

July 29, 2023

(Via e-mail)

Attn: Tamara Johndrow, P.E.  
Director Tailings, Crushed Leach and Water  
**Freeport-McMoRan**

Cc: Josh Olmsted  
President and COO – Americas  
**Freeport-McMoRan**

Mike Kridel,  
Senior Vice-President  
**Freeport-McMoRan Morenci Inc.**

Michael Waldron, PE  
Manager- Tailings, Crushed Leach & Water  
**Freeport-McMoRan Morenci Inc.**

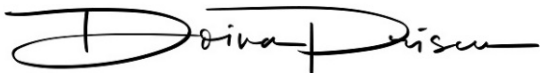
Dear Tamara,

**RE:** Freeport-McMoRan Inc. ("FCX")  
Freeport-McMoRan Morenci Inc. ("FMMI")  
Abridged Version of the Full GISTM Independent Assurance Verification Report

Please find hereafter the abridged version of the full report noted in the subject line. The GISTM Independent Assurance Verification for Freeport-McMoRan Morenci Operation (Morenci) Tailings Storage Facilities took place on June 28 and 29, 2023, with a site visit completed October 10 to 13, 2022. A final full report was submitted to Freeport-McMoRan Inc (FCX) on July 29, 2023, under a separate cover.

We thank you for entrusting our team with this important task.

Kind regards,



Doina Priscu, M.Eng, P.Eng (BC), F.E.C.  
Project Manager  
Principal Engineer – Mining Environment, Director  
**Priscu and Associates Consulting Engineers Inc.**



## Scope of the Independent Verification

Priscu and Associates Consulting Engineers Inc. (“PACE”) was retained by Freeport-McMoRan (“FCX”) to undertake a third-party independent assurance verification (the “Assurance Verification”) of the implementation level of the Global Industry Standard on Tailings Management (“GISTM”) at the Morenci Tailings Storage Facility (the “TSFs”), located at Morenci Operation (“Morenci”), Morenci, Arizona, United States, in accordance with the scope as agreed by PACE and FCX. The Assurance Verification took place from June 28 to 29, 2023, with a final full report submitted to FCX on July 29, 2023.

## Assurance Level and Criteria

PACE conducted the Assurance Verification in a manner PACE considers to be consistent with leading practices and expectations as per “IAASB - ISAE 3000 (Revised) Assurance Engagement Other than Audits and or Reviews of Historical Financial Information, 2013 (revised 2015)” with a limited level of assurance. The Assurance Verification provided by PACE was conducted with the intention to be of the highest level of quality, by highly trained and specialized independent verifiers that are experienced professionals in their respective field of practice.

The Assurance Verification was conducted against the 77 requirements (the “77 Requirements”, each a “Requirement” with specific set of criteria) set forth in the International Council of Mining & Metals Conformance Protocols, published in May 2021 (the “ICMM Conformance Protocols”). The ICMM Conformance Protocols provide operators and independent third-parties with clear criteria, derived from terms defined by GISTM, which enable such operators and independent third-parties to assess conformance against applicable standard requirements. In all cases, the verification procedures used by PACE were evidence-based. However, a certain level of interpretation, reasonableness, adaptation, and judgement (engineering and otherwise) was used, as each tailings facility in the world is unique in its social, environmental, and technical context, design, operation, and management.

## Our Approach to Conducting the Independent Assurance Verification

PACE has established a structured, well-defined approach to independent verification of the GISTM implementation, used consistently throughout all of its engagements. The multi-step methodology used in the Assurance Verification included (among other) the following:

- An introductory session provided by FCX to PACE to assist PACE in understanding the document presentation, document storage and search system.
- Meetings with FCX’s corporate team to assist PACE in understanding FCX’s various corporate documents and approaches associated with technical context, social, environmental, and risk management processes.
- A presentation by FCX’s operational team to PACE to assist PACE in understanding Morenci’s operational concepts at operation its TSFs, during the site visit.
- An independent gap analysis and site visit (the “Site Visit”) by PACE representatives of the TSFs and their appurtenant structures that are within the scope of the Assurance Verification engagement, including face-to-face discussions with management and operational staff. The Site Visit took place October 10 to 13, 2022.
- An informational presentation session given by FCX to PACE representatives from June 28 to 29, 2023, regarding the 77 Requirements, and how they apply to the TSFs. Each Requirement (and associated Criteria from the ICMM Conformance Protocol) included a reference to a document, or to a section of a report or multiple documents, provided as evidence. In this process, over 200 documents were submitted by FCX and reviewed by PACE.
- Completion of the draft report (the “Draft Report”) by PACE, inclusive of the conformance level ratings for each of the 77 Requirements.
- Factual review by FCX of the assumptions made by PACE in the Draft Report, and, where necessary, submission of an action plan by FCX’s management team to either improve, reach, or maintain full conformance in GISTM implementation. Morenci did not require any action plans since all 77 Requirements meet or exceed conformance.
- Submission of the signed-off Assurance Verification final report to FCX’s Accountable Executive and the Morenci management team.

Completion of this Assurance Verification did not exclusively rely on the self-assessments completed by FCX and Morenci operation teams. Such self-assessments were used in the context of guiding the overall process and streamlining the discussions and the evaluations. PACE conducted its own evaluations and reviews of the evidence and documentation presented by FCX. To that extent, this process should be considered a third-party independent assurance verification, equivalent to, or more comprehensive than a validation.

## Description of Conformance Levels

The ICMC Conformance Protocols (May 2021) use a similar approach to demonstrating conformance with GISTM as those presented in the ICMC Assurance and Validation Procedure document (updated June 2023). The possible outcomes for the third-party independent verification of each individual Requirement are:

- a. **“Meets”**: systems and/or practices related to the Requirement have been implemented and there is sufficient evidence to demonstrate the Requirement is being met. Wording or definitions may not be identical, but the intent and outcome are the same. No gaps were identified that would materially impact the overall quality implementation of GISTM.
- b. **“Partly Meets”**: systems and/or practices related to meeting the Requirement have been partially implemented, and/or select evidence may be missing. The GISTM Requirement is partially addressed, with considerable effort acknowledged in the implementation of this requirement. Minor gaps or weaknesses were identified that may impact the quality implementation of GISTM. Several document updates and/or sign-offs are needed for full alignment and conformance with GISTM.
- c. **“Does Not Meet”**: systems and/or practices required to support the implementation of the Requirement are not in place, and/or cannot be evidenced, and additional work is needed for partial or full conformance. Major gaps were identified that will impact the quality implementation of GISTM.
- d. **“Not Applicable”**: this specific Requirement is not applicable to the current context and/or stage of the asset.

## Summary of the Conformance Results

PACE completed the evaluation and reporting for all 77 Requirements of the GISTM. While GISTM groups the Requirements in topics and principles, there is no reporting by groupings of principles. In addition, there is no averaging and no overall rating for the TSFs, since all Requirements are equally weighted. Morenci TSFs conformance levels are summarized as follows:

Meets	Partially Meets	Does Not Meet	N/A	Applicable req's	Total no. of req's
74 (100%)	0 (0%)	0 (0%)	3	74 100%	77

The above requirements were evaluated for the Morenci TSFs overall, since facilities are all at the same location, adjacent to each other and part of the same governance program, operational activities, risk management, and water management plan. The Conformance therefore reflects the results for the following eight (8) tailings storage facilities in various states of operation: 2 West (2W), 3 West (3W), 4 West (4W), Silver Basin 1 (SB-1), Silver Basin 1 Extension (SB-1X), Southwest 1 (SW-1), Southwest 2 (SW-2), and the West/East (W/E). A single report is therefore issued for all facilities.

## Areas of Non-Conformance or Material Impact

PACE did not identify any Requirement as “Does Not Meet” or “Partially Meets”. The Assurance Verification conducted by PACE did identify the following Requirements as “Not Applicable”:

- Requirement 1.2: requirement relates to FPIC (Free Prior and Informed Consent) for NEW facilities. There are no new facilities at Morenci.
- Requirement 3.3: requirement relates to assessing impacts of NEW facilities. There are no new facilities at Morenci.
- Requirement 5.8: this requirement relates to the unavoidable community pre-emptive/involuntary resettlement. This does not apply as Morenci implemented full ALARP processes, signed-off by the Accountable Executive.

Following the completion of the Assurance Verification and the conformance levels identified, no additional actions or commitment letters are required at this stage from FCX. Maintaining the full conformance with GISTM is a corporate commitment, clearly stated and presented in the FCX Policy and internal corporate guidelines.

## Limitations and Other Matters

This Assurance Verification report is a summary of the extensive independent assurance process undertaken by PACE at Morenci Operation.

PACE has not performed assurance procedures in respect of any of the documentation or information provided by FCX and assumes the accuracy and completeness of such documentation and information. The Assurance Verification reflects the conformance status at the time PACE undertook the Assurance Verification process. This Assurance Verification report prepared by PACE does not extend to any disclosures or assertions made by FCX relating to future performance of the Morenci Tailings Storage Facilities, and does not imply, nor is it expected,

that the determinations and findings (including, without limitation, the conformance levels) set out herein will remain the same over time.

As part of the Assurance Verification, PACE considered the quality, completeness, and content of documents provided and the effectiveness of management's internal systems and processes when determining the level of conformance. While the conformance levels for the GISTM implementation clearly reflect the high quality of work completed by FCX and Morenci operations team, they are not to be used to measure the safety of the TSFs and associated appurtenant structures.

The Assurance Verification is intended to be of the highest quality and to reflect most accurately possible the levels of conformance and implementation of the 77 Requirements and their criteria.

### Use of Assurance Verification Report

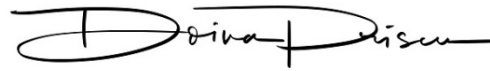
This Assurance Verification report is being provided for information purposes only and for the sole and exclusive use of FCX and no other person or entity. Any use which a person or entity other than FCX makes of this Assurance Verification report, or any reliance on or actions taken (or omitted to be taken) by any person or entity other than FCX, are the responsibility of such other person or entity. Neither PACE, nor its directors, officers, shareholders, representatives, employees, contractors, agents or affiliates shall have any liability (whether under statute, in contract, in equity, in tort or otherwise) to any other person or entity whatsoever with respect to, resulting from, or in connection with, directly or indirectly, this Assurance Verification report, and no person or entity shall have any rights or claims (or basis for a claim) by virtue of this Assurance Verification report.

### Statement of Independence of the PACE Team

The PACE team members and authors of this report confirm that are independent of FCX and its operations, as defined by industry best practices. The PACE team members have no relationship with FCX, other than third-party independent assurance verifiers, reviewers, or auditors. The PACE team members did maintain impartiality at all times during the provision of this third-party Assurance Verification as detailed in this report.

### Report Submission

Submitted by Priscu and Associates Consulting Engineers Inc. and signed on July 29, 2023 at West Vancouver, BC, Canada.



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Principal Engineer – Mining Environment, Director



Caius Priscu, Ph.D, P.Eng (BC, ON)  
Principal Geotechnical Engineer, Director



Janis Shandro, Ph.D  
Community Health and Safety Specialist, Associate.