SIERRITA MINE TAILINGS DISCLOSURE REPORT

SEPTEMBER 2024

FREEPORT-MCMORAN

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Introduction

Freeport-McMoRan Inc. (FCX) is committed to transparency by ensuring relevant information regarding Tailings Storage Facilities (TSFs) at our operations is readily available through public disclosures and active engagement with stakeholders.

This report supports our efforts to publish and regularly update information on TSF management, implementation of our tailings governance framework, our policies, standards and approaches to the planning, design, construction, operation, monitoring, maintenance, closure and post-closure of tailings facilities in alignment with the Global Industry Standard on Tailings Management (Tailings Standard)[1] Requirement 15.1. It also supports our commitment to publish and update, at least on an annual basis, information on the TSF at the Sierrita Mine in Arizona in alignment with Tailings Standard Requirement 15.1B.

Summary of FCX's Approach to Tailings Management

Effective and responsible tailings management is critical to mining safely, protecting people and the environment and to maintaining social license to operate. We strive to continuously manage, enhance and innovate our tailings system in a manner that minimizes impacts to stakeholders and the environment. We recognize the potential failure of a TSF at any of our mining operations could cause severe or catastrophic damage that could result in loss of life, property damage, or environmental harm. Using appropriate management approaches and technologies, we operate with a bias for action by quickly identifying and addressing issues to prevent and mitigate potential impacts at our TSFs.

The health and safety of our workforce, host 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 Management Policy** outlines our continued commitment to managing our tailings responsibly and effectively across our sites globally and includes our commitment to implement the Tailings Standard at applicable TSFs. This policy is intended to be implemented in conjunction with our **Environmental**, **Human Rights**, and **Social Performance** policies and associated management systems.

Evolution of FCX's Tailings Management System and Implementation of the Tailings Standard

FCX established a Tailings Stewardship Program, which, over the last 20 years, has evolved into our comprehensive Tailings Management System (TMS) and applies to all TSFs managed by our operating subsidiaries. Our TMS, led by our expert team of tailings professionals, includes specific programs to address the various aspects of TSFs – over all phases of the TSF lifecycle – while promoting continuous improvement. Through our TMS, we systematically seek to identify and analyze, then eliminate or mitigate failure modes, to minimize the risk of failure scenarios associated with our TSFs. The TMS incorporates applicable regulations and international best practices.

Since the Tailings Standard was established in 2020, we worked to integrate the Tailings Standard within our existing systems. For example, we enhanced our multi-disciplinary collaboration and integration of our management systems. We also refined our risk assessment process and conducted gap-filling studies across our TSFs to enhance the knowledge base used for our risk assessments.

[1] The Tailings Standard was established by the International Council on Mining and Metals (ICMM), the United Nations Environment Program, and Principles for Responsible Investment.

FCX's TSFs are designed and managed throughout their lifecycles using Risk Informed Decision Making (RIDM) with precautionary or performance-based design approaches identified by each site's Engineer of Record (EoR) along with detailed inspections by the FCX Tailings Stewardship Team (TST) third-party reviewer and reviews by the Independent Tailings Review Board (ITRB). Our sites' EoRs design new TSFs and analyze existing TSFs using the stringent criteria for earthquakes and floods, applicable to Extreme TSFs, regardless of actual consequence.

In accordance with the Tailings Standard, FCX's updated consequence classification approach now incorporates each TSF's detailed information and analyses that have been enhanced over the past few years to reduce uncertainties as well as incorporate expert opinions on thresholds for Credible Failure Modes (CFMs). Our approach is derived from the Tailings Standard, and we take a conservative approach to consequences where there is a potential Population at Risk (see Appendix). See Section 1.3 for more information. FCX's subsidiaries have been evaluating consequence classifications based on this updated approach, beginning with TSFs that were previously classified as Extreme or Very High based on hypothetical failure.

In line with RIDM, we continue to conduct additional investigations, analyses, and, when necessary, enhancements of our controls or take additional actions to reduce residual risks to as low as reasonably practicable. In doing this work, we have reduced our uncertainties and increased our confidence in understanding our TSFs.

Monitoring our TSFs and striving to minimize potential risks is an ongoing process, and our disclosures will be updated as required by the Tailings Standard.

1.0 Our TMS

FCX has comprehensive measures in place to help ensure our TSFs are designed, built, operated, closed, and monitored to minimize risk.

The TMS comprises specific programs to address aspects of tailings planning, design, operation, maintenance, surveillance, and risk management over the TSF lifecycle. Although there is some overlap among the categories, our safeguards generally fall within four categories as illustrated by the examples for each provided below:

1. Engineering practices and safe designs

- We have robust stage-gate processes for engineering and design; our technical experts either manage or are embedded in projects to enhance shared knowledge and consistency in rigor and quality. In collaboration with the EoR, we conduct extensive site investigations and detailed site characterization to inform state-of-practice (or leading practice) engineering analyses and build a comprehensive knowledge base. Our EoRs design new TSFs and analyze existing TSFs using the stringent criteria for earthquakes and floods, applicable to Extreme TSFs, regardless of actual consequence.

2. Adherence to construction and operational parameters through monitoring and use of technology

- Our programs for operations, maintenance, inspections, and monitoring incorporate on-the-ground, automatically collected, and remote sensing data to enable regular analysis and internal reporting. Monitoring results are compared to established performance criteria. Action plans are developed and tracked to completion to help verify the TSF is operated in accordance with the design intent. Our Early Indicator Dashboard provides a mechanism to communicate performance in a timely manner to appropriate stakeholders at our sites and with our corporate leadership.

3. Multi-tiered oversight

- Our TMS includes mechanisms for internal and external reviews, such as internal subject matter experts and the Responsible Tailings Facility Engineer (RTFE), the EoR, the TST, and the ITRB. See sections 1.2 and 1.4 for more information. Reporting on monitoring program results and findings from these reviews are distributed to site and corporate leadership, including the Accountable Executive (AE) to inform and drive our bias for action.

4. Adherence to practices grounded in continuous improvement and learning from past experiences, including industry failures and best practices

- We actively participate in industry technical conferences and research initiatives, apply lessons from case histories, and conduct regular operator and engineer education and training.

Our RIDM process is an example that spans all four categories of safeguards and is discussed further in Section 1.3.

Figure 1 shows the evolution of the FCX TMS and key programs that exemplify the categories discussed above.

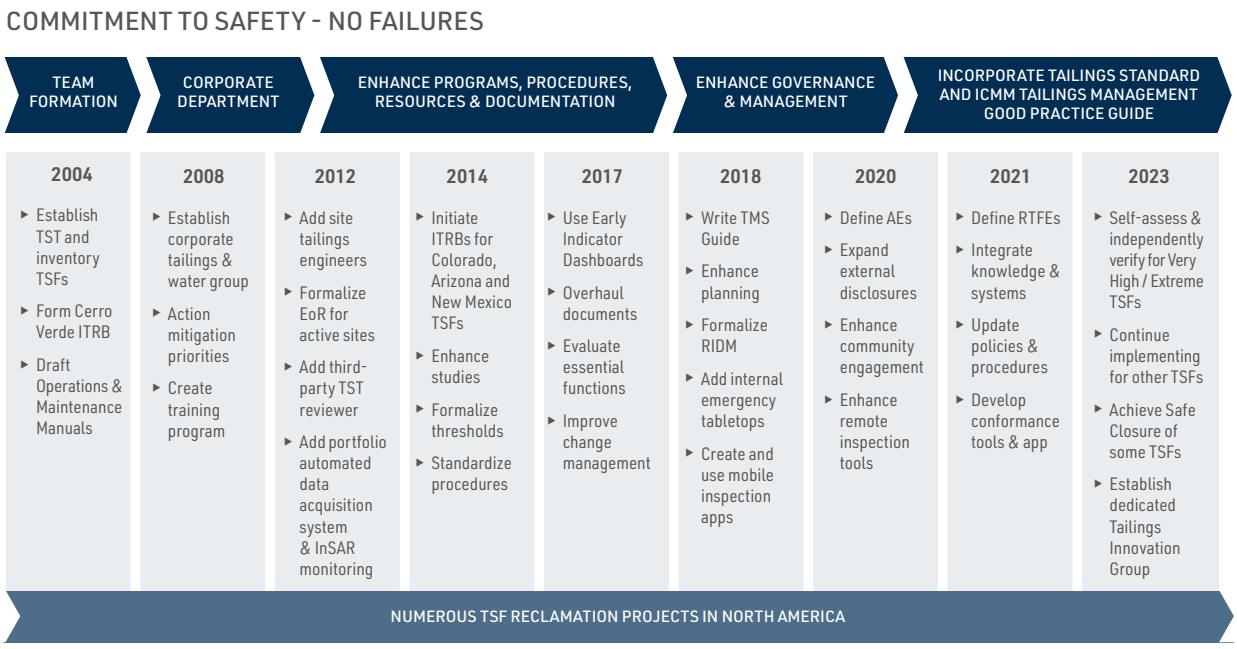


Figure 1. Tailings Stewardship & Management: A 20-Year Evolution.

1.1 TSF Lifecycle

A TSF lifecycle includes the design, construction, operation, closure, and post-closure phases. A TSF undergoes continual changes over its lifecycle, and these changes must be considered and managed to maintain safety and structural integrity. FCX works closely with internal and external experts, including the EoR, TST and ITRB for the full lifecycle management of the TSF.

FCX provides the "Status" of our TSFs in our public disclosures as follows:

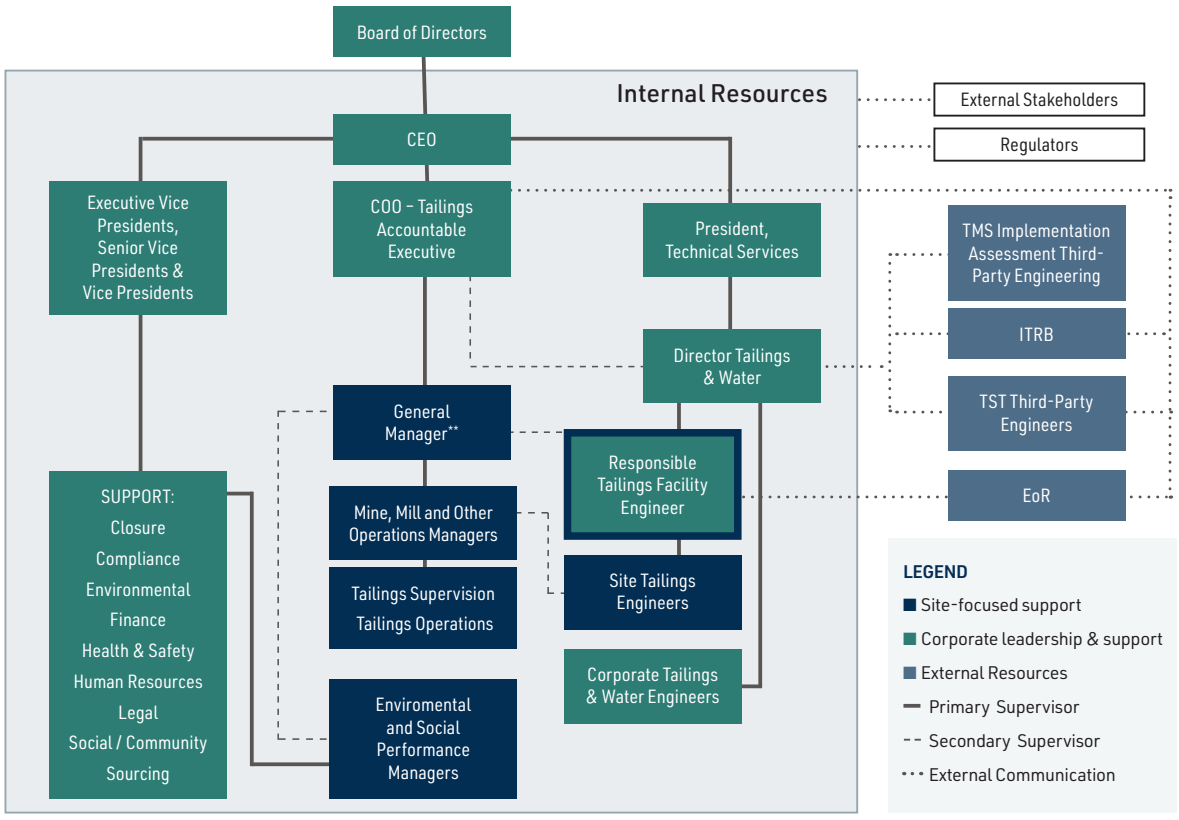
- **Development** - TSFs that have completed permitting and are in stages of design and/or construction through commissioning, prior to start of tailings deposition.

- **Active** - TSFs with tailings distribution infrastructure in place for the intent of raising dam crest.
- **Inactive** - TSFs that are not intended to receive tailings deposition in the current operating plan but have not yet implemented final closure activities.
- **Closed** - TSFs that are no longer in operation and have been closed to meet applicable design criteria, but for which safe closure under the Tailings Standard is not yet complete or confirmed.
- **Safely Closed** - TSFs that, upon collection and evaluation of additional data, have reached "Safe Closure" status as defined by the Tailings Standard; to receive this designation, TSFs require confirmation by an ITRB and AE. A Safely Closed TSF does not pose ongoing material risk to people or the environment.

1.2 Governance Framework

We believe our programs and safeguards are effectively implemented through the promotion of open and ongoing communication throughout our organization and a bias for action at all levels.

We remain focused on the safe execution of our TMS by maintaining robust, multi-tiered governance of our tailings programs, which involves appropriately qualified personnel with clearly defined roles, responsibilities, and accountabilities. 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 as shown on Figure 2 and described as follows.



* Sites with only Inactive and / or Closed TSFs utilize a parallel structure reporting through the Chief Sustainability Officer.

** In some cases, the General Manager may report to a Division Vice President or President who in turn reports to the COO-President Americas.

Figure 2. Organizational Structure for Tailings Management System for Operating Sites that Facilitates Collaboration, Engagement, and Review.

Brief description of key roles in FCX's governance structure

1. 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 AEs responsible for the integrity of assigned TSFs. RTFE provides technical expertise, manages risk, and liaises with the EoR. Corporate discipline experts provide regular support to RTFEs.
- **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.

2. Functional Accountability and Responsibilities

- **Accountable Executive (AE):** Chief Operating Officer who reports directly to the FCX Chief Executive Officer (CEO) 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 RTFE activities and has delegated responsibilities from the AE for engaging with and reviewing the site-implementation of TMS activities.

3. 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:** An 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 of the TSFs, and structural integrity.

4. Board and Executive Leadership Oversight

- **Corporate Senior Leadership:** Executive leadership that participates in major decisions related to the tailings management program, including allocation of resources for TSF-related operations, initiatives, and projects.
- **Board:** Corporate governing body firmly committed to providing the necessary financial and technical resources to maintain the safety and integrity of our TMS globally, with a focus on risk management and continuous improvement. The AE regularly reports to the Corporate Responsibility Committee of the Board of Directors on matters related to the Tailings Management Policy including implementation of the Tailings Standard.

1.3 Risk Informed Decision Making

Risk is a combination of the potential consequences of an event and the probability, or likelihood, of that event occurring.

FCX applies RIDM throughout the full lifecycle of each TSF from design to post-closure. RIDM allows us to make informed decisions while linking the stability performance and risk level that is acceptable for a TSF; the process includes periodic updates, so that changes in the operation and/or performance, which may alter the risk profile of a TSF, can be considered.

As part of FCX's TMS, RIDM consists of three primary elements:

1. Risk Assessment
2. Risk Management
3. Surveillance and Review

1.3.1 TSF Risk Assessment and Consequence Classification

TSF risk assessments include risk identification, analysis (including consequence classification), and evaluation used to determine which measures are, or should be, in place to eliminate or minimize risk.

The risk assessment focuses on potential physical failures of each TSF, which may include instability, slope failures, excessive slope erosion, overtopping of the impoundment, and internal erosion. For the purposes of the assessment, FCX defines a TSF failure as the unintended loss of the structural containment where the tailings and water released could be impactful.

Other risks related to TSFs include, but are not limited to, occupational health and safety, environmental (including climate change), social (including human rights), economic, value chain, and other potential long-term sustainability and business risks. These risks are documented in the site's sustainability risk register process; see the annual **Sustainability Report** for more information.

The TSF risk assessment is updated with our full stakeholder group and workshop process every three years for applicable TSFs, and between five and seven years for Safely Closed TSFs. In the interim, the risk assessment is reviewed annually by the RTFE, site engineering staff, and the EoR.

During the risk identification and analysis workshops, multidisciplinary teams including the EoR, RTFE and internal team members and additional external experts as appropriate, use available information such as TSF-specific detailed data and engineering analysis, experience from team members, case histories, and regulatory data to identify a specific chain of events that could lead to a TSF failure. The group analyzes how a failure may occur, what factors exist that make the potentially CFM more or less likely (considering the site-specific knowledge base, existing robust controls and uncertainties), and ultimately determine which are credible failure scenarios.

Risk analysis leads to an understanding of each credible failure scenario for a TSF; a scenario comprises a CFM and an associated consequence that is technically feasible considering analysis and expert opinion on a minimum threshold of possibility of occurrence during a structured analysis process. To determine whether a failure mode and an associated scenario are credible, workshop participants use tools such as semi-quantitative risk analysis to estimate the likelihood of occurrence of each potentially credible failure mode, the likelihood of an adverse structural response, and the magnitude of potential adverse consequences. The group's best-estimate conservative ranking is used for the likelihood categorization of each CFM guided by information described in the Appendix.

CFMs reflect the residual uncertainty that exists around physical conditions and controls in the TSF considering all site-specific information and analyses. The resulting consequence classification is not an indication that a credible failure scenario will occur and having CFMs is not a reflection of TSF safety.

The credible failure scenarios are then used to create a TSF consequence classification, as defined by the Tailings Standard. The TSF consequence classification is based on downstream conditions and potential impacts of CFMs, including incremental losses to Population at Risk, potential loss of life, environmental impacts, health/social/cultural impacts, and infrastructure and economic impacts.

FCX integrates our value of safety into our tailings programs by taking a conservative approach to consequence classification (see Appendix for additional detail). Our definitions for consequence classification align with the Tailings Standard except as outlined below.

- If there is one or more permanent Population at Risk (see Appendix) – including the public, employees, or contractors – the CFM is classified as Extreme. The Tailings Standard considers Population at Risk greater than 1,000 people to be classified as Extreme.
- If there is no permanent Population at Risk, but there is a transient Population at Risk (see Appendix), 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 (see Appendix).

Appropriate modeling of credible failure breach flow or slump runout scenarios is used to inform our understanding of potential consequences. In accordance with the Tailings Standard, we assign a TSF a consequence classification based on the highest consequences of CFMs for that TSF. The consequence classification is primarily used for communications and disclosure purposes. The TSF consequence classification is formally revisited when the Risk Assessment is updated.

Regardless of the TSF consequence classification, all of FCX's operating TSFs and Development TSFs are designed, analyzed, and operated using Extreme loading criteria. Design criteria for Inactive, Closed, and Safely Closed TSFs are informed by the Extreme loading criteria and assigned using the as low as reasonably practicable (ALARP) principle.

A risk assessment compares the outcomes of the risk analysis for existing conditions to determine if risks are within acceptable limits, whether existing risk reduction measures and controls are adequate, and what additional risk reduction measures should be considered (pursuant to the ICMM Tailings Management Good Practice Guide 2021). The risk of each CFM is reviewed following the ALARP principle. In some cases, the ALARP principle may not be satisfied, and further risk reduction measures to reduce the likelihood of occurrence or the potential adverse consequences may be required.

1.3.2 Risk Management

Based on learnings from the TSF risk assessment, our expert teams use engineering and operational controls to prevent, minimize, and / or mitigate risks to meet the ALARP principle. These controls include an ongoing focus on quality engineering design, construction, and operating discipline. Controls could include a buttress or other mitigating construction activity (e.g., foundation improvements, stormwater management enhancements). Additionally, part of managing risk is engaging with our host communities and external authorities to maintain a shared state of readiness through robust emergency preparedness and response planning for credible failure scenarios.

The risk assessment steps are repeated until the risk conforms to the ALARP principle and is followed by annual reviews and periodic TSF risk assessment updates.

1.3.3 Surveillance and Review

Surveillance and review in our RIDM program include activities as outlined in our Operations Maintenance and Surveillance Manual (OMS). 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.

1.4 Approach to TSF Safety Performance Reviews

The TMS programs and their results are reviewed and evaluated for effectiveness regularly as part of routine operations and in focused performance reviews.

Internal and external reviews enhance confidence in safe tailings management, helping to confirm each TSF is performing in accordance with the design intent and to support informed decision making.

The following multifaceted review mechanisms are in accordance with the ICMM Tailings Management Good Practice Guide and satisfy the requirements of the Tailings Standard.

- **Annual Performance Review:** Each year, all TMS activities are reviewed to evaluate overall TSF performance and are documented and serve as a record of tailings analyses, design, construction, inspections, and monitoring results from the preceding year with references to supporting documentation. The review summarizes key findings and assesses the cumulative impact of activities and changes to the TSF. The EoR provides an overall conclusion about the performance of each TSF and provides recommendations if deviances from the design intent or good practice are found. Opportunities are identified to improve or optimize TSF performance or other TMS activities. Where material changes have occurred, recommendations are made to update the design basis, performance objectives and monitoring criteria, or other OMS activities as relevant. Actions taken to address recommendations and open recommendations are summarized in the following year's annual performance review.
- **TST Inspection:** This inspection is a review of TSFs and supporting infrastructure with a focus on TSF safety. The TST inspects all TSFs, identifies potentially significant deficiencies, recommends corrective actions, and verifies that recommended actions were completed through acceptable measures. The TST performs annual inspections of all Active and select Inactive or Closed TSFs. Inspections of other Inactive/Closed TSFs occur every one to three years, depending on risk profile, status of ongoing care and maintenance programs, progress towards safe closure, and whether TSFs are in a drained condition.
- **ITRB Review:** The ITRB comprises a group of third-party experts that independently reviews and assesses design, construction, and tailings management practices for the applicable North and South America TSFs. The ITRB holds periodic meetings that are as often as bi-annually, but typically these meetings will be held no less frequent than quadrennially for Development, Active, and Inactive TSFs, and slightly less frequent for Safely Closed TSFs, to review information from significant field investigations and geotechnical and hydrotechnical analyses, progress on recommendations, and otherwise provides input on technical or operational issues. The RTFE and site team work collaboratively with the EoR to develop an action plan to address each recommendation.
- **TMS Implementation Assessment:** This periodic review typically occurs approximately every four years, depending on several factors, and is conducted 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. The RTFE and site team develop actions plans and schedules to incorporate the recommendations.

For disclosure purposes, a material finding for TSF Safety Performance Review means that the finding would result in:

- A significant update to the TSF design and/or design criteria, operations, or monitoring system; and/or
- Activation of the Emergency Preparedness and Response Plan (EPRP).

In addition to review processes with the EoR and independent reviewers, regulatory or permit driven reviews are defined based on site- and TSF-specific factors.

2.0 Sierrita TSFs

This report presents a summary of the 2023 Annual Performance Review and other pertinent information for the TSFs at Freeport-McMoRan Sierrita Inc. (Sierrita). The reporting period is January 1, 2023, to December 31, 2023, unless otherwise noted. This summary provides information per Tailings Standard Requirement 15.1.

2.1 Description of Sierrita Mine, Mill and TSF Areas

This section describes the Sierrita operations, including general background on the site, history of the mining and milling operations, and details on the TSFs.

Sierrita is an active copper and molybdenum mine located in Pima County, Arizona, approximately 32 kilometers south of the City of Tucson and approximately 11 kilometers west of the Town of Green Valley. Mining at Sierrita dates to the early 1900s. Sporadic underground mining of high-grade base and precious metal veins was conducted beginning in 1907. Facilities at Sierrita, previously Phelps Dodge Sierrita, Inc., and before that Cyprus Sierrita Corporation, include conventional crushing and flotation followed by differential flotation, leaching and roasting of molybdenum disulfide, molybdenum disulfide production and packaging, molybdenum trioxide production and packaging, leach stockpiles, and solution extraction/electrowinning facilities. Sierrita has two TSFs – the inactive Esperanza Tailings Impoundment (ETI) and the active Sierrita Tailings Impoundment (STI) as listed in Table 1 and shown on Figure 3. The mining complex is owned and operated by Sierrita, a wholly owned subsidiary of FCX. Corporate employees of FCX provide technical services and support to Sierrita, which owns and operates the TSFs.

The ETI is located approximately 2.4 kilometers east of the Sierrita mill. The impoundment covers an estimated 2.3 square kilometers and currently abuts the northwest side of the STI. The ETI has an approximate maximum crest elevation of 1,070 meters. At the maximum section, the downstream dam toe is located at an approximate elevation of 1,030 meters, resulting in a maximum dam height of approximately 40 meters measured from crest to downstream toe. The ETI was raised using the upstream construction method. Tailings deposition was initiated at ETI on a continuous basis from approximately 1959 through 1971 and from 1973 through 1974. Intermittent deposition occurred from 1974 until 1992. During 1991 and 1992, tailings from the nearby Twin Buttes mine were deposited in the western half of the ETI. These tailings were generated from the oxide plant where the original Twin Buttes mine tailings had passed through an agitative leaching process. The ETI was taken out of operation in 1992.

The STI is located approximately 0.8 kilometers west of the westernmost extent of Green Valley, Arizona, approximately 6.3 kilometers southeast of the mill site and immediately and east of the ETI. The STI is contiguous with the inactive ETI that forms the northwest edge of the facility, as shown on Figure 3. Tailings deposition at STI was initiated in 1970 and continues to date. Deposition has raised the embankment so that both abutments are now in contact with the ETI. An embankment, called the ETI/STI Tie-In, is constructed across a portion of the ETI. The STI is constructed using the header and spigot upstream construction method, while the ETI/STI Tie-In embankment is constructed using the centerline method. The STI is partially divided (by the central divider dike) into two deposition areas referred to as the North Dam and South Dam. Tailings deposition is alternated between the North and South Dams. Process water is collected by barge-mounted pumps located near the middle of the reclaim pond and returned to the mill for reuse.

Sierrita is on the eastern flank of the Sierrita Mountains in the Tucson Basin portion of the Basin and Range physiographic province. The impoundment is founded on a broad, gently sloping (approximately 2%) Quaternary and late Tertiary alluvial plain, which was deposited from streams emanating from the Sierrita Mountains, located approximately 8 kilometers to the west. The regional climate is characterized as arid steppe or arid desert by the Köppen-Geiger classification system. The average precipitation is approximately 34 centimeters. Precipitation occurs primarily during monsoon season from June 15th through September 30th with July typically being the wettest month of the year. The 30-year temperature is an average low of approximately 2 degrees Celsius (°C) in January and December to an average high of 37 °C in June. The annual average maximum temperature is approximately 27 °C (PRISM Climate group for 1991-2020). The calculated 10-year annual average potential evapotranspiration from 2014 to 2023 at both the Sahuarita AZMet station and the Tucson AZMet station is 180 centimeters. The seismic hazard is characterized as low to moderate even at the long return period of 10,000 years. The seismic hazard is controlled by background earthquakes at return periods up to 10,000 years and by the Santa Rita fault at longer return periods.

Table 1. Sierrita TSFs*

Name	Location	Status*	Description
ETI	31°51'46.17"N 111°4'10.69"W	Inactive	Initial deposition at the ETI started in 1959. It was decommissioned in 1992. ETI is located northwest of the STI. Several tailings delivery support infrastructures, such as the pump station and delivery pipelines, are located on top of the ETI.
STI	31°50'50.21"N 111°2'46.71"W	Active	Initial deposition at the STI started in 1970. It is the only active tailings storage facility at Sierrita. The STI abuts the ETI on the northwest. The ETI/STI Tie-In embankment is constructed on the ETI to allow the STI to be raised above the ETI.

* See Section 1.1 for description of "Status."

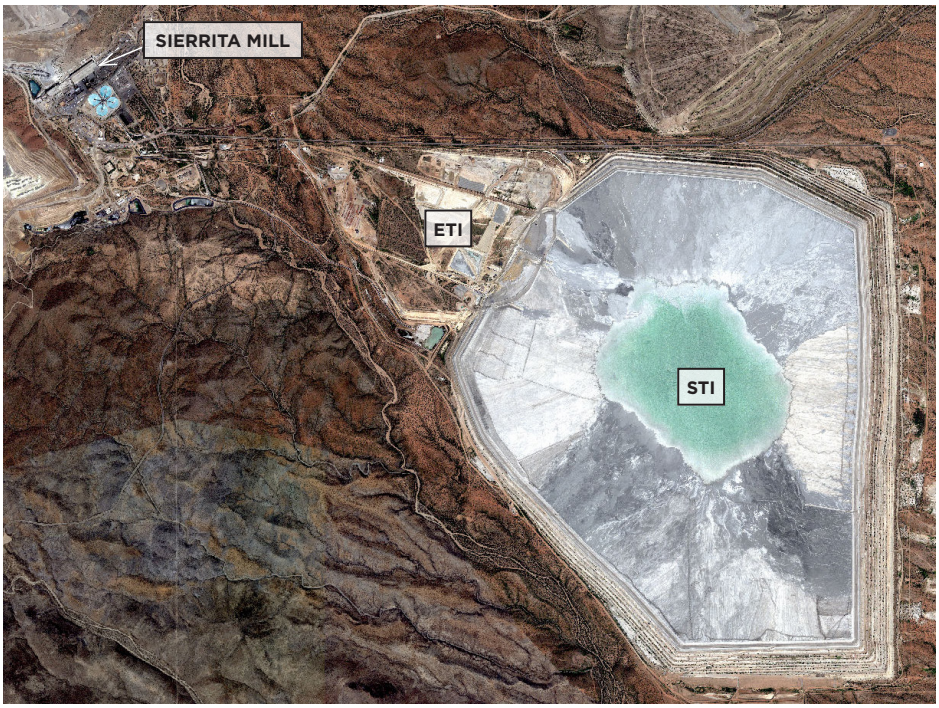


Figure 3. Sierrita Layout (June 2024).

2.2 Tailings Facility Design

This section presents a summary of the design for the Sierrita TSFs, including construction means and methods, through the TSF lifecycle. The Sierrita TSFs' designs are based on assessment of potential risks, site conditions, water management, mine plan of operations, social and environmental impact studies, economic feasibility, and geotechnical evaluations. The design and operation of the Sierrita TSFs are regularly reassessed and updated to reduce risk and increase robustness. The updates are based on informed decisions accomplished through the regularly scheduled enhancements to instrumentation and geotechnical investigation data, regular inspections, instrumentation and operational monitoring, and geotechnical performance evaluations.

TSF designs and analyses are conducted by the site's EoR. Based on available documents, the EoR's company and its predecessors have been involved with supporting the Sierrita TSF since the initial design effort in the 1960s.

The ETI was designed and constructed using upstream raise methods with approximate exterior slopes of 3.6H:1V. Based on historic aerial photographs, there appears to have been a starter dam constructed out of local borrow material, located on the south, east, and north sides of the ETI. The starter dam was extended further west as the impoundment was raised. After operations ceased, the top surface of the impoundment was subdivided by constructing earthen berms creating a tiered interior surface with elevations ranging from 1,067 to 1,084 meters. Approximately 60% of the interior surface was reclaimed with vegetation ranging from selected grasses to local drought-resistant trees. Most of the tailings surface was covered with approximately 30 centimeters of alluvial soil to mitigate fugitive dust. Cattle were stockaded at various times in the past in the capped area to facilitate generation of soils that are hospitable to vegetation growth. Currently, the west end of the ETI is used as a pipe lay-down yard, equipment storage, maintenance shop and office space. The tailings delivery line (TDL) to the STI is installed across the ETI to a tailings pump station, also located on the ETI. From the pump station, the north and south TDLs extend on the ETI to the North and South Dams of the STI. Several ponds also have been constructed on the top surface of the ETI.

The STI is the only active TSF at Sierrita and is constructed using the upstream construction method, except along the contact with the ETI, where a centerline embankment is progressively constructed along a portion of the top of the ETI crest and beach. Tailings deposition on the STI was initiated behind an earth fill starter dam, east of the ETI. The starter dam was constructed of a homogenous mixture of onsite alluvial material. The original starter dam trends in the north-south direction and has a maximum height of approximately 21 meters. The starter dam was constructed with a 1.5H:1V upstream slope and a 2H:1V downstream slope. A 4.6 meter wide and 1.5-meter deep keyway trench was excavated beneath the starter dam along its alignment. Tailings were initially cyclones during the first phases of the operation up to the elevation of the starter dam. The coarse fraction was deposited over the face of the starter dam and the fine overflow was deposited in the interior. Once the interior elevation reached the starter dam, cyclones were discontinued, and upstream construction was implemented for subsequent raises. The STI was constructed with 24-meter benches at every 12 meter height with 1.5H:1V intermediate slopes and an overall outer slope of no steeper than 3H:1V. As the STI was raised, both of its abutments connected to the ETI, and eventually, the ETI/STI Tie-In embankment was constructed to continue raising the STI above the ETI's elevation. In 2019, the bench width was increased to 36 meters to flatten the overall slope to 3.5H:1V at closure. The upstream construction method results in a relatively coarse free-draining sand shell with fine grained tailings deposited into the impoundment. The current design includes:

- Low raise rates in the order of 2 meters per year (rate at which the tailings impoundment surface rises due to tailings deposition) support stable performance of the TSF.
- Tailings operations practices that maintain the edge of the supernatant pond, at least 609 meters from the upstream crest at all times.

- The stability of the upstream TSF is dependent on conservative characterization of the structural zone and foundation materials, and pore pressure of the tailings materials in the structural zone.
- Downward drainage through the alluvium foundation that transport seepage below the TSF. The depth of groundwater at the toe of the TSF on the east is over 100 meters.

Sierrita operates and maintains a series of groundwater wells located east of the STI that capture impacted groundwater and return it to the mill. Select design information for the Sierrita TSFs is included in Table 2.

As described in Section 1, the Sierrita TSFs are actively monitored for performance and periodically re-evaluated for stability.

The closure strategy includes the following concepts:

- Re-contouring the surface of the TSFs to reduce ponding and promote evaporation of direct precipitation.
- Constructing engineered covers on the top of the TSFs to minimize infiltration from precipitation and prevent erosion.
- Providing slope protection for erosion control.
- Revegetating with native plant mixes for evapo-transpiration and erosion control.
- Managing surface water run-off by routing off the TSF with the intent to minimize infiltration on the reclaimed surface and preventing erosion.

Table 2. Select Design Information for Sierrita TSFs as of December 31, 2023

	ETI	STI
Primary Construction Material	Tailings	Tailings
Construction Method	Upstream	Upstream*
Tailings Embankment Downstream Slope (H:V)	Maximum of 3:1	Maximum of 3:1
December 2023 Embankment Height (meters)	32	131
Stored Tailings (million metric tons)	60	1,903
Permitted Capacity (million metric tons)	60	2,770
Inflow Design Flood[2]	PMF	PMF
Safety Evaluation Earthquake	1/10,000-year annual exceedance probability	1/10,000-year annual exceedance probability

* The Upstream method is used everywhere except at the ETI/STI Tie-In where the centerline method is used

[2] "Probable Maximum Precipitation" (PMP) or "Probable Maximum Flood" (PMF) are terms often used to denote extreme hydrological events. Analyses show that the Sierrita TSFs' available capacity exceed the "Extreme" external flood design criteria for required capacity as referenced in the Tailings Standard and applicable regulations. The potential impacts of climate change are considered when evaluating robustness of designs.

2.3 Risk Assessment, Impact Assessment, and Consequence Classification

This section provides a summary of risk assessment findings for the Sierrita TSFs, consequence classification, and a summary of impact assessments, human exposure and vulnerability to credible failure scenarios.

In accordance with ICMM and the Tailings Standard, comprehensive risk assessments for the STI and ETI were completed in January 2023 and August 2023, respectively. The risk assessments were presented to the ITRB. Our risk assessment process is described in Section 1.3.1.

Using information collected over the life of the Sierrita TSFs, a multi-disciplinary stakeholder group – including the RTFE, EoR, and other internal stakeholders – led by an expert risk assessment facilitator, initially identified a total of 91 potentially credible failure modes for both the ETI and STI through semi-quantitative risk analysis workshops.

Extensive engineering, monitoring and instrumentation, operational practices, analyses (geotechnical and hydrotechnical), field investigations, and laboratory test data were reviewed and used to analyze each potentially credible failure mode, understand how the potential failure may occur, what factors exist that make the potential failure mode more or less likely to occur, and determine which are CFMs. Ultimately, the group determined there were four CFMs for the STI and zero for the ETI.

These CFMs were further analyzed to determine their impact and the consequence classification of the TSF. As summarized in Table 3, the STI's consequence classification is "Significant" based on a slump runout due to the CFM with the highest potential consequences. There were no CFMs for the ETI and therefore there is no corresponding consequence classification. See the Appendix for the consequence classification flowchart and matrix, as well as the likelihood categorization matrix.

The annual review of the risk process for the STI and ETI was completed in May 2024. The review was conducted with the RTFE, EoR, and site tailings engineers. Previously completed risk assessments were used to identify what preventative and mitigative controls and surveillance and monitoring measures should be in-place for each credible failure mode. Risk management controls and surveillance measures were verified to be in-place.

Revisions to three Credible Failure Modes for STI were discussed and documented based on new information and closure of an ALARP item. The consequences of one CFM were changed to include transient PAR, one CFM was determined to be Not Technically Feasible Based Upon Current Analysis, and one was classified as a maintenance item. There were no actions/ recommendations generated from the review for ETI.

Table 3. Credible Failure Scenarios (Modes and Consequences) as of December 2023

TSF	Credible Failure Scenario	Likelihood	Consequence	Potential Impact
STI	Slope instability at east embankment leads to failure and release of tailings	Remote - Low	Significant	Site personnel at risk (transient population at risk) Environmental impacts
STI	Existing abandoned reclaim barge return water line introduces water in to the ETI/STI Tie-In embankment, leads to embankment failure	N/A*	N/A	N/A
STI	Tailings delivery line ruptures and leads to release of tailings	Very high	Low	N/A**
STI	Earthquake severs Tailings delivery lines leading to release of tailings	Moderate	Low	Environmental
ETI	None	N/A	N/A	No credible failure scenarios

*ALARP measure was completed. This CFM is classified as Not Technically Feasible Based Upon Current Analysis.

** The consequences of this CFM do not result in any type of instability or release of tailings off site. This is classified as a maintenance item.

The risk assessment considered whether there are any measures needed to minimize risk to ALARP. The risk of each CFM was evaluated following the ALARP principle. Resulting actions are summarized in Section 2.6.

Potential consequences in the event of a CFM were informed by a slump runout model of the failure at a location on the east slope. Sierrita plans to update the risk assessment when there is a material change to the TSFs or an update to the social and economic context characterized by the social baseline study.

2.4 ERP

The Emergency Response Plan (ERP) was updated in 2023. The update was developed using the CFMs in Table 3 and the associated slump runout analysis. Based on the risk assessment, Sierrita TSFs have no CFMs that could have off-site impacts. Therefore, Sierrita does not require an Emergency Preparedness and Response Plan (EPRP) co-developed with local emergency management agencies and the broader community.

The ERP is updated annually and is informed by the results of the TSFs risk assessment, which is updated triennially. Appropriate personnel participated in a tabletop exercise in March 2022. The ERP was updated to incorporate the lessons from the tabletop exercise. Employees and contractors were trained on the ERP in 2023 and 2024.

2.5 Dates of Most Recent and Next Independent Reviews

Per Sierrita's OMS, its internal site engineers perform routine inspections. The RTFE and multiple levels of internal leadership, as well as the EoR, receive monthly early indicator reporting for review. The AE reviews summaries of the quarterly early indicator reporting.

The EoR conducted quarterly inspections and data reviews and provided a detailed 2023 annual performance review with input from the RTFE, site engineers, and operators.

In addition, FCX's TST, led by the third-party reviewer, completed an annual inspection and data review of the Sierrita TSFs in December 2023. For context, the TST began its regular inspections at Sierrita in 2004. The next annual inspection is planned for December 2024.

The ITRB for Sierrita TSFs is engaged in periodic reviews over the TSF lifecycle. The most recent ITRB quadrennial review was conducted in 2021. The ITRB for the Sierrita TSFs was initially engaged in 2013 and has held multiple quadrennial and update review meetings with Sierrita. In 2023, the ITRB for the Sierrita TSFs was updated in both February and June. The next ITRB quadrennial review is planned for 2025.

The most recent Tailings Management System Implementation Assessment was completed in 2024.

2.6 Material Findings from TSF Safety Performance Reviews of the Sierrita TSFs and Mitigations to Reach ALARP

As described in Section 1.4, FCX and its subsidiaries conduct multifaceted reviews of TSF safety. Reviews consider annual performance data, observations, and documentation and provide conclusions on the overall performance of the TSF. Reviews may result in TSF Safety Performance material[3] findings as defined in Section 1.4.

Sierrita TSFs did not receive any material findings during the 2023 review process. Further, the ERP was not activated in relation to the Sierrita TSFs in 2023.

Sierrita TSFs met design intent and performed within expectations in 2023 based on the multifaceted dam safety reviews and the annual performance review completed by FCX and the EoR. Several operational and sustaining projects were ongoing or completed in 2023 to support continued safe operation.

The risk of each CFM was reviewed following the ALARP principle. Risk reduction measures were identified and implemented or ongoing including:

- Sierrita developed a Standard Operating Procedure (SOP) specifically to address the means and methods for properly abandoning reclaim water pipes from the barges located on the middle of the TSF. The SOP mitigates the potential for the abandoned pipes to act as conduits for water from the reclaim pond to the embankment or foundation of the ETI/STI Tie-In embankment.
- Sierrita evaluated methods to reduce and mitigate pressure spikes in the tailings header and spigot system. Projects to reduce the risk to ALARP associated with this CFM are ongoing.

The completion of these risk reduction measures are expected to demonstrate that the Sierrita TSFs meet the ALARP principle and that additional risk reduction measures are not expected to be required. Although projects to meet the ALARP principle were identified and are in progress, periodic Sierrita TSF risk assessment updates and annual reviews will be performed as summarized in Section 1.3.

[3] As used in this report, the term "material" is based on a different definition of materiality than used in U.S. federal securities laws and regulations and other legal regimes. Please refer to Cautionary Statement on Page 19 of this report.

2.7 Material Findings of Annual Performance Review of Environmental and Social Monitoring Programs

Social and environmental monitoring programs were completed and reported per the FCX requirements as well as regulatory requirements. The Sierrita TSFs are regulated under the Aquifer Protection Permit (APP) Program administered by the Arizona Department of Environmental Quality (ADEQ).

The Social Performance Management System (SPMS) is an internal system designed to drive increased communications and coordination across operations and various other functions of the business to help ensure that the actual or potential social impacts of any of our activities are eliminated, managed, or mitigated and performance is continuously improved.

The SPMS monitoring program included community related grievances; a human rights impact assessment (HRIA) (conducted for the five active Arizona operations in 2021-2022); ongoing engagement, dialogue, and feedback with the community; and a social baseline study to characterize the social and economic conditions of the areas proximate to the Sierrita TSFs. This monitoring program aimed to determine vulnerabilities and potential human rights issues, particularly those associated with identified CFMs, as well as provide the necessary contextual information to inform future decisions about the TSFs for the continued protection of public safety. Further, the SPMS monitoring program included identification of social risks associated with the Sierrita TSFs via TSF-specific and site risk register processes.

The Arizona Operations HRIA, the community grievance mechanism, and ongoing stakeholder engagement identify dust emissions, often linked to high winds generating dust in the region as a negative impact that Sierrita manages in accordance with regulatory requirements, including opacity limits under its air permit. While this does not constitute a material finding resulting from the SPMS monitoring program, Sierrita strives to continuously improve the effectiveness of its dust control measures and evaluate additional measures for its operations. On August 6, 2024, Sierrita had its first ADEQ reportable dust event in nearly three years. The tailings dust traveled across Duval Mine Road (a public road) but did not reach any nearby communities. No community grievances were received, and the event was determined to be non-material as defined in the SPMS monitoring program. There were no SPMS-related material findings[4] in 2023 and none to date in 2024.

The Environmental Management System (EMS) includes monitoring and management of water, air quality, soil quality, vegetation, and wildlife, as well as waste generated by Sierrita. There were no material findings[5] resulting from the EMS monitoring program, no material environmental changes associated with the Sierrita TSFs, and no material environmental impacts due to events during the year.

2.8 Confirmation of Adequate Financial Capacity

As stated in our 2023 **Annual Report on Form 10-K for the year-ended December 31, 2023** we have the financial capacity to meet current estimated lifecycle costs, including estimated closure, post-closure, and reclamation obligations associated with our TSFs.

[4] As used in this report, a material social performance finding is identified from social performance monitoring and reviews of aspects related to or impacted by TSFs. Material findings may be caused by a material change in the local social, economic, or environmental context (including climate) that would reasonably be expected to have a significant effect on the quality of life or stability of the local community, or any change in the business or operation (or its assets, liabilities, or capital) that would reasonably be expected to have a significant effect on the nature of the operation and/or its positive or negative effects and impacts on the local community and/or others affected by the project.

[5] As used in this report, a material environmental finding or material finding resulting from a review of environmental monitoring is information that is identified from environmental monitoring and audits of TSFs that may have a significant consequence to human health or the environment, a significant legal component, or a significant operational impact.

CAUTIONARY STATEMENT

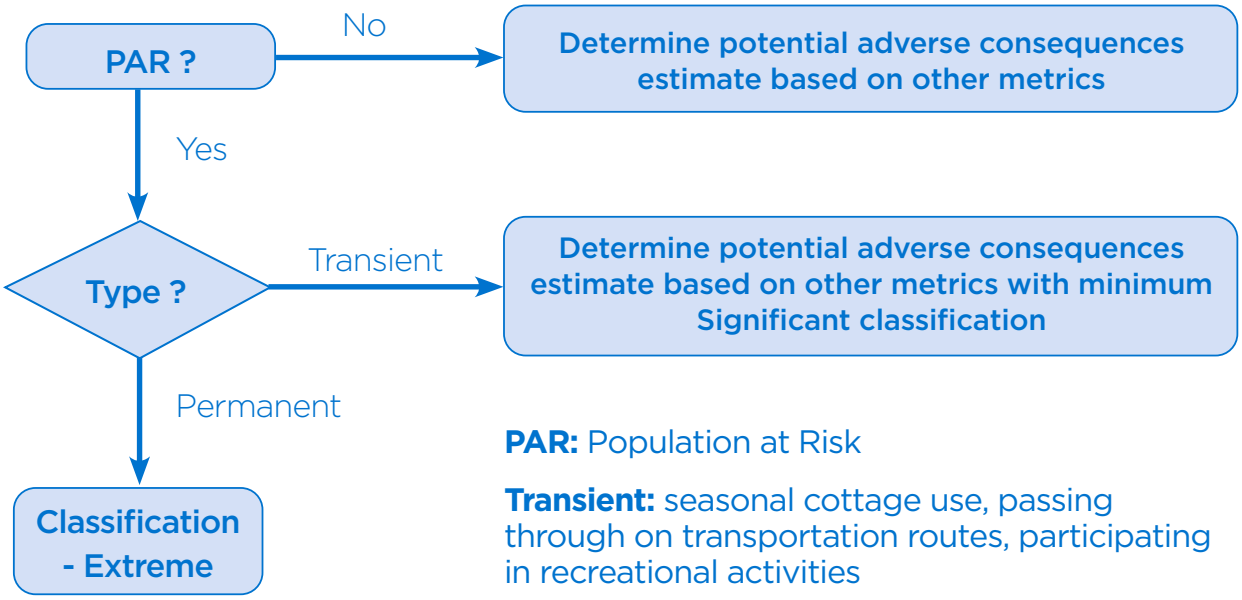
This report contains forward-looking statements. Forward-looking statements are all statements other than statements of historical facts, such as plans, projections, expectations, targets, objectives, strategies, or goals relating to TSF-related performance, operations, risks, and projects, and the underlying assumptions and estimated impacts on our business and stakeholders related thereto; future risk mitigation; our continuing commitment to safe and reliable operations; our commitment to operating our TSFs in conformance with the Tailings Standard; the anticipated benefits of the Tailings Standard, including improved tailings management practices across the industry and reduced risks to people and the environment due to TSF failures; our commitment to ensuring our TSFs meet global best practice standards for safety; our tailings management programs, standards, and practices, including with respect to engineering, inspection, and surety; closure or divestment of certain operations or TSFs, including associated costs; improvements in operating procedures and technology innovations relating to tailings management; anticipated tailings production; anticipated productive lives of TSFs; post-closure liabilities; regulatory developments; and our commitment to deliver responsibly produced copper and molybdenum, including plans to implement, validate, and maintain validation of our operating sites under specific frameworks. The words "anticipates," "may," "can," "plans," "believes," "efforts," "estimates," "expects," "seeks," "goals," "strategy," "objective," "projects," "targets," "intends," "likely," "will," "should," "could," "to be," "potential," "assumptions," "guidance," "forecasts," "future," "commitments," "initiatives," "opportunities," and any similar expressions are intended to identify those assertions as forward-looking statements. We caution readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, expected, projected or assumed in the forward-looking statements. Important factors that can cause our actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, the factors described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission (SEC), as updated by our subsequent filings with the SEC, and available on our website at **fcx.com**.

Many of the assumptions upon which our forward-looking statements are based are likely to change after the forward-looking statements are made. Further, we may make changes to our business plans that could affect our results. We undertake no obligation to update any forward-looking statements, which speak only as of the date made, notwithstanding any changes in our assumptions, changes in business plans, actual experience, or other changes.

This report contains statements based on hypothetical scenarios and assumptions, and these statements should not be viewed as representative of current risks or forecasts of expected risks. Any third-party scenarios discussed in this report reflect the modeling assumptions and outputs of their respective authors, and their use or inclusion herein is not an endorsement of their underlying assumptions, likelihood, or probability. While certain matters discussed in this report may be significant and relevant to our investors, any significance should not be read as rising to the level of materiality for purposes of complying with the U.S. federal securities laws and regulations or the disclosure requirements of the SEC. The goals and projects described in this report are aspirational; as such, no guarantees or promises are made that these goals and projects will be met or successfully executed.

Appendix: Consequence of Failure Classification

Flowchart for Population at Risk (PAR)



PAR: Population at Risk

Transient: seasonal cottage use, passing through on transportation routes, participating in recreational activities

Permanent: household, commercial and/or mine site work offices or facilities

Other Metrics

Consequence Classification	Incremental Losses		
	Environmental	Health, Social and Cultural	Infrastructure and Economics
Low	Minimal short-term loss or deterioration of habitat or rare and endangered species.	Minimal effects and disruption of business and livelihoods. No measurable effect on human health. No disruption of heritage, recreation, community or cultural assets.	Low economic losses: area contains limited infrastructure or services. <US$1,000,000.
Significant	No significant loss or deterioration of habitat. Potential contamination of livestock / fauna water supply with no health effects. Process water has low potential toxicity. Tailings not potentially acid generating and have low neutral leaching potential. Restoration possible within 1 to 5 years.	Significant disruption of business, service or social dislocation. Low likelihood of loss of regional heritage, recreation, community, or cultural assets. Low likelihood of health effects.	Losses to recreational facilities, seasonal workplaces, and infrequently used transportation routes.
High	Significant loss or deterioration of critical habitat or rare and endangered species. Potential contamination of livestock / fauna water supply with no health effects. Process water moderately toxic. Low potential for acid rock drainage or metal leaching effects of released tailings. Potential area of impact 10-20 square kilometers. Restoration possible but difficult and could take > 5 years.	500-1,000 people affected by disruption of business, services or social dislocation. Disruption of regional heritage, recreation, community or cultural assets. Potential for short-term human health effects.	High economic losses affecting infrastructure, public transportation, commercial facilities or employment. Moderate relocation / compensation to communities. <US$100,000,000.
Very High	Major loss or deterioration of critical habitat or rare and endangered species. Process water is highly toxic. High potential for acid rock drainage or metal leaching effects from released tailings. Potential area of impact is >20 square kilometers. Restoration or compensation possible but difficult and requires a long time (5-20 years).	1,000 people affected by disruption of business, services, or social dislocation for more than one year. Significant loss of national heritage, community, or cultural assets. Potential for significant long-term human health effects.	Very high economic losses affecting important infrastructure or services (e.g. highway, industrial facility, storage facilities for dangerous substances) or employment. High relocation / compensation to communities. <US$1,000,000,000.
Extreme	Catastrophic loss of critical habitat or rare and endangered species. Process water is highly toxic. Very high potential for acid rock drainage or metal leaching effects from released tailings. Potential area of impact >20 square kilometers. Restoration or compensation in kind impossible or requires a long time (>20 years).	5,000 people affected by disruption of business, services or social dislocation for years. Significant national heritage or community facilities or cultural assets destroyed. Potential for severe and/ or long-term human health effects.	Extreme economic losses affecting critical infrastructure or services (e.g. hospital, major industrial complex, major storage facilities for dangerous substances) or employment. Very high relocation / compensation to communities and very high social readjustment costs. >US$1,000,000,000.

Likelihood Categorization

Failure Likelihood Categories	
Likelihood	**Description**
Very High	There is direct evidence or substantial indirect evidence to suggest it has initiated or is likely to occur in the near future. The annual failure likelihood is more frequent than 1/1,000.
High	The fundamental condition or defect is known to exist; indirect evidence suggests it is plausible; and key evidence is weighted more heavily toward more likely than less likely. The annual failure likelihood is between 1/1,000 and 1/10,000.
Moderate	The fundamental condition of defect is known to exist; indirect evidence suggests it is plausible; and key evidence is weighted more heavily toward less likely than more likely. The annual failure likelihood is between 1/10,000 and 1/100,000.
Low	The possibility cannot be ruled out, but there is no compelling evidence to suggest it has occurred or that a condition or flaw exists that could lead to initiation. The annual failure likelihood is between 1/100,000 and 1/1,000,000.
Remote	Several events must occur concurrently or in series to cause failure, and most, if not all, have negligible likelihood such that failure likelihood is negligible. The annual failure likelihood is more remote than 1/1,000,000

US Army Corps of Engineers (USACE) and US Bureau of Reclamation (USBR). Best Practices in Dam and Levee Safety Risk Analysis. Version 4.0, July 2019.

ANNEX 1: Acronym Definitions

AE	Accountable Executive
ALARP	As Low As Reasonably Practicable
CDA	Canadian Dam Association
CFM	Credible Failure Mode
EoR	Engineer of Record
EMS	Environmental Management System
EPRP	Emergency Preparedness and Response Plan
ERP	Emergency Response Plan
FCX	Freeport-McMoRan Inc.
ICMM	International Council on Mining and Metals
ITRB	Independent Tailings Review Board
OMS	Operations, Maintenance and Surveillance
RIDM	Risk Informed Decision Making
RTFE	Responsible Tailings Facility Engineer
SPMS	Social Performance Management System
Tailings Standard	Global Industry Standard on Tailings Management
TMS	Tailings Management System
TMSIA	Tailings Management System Implementation Assessment
TSF	Tailings Storage Facility
TST	Tailings Stewardship Team

END OF THE DOCUMENT