

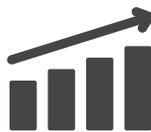
AJO INVESTMENTS BY THE NUMBERS

Freeport-McMoRan's predecessor company Phelps Dodge operated the New Cornelia Mine from 1931 until mining operations ceased in 1984. In 2007, Freeport-McMoRan purchased Phelps Dodge and has remained an active member of the Ajo community. The company has hosted quarterly Community Partnership Panel meetings since 2008 and brings collaborative partners like ASU Lodestar Center for Philanthropy and Nonprofit Innovation and Local First Arizona Foundation to assist in capacity building initiatives for the Ajo community.

Working in collaboration with the community, more than **\$1.3 million** has been invested in a variety of projects that have maintained and improved community well-being between 2010 and 2018.



\$238,000 invested in 2015 to support the Desert Senita Community Health Center, enabling it to expand its pharmacy to offer clinical services and provide continued access to Medicaid patients



\$185,000 to help Kick Start Ajo in their work to attract, retain and support small businesses in Ajo – several local businesses have received Business Support Awards to help their development and growth



\$84,000 in additional funds since 2015 made possible through the company's match on employee United Way contributions



\$550,000 invested to support economic diversification and plaza park restoration



Utility Cost Subsidy for Residents
\$1.69 million / year

\$600,000 in direct community investments and in-kind services since 2013, including:

- Free water annually for the cemetery
- Free water annually for the community country club / golf course
- General operating support for the fire department
- Street lighting



\$145,000 to help Ajo Unified School District with student transportation improvements

The Ajo Improvement Company is a wholly-owned subsidiary of Freeport-McMoRan and is responsible for providing utility services – electrical, potable water and sewer – to Ajo residents. To ensure a safe and reliable operating system, Freeport-McMoRan invested millions in the following infrastructure improvements. These were based solely on need and in no way were connected or dictated by the Freeport-McMoRan / Phelps Dodge sales agreement.



\$47 million in capital to AIC for infrastructure improvements, including the replacement of the potable water and wastewater systems as well as upgrading elements of the electric system



\$10 million to upgrade Freeport-McMoRan's raw water system, including replacing seven miles of 10-inch pipe that delivers raw water to the AIC water treatment facility



\$3.2 million in capital to Ajo Improvement Company to completely repave the Pima County streets in its service area – even including streets not affected by the infrastructure improvements

While mining operations at the New Cornelia Mine have ceased, the Ajo property remains under care and maintenance should the economic conditions make it viable to resume operations. If operations were to resume, it would require the following additional infrastructure:



Separate wastewater processing plant – The treated water is reused in the mining operation, and any future mining operation cannot be connected to the current AIC wastewater system.



80-120 MVA of electricity – To meet that potential demand, AIC has an existing Line Siting Certificate of Environmental Compatibility to construct a 230kV transmission line to serve possible future mine operations. The CEC includes a provision that AIC consumers would not be impacted by the costs to install the 230kV transmission line.



30-inch water pipeline for mining operations – Depending on the size of the mineral processing plant, compared with the much smaller water pipe used for the community purposes.



Domestic water treatment facility – The current water treatment plant was not designed to meet mining demand but rather AIC's domestic use.