BAGDAD MINE TAILINGS DISCLOSURE REPORT

JUNE 2026

FREEPORT-MCMORAN

Table of Contents

Summary of FCX's Approach to Tailings Management....3

Evolution of FCX's Tailings Management System and Implementation of the Tailings Standard....4

1.0 Our TMS....4

1.1 TSF Lifecycle....5

1.2 Governance Framework....6

1.3 Risk Informed Decision Making....8

1.3.1 TSF Risk Assessment and Consequence Classification....8

1.3.2 Risk Management....9

1.3.3 Surveillance and Review....10

1.4 Approach to TSF Safety Performance Reviews....10

2.0 Bagdad Mine TSFs....11

2.1 Description of the Bagdad Site and TSFs....11

Table 1. Bagdad TSFs....12

2.2 Tailings Facility Design....12

Table 2. Select Design Information for Bagdad TSFs as of December 31, 2025....14

2.3 Risk Assessment, Impact Assessment, and Consequence Classification....15

Table 3: Credible Failure Scenarios (Modes and Consequences) as of March 2026....16

2.4 ERP....17

2.5 Dates of Most Recent and Next Independent Reviews....17

2.6 Material Findings from TSF Safety Performance Reviews at Bagdad and Mitigations to Reach ALARP....17

Table 4. Summary of Material Findings from TSF Safety Performance Reviews....18

2.7 Material Findings of Annual Performance Review of Environmental and Social Monitoring Programs....18

2.8 Confirmation of Adequate Financial Capacity....19

CAUTIONARY STATEMENT....20

Appendix: Consequence of Failure Classification Flowchart for Population at Risk....21

Other Metrics....22

Likelihood Categorization....23

ANNEX 1: Acronym Definitions....24

Introduction

Freeport-McMoRan Inc. (FCX) is committed to transparency by ensuring relevant information regarding Tailings Storage Facilities (TSFs) at our operations is 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 annually publish and update information on applicable TSFs 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 earning and maintaining the trust of the communities and stakeholders where we operate. We strive to continuously manage, enhance and innovate our tailings management systems to minimize impacts on stakeholders and the environment. Recognizing that the failure of a TSF at any of our mining operations could cause severe harm, we operate with a bias for action by using appropriate management approaches and technologies to identify and address issues quickly to prevent and mitigate potential impacts at our TSFs. Our objective remains zero fatalities, zero catastrophic failures, and zero unplanned discharges. This objective is supported by robust governance and clear accountability.

Our **Tailings Management Policy** defines our continued commitment to the safe, responsible and effective management of TSFs across all sites and includes our commitment to implement the Tailings Standard at applicable TSFs. This policy is implemented in conjunction with our **Environmental**, **Human Rights**, and **Social Performance** policies and associated management systems. We are committed to providing the financial and technical resources necessary to maintain the safety and integrity of our tailings facilities.

Risk Informed Decision Making (RIDM) underpins our approach to tailings management. We conduct risk analyses and strengthen controls to minimize residual risks to as low as reasonably practicable, applying this discipline throughout the lifecycle of each TSF, from design and construction through operation and post-closure. Figure 1 depicts the safeguards incorporated in FCX's tailings management system, which is underpinned by RIDM.

Figure 1. FCX Tailings Management System Safeguards.

[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.

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

FCX established a tailings stewardship program more than 20 years ago, and it has evolved into a comprehensive Tailings Management System (TMS) that incorporates applicable regulations and international best practices, including the integration of the Tailings Standard.

Through the TMS, we promote continuous improvement at our TSFs. We systematically analyze potential failure modes, then work to eliminate or mitigate them to minimize the risk of failure scenarios associated with our TSFs.

FCX's TSFs are designed and managed throughout their lifecycles using an RIDM approach 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 reviewers, 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 consequence classification approach incorporates each TSF's detailed information and analysis that has been enhanced over the years to reduce uncertainties and 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 Section 1.3 and the Appendix for more information). For closed sites where no material risks remain, a "safe closure" designation is assigned, as described in Section 1.1.

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 we plan to update our disclosures as required by the Tailings Standard.

1.0 Our Tailings Management System

FCX has comprehensive measures in place to help ensure our TSFs are designed, built, operated, closed, and monitored/maintained to minimize risk to our workforce, communities, and the environment.

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:

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 that 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 and management of change

- Our TMS includes mechanisms for internal and external reviews, including reviews by internal subject matter experts, Responsible Tailings Facility Engineers (RTFEs), EoRs, the TST, and ITRBs. 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.
- We use a formalized management of change process to assess, control, and communicate changes that range from minor to material, as well as to handle temporary and permanent changes.

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

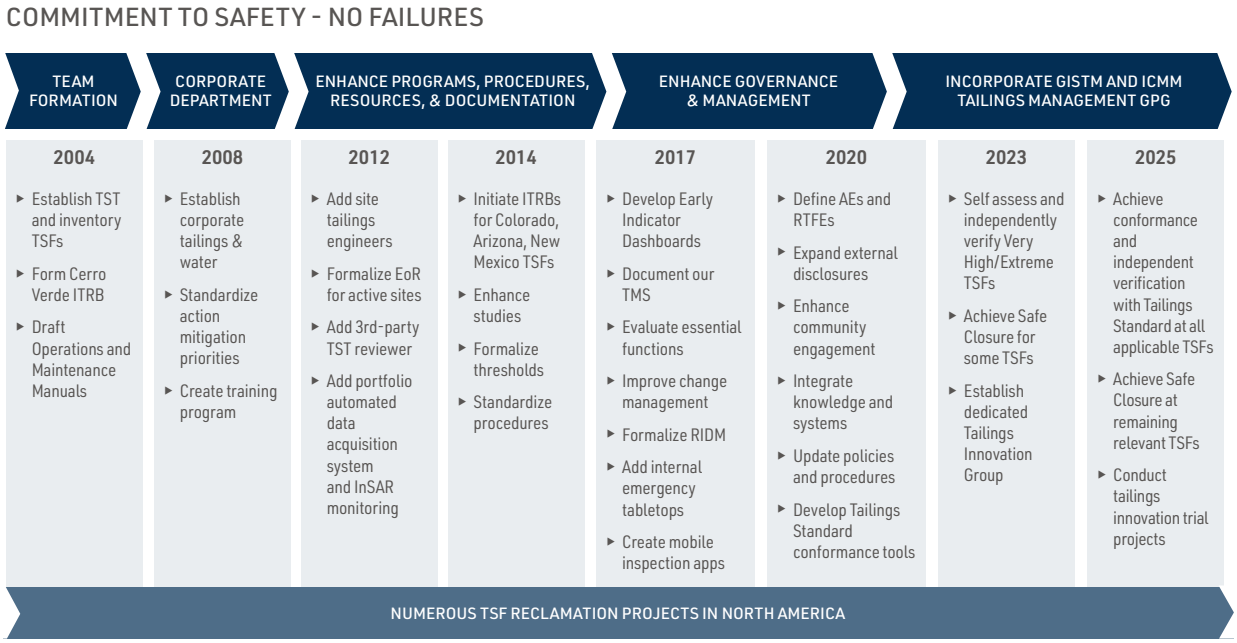


Figure 2. Tailings Stewardship & Management: A 20-Year Evolution.

1.1 Tailings Storage Facility Lifecycle

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

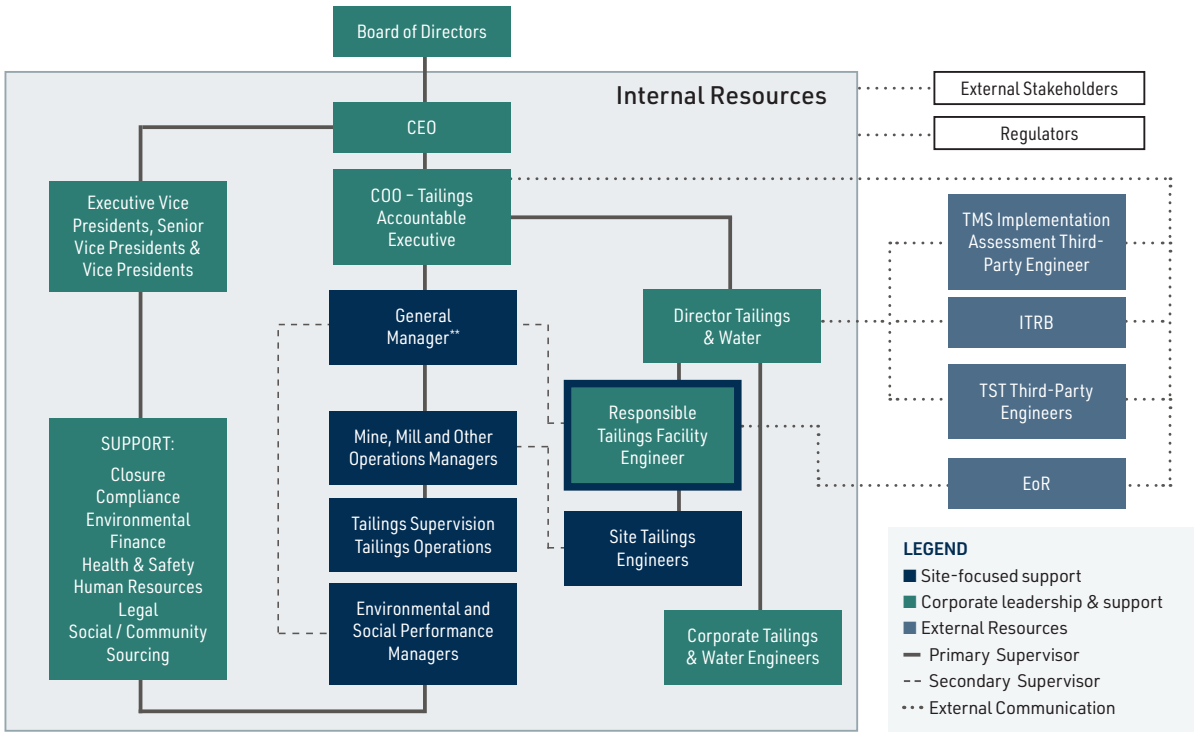
FCX provides the "Status" of our TSFs in our public disclosures as follows:

- **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/or senior independent reviewer) 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.

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 executive leadership and Board of Directors oversight as shown on Figure 3 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 or Director Tailings and Water may report to a Division Vice President or President who in turn reports to the COO-President Americas.

Figure 3. 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 the AE responsible for the integrity of assigned TSFs. The RTFE provides technical expertise, manages risk, and liaises with the EoR. 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.

2. 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.

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 Assessor:** 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.

4. Corporate Leadership and FCX Board Oversight

- **Corporate Leadership:** Leaders that 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.

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 an RIDM approach throughout the full lifecycle of each TSF, from design through post-closure. RIDM allows us to make informed decisions while linking the stability performance and risk level that is acceptable for the 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 Tailings Storage Facility Risk Assessment and Consequence Classification

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

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, social, economic, value chain, and other potential long-term sustainability and business risks. These risks are documented in the site's sustainability risk register; see the **FCX's 2025 Annual Report on Sustainability** for more information.

The TSF risk assessment is updated with our full stakeholder group and workshop process every three years for applicable TSFs, and approximately every six 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 credible failure modes more or less likely (considering the site-specific knowledge base, existing 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 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 Populations at Risk; environmental impacts; health, social, and cultural impacts; and infrastructure and economic impacts.

One of the ways FCX integrates safety into our tailings programs is 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 at least one permanently situated person at risk (permanent Population at Risk) – including the public, employees, or contractors – the CFM is classified as Extreme, whereas the Tailings Standard requires a Population at Risk (see Appendix) 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 consequence categorization 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 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 updated in 2025). 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 or stormwater management enhancements). Additionally, part of managing risk is engaging with our 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 (OMS) 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.

1.4 Approach to Tailings Storage Facility 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 documented to 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 not resolved by the end of the previous reporting period 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 reviews whether recommended actions were completed through acceptable measures. The TST performs annual inspections of all Active TSFs. Inspections of Inactive/Closed/Safely Closed TSFs occur every one to three years, depending on risk profile, status of ongoing care and maintenance programs, and progress towards safe closure.

- **ITRB Review:** The ITRB is comprised of a group of third-party experts that independently reviews and assesses design, construction, and tailings management practices for the applicable Americas TSFs. The ITRB holds periodic meetings as often as bi-annually, but no less frequently than quadrennially, for TSFs that are not Safely Closed. The ITRB meets at least every six years for Safely Closed TSFs. ITRBs review information from significant field investigations and geotechnical and hydrotechnical analyses, material maintenance activities or repairs, progress on recommendations, and otherwise provide 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 to six 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 structures to support proper management and operation for maintaining TSF structural integrity. The RTFE and site team develop action plans and schedules to incorporate the recommendations.

In this context, a material finding for a 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) or Emergency Response Plan (ERP) for an emergency event.

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 Bagdad Mine TSFs

This report presents a summary of the 2025 Annual Tailings Management Performance Review and other pertinent information for the TSFs at the Bagdad Mine. The reporting period is January 1, 2025, to December 31, 2025, unless otherwise noted. This summary provides information per Tailings Standard Requirement 15.1.

2.1 Description of the Bagdad Mine, Mill and TSFs

This section provides a description of the Bagdad Mine, Mill, and TSFs, including general background on the Bagdad Mine, history of operations, and details on each TSF.

The Bagdad Mine is an active site located in Yavapai County, Arizona. The Bagdad mining complex is owned and operated by Freeport-McMoRan Bagdad Incorporation (FMBI), an indirect, wholly owned subsidiary of FCX.

Ore mineralization was discovered in the Bagdad district as early as 1882. The Bagdad porphyry copper-molybdenum ore body is currently mined via open-pit methods. Processing facilities in use today began operating in 1977, with additional TSF expansion and incremental capacity increases over time. The mine currently has three existing TSFs (Mulholland, Mammoth and Upper Mammoth TSFs) and one TSF in development (Sycamore TSF) as listed in Table 1. Figure 4 shows the general layout of the TSFs.

The Bagdad Mine site is located in mountainous terrain with elevation ranging from 595 to 1,265 meters above sea level, with the Upper Mammoth TSF foundation located at an elevation of approximately 1,108 meters. In terms of seismicity, the Bagdad Mine is in the transition zone between the Colorado Plateau and the Southern Basin and Range Province in west-central Arizona, also known as the Central Highlands. Historically, this region has been characterized by a relatively low to moderate level of seismicity.

The habitats surrounding the Bagdad Mine include a mix of woodlands, shrubs, and grasses representing Upland Sonoran Desert scrub, Apacherian-Chihuahuan Desert species and Madrean savanna. The climate is characterized as an arid to semi-arid environment with warm to hot summers and rainfall averaging 35.6 centimeters per year. The majority of the rainfall occurs from July through September and from December through April, and the wettest month is typically August.

Table 1. Bagdad TSFs

Name	Location	Status*	Description
Mulholland TSF	34° 35′ 30.00″ N 113° 14′ 53.43″ W	Inactive	This is a centerline facility. Tailings deposition started in 1977 and ended in 1985. The TSF receives occasional nominal thickener bypass, water flows during mill outages and water from pit dewatering process. This TSF does not have depositional infrastructure, nor does Bagdad intend to raise the crest in the future.
Mammoth TSF	34° 35′ 0.79″ N 113° 16′ 13.28″ W	Active	This is a centerline facility with the last 15 meters being constructed using the upstream raised method. Tailings deposition started in 1985 and substantially ended in 2013. This TSF continues to receive limited deposition each year and is used during operational disruptions at the mill and to facilitate maintenance at other facilities.
Upper Mammoth TSF	34° 34′ 14.27″ N 113° 14′ 43.79″ W	Active	This TSF is a centerline constructed TSF commissioned in 2013 and operates as the primary active tailings facility at the Bagdad Mine. The embankment comprises centerline raises constructed using underflow tailings sand, supplemented by a secondary dam constructed of rockfill and raised using the centerline method.
Sycamore TSF	34° 35′ 16.3644″ N 113° 5′ 18.1104″ W	Development	The Sycamore TSF was permitted in 2023 as a centerline facility. Early works and bypass channel construction was initiated in 2023 and starter dam construction began in 2025.

* See Section 1.1 for description of "Status."

Figure 4. General Bagdad TSF Layout (December 2025)

2.2 Tailings Storage Facility Designs

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

The Bagdad TSF designs and analyses are overseen by the site's EoR. Based on available documents, the EoR's company and its predecessors have been involved with supporting the Bagdad TSFs since the early 2000s.

The main objectives of the existing TSF designs are:

- Provide a safe and effective TSF for routine and non-routine deposition from mill operations.
- Contain tailings in a manner that protects downstream receptors and the environment.
- Support mill operations by functioning as an integrated process water management facility, including storage and routing of reclaim water and operational overflows.
- Operate the active tailings storage facility to combine tailings deposition with water storage to meet production and water balance requirements.
- Meet or exceed FCX design criteria, Tailings Standard requirements, and applicable regulatory requirements.

The starter dams for the TSFs generally were composed of compacted, locally available construction materials for Mulholland and Mammoth TSFs and compacted underflow sand for the Upper Mammoth TSF. The TSFs were raised using a centerline raised cyclone underflow (coarse tailings) embankment and fine-grained overflow tailings impoundment upstream of the embankment. The last 15 meters of the Mammoth TSF are being constructed using the upstream raise method. For the active Upper Mammoth TSF, the main embankment is constructed with tailings sand that is deposited from cyclones mounted on a tailings delivery line jacking tower system located along the centerline crest, raising the TSF while maintaining the crest alignment above the starter dam. A centerline rockfill secondary dam provides containment on the north and east sides of Upper Mammoth TSF and is constructed with an average slope of 1.5 horizontal (H) to 1 vertical (V). The tailings underflow sand embankment for Upper Mammoth TSF is currently being constructed at a target 3H:1V slope. Underflow construction water and seepage from the impoundment are collected by a system of underdrains and seepage collection ponds.

The basis of design adopted for the Sycamore TSF is informed by the "Extreme" design loading criteria provided in the Tailings Standard. The starter dam for the Sycamore TSF is currently under construction and is generally composed of compacted, locally available construction materials. The Sycamore TSF is designed at a 3.5H:1V slope. Similar to the existing Bagdad TSFs, the Sycamore TSF is planned to be raised using a centerline raised cyclone underflow (coarse tailings) embankment and fine-grained overflow tailings impoundment upstream of the embankment. Underflow construction water and seepage from the impoundment is expected to be collected by a system of underdrains and seepage collection ponds. A water balance model, water management plan, and OMS manual and monitoring program were developed and are expected to be refined in subsequent design stages, finalized prior to commissioning of the facility, and integrated with the tailings management system developed for the existing Bagdad TSFs.

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

The closure strategy applies to all TSFs, including the Sycamore TSF under development, and includes the following planned concepts:

- The general closure concept for the Bagdad TSFs includes reclaimed landforms with a cover system that limits net infiltration and creates a self-sustaining ecosystem capable of supporting vegetation to mimic the natural, local ecological and wildlife context.
- For the Mulholland and Sycamore TSFs, storms up to the Probable Maximum Flood (PMF) will be stored on lined areas with the intent to minimize infiltration and promote evaporation on the reclaimed surface. Spillways are included for robustness and flexibility.

- For the Mammoth and Upper Mammoth TSFs, storms up to the PMF will be routed off the TSFs via spillways with the intent to minimize net infiltration on the reclaimed surface.
- For all TSFs, the top surface and side slope diversion channels will convey runoff off the embankments or to armored down chutes and energy dissipation structures at the base of the TSFs.
- Point of compliance wells from the operational period will be used to monitor closure and post-closure performance of the TSFs.
- Long-term seepage will be addressed by continued management of seepage throughout the drain down period.

Select design information for Bagdad TSFs is included in Table 2.

Table 2. Select Design Information for Bagdad TSFs as of December 31, 2025

	Upper Mammoth TSF	Mulholland TSF	Mammoth TSF	Sycamore TSF
Primary Construction Material	Cycloned underflow sand from whole tailings. Starter dam is constructed of compacted underflow sand and there is a rockfill dam constructed with local construction material.	Cycloned underflow sand from whole tailings (planned for Sycamore). Starter dam is constructed of local construction material.		
Construction Method	Centerline	Centerline	Centerline with 15 meter upstream raise	Centerline
Tailings Embankment Downstream Slope (Horizontal Distance to Vertical Rise)	3H:1V	2.5H:1V	2.8H:1V	Starts with 4H:1V and finishes 3.5H:1V
Maximum Current Embankment Height/Elevation (meters)	109/1,209	128/1,114	259/1,097	N/A
Permitted Maximum Embankment Elevation (meters)	1,234	1,116	1,097	1,175
Stored Tailings (million metric tons)	335	109	597[2]	N/A
Permitted Capacity (million metric tons)	519	110	617	1,179
Inflow Design Flood[3]	PMF			
Safety Evaluation Earthquake	1/10,000-year annual exceedance probability			

[2] Value reported in the Bagdad Mine Tailings Disclosure Report published in August 2025 has been updated.

[3] "Probable Maximum Precipitation" (PMP) or "Probable Maximum Flood" (PMF) are terms often used to denote extreme hydrological events. The Bagdad TSFs' available capacity exceed the required capacity of "Extreme" external flood design criteria referenced in the Tailings Standard and applicable regulations. FCX considered the potential impacts of climate change 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 Bagdad TSFs, consequence classifications, as well as a summary of impact assessments and human exposure and vulnerability to credible failure scenarios.

In accordance with the Tailings Standard, a comprehensive risk assessment for the existing Bagdad TSFs was completed in March 2024 and presented to the ITRB, and an update on the Sycamore TSF was completed in early 2026. Our risk assessment process is described in Section 1.3.1.

Using information collected over many years and enhanced with recent updates to Bagdad's knowledge base, a multi-disciplinary stakeholder group, including the RTFE, EoR, and other internal stakeholders, led by an expert risk assessment facilitator, identified 64 potentially credible failure modes related to the existing Bagdad TSFs. The Sycamore TSF risk assessment identified 85 potentially credible failure modes through a series of semi-quantitative risk analyses workshops.

Extensive engineering, monitoring and instrumentation, operational practices, analyses (geotechnical and hydrotechnical), and field and laboratory testing data were reviewed and utilized 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 analyze and determine which are CFMs. Ultimately, the group determined that there were six CFMs among the existing Bagdad TSFs during the 2024 assessment. As part of the design evolution, careful construction and rigorous quality assurance and quality control, the number of CFMs for the Sycamore TSF was reduced from eight to four in the 2025 reporting period as compared to 2024.

The CFMs were further analyzed to assess if they could result in flow of material, also known as a credible flow failure scenario, to establish the consequence classification of each TSF. The consequence classifications for the existing Bagdad TSFs are "Significant" for Upper Mammoth TSF, "Low" for Mammoth TSF and "Not Applicable" for the Mulholland TSF. The Sycamore TSF has a consequence classification of "Significant" based on updated breach models and slump runout for the CFMs.

Multiple risk reduction measures were identified and implemented. A review of the risk assessment occurred in 2025 for existing TSFs. Six CFMs remain for the existing TSFs following the 2025 review.

As summarized in Table 3, none of the TSFs have a CFM that could result in a flow failure. Two existing Bagdad TSFs have CFMs that could lead to a slump runout. One existing Bagdad TSF had no CFMs. The Sycamore TSF had three CFMs that could lead to a slump runout and one CFM that could result in surface erosion. See the Appendix for the consequence classification flowchart and matrix as well as the likelihood categorization matrix.

Table 3. Credible Failure Scenarios (Modes and Consequences) as of March 2026

TSF	Credible Failure Scenario	Likelihood	Consequence	Potential Impact
Upper Mammoth	Unidentified weak zone causes slope instability and slump runout	Low	Significant	Transient (see Appendix) personnel infrequently at risk
Upper Mammoth	Underdrain failure increases phreatic surface causing slope instability and slump runout	Low	Significant	Transient personnel infrequently at risk
Upper Mammoth	Unidentified weak zone in rockfill dam causes slope instability and slump runout	Low	Significant	Transient personnel infrequently at risk
Upper Mammoth	Construction activity in narrow valley increases phreatic surface causing slope instability and slump runout	Moderate	Significant	Transient personnel infrequently at risk
Mammoth	Water backing up in pipe causes enlargement of the existing sinkhole	Low	Low	Environmental
Mammoth	Water backing up in pipe causes internal erosion	Low-Remote	Low	Environmental
Mulholland	None	N/A	N/A	No credible failure scenarios
Sycamore	Saturation of the underflow sand causes slope instability and slump runout	Low	Significant	Environmental, Transient personnel infrequently at risk
Sycamore	Saturation of the underflow sand during seismic event causes slope instability and slump runout	Low-Remote	Significant	Environmental, Transient personnel infrequently at risk
Sycamore	Underdrain failure increases phreatic surface causing slope instability and slump runout	Low-Remote	Significant	Environmental Transient personnel infrequently at risk
Sycamore	Tailings delivery line ruptures on the dam causing erosion	Low	Significant	Environmental

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 appropriate breach or slump runout models; the assessment of potential human exposure and vulnerability was most recently updated in 2024 for the three existing Bagdad TSFs and 2025 for the Sycamore TSF. We aim to update this assessment when there is a material change to any of the TSFs or an update to the knowledge base, including the social and economic context characterized by the social baseline study. Possible consequences may include impacts to Bagdad employees and contractors working on the Bagdad TSFs, or short-term impacts to the environment. All of the impacts would be limited to FMBI property.

2.4 Emergency Response Plan

The ERP is reviewed annually and is informed by the Bagdad TSFs' risk assessment. The ERP was developed using the CFMs in Table 3 and associated breach or slump analysis where applicable. The ERP was reviewed in 2025, and no updates were required. The risk assessment for the Bagdad TSFs did not identify CFMs that could result in off-site impacts; therefore, Bagdad does not require a separate EPRP, which would be co-developed with local emergency management agencies and the broader community.

A tabletop exercise to test the response procedures to a credible failure scenario was completed in October 2025, during which Bagdad employees, corporate employees and the EoR participated. Additional ERP training is conducted annually.

2.5 Dates of Most Recent and Next Independent Reviews

Per Bagdad's OMS manual, its internal site engineers performed routine inspections during the reporting period. The RTFE and multiple levels of internal leadership, as well as the EoR, received monthly early indicator reporting for review. The AE reviewed summaries of the quarterly early indicator reporting.

The EoR conducted quarterly inspections and data reviews and provided a detailed 2025 annual performance review with input from the RTFE, site engineers, and operators.

In addition, FCX's TST, led by a third-party reviewer, completed an annual inspection and data review of the existing Bagdad TSFs in March 2025. The next annual inspection is planned for May 2026 and will include the Sycamore TSF in addition to the existing TSFs at the Bagdad Mine.

The ITRB for the Bagdad TSFs is engaged in periodic reviews over the TSFs' lifecycles. The most recent ITRB comprehensive review for the existing TSFs was conducted in February 2025. Update meetings occurred in March 2025 for the Sycamore TSF and December 2025 for the existing TSFs. Following commissioning and initial operations of the facility, the first comprehensive ITRB review for the Sycamore TSF is planned for 2028 and the next comprehensive review for the existing TSFs is planned for 2029.

The most recent Tailings Management System Implementation Assessment was completed in 2023 for all TSFs, with the next review planned for 2027.

A summary of material findings from these inspections and reviews is presented in the following section.

2.6 Material Findings from TSF Safety Performance Reviews at Bagdad 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 TSFs. Reviews may result in TSF Safety Performance material[4] findings as defined in Section 1.4.

There was one new material finding identified in 2025, as described in Table 4, and no material findings carried over from previous reporting periods. There was one activation of the ERP for the Upper Mammoth TSF in 2025 as a level 1 event. After onsite inspection and a review of the information, the event passed to a "Maintenance" level.

[4] 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 or the disclosure requirements of the Securities and Exchange Commission (SEC). Please refer to Cautionary Statement on Page 19 of this report.

Table 4. Summary of Material Findings from TSF Safety Performance Reviews

TSF	Material Finding	Impact	Action Plan	Status
Upper Mammoth	Design modification of the northern area of the underflow sand embankment. Analysis found that pore pressures within this portion of the embankment are higher than anticipated during design and have potential to increase with ongoing facility construction.	Development of mitigation measures may be needed to proactively address this potential future condition.	During the reporting period, the EoR team and FMBI participated in an alternatives analysis and selected a preferred mitigation concept, developed a strategy for the preferred concept (Rockfill Support Zone with limited compaction), and made progress on a design, which is anticipated to be completed in 2026.	In progress

The existing Bagdad TSFs met the design intent and performed within expectations in 2025 based on the multifaceted dam safety reviews and the annual performance review completed by FCX and the EoR. Several operational and sustaining capital projects were ongoing or completed in 2025 to support continued safe operations.

The risk of each CFM was reviewed following the ALARP principle. The risk reduction measures that were identified through this process and that have been implemented, or are ongoing, include:

- Development of the design of a Rockfill Support Zone with limited underflow compaction, which is anticipated to be completed in 2026. Construction of the project is anticipated to start later in 2026 and will progress based on monitoring and ongoing construction of the Upper Mammoth TSF.

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

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

Social and environmental monitoring programs were completed and reported per company and regulatory requirements, as applicable. The Bagdad TSFs are subject to regulations administered by the Arizona Department of Environmental Quality (ADEQ).

FCX's Social Performance Management System (SPMS) is an internal system with the goal of driving consistent social performance, internal coordination, communication and accountability across operations and various other functions of the business to support the process of identifying and eliminating, managing or mitigating the actual or potential social impacts of any of our activities. The SPMS monitoring program includes community-related grievances; a human rights impact assessment (last conducted for the five Arizona operations in 2021-2022); ongoing engagement, dialogue, and feedback with the Population at Risk and the broader population of project-affected people; and a social baseline study to characterize the social and economic conditions, including potential vulnerabilities and human rights issues, of the areas proximate to the Bagdad TSFs to provide the necessary contextual information to inform future decisions about the TSFs for the continued protection of public safety. Further, the SPMS monitoring program includes identification of social risks associated with the

Bagdad TSFs via the TSF-specific and site risk register processes. There were no material social performance findings[5] from the SPMS monitoring program in 2025.

FCX's Environmental Management System (EMS) includes monitoring and management of water, air quality, soil quality, vegetation, and wildlife, as well as waste generated by Bagdad. There were no material environmental findings[6] resulting from the EMS monitoring program, no material environmental changes associated with the Bagdad TSFs, and no material environmental impacts due to events during 2025.

2.8 Adequate Financial Capacity

As stated in **FCX's 2025 Annual Report on Form 10-K**, we believe we have the financial capacity to meet current estimated lifecycle costs, including estimated closure, post-closure obligations associated with our TSFs.

[5] 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 other project-affected people.

[6] 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

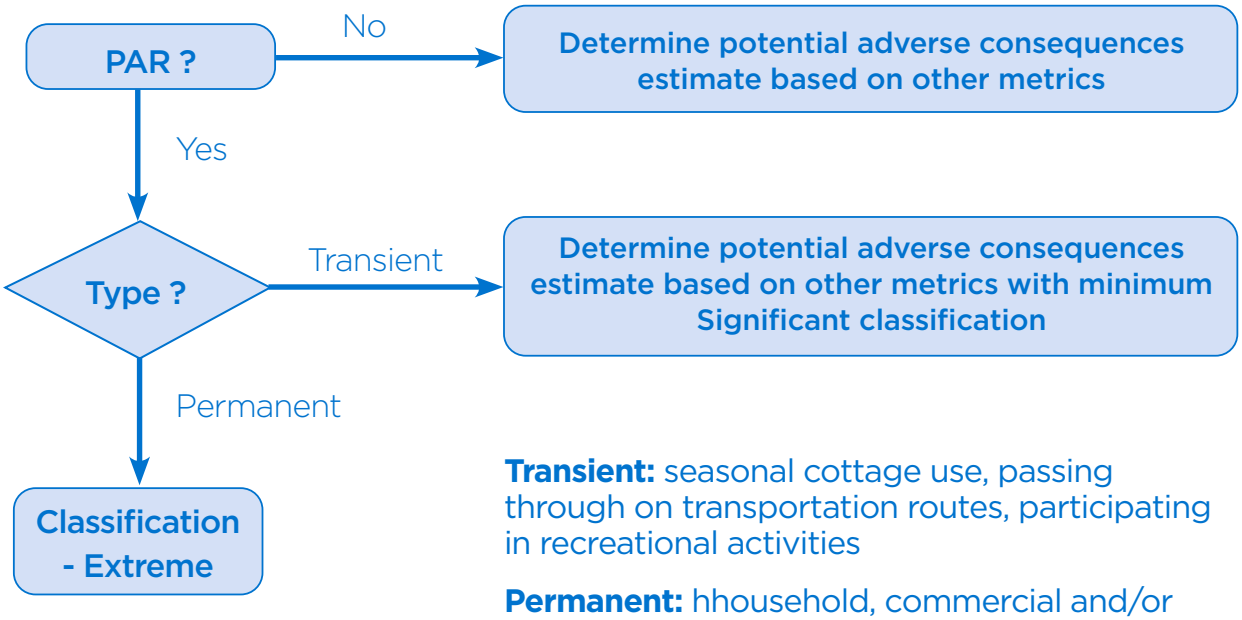
This report contains forward-looking statements. Forward-looking statements are all statements other than statements of historical facts, such as plans, projections, expectations, targets, objectives, strategies, commitments or goals relating to TSF-related performance, operations, risks, and projects, 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 and applications 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," "strives," "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. Goals and expected timing to achieve goals are subject to change without notice due to a number of factors. 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, 2025, 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)



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

Permanent: hhousehold, 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 to 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. <US$10,000,000.
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 re-leased 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 likeli-hood such that failure likelihood is negligible. The annual failure likelihood is more remote than 1/1,000,000.

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

ANNEX 1: Acronym Definitions

ADEQ	Arizona Department of Environmental Quality
AE	Accountable Executive
ALARP	As Low As Reasonably Practicable
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.
FMBI	Freeport-McMoRan Bagdad Incorporation
ICMM	International Council on Mining and Metals
ITRB	Independent Tailings Review Board
OMS	Operations, Maintenance and Surveillance
RIDM	Risk Informed Decision Making
PMF	Probable Maximum Flood
PMP	Probable Maximum Precipitation
RTFE	Responsible Tailings Facility Engineer
SPMS	Social Performance Management System
Tailings Standard	Global Industry Standard on Tailings Management
TMS	Tailings Management System
TSF	Tailings Storage Facility
TST	Tailings Stewardship Team

END OF THE DOCUMENT