

January 17, 2024

(Via e-mail)

Attn: Tamara Johndrow, PE
Director Tailings, Crushed Leach and Water
Freeport-McMoRan Inc.

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

Georgia Lysay, P.Eng.
Director Tailings, Crushed Leach and Water
Freeport-McMoRan Inc.

Stuart Teuscher
General Manager – Henderson Operations
Climax Molybdenum Company

Samuel Saunders, PE
Chief Geotechnical Engineer – Tailings and Water
Climax Molybdenum Company

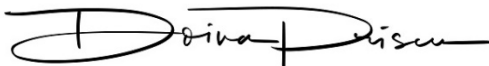
Dear Tamara,

RE: Freeport-McMoRan Inc. (“FCX”)
Climax Molybdenum Company – Henderson Operations (“Henderson”)
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 verification for Climax Molybdenum Company – Henderson Operations tailings storage facility took place on December 11 and 12, 2023, with a site visit completed on October 13 and 14, 2022. A final full report was submitted to Freeport-McMoRan inc. (“FCX”) on January 17, 2024, 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 Climax Molybdenum Company – Henderson Operations, Henderson Tailings Storage Facility (the “TSF”), located about 42 miles west of Denver, Colorado, United States, in accordance with the scope as agreed by PACE and FCX. The Assurance Verification took place on December 11 and 12, 2023, with a final full report submitted to FCX on January 17, 2024.

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 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 made during the site visit, prepared by FCX’s operational team, to assist PACE in understanding Henderson’s operational concepts at its TSF.
- An independent gap analysis and site visit (the “Site Visit”) by PACE representatives of the TSF and its 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 on October 13 and 14, 2022.
- An informational presentation session given by FCX to PACE representatives on December 11 and 12, 2023, regarding the 77 Requirements, and how they apply to this TSF. Each Requirement (and associated Criteria from the ICMM Conformance Protocol) included a reference to one or more documents, or to a section of a report, 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. Henderson 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 Henderson management team.

Completion of this Assurance Verification did not exclusively rely on the self-assessment completed by FCX and Henderson operation teams. Such self-assessments were used in the context of guiding the overall process and streamlining the discussions and the evaluations. PACE team conducted its own independent evaluations and reviews of the evidence and documentation presented by FCX. To that extent, the process should be considered a

third-party independent assurance verification, equivalent to, or more comprehensive than a validation.

Description of Conformance Levels

The ICMM Conformance Protocols (May 2021) use a similar approach to demonstrating conformance with GISTM as those presented in the ICMM Assurance and Validation Procedure document (updated June 2023). The possible outcomes for the third-party independent assurance 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 TSF, since all Requirements are equally weighted. Henderson TSF conformance levels are summarized as follows:

Meets	Partially Meets	Does Not Meet	N/A	Applicable req's	Total no. of req's
67 (100%)	0 (0%)	0 (0%)	10	67 100%	77

The above requirements were evaluated for the Henderson TSF overall, comprising mainly of 1-Dam and 3-Dam, as the structures are located very close to each other (adjacent), interconnected, and part of the same governance program, operational activities, risk management, and water management plan. The Conformance therefore reflects the results for the Henderson TSF as a whole, and a single report is therefore issued for this TSF.

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 the PACE team 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 Henderson.
- Requirement 3.3: requirement relates to assessing impacts of NEW facilities. There are no new facilities at Henderson.
- Requirement 5.1: requirement relates to multi-criteria alternatives analysis including the use of tailings technologies in the design of a new tailings facility. There are no new facilities or expansions at Henderson.
- Requirement 5.8: this requirement relates to the unavoidable community pre-emptive/involuntary resettlement. This does not apply as there are no catastrophic failure modes of Henderson TSF, and no potential community impacts.
- Requirement 13.4: this requirement relates to FCX providing immediate response to save lives, supply humanitarian aid and minimise environmental harm from a TSF failure. This is not applicable as there are no catastrophic failure modes associated with Henderson TSF.
- Requirements 14.1, 14.2, 14.3, 14.4 and 14.5: requirements relate to potential impacts from a catastrophic tailings facility failure, assessments of impacts, supporting survival needs for community members, implementing restoration and recovery plans, and involving affected people in recovery and ongoing monitoring activities. These requirements are not applicable as there are no catastrophic failure modes associated with Henderson TSF, and no potential for life-threatening impacts on community members.

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 Henderson Operation.

PACE has not performed assurance procedures in respect 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 Henderson Tailings Storage Facility, 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 Henderson 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 the Limited 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

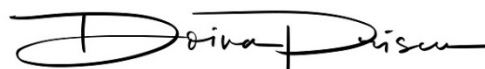
contract, in equity, in tort or otherwise) to any other person or entity whatsoever with respect to, resulting from, or in connection with, directly or indirectly, this Assurance Verification report, and no person or entity shall have any rights or claims (or basis for a claim) by virtue of this Limited 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 January 17, 2024, at West Vancouver, BC, Canada.



Doina Priscu, M.Eng, P.Eng (BC), F.E.C.
Project Manager

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.