

January 07, 2025

(Via e-mail)

Attn: Tamara Johndrow, P.E.
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.

John Wilmot
General Manager – Climax Operation
Climax Molybdenum Company, CO, USA

Mike Waldron, P.E.
Manager – Tailings & Water, Colorado Operations
Responsible Tailings Facility Engineer (RTFE)
Climax Molybdenum Company, CO, USA

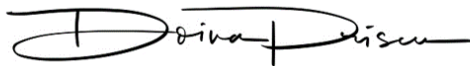
Dear Tamara,

RE: Freeport-McMoRan Inc. ("FCX")
Climax Molybdenum Company – Climax Operation, Colorado, United States
Abridged Version of the Full GISTM Independent Assurance Verification Report

Please find hereafter the final abridged version of the full report noted in the subject line. The GISTM independent verification for **Freeport-McMoRan Inc. (FCX)** Tailings Storage Facilities at Climax Operation took place from October 28 to 30, 2024. A final full report was submitted to FCX on January 7, 2025, 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 Inc. ("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 Operation's Tailings Storage Facilities (the "TSFs"), operated by Climax Molybdenum Company (Climax Operation) about 20 Km northeast of Leadville, Colorado, USA, in accordance with the scope as agreed by PACE and FCX. The Assurance Verification took place from October 28 to 30, 2024, with a final full report submitted to FCX on January 7, 2025.

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 "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 its engagements. The multi-step methodology used in the Assurance Verification included (among other) the following:

- An introductory session provided by Climax Operation 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.
- Several presentations made both prior (including a 2-hr pre-verification session) and during the site visit, prepared by FCX and Climax's operational team, to assist PACE in understanding Climax's operational concepts and key risks at its TSFs.
- An independent review of the FCX self-assessment, and site visit (the "Site Visit") by PACE representatives of the TSFs 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 28th, 2024, and included the three Climax TSFs.
- An on-site presentation session, given by Climax Operation staff and their consultants to PACE representatives, regarding the self-assessment based on the 77 Requirements, and how they apply to the three TSFs. 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 Climax, 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. Climax Operation did not require any action plan for the TSFs under this Verification.
- Submission of the signed-off Assurance Verification final reports to FCX's Accountable Executive and the Climax operation management team.

Completion of this Independent Assurance Verification did not exclusively rely on the self-assessment completed by FCX and Climax operational 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 any of the TSFs,

since all Requirements are equally weighted. The three facilities under this verification were **Mayflower TSF** (active), **Tenmile TSF** (active), and **Robinson TSF** (inactive). While the facilities were evaluated separately, the self-assessments, as well as the management teams, governance, risk management, and operations are very similar and supporting evidence was submitted in many situations jointly, for all TSFs.

Mayflower TSF and **Tenmile TSF** conformance levels are summarized as follows:

Meets	Partially Meets	Does Not Meet	N/A	Applicable req's	Total no. of req's
63 (100%)	0 (0%)	0 (0%)	14	63 (100%)	77

Robinson TSF conformance levels are summarized as follows:

Meets	Partially Meets	Does Not Meet	N/A	Applicable req's	Total no. of req's
66 (100%)	0 (0%)	0 (0%)	11	66 (100%)	77

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 Climax Operation.
- Requirements 2.3 and 2.4 (for Mayflower and Tenmile TSFs): requirement relate to dam breach analyses, and the potential vulnerability to TSF catastrophic credible failure modes, which are not present.
- Requirement 3.3: requirement relates to assessing impacts of NEW facilities. There are no new facilities at Climax Operation.
- Requirements 4.1 (for Mayflower and Tenmile TSFs only) and 4.2 (for all three TSFs): they relate to

consequence classification of the TSF, which do not apply given no credible failure scenarios.

- 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 Climax Operations.
- Requirement 5.8: this requirement relates to the unavoidable community pre-emptive/involuntary resettlement. This does not apply as there are no catastrophic credible failure modes at Climax Operation TSFs, and no potential community impacts.
- Requirement 13.3: this requirement relates to FCX and Climax Operation engaging with public sector agencies, and community focussed measures, as well as providing immediate response to save lives, supply humanitarian aid and minimise environmental harm from a TSF failure. These are not applicable as there are no catastrophic credible failure modes associated with the Climax Operation TSFs.
- Requirements 14.1, 14.2, 14.3, 14.4, and 14.5: requirements relate to preparing for long term recovery in the event of catastrophic failure and implementing recovery and restoration plans for potential impacts from a catastrophic tailings facility failure. These requirements are not applicable as there are no catastrophic failure modes associated with Climax Operation TSFs, 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 Climax Operations.

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 report prepared by PACE does not extend to any disclosures or assertions made by FCX relating to future performance of the Climax Operation TSFs, and does not imply, nor it is 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 quality of work completed by FCX and Climax operational 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 at the time the verification took place.

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.

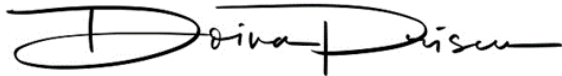
Neither PACE, nor its Directors, officers, shareholders, representatives, employees, contractors, agents or affiliates shall have any liability (whether under statute, in contract, in equity, in tort or otherwise) to any other person or entity whatsoever with respect to, resulting from, or in connection 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 always maintain impartiality 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 7, 2025, at Lake Country, BC, Canada.



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