FREEPORT-McMoRan

Freeport-McMoRan Chino Mines Company
P.O. Box 10
Bayard, NM 88023

July 24, 2025

Certified Mail # 70221670000184288202

Mr. Kevin Barnes
Energy, Minerals and Natural Resources Department (EMNRD)
Mining and Minerals Division (MMD)
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Barnes:

Re: Response to Request for Additional Information, Chino Main Entrance Project, Part 3 Exploration Permit Application, Permit No. GR096EM

Freeport-McMoRan Chino Mines Company (Chino) applied for a new Minimal Impact exploration permit, also known as the Chino Main Entrance Project. On June 25, 2025, Chino received comments on the application from the New Mexico Mining and Mineral Division and other state agencies. This letter provides responses to these combined comments. Below are the agency comments in italics followed by Chino's responses.

New Mexico Mining and Minerals Division (MMD)

1. *The estimated disturbance for this project is listed in the PAP as approximately 1.1 acres, but FMI has chosen to provide financial assurance for 5 acres to allow flexibility in the final alignment of access roads and drill pads. To allow this kind of flexibility, MMD requires that there is a limited project area where disturbance may occur, which is assumed to be the approximately 30-acre "Proposed Exploration Project Boundary" shown on Figure 2 of the PAP ("Project Area"). However, this limited project area must be fully surveyed for biological and cultural resources to allow MMD and consulting agencies adequate knowledge of the area that may be disturbed in their review of the proposed activities. Based on the materials submitted in the PAP and separately to NMDCA/HPD, it is not clear that the "Proposed Exploration Project Boundary" is adequately surveyed. Instead, survey boundaries vary from a stated 19-acre area in the Exploratory Drilling Biological Evaluation prepared by Westland Engineering & Environmental Services ("Westland") to a 9.92-acre area in A Cultural Resources Inventory of Three Drill Pad Locations West of Chino Mine, Grant County, New Mexico prepared by Westland and submitted to NMDCA/HPD ("Cultural Resource Report"). MMD requests that FMI provide additional documentation showing that the 30-acre Project Area has been adequately surveyed or select a different limited project area that is within the 9.92-acre area surveyed in the Cultural Resource Report. If a different limited project area is selected, FMI should provide sufficient maps and documentation of the extent of the area.*

   Chino's response: Please find attached the revised Figures 1, 2 and 2.1, which reflect the updated project area encompassing 9.5 acres that have been fully surveyed for cultural resources and received biological clearance. Please refer to this as the "permit area". The estimated disturbance for this project is approximately 1.1 acres. Chino will provide FA for 5 acres of disturbance to allow for flexibility within the 9.5-acre permit area.

NMED Mining Environmental Compliance Section, Ground Water Quality Bureau ("MECS")

1. *NMED requests Freeport-McMoRan Chino Mines Company incorporate all applicable groundwater elevation(s) and geologic data obtained from each borehole into the groundwater model required by Condition C109.B of Discharge Permit 376 dated March 12, 2024.*

   Chino's response: Chino agrees and appreciates the advice. Data gathered from the drilling will be incorporated into our groundwater model.

NMED Air Quality Bureau

1. *The New Mexico Mining Act of 1993 states that "Nothing in the New Mexico Mining Act shall supersede current or future requirements and standards of any other applicable federal or state law." Thus, the applicant is expected to comply with all requirements of federal and state laws pertaining to air quality. 20.2.15 NMAC, Pumice, Mica and Perlite Processing. Including 20.2.15.110 NMAC, Other Particulate Control: "The owner or operator of pumice, mica or perlite process equipment shall not permit, cause, suffer or allow any material to be handled, transported, stored or disposed of or a building or road to be used, constructed, altered or demolished without taking reasonable precautions to prevent particulate matter from becoming airborne." Paragraph (1) of Subsection A of 20.2.72.200 NMAC, Application for Construction, Modification, NSPS, and NESHAP - Permits and Revisions, states that air quality permits must be obtained by: "Any person constructing a stationary source which has a potential emission rate greater than 10 pounds per hour or 25 tons per year of any regulated air contaminant for which there is a National or New Mexico Ambient Air Quality Standard. If the specified threshold in this subsection is exceeded for any one regulated air contaminant, all regulated air contaminants with National or New Mexico Ambient Air Quality Standards emitted are subject to permit review." Further, Paragraph (3) of this subsection states that air quality permits must be obtained by: "Any person constructing or modifying any source or installing any equipment which is subject to 20.2.77 NMAC, New Source Performance Standards, 20.2.78 NMAC, Emission Standards for Hazardous Air Pollutants, or any other New Mexico Air Quality Control Regulation which contains emission limitations for any regulated air contaminant." Also, Paragraph (1) of Subsection A of 20.2.73.200 NMAC, Notice of Intent, states that: "Any owner or operator intending to construct a new stationary source which has a potential emission rate greater than 10 tons per year of any regulated air contaminant or 1 ton per year of lead shall file a notice of intent with the department." The above is not intended to be an exhaustive list of all requirements that could apply. The applicant should be aware that this evaluation does not supersede the requirements of any current federal or state air quality requirement.*

   Fugitive Dust

   Air emissions from this project should be evaluated to determine if an air quality permit is required pursuant to 20.2.72.200.A NMAC (e.g. 10 lb/hour or 25 TPY). Fugitive dust is a common problem at mining sites and this project will temporarily impact air quality as a result of these emissions. However, with the appropriate dust control measures in place, the increased levels should be minimal. Disturbed surface areas, within and adjacent to the project area, should be reclaimed to avoid long-term problems with erosion and fugitive dust. EPA's Compilation of Air Pollutant Emission Factors, AP-42, "Miscellaneous Sources" lists a variety of control strategies that can be included in a comprehensive facility dust control plan. A few possible control strategies are listed below: Paved roads: covering of loads in trucks to eliminate truck spillage, paving of access

areas to sites, vacuum sweeping, water flushing, and broom sweeping and flushing. Material handling: wind speed reduction and wet suppression, including watering and application of surfactants (wet suppression should not confound track out problems). Bulldozing: wet suppression of materials to "optimum moisture" for compaction. Scraping: wet suppression of scraper travel routes. Storage piles: enclosure or covering of piles, application of surfactants. Miscellaneous fugitive dust sources: watering, application of surfactants or reduction of surface wind speed with windbreaks or source enclosures.

Chino's response: Chino acknowledges the AQB's comments regarding relevant air quality regulations. Chino is not an owner or operator of pumice, mica, or perlite processing equipment and the requirements in 20.2.15 NMAC do not apply, Chino will comply with any applicable federal and state air regulations and requirements per 20.2 NMAC. Chino will implement dust control measures, as appropriate, to minimize the impacts of fugitive dust. The drilling plan incorporates the use of a water truck and fresh-water for the drilling methods.

NMED Surface Water Quality Bureau

1. *The proposed new roads and drill pads have the potential to affect two intermittent streams which are Surface Waters of the State (SWOTS). Operations must ensure compliance with General Criteria at 20.6.4.13 NMAC. "General criteria are established to sustain and protect existing or attainable uses of surface waters of the State. These general criteria apply to all surface waters of the state at all times. Surface waters of the State shall be free of any water contaminant in such quantity and of such duration as may with reasonable probability injure human health, animal or plant life or property, or unreasonably interfere with the public welfare or the use of property." (20.6.4.13 NMAC)*

   Chino's Response: We appreciate the guidance and will follow our storm and surface water management plans, and appropriate Best Management Practices (BMPs) to mitigate the potential for any surface water to carry sediment and debris from the drill pads and roads. We will ensure the appropriate controls are in place prior to drilling.

2. *The Applicant is required to report all unpermitted discharges and spills immediately after learning of such a discharge, and no more than 24 hours after the unpermitted discharge or spill, to the NMED as required by the New Mexico Water Quality Control Commission regulations (20.6.2.1203 NMAC). The minimum information required to be reported can be found at 20.6.2.1203.A.(1) NMAC. For non-emergencies during normal business hours, call 505- 428-2500. For non-emergencies after hours, call 866-428-6535 or 505-428-6535 (voice mail, twenty-four hours a day). For emergencies only, call 505- 827-9329 twenty-four hours a day (NM Dept of Public Safety). For spills that reach a SWOTS, including ephemeral streams, also report via email at SWQ.reporting@env.nm.gov.*

   Chino's Response: We appreciate this guidance and will follow the notification process described.

3. *In addition to the above regulatory standards, SWQB requires the following practices to avoid contamination and to protect surface water quality: • Utilize a secondary containment system for fuel, oil, hydraulic fluid, lubricants, and other petrochemicals to prevent spills. • Always keep appropriate spill clean-up materials such as absorbent pads on-site during road construction, site preparations, drilling and reclamation to address potential spills. • All mobile equipment used in the project area must be pressure washed and/or steam cleaned off-site*

before the start of the project to facilitate noxious weed management and inspected daily for leaks to ensure surface waters are protected from contaminants. Keep a written log of inspections and maintenance activities. • Implement Best Management Practices (BMPs) to prevent or mitigate direct impacts to watercourses, including springs, wetlands, and arroyos. For temporary surface disturbances during exploration and reclamation activities, implement erosion control measures that are designed, constructed and maintained professionally recognized standards (e.g., Natural Resource Conservation Service Standards or the Bureau of Land Management "Gold Book"1Install and maintain best management practices (BMPs) both during and after construction to prevent pollutants in stormwater runoff from entering SWOTS. • Comply with the guidelines described in the Bureau of Land Management "Gold Book"1 for the use of overland travel and site selection, design, and construction of well pads, reserve pits, and roads. Suspend construction, maintenance activities, or off-road travel during periods when the soil is too wet to adequately support heavy equipment without causing surface disturbance. • Ensure that stormwater entering the project area ("run-on") is diverted from soil storage piles and place piles uphill of excavation when possible. • Design and construct containment systems that are capable of retaining stormwater runoff from the mining area during precipitation events. The containment system should be sufficient in size to contain stormwater generated within its catchment area from a 100-year, 3-day storm event.

Chino's response: Chino has BMPs that are actively implemented and regularly reviewed by senior management and environmental professionals. Chino acknowledges and appreciates the comments made by the SWQB regarding BMPs. The practices referenced, along with additional measures, are implemented through Chino's Environmental Management System policies and procedures.

New Mexico Department of Game and Fish (NMDG&F)

1. *In Section C. Wildlife Protection/Noxious Weed Prevention, the permit application states that Freeport will use metal panels as perimeter fencing and to cover the mud pits. It also states that "stakes will be used to secure tarps". The Department would like clarification regarding how the mud pits will be covered. The Department would prefer the use of metal panels, instead of tarps, to more effectively prevent wildlife from accessing mud pits. This preference assumes that there would be no gaps left between the metal panels and the ground surface that would allow smaller animals to access the mud pits and become entrapped. The Department continues to recommend the use of a closed-loop drilling system. Closed-loop systems eliminate the need to build fences or install netting or similar materials to exclude wildlife from mud pits, reduce the amount of surface disturbance associated with the drill pad site, and consume significantly less water.*

   Chino's response: Chino appreciates the review and feedback provided by the NM Department of Game and Fish. Chino will install metal panels to enhance safety and restrict wildlife access to mud pits. Chino has determined that sealing gaps between the metal panels is not necessary. We have not encountered entrapped animals in active drilling mud pits when following the procedures described in our application.

2. *During drilling operations, it is also important to prevent wildlife from entering and becoming trapped in stockpiled drill pipes. Capping piping is the most effective way to prevent wildlife entry. At a minimum, the Department recommends that each section of pipe should be visually inspected prior to use to verify that wild animals are not inside.*

Chino's response: Chino appreciates the feedback provided by the NM Department of Game and Fish; we will inspect the drill pipes prior to use.

3. *To minimize the likelihood of adverse impacts to migratory birds, nests, eggs, or nestlings, the Department recommends that ground disturbance and vegetation removal activities be conducted outside of the primary migratory bird breeding season. This season runs from 15 April - 1 September for upland songbirds, willow flycatcher (Empidonax traillii), yellow-billed cuckoo (Coccyzus americanus), and other riparian songbirds; 1 March - 1 September for most raptors; 1 January - 15 July for golden eagle (Aquila chysaetos canadensis) and great horned owl (Bubo virginianus); and 1 March - 15 September for low-elevation deserts. If grounddisturbing and clearing activities must be conducted during the breeding season, the area should be surveyed for active nest sites (with birds or eggs present in the nesting territory) and avoid disturbing active nests until young have fledged. For active nests, establish adequate buffer zones to minimize disturbance to nesting birds. Buffer distances should be at least 100 feet from songbird and raven nests; 0.25 miles from most raptor nests; and 0.5 miles for ferruginous hawk (Buteo regalis), golden eagle, peregrine falcon (Falco peregrinus), and prairie falcon (Falco mexicanus) nests. Active nest sites in trees or shrubs that must be removed should be mitigated by qualified biologists or wildlife rehabilitators. Department biologists are available to consult on nest site mitigation and can facilitate contact with qualified personnel.*

   Chino's response: Chino will conduct nesting surveys prior to land disturbance. If any nests are identified during the surveys, appropriate adjustments will be made to mitigate impacts on wildlife and their habitats.

4. *The Department recommends that, to the maximum extent feasible, large mature trees be left undisturbed during road and drill pad construction. Tree species that should be left undisturbed include alligator juniper (Juniperus deppeana), piñon pine (Pinus edulis), and all species of oak (Quercus spp.).*

   Chino's response: Chino agrees with the agency and aims to avoid disturbance to large mature trees where possible.

Forestry Division

1. *Thank you for the opportunity to comment on the proposed exploratory project. Based on the application materials provided, I do not anticipate any impacts to New Mexico State or Federally listed plants as a result of this project. If any state-listed endangered plants are found within the project site, an incidental take permit will be required if plants are likely to be destroyed or harmed. Alternatively, mitigation measures should be developed to minimize disturbance. Additional information on permits and state-endangered plant species can be accessed at: https://www.emnrd.nm.gov/sfd/rare-plants/request-a-collection-permit/*

Chino's response: Chino appreciates the review and feedback provided by the Forestry Division. A rare plant survey has been completed in the project area. No rare plant species were identified during the assessment.

New Mexico State Historic Preservation Office

Chino appreciates the agency review of this project and confirmation that the project area does not contain listed cultural resources or those eligible for listing.

We appreciate your attention to this matter. If you have any questions or concerns, please contact me at (575) 694-0013 or Mariana Lafon at (575) 912-5234.

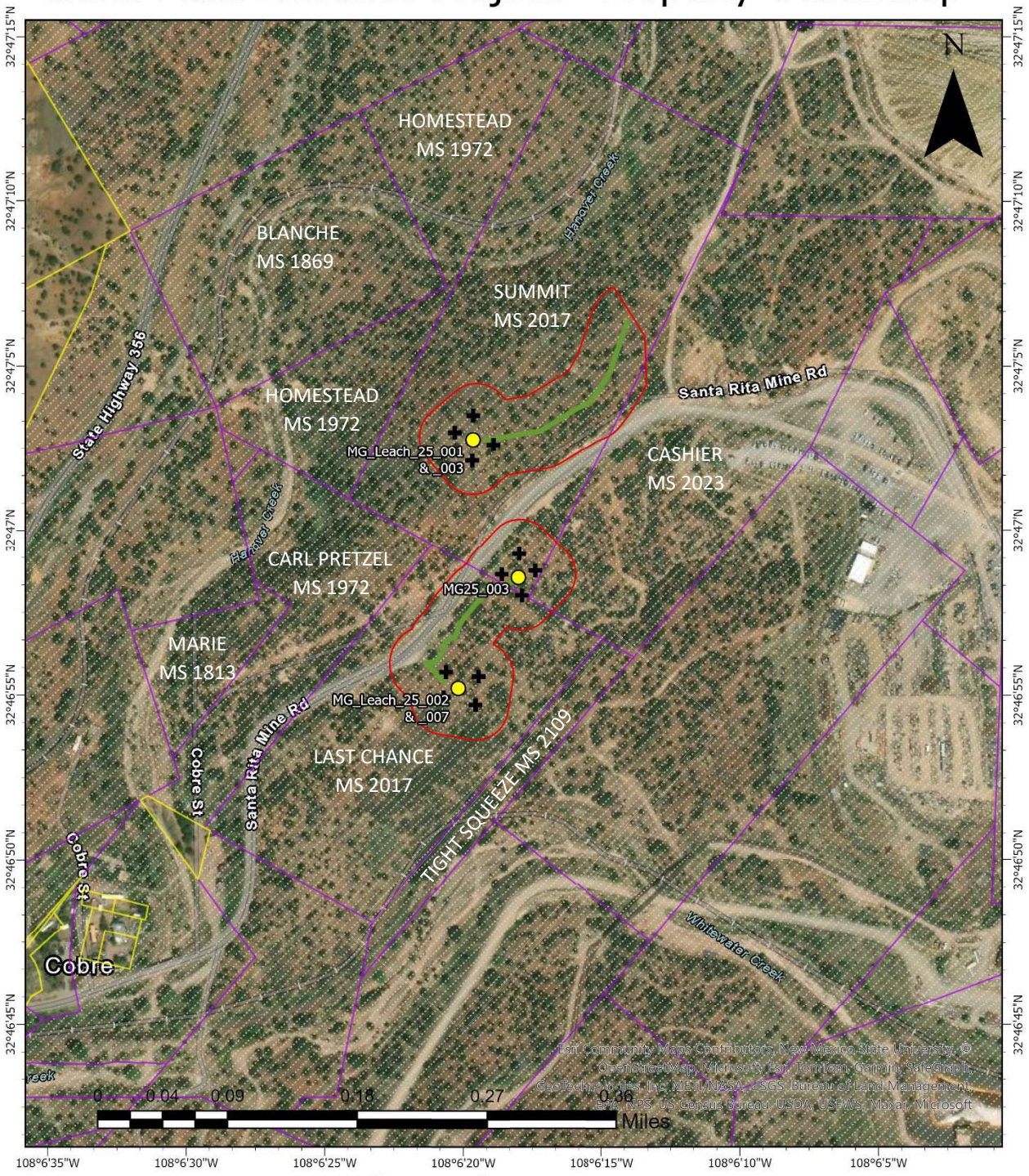
Sincerely,

Tyler R. Johnson, Chief Engineer
NMO Environmental Services

TRJ:ml
Enclosures
20250701-001

ec: David Ennis, MMD

Chino Main Entrance Project - Property Ownership



Legend

- Freeport
- Non-Freeport
- New Roads
- Permit Area
- Drillholes
- Drillpad Corners

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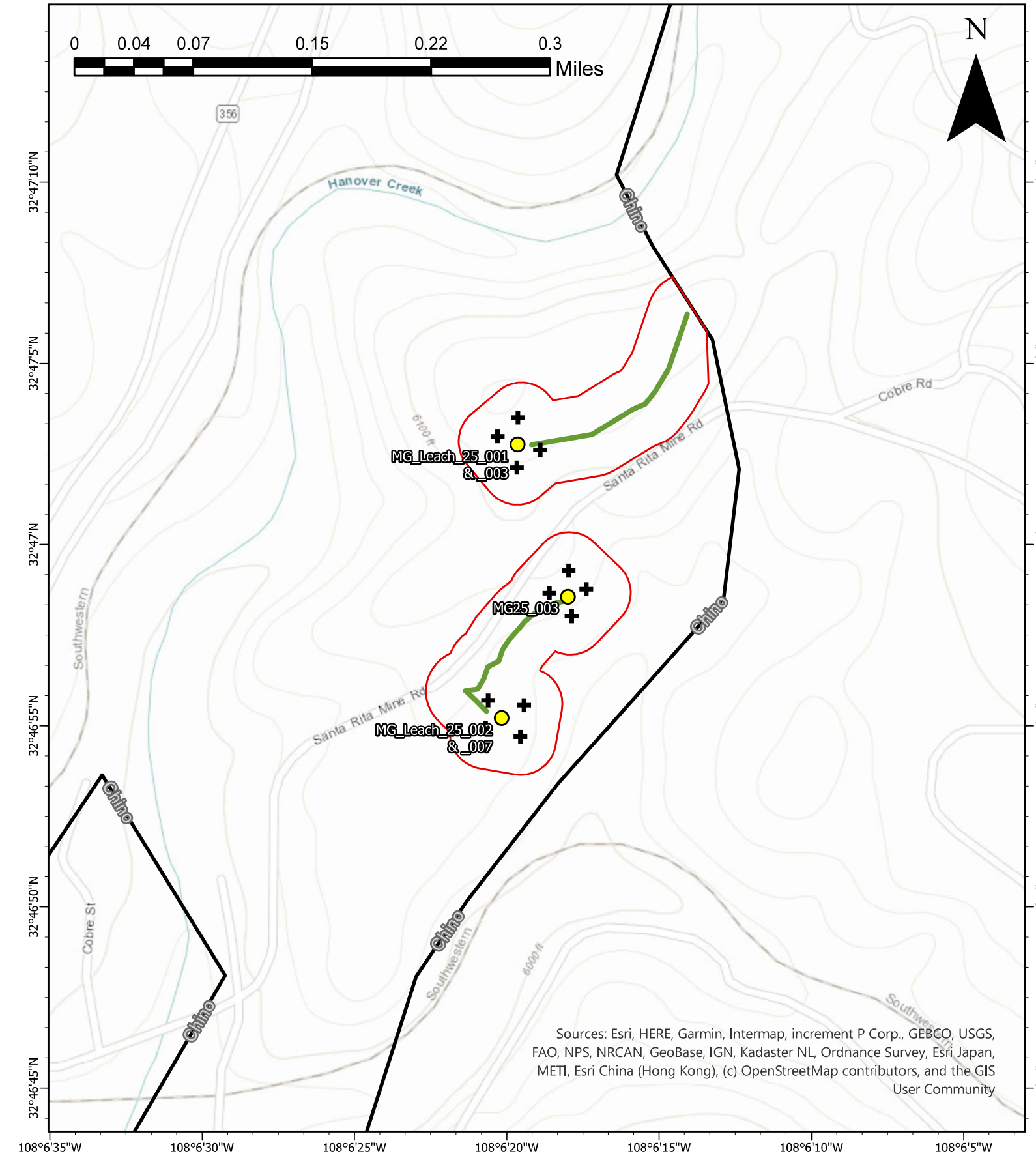
Figure 1

Exploration Project - Chino Main Entrance



Legend

- Drillpad Corners
- Drillholes
- New Roads
- MMD Chino Permit Boundary
- Permit Area

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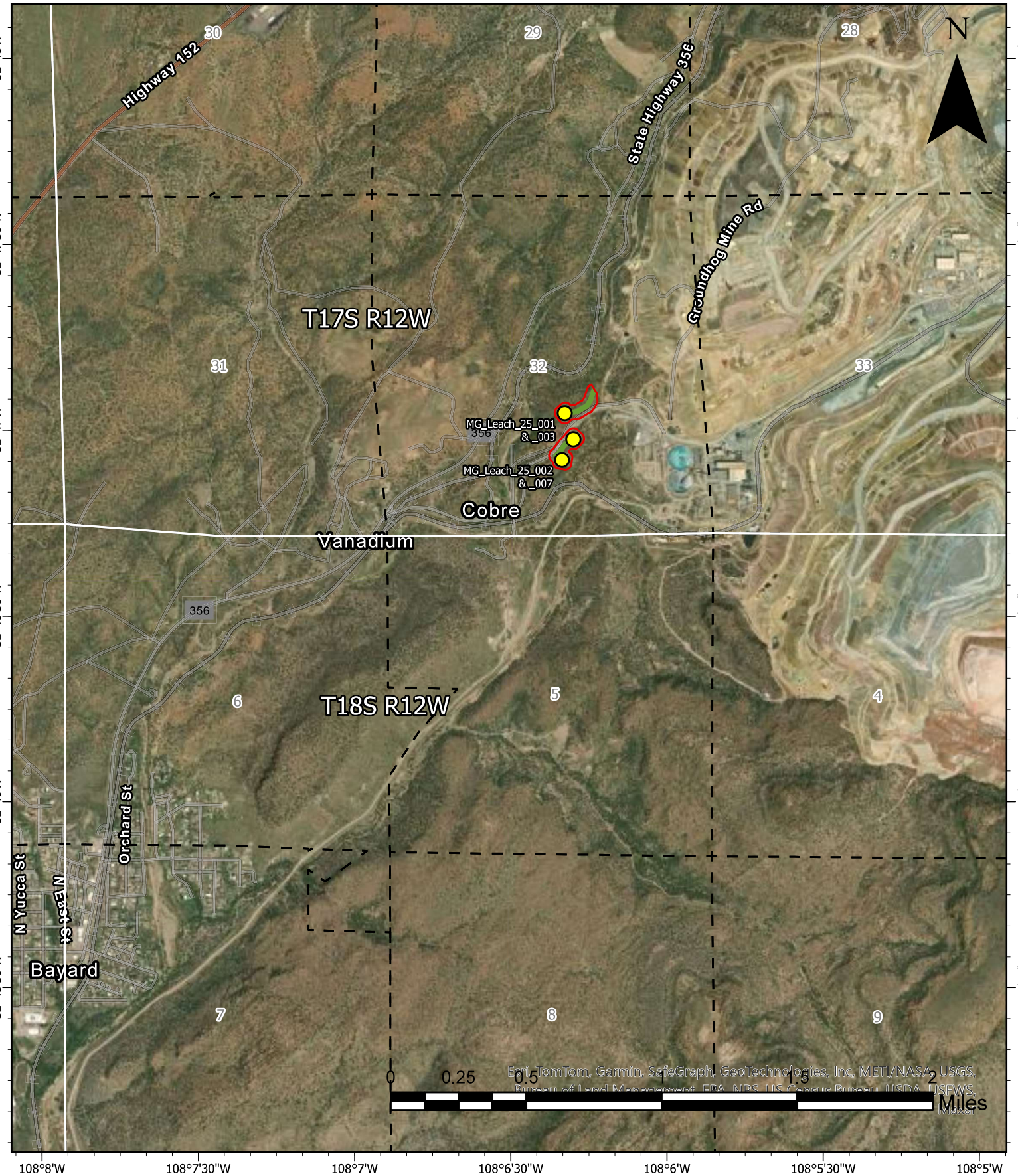
Figure 2

Exploration Project - Chino Main Entrance



Legend

- Drillholes
- New Roads
- Permit Area
- PLSS Sections

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Figure 2.1