

## Media Update

# Office of Presidential Staff Checks Freeport Smelter to Confirm Realization of Integrated Upstream-Downstream Mining

**Gresik, 3 September 2024** – First Deputy of the Presidential Staff Office (KSP) Febry Calvin Tetelepta and his entourage visited the PT Freeport Indonesia (PTFI) smelter located in the Gresik Special Economic Zone (KEK) on Monday (2/9) to confirm realization of integrated upstream-downstream mining and establish that such realized downstreaming will have positive impacts on the people, as directed by President Joko Widodo.

“We have come here to observe development of the PTFI Smelter, which began operating in June 2024. We toured several of the smelter’s units, including Anode Casting & Refinery, and Concentrate Storage,” KSP First Deputy overseeing Infrastructure, Energy, and Investment, Febry Calvin Tetelepta informed.

Febry said the PTFI smelter must also serve to create a multiplier effect that will boost East Java’s economy. “If the goal is only to gain profit, their focus should remain solely on concentrate production, however development of a smelter must create a multiplier effect,” he said.

PTFI Vice President for Government Relations and Smelter Technical Support, Harry Pancasakti said the PTFI smelter development fulfills an obligation set out under the company’s IUPK special mining operation permit and is a contribution in support of government policy for minerals downstreaming. Now with the PTFI smelter established, the world’s biggest underground mine, which is located in Tembagapura is in integrated operation with the world’s biggest single line smelter, which is located in Gresik, East Java.

Harry said this visit by KSP affords excellent opportunity to discuss a number of important matters, including integrated mining, extension of the IUPK, progress achieved in the smelter’s operation and its readiness for production, as well as positive impacts felt by the population from the presence of the smelter in Gresik.



Harry said the PTFI copper smelter with a single line design that is the biggest of its kind in the world commenced operating in June 2024 and stands on a 100-hectare lot in the Gresik KEK. “In combination with our first smelter, PT Smelting, PTFI has a copper cathode production capacity of 1 million tons per year, making Freeport Indonesia one of the biggest integrated upstream-downstream mining operation in the world,” Harry stated.

To the KSP First Deputy, Harry detailed the benefits arising from smelter development, among

others through the aspects of manpower absorption and economic turnover in the PTFI Smelter operating site. The local population is empowered with small and medium enterprises engaged for the procurement of non-critical goods and services, local businesses are employed as contractors and sub-contractors for construction work, and other sectors providing service for catering, board and lodgings and transportation for employees, cleaning, and employment recruitment, all of which are mostly managed by small and medium businesses.

A multiplier effect is also created with management of interim recycling of waste generated from smelter construction, conducted by the collective transformation center Pusat Transformasi Bersama (PTB) in conjunction with nine village-owned enterprises (Bumdes) in the Manyar and Bungah Districts. The proceeds from the sale of recycled products are used to support various activities conducted in the areas of education, religion, health, and environment by communities in Gresik, in particular communities near the smelter site.

"Thanks to the Office of the Presidential Staff for their visit and appreciation expressed for PTFI. We are proud to participate in the advancement of Indonesia through this integrated upstream-downstream mining industry," Harry averred.

PHOTO	CAPTION
	<p>Presidential Staff Office members touring the Electrorefinery area.</p>
	<p>Harry Pancasakti explaining the Anode Casting machinery and process, in which blister copper resulting from smelting in the furnace is cast into anodes, and the separation of slag in the preceding process.</p>



KSP First Deputy Febry Calvin Tetelepta is attended by Harry Pancasakti during the visit to the Freeport Smelter on Monday (02/09).

#### **About PT Freeport Indonesia (PTFI)**

PT Freeport Indonesia (PTFI) is a mineral mining company affiliated with Freeport-McMoRan (FCX) and Mining Industry Indonesia (MIND ID). PTFI mines and processes ore to produce copper concentrate, which also contains gold and silver.

PTFI markets its concentrate to all parts of the world, and primarily to the first domestic copper smelter in Indonesia, which is operated by PT Smelting. PTFI's mining operation is located in the Grasberg mineral district in Papua – Indonesia. PTFI is currently conducting the world's biggest underground mining operation using the block caving method. In conducting its operation, PTFI promotes and upholds responsible and sustainable business practices..