



Freeport-McMoRan Copper & Gold
Economic Impact of the Bagdad Mine Upon Arizona and Yavapai County

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The Bagdad Mine is an open-pit copper and molybdenum complex about 60 miles west of Prescott. The open pit mining operation has been ongoing since 1945, and prior mining was conducted by underground workings. The Bagdad operation consists of a concentrator that produces copper and molybdenum concentrates. The majority of the copper concentrate produced is smelted at Freeport-McMoRan Miami in Arizona. The molybdenum concentrate is shipped to Freeport-McMoRan Sierrita in Green Valley for processing.

The economic health of the communities in which Freeport-McMoRan operates relies heavily on the taxes and wages the company pays and the goods and services purchased. These dollars fuel the local economy and, thanks to the multiplier effect, there is an indirect impact that echoes several times across the economic landscape of Arizona.

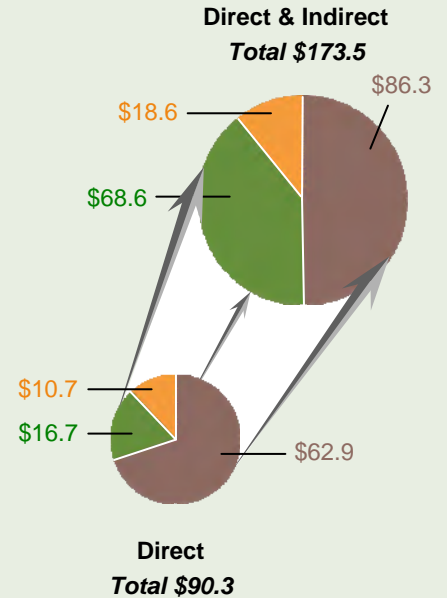
The operation provided a direct economic impact of approximately \$90 million to Yavapai County. The direct economic impact of the Bagdad Mine on the state of Arizona was significantly larger, amounting to approximately \$443 million.

The operation provided a combined direct and indirect economic benefit of approximately \$174 million to Yavapai County, while the combined direct and indirect impact on the full state was more than \$1.1 billion.

The estimated \$292 million in personal income directly and indirectly generated by the Bagdad Mine is equivalent to approximately 6,300 jobs in the state.

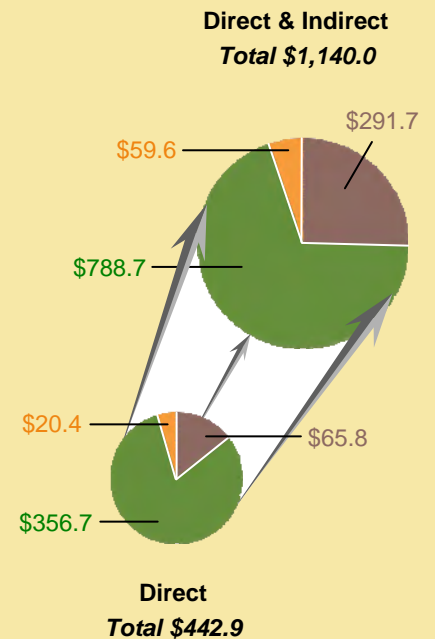
Bagdad Mine Economic Impact on Yavapai County in 2008

(Dollars in millions)



Bagdad Mine Economic Impact on the State of Arizona in 2008

(Dollars in millions)



- Personal Income
- Business Sales
- Local Government Revenue

All economic impact numbers here were produced by the Western Economic Analysis Center in Marana, Ariz.