new general manager. Chad has an environmental engineering background as well as experience managing the concentrator at Sierrita.

New Mexico Employment Update

- Employment as of May 26, 2017 is at 1,421.
 - Chino: 1,035
 - Cobre: 15
 - Tyrone: 363
 - Reclamation Services: 8

New Mexico Operations Update

- **Chino:**
 - Current Mining Focus:
 - Lee Hill (north end of the pit) — Two shovels
 - South Pit (southside) — One shovel
 - Estrella — One shovel
 - Haul road under construction along north edge of the pit for tie into anticipated Cobre haul road
 - Exploration program (drilling) in progress

- Chino Permits
 - North Lampbright waste rock stockpile — New Mexico Environment Department (NMED) draft permit should be published by June 14, 2017 for public comment
 - 9 waste rock stockpile — New Mexico Mining and Minerals Division (MMD) public notice published the week of May 29, 2017
 - NMED Discharge Plan application is in process
 - Four discharge plans being renewed
 - Under NMED review and renewal
- **Tyrone:**
 - Current Mining Focus
 - Mining continues in Little Rock
 - Opportunistic mining in Valencia Pit
 - Evaluating other mining opportunities
 - Tyrone Permits
 - Two discharge plans being renewed
 - Under NMED review and renewal
- **Cobre:**
 - Cobre Haul Road — Some preliminary construction work being completed
 - **Q:** What is the date of haul road completion?
 - **A:** Anticipated beginning of construction in Q4 2017 or Q1 2018
 - Standby Status — Public hearing set for August 10, 2017. Please participate
 - DP 181 — Under NMED review

Global Supply Chain (GSC) and Safe Production

- What/Who is GSC?
 - Executes and oversees specific FCX policies and procedures regarding materials and services required for Safe Production
 - Designed to protect the company — safety, quality, cost containment, liability, conflicts of interest
 - Work in close collaboration with all departments
 - Operations and maintenance must remain focused on Safe Production
 - GSC must enable and help ensure success of operations and maintenance
 - Comprised of four distinct work groups (pillars)
 - Procurement (goods/materials)
 - Contracts administration (services)
 - Inventory control (materials management — stock levels, descriptions)
 - Warehouse (materials management; goods issue and receipts)
- Local vendor relationships and opportunities
 - During the past 12 months we have done business with approximately 76 local vendors (Grant, Luna, and Hidalgo Counties)
 - This includes both goods procurement and contract services
 - There are some vendors from which we source both goods and services
 - Total spend during this period has been \$18.95 million
 - These contracts and purchases vary from a few dollars to multi-million dollar contracts
 - We try and source locally when we can but there are restrictions at times (contracted vendors)

- Local Vendor Examples
 - Hamilton, Runyan, and GVE Construction
 - They are our biggest local contractors and they get the opportunity to bid on a lot of projects
 - They have our general maintenance agreements and also HVAC contracts
 - Local fitness centers — Freeport-McMoRan pays half of the membership fees for employees
 - Local mechanic shops and towing companies get the overflow business that we cannot do in-house
 - Almost all of our light duty vehicle parts and tires are sourced locally
 - All of our propane and highway fuel are sourced locally
- Other Vendors
 - Not local vendors but either move their personnel here, have an office here, or hire locally
 - Wagner
 - Allied International
 - Telesto
 - Allstaff
 - Hajoca Corp (Keenan)

Community Engagement Update

Our Commitment to Social Investing — The Freeport-McMoRan Social Investment programs are designed to ensure that resources are used effectively to address high-priority needs and facilitate local capacity building to sustain communities when our operations cease.

One of the top focus areas for New Mexico and Freeport-McMoRan is education. We received the following feedback after a field trip to the site:

“This was an excellent field trip! The time we spent on the Dig Into Mining website before the field trip helped the students... they got a lot out of the tour as a result. Reclamation was very important. My students were amazed at the cost of reclamation, the requirements of the state and the responsibility of FMI to restore the land.” — Clair Hutcheson, 5th grade teacher

- **Community Investment Fund** — The Grant County Community Investment Fund received 30 applications and awarded \$400,000 to 11 nonprofit organizations
- **STEM Grants** — 66 applications received for North America, with 22 grants being awarded this year
 - One awardee from Grant County: Aldo Leopold Charter School for their project, “Advanced Molecular Biology Lab”
- **Mini-Grants** — Application window is May 1 - Oct. 1.

New Mexico operations was proud to partner on the below initiatives and projects in Q1:

- Silver & Cobre High Schools — Prom Alternative Night
- Grant County — Helping Seniors Stay Healthy
- Gila Wildlife Rescue — Support of GWR’s Operations
- Town of Silver City — Paper Shredder for Earth Day
- Grant County Community Foundation — Give Grandly
- Grant County Prospectors — 2017 Legislative Reception
- Tour of the Gila — Sponsorship
- Southwest Horsemen’s Rodeo — Sponsorship

Visit freeportinmycommunity.com for more information.

Community Investment Committee (CIC)

Goal: To combine the knowledge and expertise of community leaders in the process of allocating resources to priority community programs and projects that benefit the greater good.

- Nine community members and two FCX representatives (not selected by the CPP)
- Sectors include:
 - Education — 2 reps
 - Non-profit — 2 reps
 - Business — 2 reps
 - Government — 1 rep
 - Community-at-large — 2 reps
- Committee members serve a 3-year term

2017 Rural Policy Forum

- Save the date — August 9 through 11, 2017 at Eastern Arizona College in Safford, Arizona
- Goals and Outcomes
 - Increase the community capacity of rural towns
 - Improve regional collaboration between nonprofits and public entities such as businesses
 - Build relationships and facilitate networking between rural stakeholders
 - Grow rural advocates
 - Develop new strategies for building resilient communities
- Learn More: <http://azrdc.org/2017-rural-policy-forum/>

Each April, Freeport-McMoRan employees around the world volunteer for **Global Volunteer Month**. The theme this year is **“Health & Wellness.”** We feel it is our responsibility to give back to the communities where we live and work, and Global Volunteer Month is a great opportunity to do this. Approximately 2,573 hours of volunteer service were donated by more than 505 employees, their families and friends who volunteered at approximately 26 events held at 24 sites throughout the company.

In New Mexico, 96 employees volunteered 394 hours of service to the Tour of the Gila and associated highway cleanup projects, prior to the race (Hwys 90 and 356).

In addition, our employees have participated in numerous organized community activities, including public school and university tours, academic letter interviews (Silver High School), career fairs (Silver & Cobre High Schools and WNMU), as well as Expanding Your Horizons.

DreamBuilder — The Women’s Business Creator. Dreambuilder consists of a series of 13 classes, delivered online through web-based learning technology.

A new “Financing Your Dream” course — in celebration of International Women’s Day, the English-language version of the new Dreambuilder course called “Financing Your Dream” was launched on the platform on March 8.

The course takes about two hours to complete and must be finished in one sitting. For more information please visit dreambuilder.org.

Community Survey — Freeport-McMoRan is proud to partner with the Grant County community. We continually strive to support programs and projects that promote long-term prosperity and sustainability, and ensure a productive relationship with local citizens.

We are interested in ongoing feedback and encourage all community members to let us know how we are doing and what we could do better as a community partner.

Please complete an online survey posted **now through July 30, 2017**, by visiting FreeportInMyCommunity.com.

Community Discussion Summary

Leadership Initiative for Sustainable Communities

During the second quarter, the Panel welcomed the Silver City Cohort to present an update related to their work around the outcome of increased placement in local skilled jobs.

The Cohort is going through some restructuring, we now have two co-leaders: Connie Glenn with Workforce Connection and Miriam Kellerman With Forward NM and the Southwest Center for Health Innovation. The cohort is working to re-focus and ensure outcome focus alignment with the upcoming August timeline while developing a long-term sustainable approach for the community.

The CPP Meets on a quarterly basis — for more information please contact Kevin Cook at kcook@fmi.com.