

A GUIDE TO TAILINGS STORAGE FACILITIES

Important safety
information for
our neighbors
and community



Letter From Toby Dunn, Vice President-Morenci

Morenci is home for many of us, and the people who live and work around our tailings storage facilities are our neighbors, friends and coworkers. That is why I want you to have this guide.

Please take a few minutes to read it and share it with your family. This guide reflects updated technical analysis of the Morenci Tailings Storage Facilities and the areas that could be affected in the highly unlikely event of a failure. Those areas have changed and now include the Morenci Schools. It is important that you know your zone, your evacuation route and what to do. Review the guide with your family and keep it somewhere you can find it.

I want to be clear about why we are sharing this information now. We are not providing it because a failure is imminent. Our facilities are closely monitored around the clock and managed by an experienced team using industry-leading practices.

We are sharing this information because it is the right thing to do. Being transparent with the people who live and work near our facilities and providing information that can help you protect yourself and your family is central to how we operate. This also supports our commitment to the Tailings Standard, which Freeport-McMoRan helped develop, and its requirements for safe tailings management, transparency, public disclosure and emergency preparedness.

We remain committed to safe operations, open communication and continuous improvement. If you have questions or feedback, contact us at 1-877-629-2609.

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Emergency Preparedness And Response Plan

Freeport recognizes that maintaining strong relationships with the local communities and supporting business continuity depends on effectively managing potential risks and being prepared to respond in a timely and appropriate manner should any type of emergency occur at our sites or surrounding communities.

We have developed an Emergency Preparedness and Response Plan for the Morenci TSFs based on our own due diligence, collaboration with local Emergency Management Agencies and input from members of the community. This section summarizes the plan, providing key preparation and emergency actions to help people prepare and respond before, during and after a TSF failure.

Identifying A Potential Failure Emergency

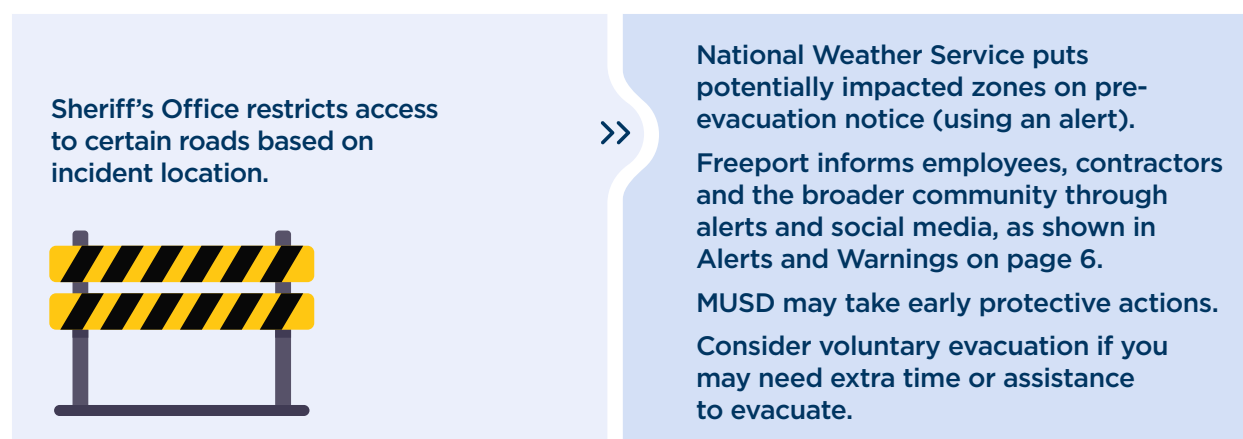
Emergency situations at the TSFs are determined based on whether the TSF is in imminent or potential risk of failure, as well as whether flooding is likely from a tailings release. The chart below defines each incident level, progression, and actions to be taken based on example physical observations. Our goal is to prepare you for Incident Levels 2 and 3.

	Threat Level Designation	Protective Action Options for the Public
READY Prepare Now	Normal Operations or Incident Level 1 Non-Failure Event, Unusual Event, Slowly Developing	• Maintain a shared state of readiness
SET Be Alert	Incident Level 2 Potential Dam Failure Situation, Rapidly Developing	• Expedient protection of possessions • Seek or monitor information • Prepare to evacuate • Consider voluntary evacuation if you may need extra time or assistance to evacuate
GO Evacuate	Incident Level 3 Dam Failure is Imminent or In Progress	• Evacuate - Vehicle • Evacuate - Pedestrian • Evacuate - High Ground • Evacuate - Safer Structure • Expedient protection of people • Avoid evacuation zones

The diagram below outlines an anticipated sequence of events for Incident Levels 2 and 3. This includes pre-evacuation and emergency evacuation procedures. Community members in the affected areas would be informed via the guidance in the next section (“Alerts and Warnings”).

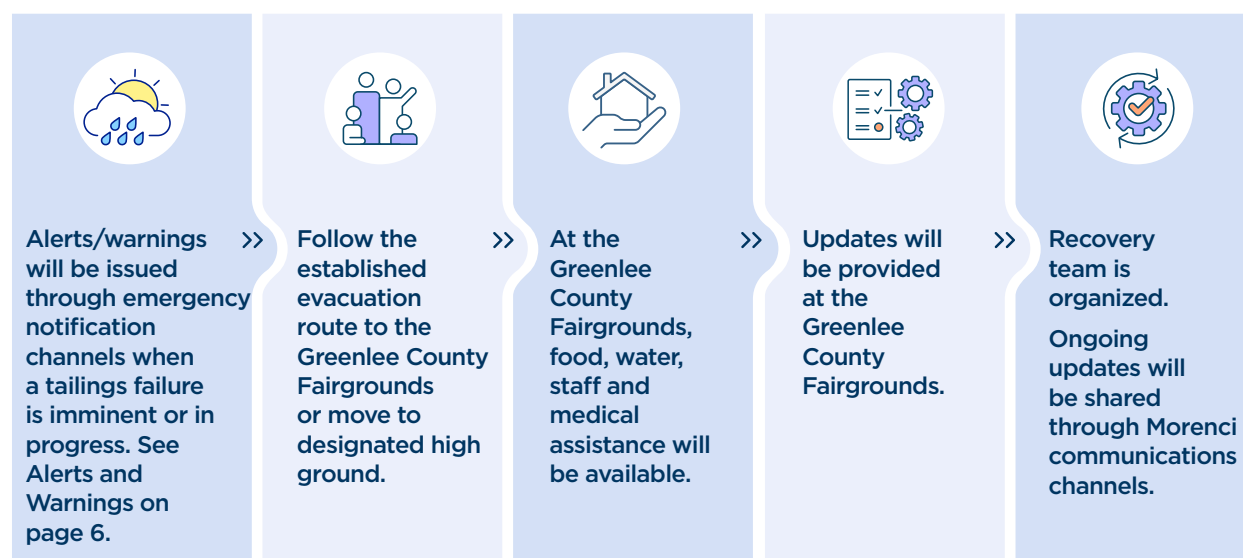
Incident Level 2

Pre-Evacuation / Voluntary Evacuation Situation



Incident Level 3

Emergency Evacuation Situation



Alerts and Warnings

Incident Level 2 Alert

- National Weather Service would issue a Flash Flood **Watch** via their website and X (formerly Twitter):
 - <https://www.weather.gov/twc>
 - <https://x.com/NWSTucson>
- EASE (Employee Alert System Engine)
- Morenci Unified School District (MUSD) Alerts
- Social Media
 - Morenci Townsite
www.morencitown.com
 - Morenci Facebook
www.facebook.com/MorenciTown

SUGGESTION: Download the FEMA App on your mobile device.

The FEMA App allows you to receive real-time alerts, send notifications to loved ones, locate emergency shelters in your area and more.

The FEMA App is available to download for both Android and iOS.

Incident Level 3 Alert

- National Weather Service would issue a Flash Flood **Warning** via Wireless Emergency Alert
 - Geographically based and pushed to mobile phones
- All of the alerts from Incident Level 2 will also be utilized including X, EASE, MUSD alerts, local radio stations, Social Media, Morenci Townsite, Morenci Facebook

REMINDER: Make sure mobile device Emergency Alerts and Public Safety Alerts notifications are ON. Employees should verify their contact information is correct in SuccessFactors.

Steps To Take In The Event Of A Failure Emergency

As with any large storm or flood event, the following steps should be taken in the case of a tailings dam failure emergency:

- Watch and listen for alerts on your mobile phone and follow instructions.
- Parents of MUSD students, listen for instructions from MUSD.
- Listen to area radio for additional details on the event.
- Be prepared to evacuate at a moment's notice.
 - Know your evacuation zone (see page 8).
 - Follow your evacuation route (see pages 9-11).
 - Go straight to the Greenlee County Fairgrounds.
 - Due to time, take only people and pets with you. If time permits, take your emergency supply kit.
 - Once at the Greenlee County Fairgrounds, move to allow others to safely arrive.
 - Law enforcement and first responders will collect your information and provide instructions.
- Stay away from flowing debris.
- If you encounter a flowing stream of debris, move to high ground immediately.
- If you encounter a flooded road while driving, turn around.
- Keep children away from debris. They are curious and may go toward it.
- Be especially cautious at night when it may be dark and more difficult to recognize danger.
- If you evacuate, leave a note on your front door stating you have evacuated so authorities know.

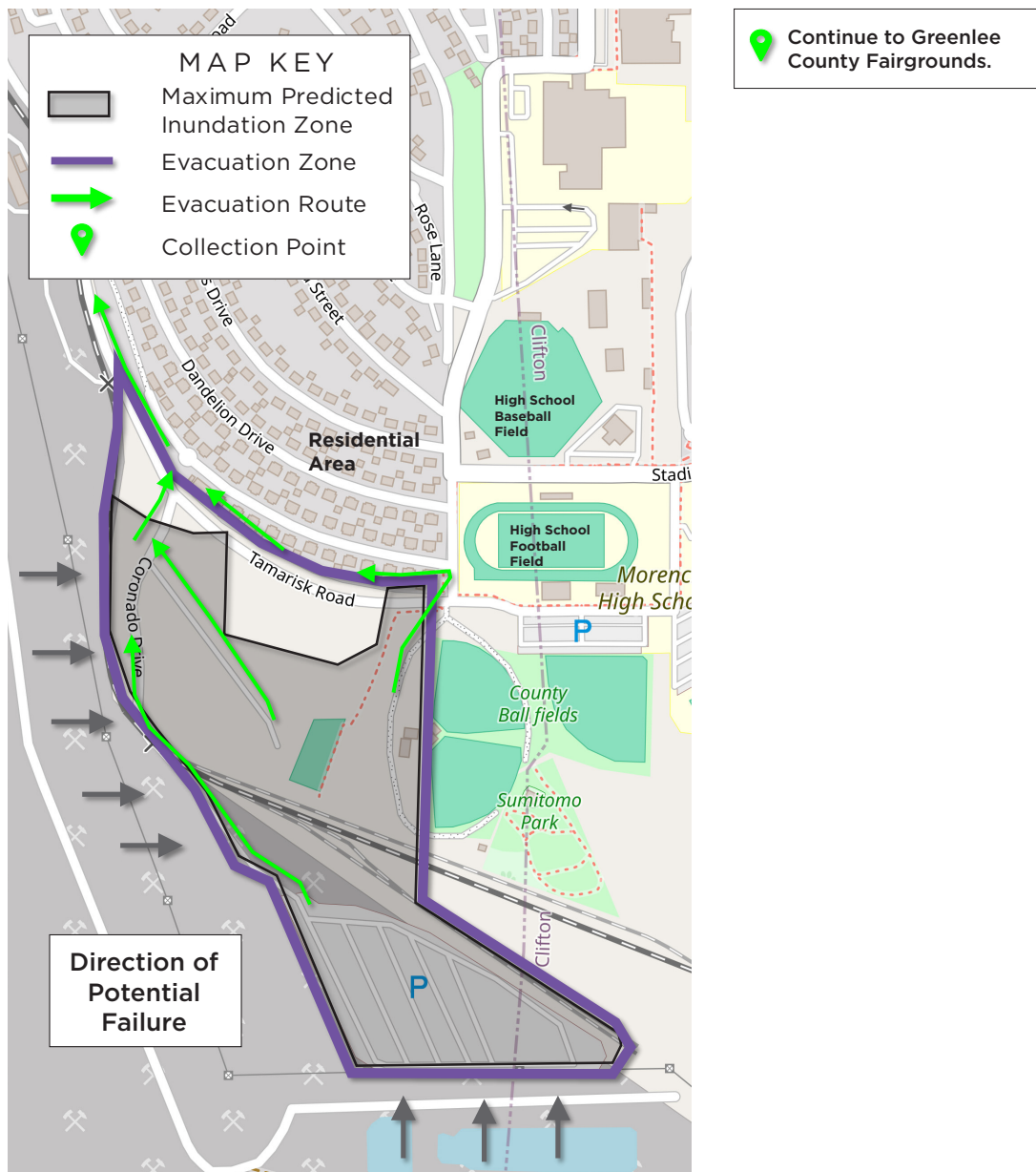
In the unlikely event of a TSF failure emergency, there could be rapid flooding of debris flowing downstream. Areas potentially in the inundation path will need to be evacuated immediately. Avoid contact with the tailings material and follow the predetermined evacuation paths as described in the following pages.

Greenlee County Fairgrounds will serve as the collection point, where food, water and medical assistance will be provided.

TSFs	Zones Potentially Impacted	Collection Point
West/East	Zones 1, 2 and 3 and San Francisco and Gila River Valleys	Greenlee County Fairgrounds
3 West	Zone 1	Greenlee County Fairgrounds



Evacuation Zone 1

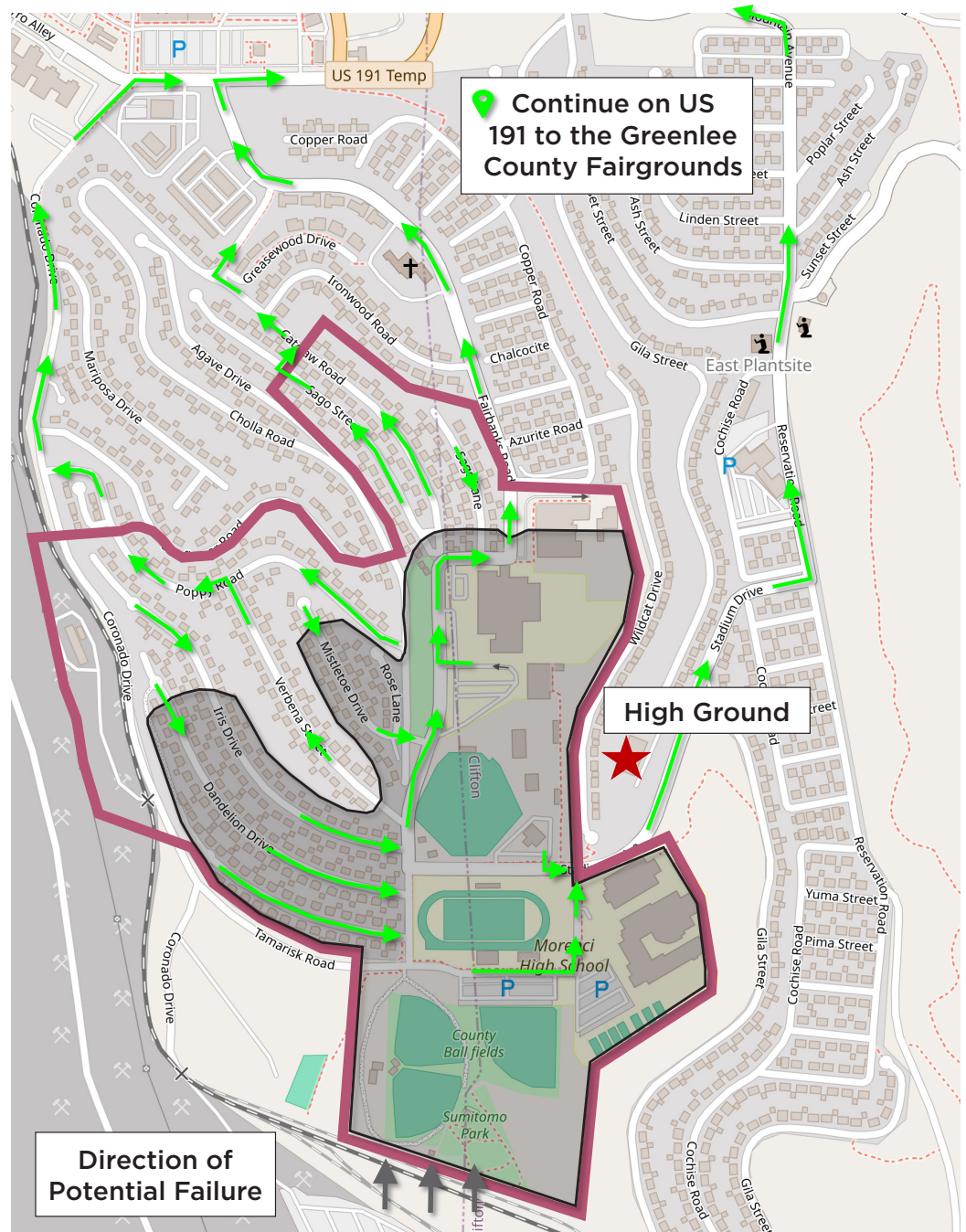


Note: If unable to evacuate to Greenlee County Fairgrounds, move away from the inundation area and seek higher ground.

Evacuation Zone 2

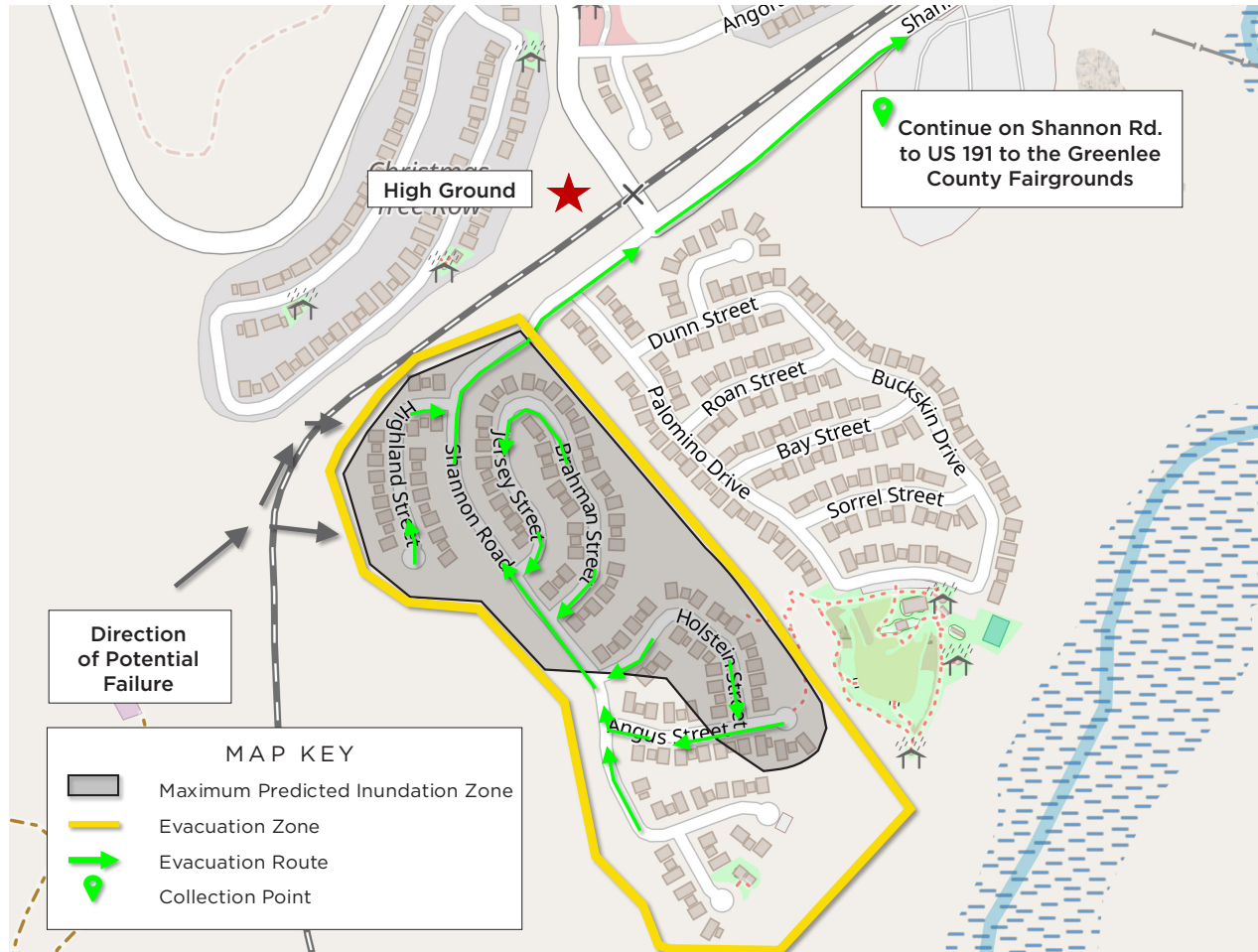
MAP KEY

-  Maximum Predicted Inundation Zone
-  Evacuation Zone
-  Evacuation Route
-  Collection Point



Note: If unable to evacuate to the Greenlee County Fairgrounds, go to high ground.

Evacuation Zone 3



Note: If unable to evacuate to the Greenlee County Fairgrounds, go to high ground.

Prepare At Home

It is important to be prepared for any type of emergency. Create a plan, put together an emergency essentials kit and get your home ready.

- **Make a plan.** Learn and practice evacuation routes with your family. Know where you will go and what you will do if you need to evacuate. Plan with neighbors who may need assistance.
 - Consider arrangements for your pets or livestock.
 - Check on elderly or disabled neighbors to help make them aware of the situation.
 - Notify Greenlee County Ambulance Service (see Important Contacts on page 14) if children, elderly, or disabled individuals are often at home alone so someone in emergency services knows to check on them.
 - Choose a relative or close friend out of the area as a contact person for family members and friends.
- **Sign up for emergency alerts.** Make sure you know how you may receive emergency notifications and that alerts are enabled on your devices.
 - Employees: Keep your EASE contact information up to date on home.fmi.com.
 - Parents/guardians: Register for MUSD alerts.
 - Make sure Wireless Emergency Alerts and Public Safety Alerts are enabled on your mobile device.
 - Learn more about Wireless Emergency Alerts:
 - CTIA – Wireless Emergency Alerts
 - National Weather Service – Weather Warnings on the Go
 - NOAA Weather Radio broadcasts from Heliograph Peak near Mt. Graham.
 - Scanner frequency: 162.550 MHz
- **Safeguard your possessions.** Itemize and take pictures of possessions and valuables. Have digital copies of records.
- **Townsite residents:** Keep your household occupancy information up to date with Townsite management so emergency responders have current information.
- **Have an emergency supplies kit.** An emergency supplies kit is a collection of items that members of a household may need in the event of any type of emergency. Basic services such as electricity, gas, water, sewage treatment and landline telephones may be cut off for days or longer. You may need to evacuate at a moment's notice, so you will need essentials with you as you likely will not have the opportunity to search or shop for the supplies you need. Keep in mind each person's specific needs, including medication. Local officials and relief workers will be on the scene after an emergency, but they cannot reach everyone immediately.

- Since you do not know where you will be when any type of emergency occurs, prepare supplies for home, work and vehicles.
- The following items are recommended for inclusion in your emergency supplies kit:
 - Water – at least three-day supply
 - Non-perishable food – at least three-day supply
 - Flashlight
 - Extra batteries
 - Cell phone with chargers
 - First aid kit
 - Sanitation and hygiene items
 - Extra cash
 - Baby supplies
 - Medications (seven-day supply) and medical items (contact lenses, glasses, hearing aids, cane, syringes, etc.)
 - Pet supplies
 - Car keys and house keys
 - Extra clothing and shoes
 - Other items to meet your unique family needs

School/Family Considerations

MUSD has coordinated emergency procedures to support student safety and reunification. In preparation, familiarize yourself with MUSD emergency procedures and register for MUSD alerts. In the event of an emergency:

- Follow instructions from MUSD officials
- Do not go directly to the school unless directed to do so
- Reunification locations will be communicated by MUSD

Training And Practice

Morenci will plan and carry out the following activities, as appropriate, to support ongoing community engagement as part of these plans:

- Public guide reviews through training and seminars
- Invitation to participate in an emergency exercise, ranging from a tabletop simulation to a drill, at least every three years
- Invitation to participate in full-scale drills and/or exercises when identified as necessary
- Work with MUSD to support their emergency preparedness

Important Contacts

Agency/Organization	Phone	Website
Emergencies	911	N/A
Greenlee County Office of Emergency Management	928-865-2601	https://www.co.greenlee.az.us/departments/emergency-management/
Greenlee County Sheriff's Office	928-865-4149	https://www.co.greenlee.az.us/elected-officials/sheriff/
Greenlee County Ambulance Service	928-865-4149	https://www.gilahealth.com/services/greenlee-county-ambulance-service/
Morenci Water & Electric	928-865-2229	https://www.morencitown.com/MWE
Southwest Gas	877-860-6020	N/A
Gila Health Urgent Care	928-865-9184	https://www.gilahealth.com/services/urgent-care/
National Weather Service, Tucson	520-670-6526	https://www.weather.gov/twc/
Morenci Townsite Maintenance	928-865-6196	https://www.morencitown.com/residents#housing
Clifton Fire Department	928-865-4145	https://cliftonaz.com/fire-department
Clifton Police Department	928-865-4566	https://cliftonaz.com/police-dept
Morenci Fire Association	928-865-7931	N/A
Freeport-McMoRan Morenci Community Development	928-865-6669	Freeportinmycommunity.com
Morenci Unified School District (MUSD)	928-865-2081	https://www.morenci.org
Freeport-McMoRan Post Incident Communications	N/A	https://home.fmi.com

Reminder

- Turn on Emergency Alerts and Public Safety Alert notifications on your mobile device.
- Familiarize yourself with MUSD emergency procedures and alert systems if you have a child in school.
- Crisis information will be posted on the Morenci townsite at www.morencitown.com and Facebook page at www.facebook.com/MorenciTown.
- Download the FEMA App on your mobile device.

Tailings and Tailings Storage Facilities

Overview of Tailings and Tailings Storage Facilities

Tailings are the finely ground rock particles left after copper or other minerals have been processed and extracted from the mined ore. Tailings cannot be put back into their original form, so Freeport uses a tailings storage facility (TSF) to secure them safely and responsibly. A TSF typically is a structure, made up of one or more embankments, that provides a secure environment to keep tailings indefinitely. The tailings are a by-product of processing the ore. They are in a slurry form and transported through pipelines to TSFs.

TSFs have two main purposes:

- To indefinitely store the tailings safely and responsibly
- To reclaim water that can be reused in plant processing facilities

Designing and Building Tailings Storage Facilities

TSFs are uniquely engineered structures, with embankments often constructed from the tailings material itself. The process to design and build TSFs is a robust one that considers various factors and requires engagement with numerous stakeholders, partners, independent reviewers and regulatory agencies. We have a demonstrated track record of developing and constructing resilient TSFs, considering site-specific conditions to help ensure the safety and longevity of each facility.

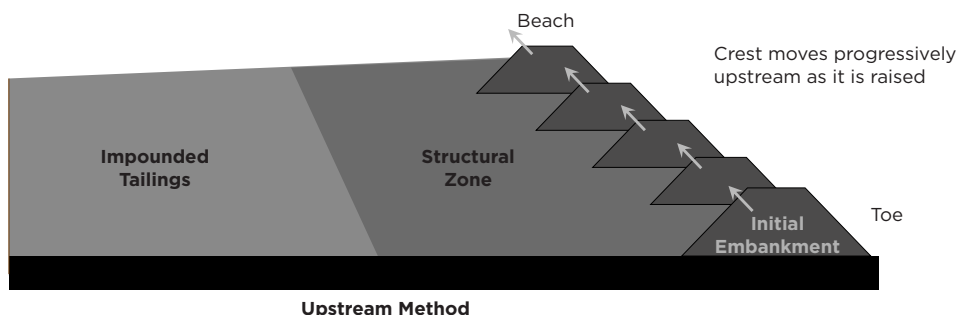
There are many factors that need to be considered during site selection, design and construction. Site conditions such as geology, topography, climate, hydrology, hydrogeology, seismicity and the material being used for construction – in addition to social, community and environmental factors – are evaluated to determine the most appropriate site before undergoing a rigorous permitting process. Our goal is to safely contain the tailings under any and all circumstances. There is no “one size fits all” design approach; we take this responsibility seriously and strive to ensure all our TSFs meet or exceed governing standards.

There are three types of embankments – upstream, centerline and downstream. Freeport owns and operates TSFs with all three embankment types, though the majority have upstream embankments.



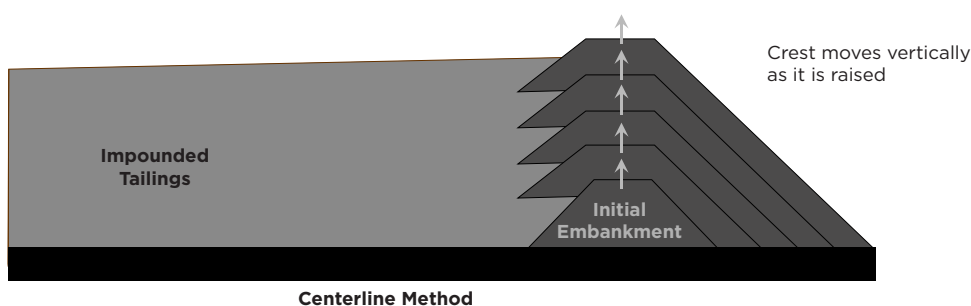
Key Takeaways

- Tailings are the finely ground rock particles left after copper or other minerals have been processed and extracted from the mined ore.
- A TSF is a structure, made up of one or more embankments, with two main purposes: (1) to indefinitely store the tailings safely and responsibly and (2) to reclaim water that can be reused in plant processing facilities.
- The process to design and build TSFs is a robust one that considers various factors and requires engagement with numerous stakeholders, partners, independent reviewers and regulatory agencies.
- We have a demonstrated track record of developing and constructing resilient TSFs, considering site-specific conditions to help ensure the safety and longevity of each facility.
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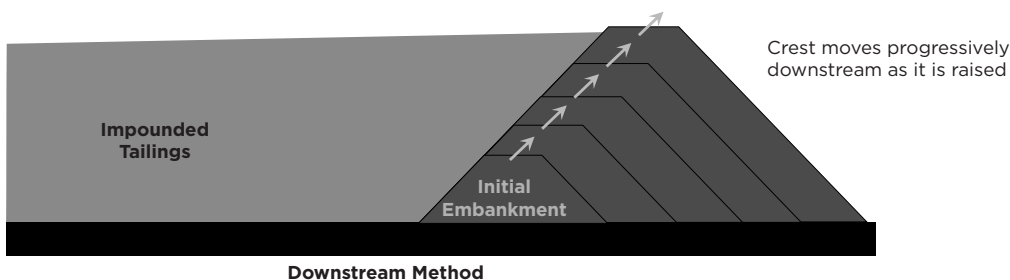
Upstream Tailings Storage Facilities

Upstream construction begins with an initial embankment, which is constructed at the toe of the facility area and then tailings are discharged to form a beach and structural zone. The deposited tailings drain and consolidate, becoming the foundation for subsequent levels as new tailings are added and the embankment is raised. Upstream TSFs must be raised slowly over time to allow the solid tailings to dry and consolidate enough to support a new level of the embankment.



Centerline Tailings Storage Facilities

In centerline construction, the facility is raised vertically from the initial embankment. The embankment crest remains fixed relative to upstream and downstream directions as the facility is sequentially raised.



Downstream Tailings Storage Facilities

Downstream designs start with an initial embankment similar to the other two construction methods. Tailings are then discharged into the facility and the embankment is raised in the downstream direction relative to the previous raises, so the crest moves downstream with each raise.

Freeport's Tailings Management System

The Importance of Tailings Management

Effective tailings management is critical to mining safely, protecting people and the environment and supporting the long-term well-being of the communities we call home. In the U.S., Freeport currently operates many active TSFs and manages many more TSFs that are Inactive, Closed, or Safely Closed as defined by the Tailings Standard and confirmed by our independent reviewers.

A TSF failure is the unintended loss of the structural integrity of the TSF resulting in the substance being released, which is a significant material risk within our industry. We recognize that such an event at any of our mining operations could affect employee, contractor, public and/or environmental safety. As a result, we strive to continuously manage, enhance and innovate our tailings systems in a manner that minimizes impacts to stakeholders and the environment. While a failure is unlikely, we recognize that in extreme or worst-case situations a TSF failure could cause severe or catastrophic damage that could result in severe property and environmental damage as well as loss of life. We design new TSFs and analyze existing TSFs using Extreme external loading criteria for floods and earthquakes.

We want to help you stay informed and understand all we do to safely manage our TSFs and minimize risk of failure. While Freeport has an outstanding safety record and robust tailings management program, it is important to be informed and prepared in the unlikely event of a TSF failure emergency. Detailed emergency preparedness steps can be found on page 4 of this guide.



The health and safety of our workforce, local communities, and the protection of the environment are fundamental to our extensive tailings management system and approach.

Our Approach

The health and safety of our workforce, local communities, and the protection of the environment are fundamental to our extensive tailings management system and approach. **Our objective is to have zero fatalities, zero catastrophic failures and zero unplanned discharges from any of our TSFs.**

Our Tailings Storage Facility Policy Statement, which can be found on our website, outlines our commitment to designing, building, operating and monitoring our facilities to minimize risk to employees, neighboring local communities and the environment. The policy also includes our commitment to implement the Tailings Standard at our TSFs.

Freeport established a Tailings Stewardship Program more than 20 years ago, and it has evolved into our comprehensive Tailings Management System (TMS), incorporating applicable regulations and international best practices. The TMS is led by our expert team of tailings professionals and includes specific programs to address the various aspects of TSFs – over all phases of the TSF lifecycle – while promoting continuous improvement. Our safeguards generally fall within four categories:

1. Good engineering practices and safe designs
2. Adherence to construction and operational parameters through monitoring and use of technology
3. Multi-tiered internal and external oversight and robust management of change
4. Adherence to practices grounded in continuous improvement and learning from our and the industry's past experiences

These safeguards are effectively implemented throughout and at all levels of our organization.

Multi-Tiered Oversight

There are multiple layers of assurance we apply to all TSFs: site-level implementation, functional accountability, third-party review, and board and executive leadership oversight.

Site-Level Implementation

- **Site Tailings Management, Engineers, and Operators:** Internal team that implements the management program and regularly monitors, identifies, and addresses potential risks.
- **Responsible Tailings Facility Engineer (RTFE):** Internal engineer appointed by the Accountable Executives responsible for the integrity of assigned TSFs. The RTFE provides technical expertise, manages risk, and liaises with the Engineer of Record. Corporate discipline experts provide regular support to the RTFE.
- **Engineer of Record (EoR):** External engineer who provides expert design and engineering analysis, technical support, inspection, review, and guidance to support an RTFE in achieving design intent of their assigned TSF.

Functional Accountability and Responsibilities

- **Accountable Executive (AE):** Chief Operating Officer (sites with active tailings operations) or Chief Sustainability Officer (sites without active tailings operations) who reports to the FCX Chief Executive Officer on tailings-related matters and is accountable for the safe management of TSFs and for minimizing the social and environmental consequences of any TSF failure.
- **Tailings and Water Director:** Oversees the RTFE's activities and has delegated responsibilities from the AE for engaging with and reviewing the site-level implementation of TMS activities.

Third-Party Review

- **Independent Tailings Review Board (ITRB):** Third-party, internationally known expert panels who provide independent opinions and guidance on the physical integrity, safety, and performance of TSFs and have access to corporate senior leadership. Members have decades of experience in applicable disciplines.
- **Tailings Stewardship Team (TST):** Third-party professional engineers who have not been directly involved with the design or operation of the TSFs and internal experts who inspect all TSFs, review documents and monitoring data, identify potential deficiencies, and recommend corrective actions.
- **Tailings Management System (TMS) Implementation Assessment:** External consultant with sufficient knowledge and understanding of the TMS to assess the efficacy of the TMS applied at a site-specific level, including key tasks, roles and responsibilities, and associated governance structure to support proper management and operation for maintaining TSF structural integrity.

Corporate Leadership and FCX Board Oversight

- **Corporate Leadership:** Leaders who participate in major decisions related to the tailings management program, including allocation of resources for TSF-related operations, initiatives, and projects.
- **Board of Directors:** Corporate governing body committed to providing active oversight and, with the Corporate Senior Leadership, the necessary financial and technical resources to maintain the safety and integrity of our tailings facilities globally, with a focus on risk management and continuous improvement. The AE regularly reports to the Corporate Responsibility Committee of the FCX Board of Directors on matters related to the tailings management, including implementation of the Tailings Standard.

Key Terms to Know

Risk = Consequence x Likelihood

Likelihood is the probability of an event occurring.

Consequence is the impact of an event's occurrence.

Credible failure scenario: comprises a credible failure mode and consequence that is technically feasible considering analysis and expert opinion on a minimum threshold of possibility.

Risk-Informed Decision Making (RIDM)

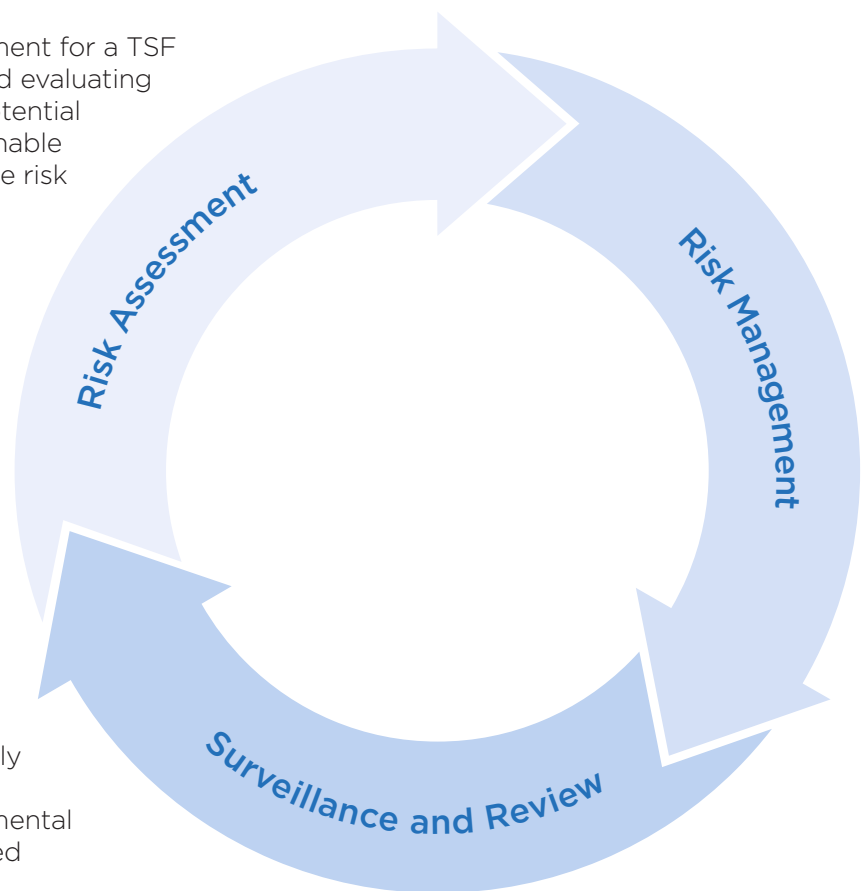
Risk Informed Decision Making is critical and integral throughout the full lifecycle of each TSF from design to post-closure. By understanding and assessing the risks associated with a TSF, we can more effectively protect our people, local communities and the environment.

Our approach to Risk Informed Decision Making consists of three processes that complement and reinforce one another: risk assessment, risk management and surveillance and review. These three processes are underpinned by a culture of transparency, collaboration and meaningful dialogue with the primary goal of fostering mutual understanding, trust and cooperation with stakeholder groups.

Risk assessment: A risk assessment for a TSF entails identifying, analyzing and evaluating risks to determine both their potential consequences and likelihood, enable prioritization and help determine risk management options.

We assess what is needed to keep the facility running safely today as well as how to adapt to future conditions, including evaluating changes in seismicity, climate, material characterization, ore variability and processing throughput, as well as land use and the needs of neighboring communities.

The risk assessment identifies and analyzes ways to minimize the related risks, with an integrated team regularly conducting detailed technical, operational, social and environmental analyses. The process is repeated regularly over the TSF lifecycle.



Risk management: Using the learnings from the risk assessment, our expert teams use engineering and operational controls to prevent, minimize and/or mitigate risks. These controls include an ongoing focus on quality engineering design, construction and operating discipline. Additionally, a critical part of mitigating risk is openly engaging with our host communities and external authorities to maintain a shared state of readiness through robust emergency preparedness and response planning.

Surveillance and Review: Our RIDM program includes activities as outlined in our Operations Maintenance and Surveillance Manual. Surveillance involves inspection and monitoring of the operation, structural integrity, and safety of the TSF. It consists of both qualitative and quantitative comparison of actual to expected behavior and its activities are performed by appropriately trained personnel. Review of surveillance information occurs throughout the year for each TSF and is facilitated via internal reporting.



Key Takeaways

- Potential TSF failure is a significant risk within our industry, and we recognize that such an event at any of our mining operations could affect public and environmental safety.
- The health and safety of our workforce, local communities and the environment are fundamental to our extensive tailings management program and approach.
- Our objective is to have zero fatalities, zero catastrophic failures and zero unplanned discharges from any of our TSFs.
- Freeport maintains multi-tiered oversight of our TSFs, including regular surveillance and evaluation of risks and controls by internal experts and external, independent reviewers.
- Our expert teams regularly perform risk assessments to understand credible failure scenarios and implement risk management mechanisms to prevent, minimize and/or mitigate the likelihood and consequence of a potential failure.

The Global Industry Standard On Tailings Management

The Tailings Standard And What It Means For You

Freeport implemented the Tailings Standard, which strives for zero harm to people and the environment and requires operators to take responsibility by prioritizing safety of their TSFs through all phases of the facility lifecycle. It also requires disclosure of relevant information to support public accountability.

You can read more about the Tailings Standard here: globaltailingsreview.org. For more information about Freeport-McMoRan's tailings facilities, go to fcx.com.

The first principle of the Tailings Standard is to “respect the rights of project-affected people” and to “meaningfully engage them at all phases of the tailings facility lifecycle.” This engagement should extend to all stakeholders, including community members, landowners, Indigenous Peoples, community-based organizations, local governments and regulatory agencies.

As we responsibly implement the Tailings Standard – and reflecting our long-standing commitment to our local communities – we are dedicated to leading the way with open conversations about tailings safety with communities near our operations with TSFs and other interested parties.

Consequence Classification

As part of the effort to systematize and improve tailings management across the industry, the Tailings Standard provides a consequence classification system for the categorization of TSFs. TSFs are classified based on the consequence of a credible failure of the facility – in other words, the impact a failure could have on the surrounding communities and environment. The classification is not an indication that the event will occur, and having credible failure modes is not a reflection of facility safety.

The Tailings Standard provides information on classifying a TSF, taking into consideration potential adverse impacts in the following five categories: potential Population at Risk; potential loss of life; environment; health, social and cultural; and infrastructure and economic. The classification levels from lowest to highest are Low, Significant, High, Very High and Extreme.

- Considering environmental risk for example, classifications could range from Low (minimal, short-term impacts) to Significant (potential contamination of water with no health effects) to Extreme (catastrophic loss or deterioration).
- Similarly, for impacts to health, social and cultural resources, infrastructure or economy, classifications could range from Low (no impact, to an impact on transportation routes or services) to Extreme (many people, sites or resources are impacted by dislocation or disruption).

The Tailings Standard requires any site with a potential impact to more than 1,000 people to receive an Extreme classification. Freeport however has used a more conservative classification system and at any site where even one life could be at risk, the site automatically is classified as Extreme. Our definitions for consequence classification align with the Tailings Standard



Consequence classifications are not a rating of the condition of a facility, but rather the potential consequence if a credible failure occurred.



Key Takeaways

- Freeport is committed to implementation of the Tailings Standard, which strives for zero harm to people and the environment and requires operators to take responsibility by prioritizing safety of their TSFs through all phases of facility lifecycle.
- We are dedicated to leading the way with open conversations about tailings safety with communities near our operations with TSFs and other interested parties.
- The Tailings Standard provides a consequence classification system to classify TSFs based on the consequence of failure, not the likelihood – in other words, the impact a failure could have on the surrounding communities and environment.
- Freeport is taking a conservative approach to classifying our TSFs, meaning any site where even one permanently situated person could be at risk is classified as Extreme.
- While these classifications may sound alarming, it is important to note that TSF failure is unlikely and minimized through consistent application of our Tailings Management System.

except as outlined below.

- If there is one or more permanent Population at Risk – including the public, employees, or contractors – it is classified as Extreme.
- If there is no permanent Population at Risk, but there is a transient Population at Risk the minimum consequence classification is Significant.
- Other metrics (as defined in the Tailings Standard for environmental and health; social and culture; and infrastructure and economics) help further determine the Consequence Classification.

While these classifications may sound alarming, it is important to note that any TSF failure is unlikely and minimized through consistent application of our Tailings Management System.

Depending on the consequence classification of the TSF, all our TSFs will be in conformance with the Tailings Standard by August 2023 or August 2025 unless the TSF has achieved Safe Closure status.

Freeport's Implementation Of The Tailings Standard

While the scope of the Tailings Standard is broad and we are implementing all aspects of it, we have assessed all our TSFs to determine credible failure scenarios. This assessment includes technical and operational considerations, as well as environmental, economic, social, health and cultural factors.

From this analysis, in accordance with the Tailings Standard, we have determined an updated² consequence classification for each of our facilities. While we will be engaging with local communities near all our TSFs, at those sites where a potential Population at Risk is the determining factor for the higher classification, the engagement also will include partnering with emergency preparedness organizations and local leaders.

Our robust and proven system encourages a culture of learning, communication and early problem identification, prevention and resolution. We are committed to continually improving our management systems through internal and external assessments and through publicly reporting on our performance.

² In 2019, Freeport disclosed a set of consequence classifications based on hypothetical failure scenarios. The consequence classification was updated for TSFs after further comprehensive analyses using credible failure scenarios based on risk assessment outcomes (as suggested by The Tailings Standard).

Morenci Mine And Tailings Storage Facilities

Overview Of The Morenci Mine And Tailings Storage Facilities

Located in Greenlee County, Arizona, the Morenci mine is an open pit copper-molybdenum mine majority-owned and operated by Freeport-McMoRan Morenci Inc. (FMMI), an affiliate of Freeport-McMoRan. Ore mineralization in the Morenci district was discovered as early as 1863. The mine currently has eight TSFs near the towns of Morenci and Clifton. The TSFs are identified in the graphic below. Additional components of the tailings facilities include the tailing distribution and deposition system, the reclaim water system, seepage collection system, supporting infrastructure including stormwater management facilities and the instrumentation installed at the facility.



Consequence Classification Of Morenci Tailings Storage Facilities

In accordance with the Tailings Standard and the ICMM Tailings Management Good Practice Guide, we conducted a risk assessment in 2022 that assessed the potential ways in which the Morenci TSFs might fail and the likelihood of those events. Most events are limited to site operations and mitigated through robust design, engineering controls, routine surveillance, monitoring and maintenance. However, there is potential that a credible failure scenario, while very unlikely, if realized, could impact the surrounding communities.

Active, Inactive and Closed TSFs at Morenci were assessed to understand the potential consequences of a credible failure scenario. The table on page 24 shows the consequence classification of each TSF.

TSF	Credible Failure Scenario	Likelihood	Consequence	Potential Impact
2 West	None	N/A	N/A	No credible failure scenarios
3 West	Saturated foundation material leads to instability resulting in slump runout	Low	Significant	Transient personnel at risk
3 West	Seismic loading of saturated foundation material leads to instability resulting in slump runout	Moderate	Significant	Transient personnel at risk
3 West	Excessive raise rates due to sustained deposition leads to instability resulting in slump runout	Low	Extreme	Personnel and transient population at risk
3 West	Pond migration towards embankment leads to instability resulting in slump runout	Moderate	Very High	Environmental, Transient personnel and population at risk
4 West	Saturated foundation material leads to instability resulting in slump runout	Low	Significant	Transient personnel at risk
4 West	Seismic loading of saturated foundation material leads to instability resulting in slump runout	Moderate	Significant	Transient personnel at risk
Silver Basin 1	Excessive raise rates due to sustained deposition leads to instability resulting in slump runout	Low	Extreme	Personnel at risk
Silver Basin 1X	None	N/A	N/A	No credible failure scenarios
Southwest 1	New construction methodology leads to instability resulting in slump runout	Moderate	Significant	Transient personnel at risk
Southwest 1	Concentrated deposition leads to instability resulting in slump runout	Moderate	Significant	Transient personnel at risk
Southwest 2	None	N/A	N/A	No credible failure scenarios
West/East	Failure of the foundation leads to breach flow	Moderate	Extreme	Population and personnel at risk
West/East	Deposition near abutment increases pore pressure and leads to instability resulting in breach flow	Moderate-High	Extreme	Population and personnel at risk
West/East	Ineffective drainage leads to increased saturation and foundation instability resulting in breach flow	Low	Very High	Environmental, Transient personnel and population at risk

Please refer to the Emergency Preparedness and Response Plan Section of this guide for more detail on potential impacts of the credible failure scenarios that could have a Population at Risk.

For additional information on the risk assessment process, please refer to the Annual Report on Sustainability at [fcx.com](https://www.fcx.com).

Thank you to
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