

DRIVEN BY VALUE



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# 4<sup>th</sup> Quarter 2017 Earnings Conference Call

January 25, 2018

# Cautionary Statement Regarding Forward-Looking Statements

*This presentation contains forward-looking statements in which FCX discusses its potential future performance. Forward-looking statements are all statements other than statements of historical facts, such as projections or expectations relating to ore grades and milling rates, production and sales volumes, unit net cash costs, operating cash flows, anticipated tax refunds resulting from U.S. tax reform, capital expenditures, exploration efforts and results, development and production activities and costs, liquidity, tax rates, the impact of copper, gold and molybdenum price changes, the impact of deferred intercompany profits on earnings, reserve estimates, future dividend payments, and share purchases and sales. The words “anticipates,” “may,” “can,” “plans,” “believes,” “estimates,” “expects,” “projects,” “targets,” “intends,” “likely,” “will,” “should,” “to be,” “potential” and any similar expressions are intended to identify those assertions as forward-looking statements.*

*FCX cautions readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, projected or assumed in the forward-looking statements. Important factors that can cause FCX's actual results to differ materially from those anticipated in the forward-looking statements include supply of and demand for, and prices of, copper, gold and molybdenum; mine sequencing; production rates; potential inventory adjustments; potential impairment of long-lived mining assets; the outcome of negotiations with the Indonesian government regarding PT Freeport Indonesia's (PT-FI) long-term mining rights; the potential effects of violence in Indonesia generally and in the province of Papua; industry risks; regulatory changes; political risks; labor relations; weather- and climate-related risks; environmental risks; litigation results (including the final disposition of Indonesian tax disputes and the outcome of Cerro Verde's royalty dispute with the Peruvian national tax authority); and other factors described in more detail under the heading “Risk Factors” in FCX's Annual Report on Form 10-K for the year ended December 31, 2016, filed with the U.S. Securities and Exchange Commission (SEC) as updated by FCX's subsequent filings with the SEC. With respect to FCX's operations in Indonesia, such factors include whether PT-FI will be able to resolve complex regulatory matters in Indonesia and continue to export copper after February 16, 2018.*

*Investors are cautioned that many of the assumptions upon which FCX's forward-looking statements are based are likely to change after the forward-looking statements are made, including for example commodity prices, which FCX cannot control, and production volumes and costs, some aspects of which FCX may not be able to control. Further, FCX may make changes to its business plans that could affect its results. FCX cautions investors that it does not intend to update forward-looking statements more frequently than quarterly notwithstanding any changes in its assumptions, changes in business plans, actual experience or other changes, and FCX undertakes no obligation to update any forward-looking statements.*

*This presentation also includes forward-looking statements regarding mineralized material and potential resources not included in proven and probable mineral reserves. Mineralized material is a mineralized body that has been delineated by appropriately spaced drilling and/or underground sampling to support the estimated tonnage and average metal grades. Such a deposit cannot qualify as recoverable proven and probable reserves until legal and economic feasibility are confirmed based upon a comprehensive evaluation of development costs, unit costs, grades, recoveries and other material factors. Our estimates of potential resources are based on geologically reasonable interpolation and extrapolation of more limited information than is used for mineralized material (measured and indicated) and requires higher copper prices. Significant additional drilling is required and no assurance can be given that the potential quantities of metal will be produced. Accordingly, no assurances can be given that estimated mineralized material and potential resources not included in reserves will become proven and probable reserves.*

*This presentation also contains certain financial measures such as unit net cash costs per pound of copper and molybdenum, net debt and adjusted EBITDA which are not recognized under U.S. generally accepted accounting principles. As required by SEC Regulation G, reconciliations of unit net cash costs per pound of copper and molybdenum to amounts reported in FCX's consolidated financial statements are in the supplemental schedules of FCX's 3Q17 press release, which are also available on FCX's website, “fxc.com.” A reconciliation of adjusted EBITDA to amounts reported in FCX's consolidated financial statements is included in this presentation.*

# 2017 Highlights

## ***Strong Execution – “Driven by Value”***

- **Solid Operating Performance Throughout Global Operations**
- **Ongoing Cost Management & Capital Discipline**
- **Strong Cash Flow Generation**
- **Restored Balance Sheet Strength**
- **Developed Attractive Organic Options for Future Growth**
- **Important Progress for Long-term Stability in Indonesia**

***Focused on Shareholder Value***

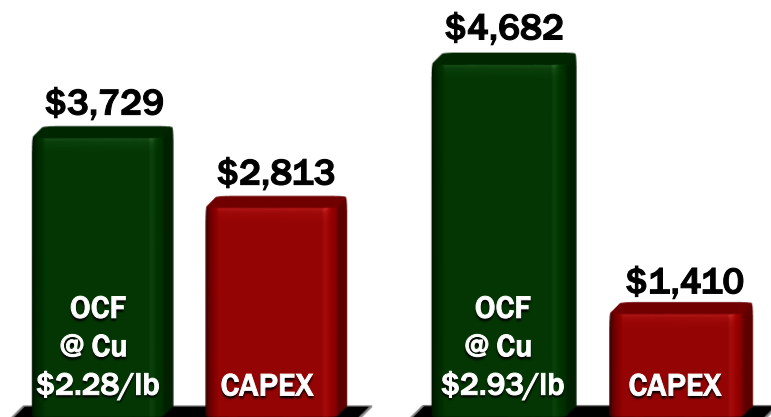
# Key Metrics

## Strong Cash Flow Generation

**2016**  
+\$916\*

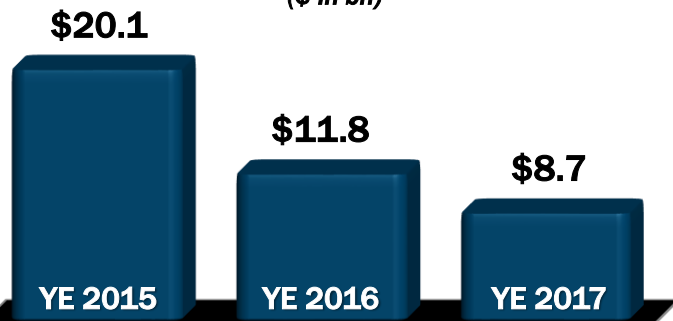
(\$ in mm)

**2017**  
+\$3,272\*



## Restored Balance Sheet Strength

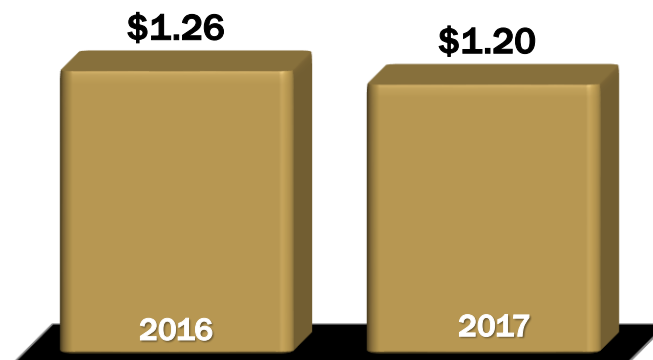
Net Debt  
(\$ in bn)



Net Debt/  
Adjusted EBITDA    4.6x            2.4x            1.5x

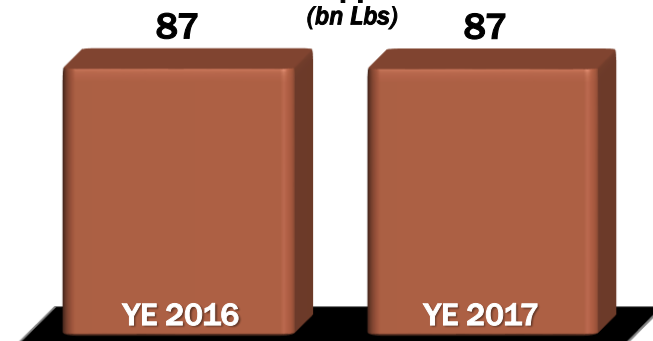
## Unit Net Cash Costs

Copper  
(\$/lb)



## Year-end Reserves

Copper  
(bn Lbs)



NOTE: Net debt equals gross debt less consolidated cash

\* Operating cash flow less CAPEX

# Copper Market Commentary

## Global IP Growth in 2017 was Strongest Since 2010

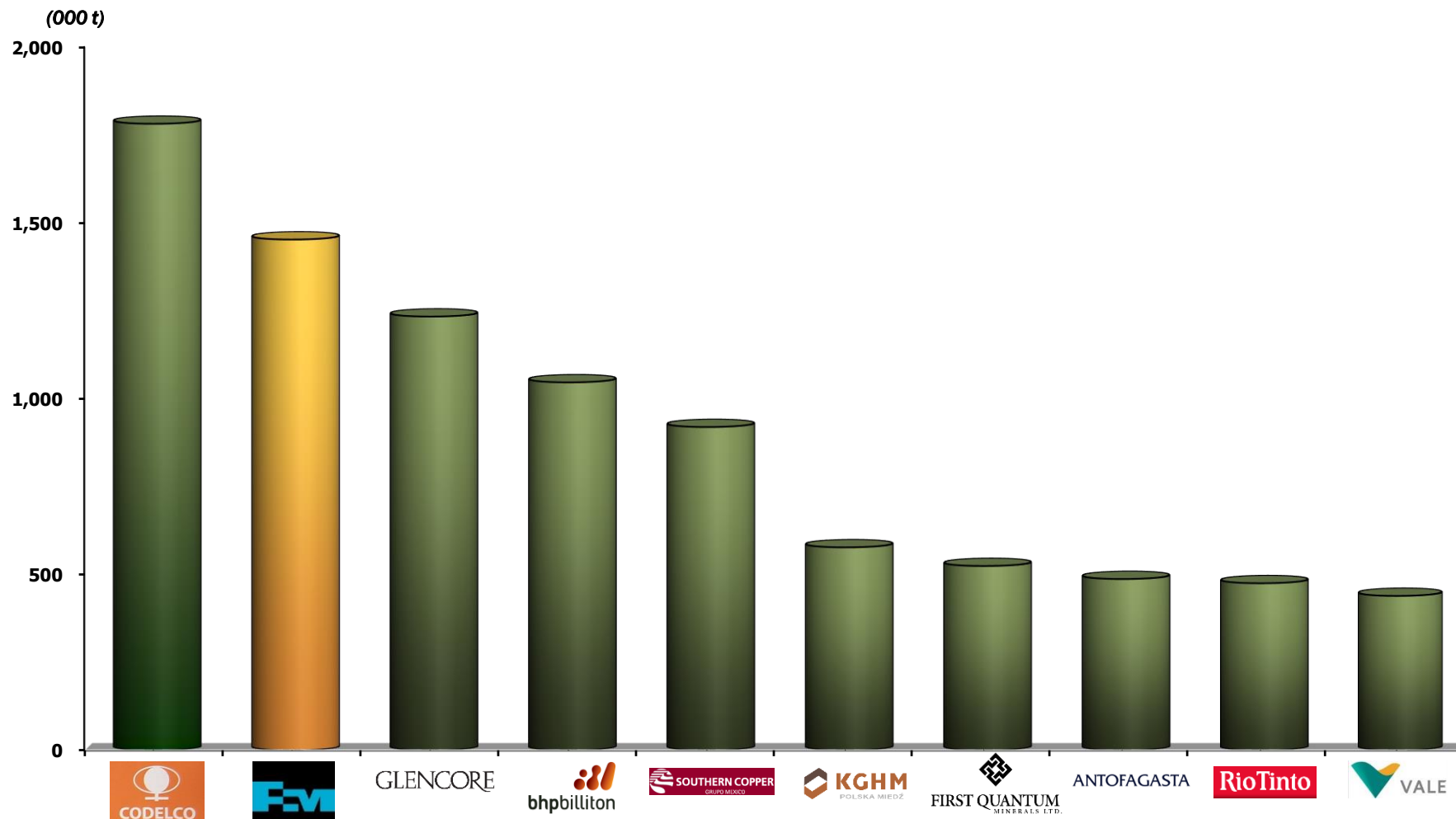
	2017e Consumption	Change From Prior Year
	000's Mt	
China	11,046	3.2%
Rest of Asia	3,936	2.7%
Europe	3,770	0.3%
United States	1,820	0.2%
Other	<u>2,415</u>	0.1%
<b>Total</b>	<b>22,987</b>	<b>2.0%</b>
<b>Cu Price Change</b>		
<b>2017</b>	<b>+30.5%</b>	

Source: Wood Mackenzie December 2017 Long-term Outlook; e=estimate

- **Positive Demand Globally**
  - Manufacturing Sectors are Performing Well
  - Chinese Growth is Exceeding Expectations
  - European Growth Continues
  - U.S. Demand is Solid
  
- **Supply Side Issues Remain**
  - Extended Period of Under Investment
  - Absence of Major New Projects on the Horizon
  - Declining Production from Existing Mines
  - Exchange Stocks Remain Historically Low
  
- **Solid Fundamental Outlook**
  - Wood Mackenzie Estimates ~5MMt of New Projects Required Over Next Decade
  - 7-10 Year Lead Time; Few World Class Opportunities
  - Automotive Electrification Positive for Copper

# World's Leading Copper Producers

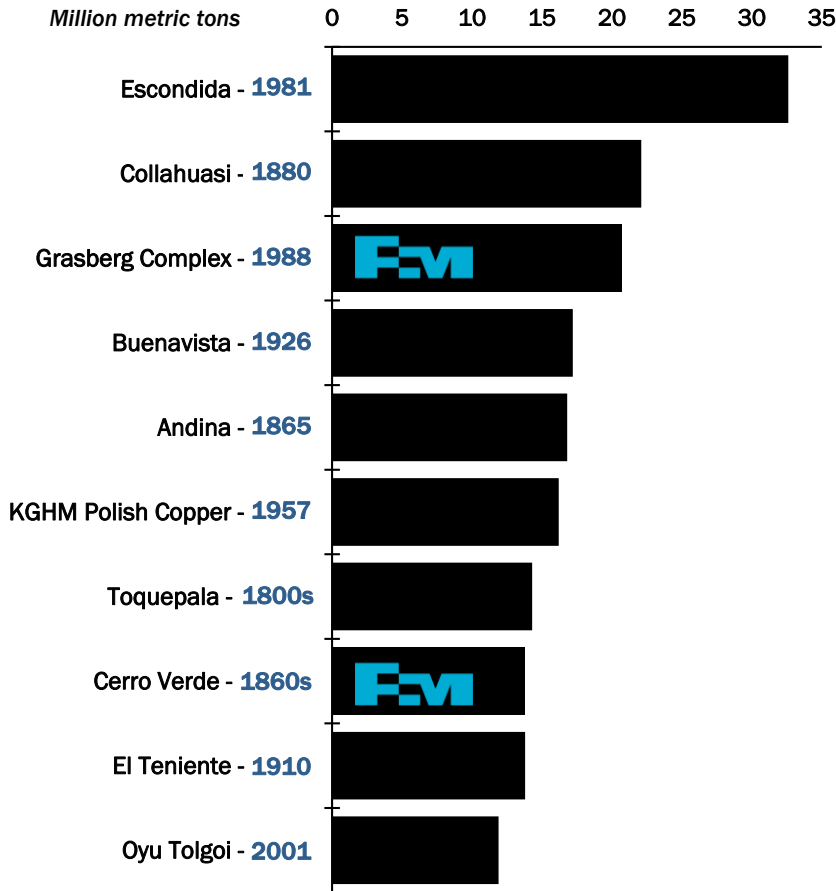
Top 10 Copper Producers (2017e)



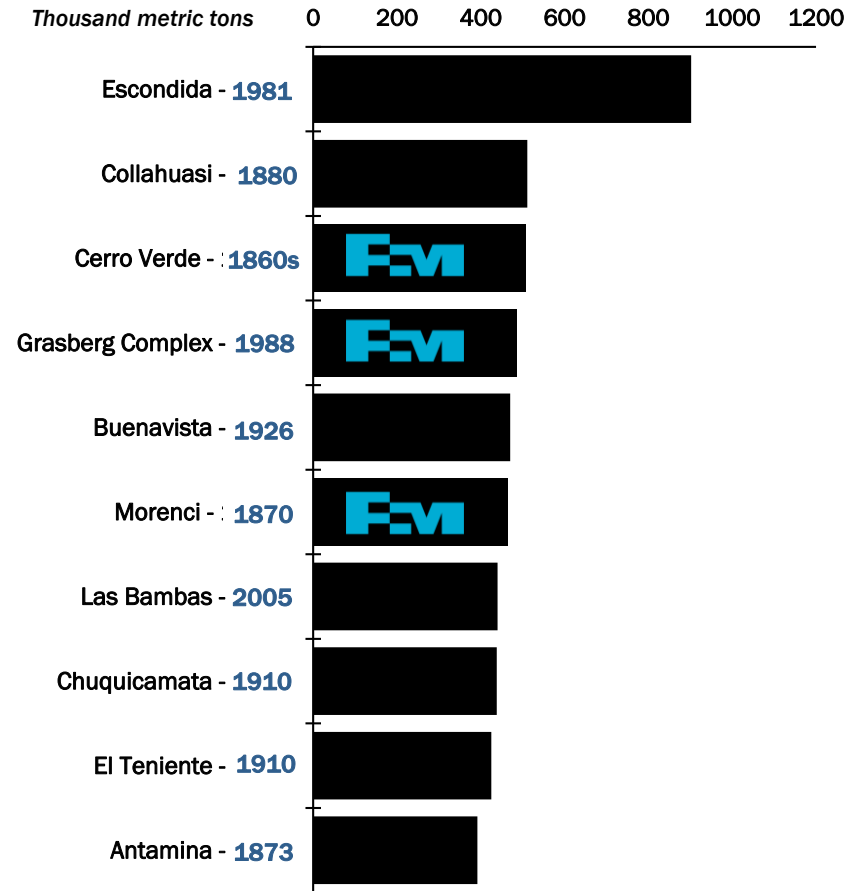
Source: Wood Mackenzie December 14, 2017. Rankings based on net equity ownership; e = estimate

# World Class Copper Discoveries Are Extremely Rare

## Recoverable Copper Reserves



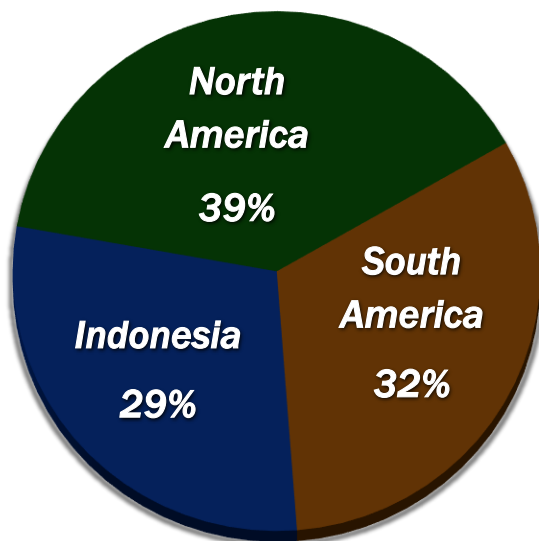
## 2017e Copper Production



Source: Wood Mackenzie  
e=estimate

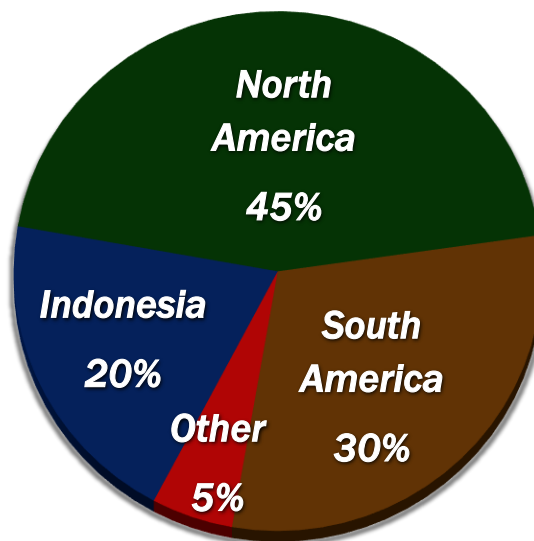
# FCX Reserves/Mineralized Material/Potential as of 12/31/17

## 2P Reserves <sup>(1)</sup>



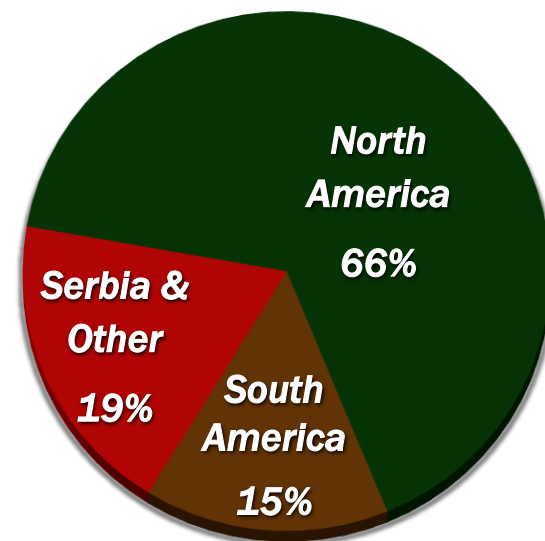
**87 Billion Lbs**

## Mineralized Material <sup>(2)\*</sup>



**92 Billion Lbs**

## Potential <sup>(3)\*</sup>



**156 Billion Lbs**

(1) Preliminary estimate of recoverable proven and probable copper reserves using a copper price of \$2.00/lb; 71 billion pounds net to FCX's interest.

(2) Preliminary estimate of consolidated contained copper resources using a copper price of \$2.20/lb; includes Kisanfu in D.R.C., which is an asset held for sale.

(3) Our estimates of potential are based on geologically reasonable interpolation and extrapolation of more limited information than is used for Mineralized Material (measured and indicated) and requires higher Cu prices. Significant additional drilling is required and no assurance can be given that the potential quantities of metal will be produced.

\* Mineralized material and potential resources are not included in reserves and will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated mineralized material and potential resources will become proven and probable reserves. See Cautionary Statement.



# FCX Values Beyond Proven & Probable Reserves

## Preserving Optionality for the Future – Driven by Value

### U.S.

- Large footprint with substantial undeveloped sulfide resources
- Significant existing infrastructure provides for Brownfield expansions
- District extensions include:
  - Bagdad
  - Chino/Cobre
  - Lone Star/Safford
  - Morenci
  - Sierrita

### South America

- El Abra mill project to develop large sulfide resource
- Advancing technical studies for concentrator similar to Cerro Verde expansion
- Large footprint at Cerro Verde

### Serbia

- Timok lower zone – large, high-grade, early stage opportunity

### D.R.C. – Kisanfu\*

- Largest undeveloped cobalt deposit in the world
- Permitted
- Stand-alone project or processed by nearby operations

### Grasberg District

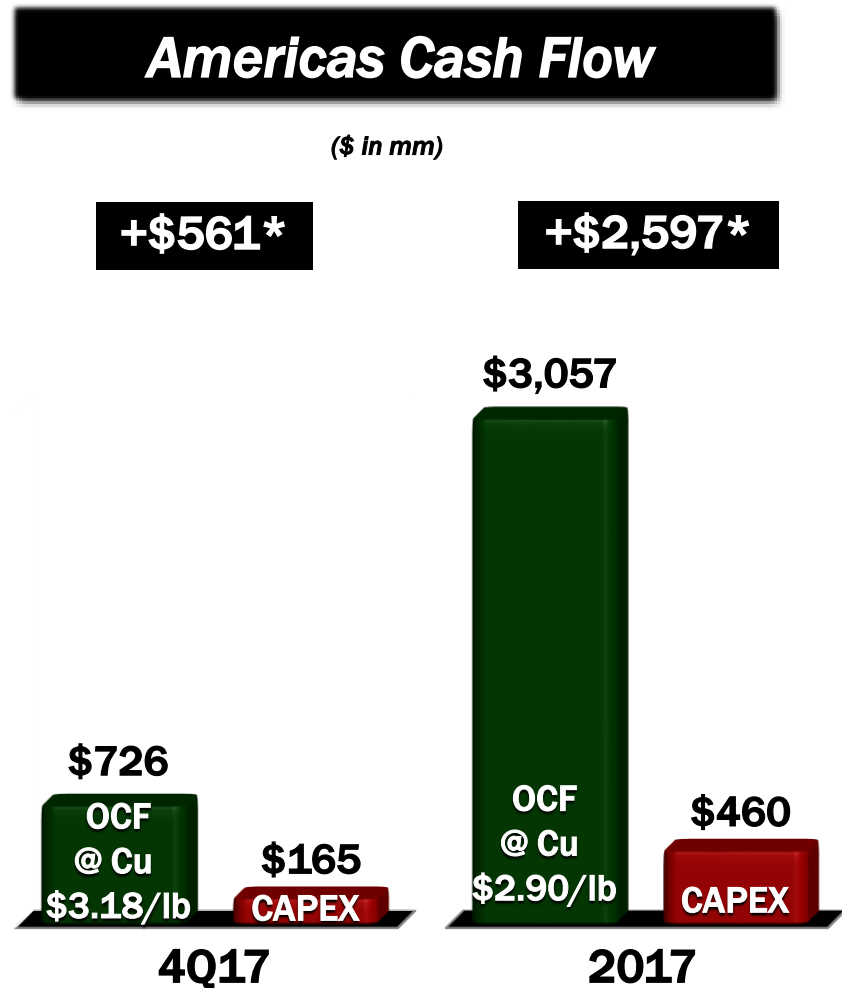
- 2 bn tonnes in mineralized material beyond 2P reserves

\* Asset held for sale

NOTE: Mineralized material and potential resources are not included in reserves and will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated mineralized material and potential resources will become proven and probable reserves. See Cautionary Statement.

# Americas Update

- Strong Operating Performance
- 666 mm lbs of Copper Sold in 4Q17
- Cerro Verde Concentrator Averaged 374 kt/d in 4Q17
- Continued Focus on Cost and CAPEX Management
- Advancing Studies for Future Growth to Maintain Optionality



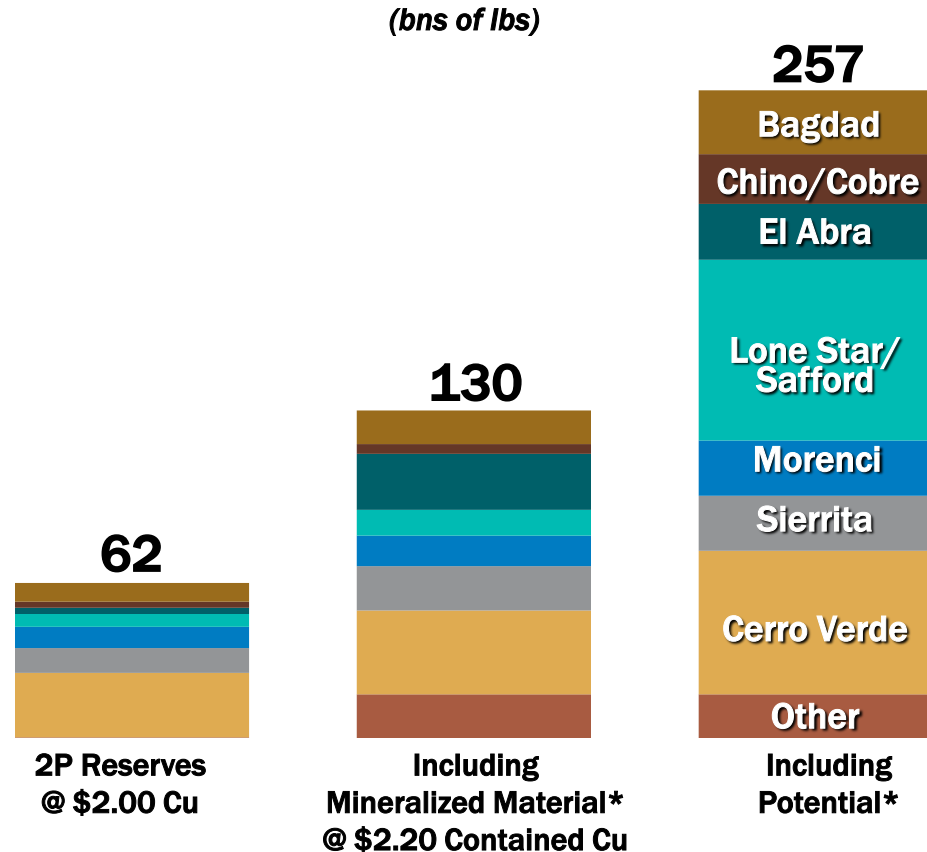
\* Operating cash flow less CAPEX.

NOTE: Amounts reflect FCX's consolidated subsidiary, Freeport Minerals Corporation. CAPEX includes \$38 mm in 4Q17 and \$150 mm in 2017 for Miami Smelter upgrade.

# Large Development Project Inventory

## Copper Sulfide Opportunities in Americas

- Bagdad
- Chino/Cobre
- El Abra
- Lone Star/Safford
- Morenci
- Sierrita



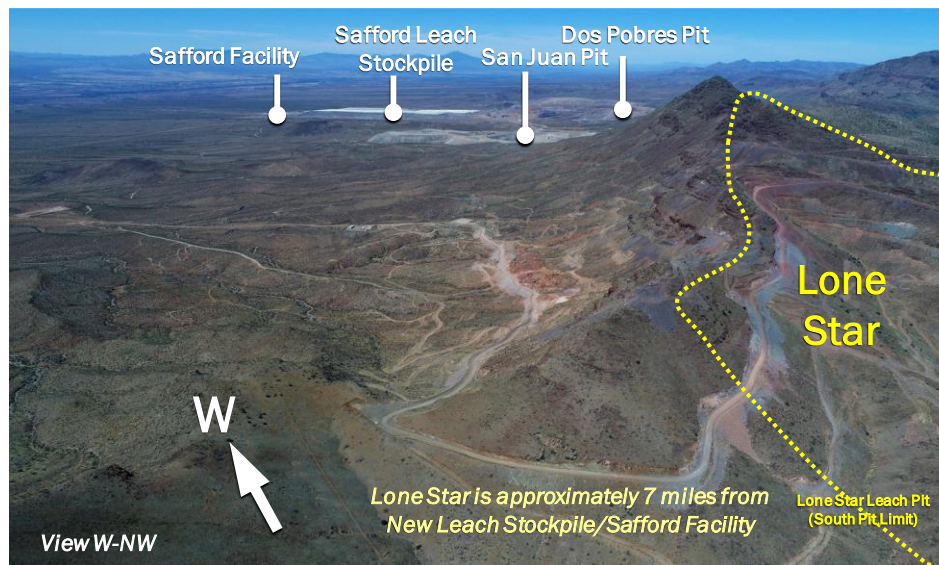
**Future Development Subject to Market Conditions**

\* Mineralized material and potential resources are not included in reserves and will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated mineralized material and potential resources will become proven and probable reserves. See Cautionary Statement.

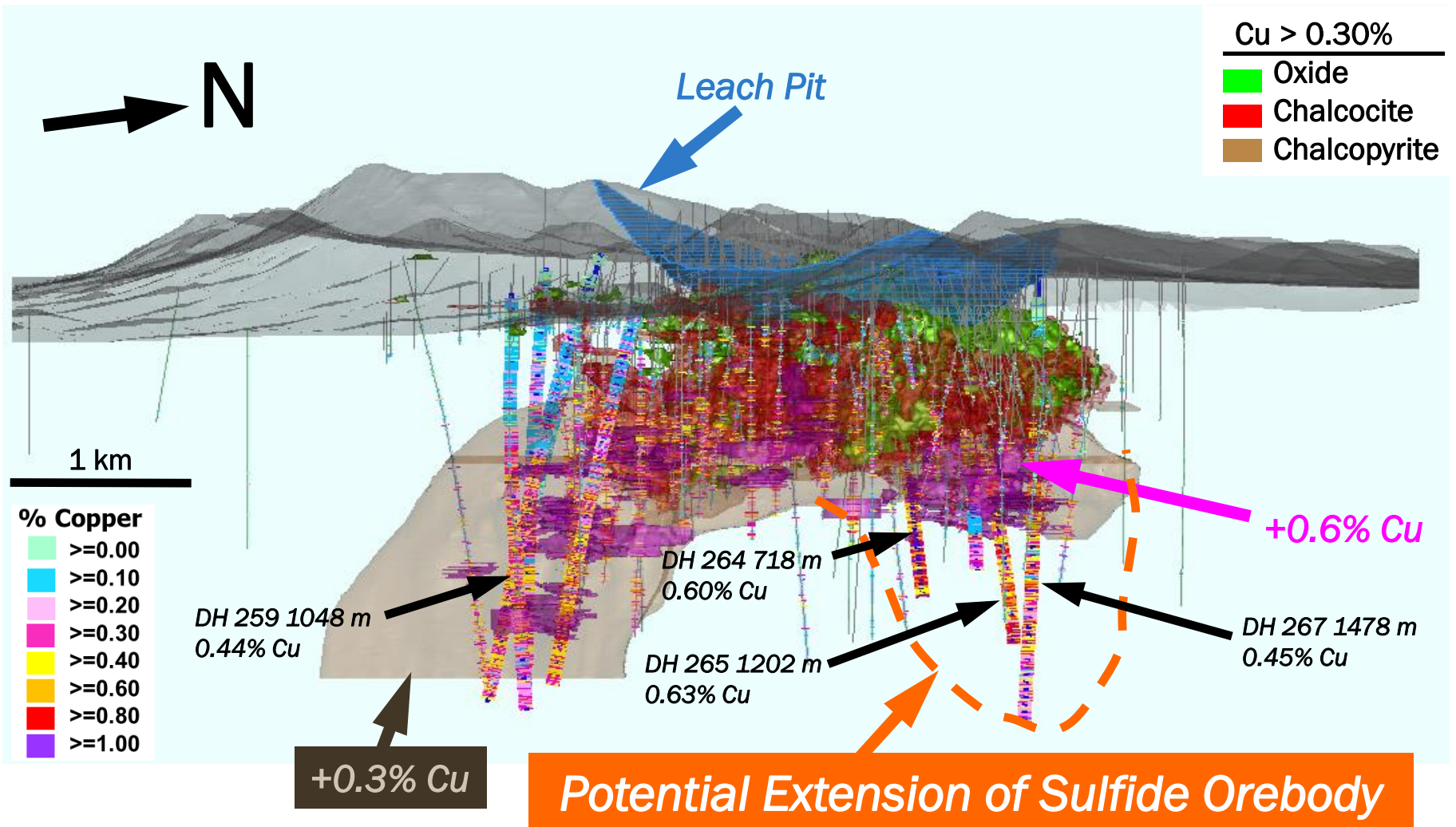
# Lone Star Oxide Project – Moving Forward

- **12/31/2017 Reserve: 4.4 bn lbs of Copper**
- **\$850 mm Project; Utilizes Existing Infrastructure at Safford**
- **Commenced Pre-stripping Activities in 1Q18**
- **Provides Exposure to Large Sulfide Deposit (60+ bn lbs Cu Contained)**
- **Low Execution Risk**
- **First Copper Expected by YE 2020**
- **Key Statistics**
  - Estimated production: ~200 mm lbs/year
  - Mine life: ~20 Years
  - 50% of capital costs are for mine equipment & pre-production stripping
  - Estimated unit cash cost: \$1.75/lb
  - After-tax NPV @ 8%: \$0 (\$2.40 Copper) to \$1.2 Billion (\$3.50 Copper)

See Cautionary Statement.



# Lone Star Sulfide Potential



# El Abra Sulfide Mill Project

- **Large Sulfide Resource**
- **Resource Estimate: 2 Billion Tonnes at >0.45% Copper**
- **Advancing Technical Studies**
  - **240 kt/d Concentrator – Similar to Recent Cerro Verde Expansion**
  - **Estimated Production: ~750 mm lbs/year**
  - **6-8 Year Expected Lead Time**
    - **3-4 Years of Feasibility and Permitting**
    - **3-4 Year Construction Period**

*NOTE: Potential resources are not included in reserves and will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated mineralized material and potential resources will become proven and probable reserves. See Cautionary Statement.*

# El Abra Sulfide Potential

West

Cross-Section looking North

East

2017  
Mineralized  
Material  
Pit Shell

2017 Reserve Pit

% Cu

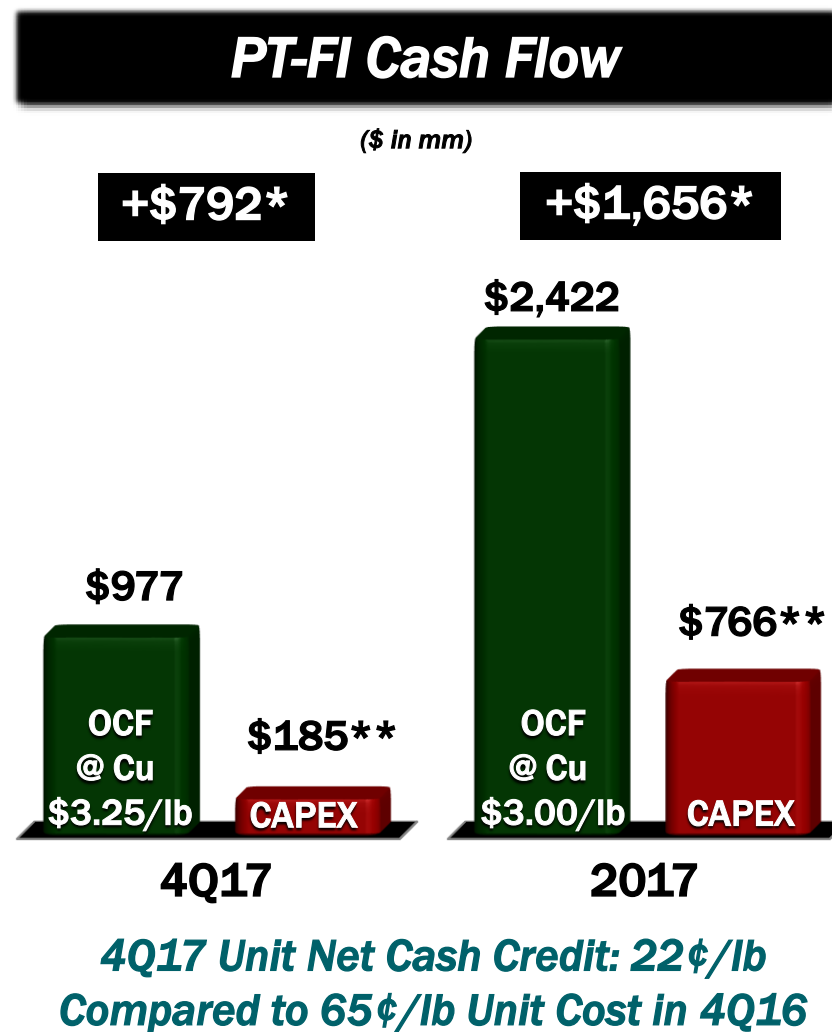


1 km

**Significant Intercepts**

# Indonesia Update

- Negotiations are Advancing to Achieve a Mutually Positive Resolution
- PT-FI Requires Fiscal and Legal Certainty for Long-term Mining Operations
- 51% Divestment: Ongoing Discussions with Inalum (Indonesian SOE) and PT-FI Joint Venture Partner regarding Structure, Process and Valuation
- Smelter Construction: Within 5 years of Definitive Agreement
- Parties Have Expressed a Mutual Objective of Completing Required Negotiation and Documentation during 1H 2018
- Temporary IUPK Extended to June 30, 2018; PT-FI is Seeking an Extension of Export License which Currently Expires on February 16, 2018

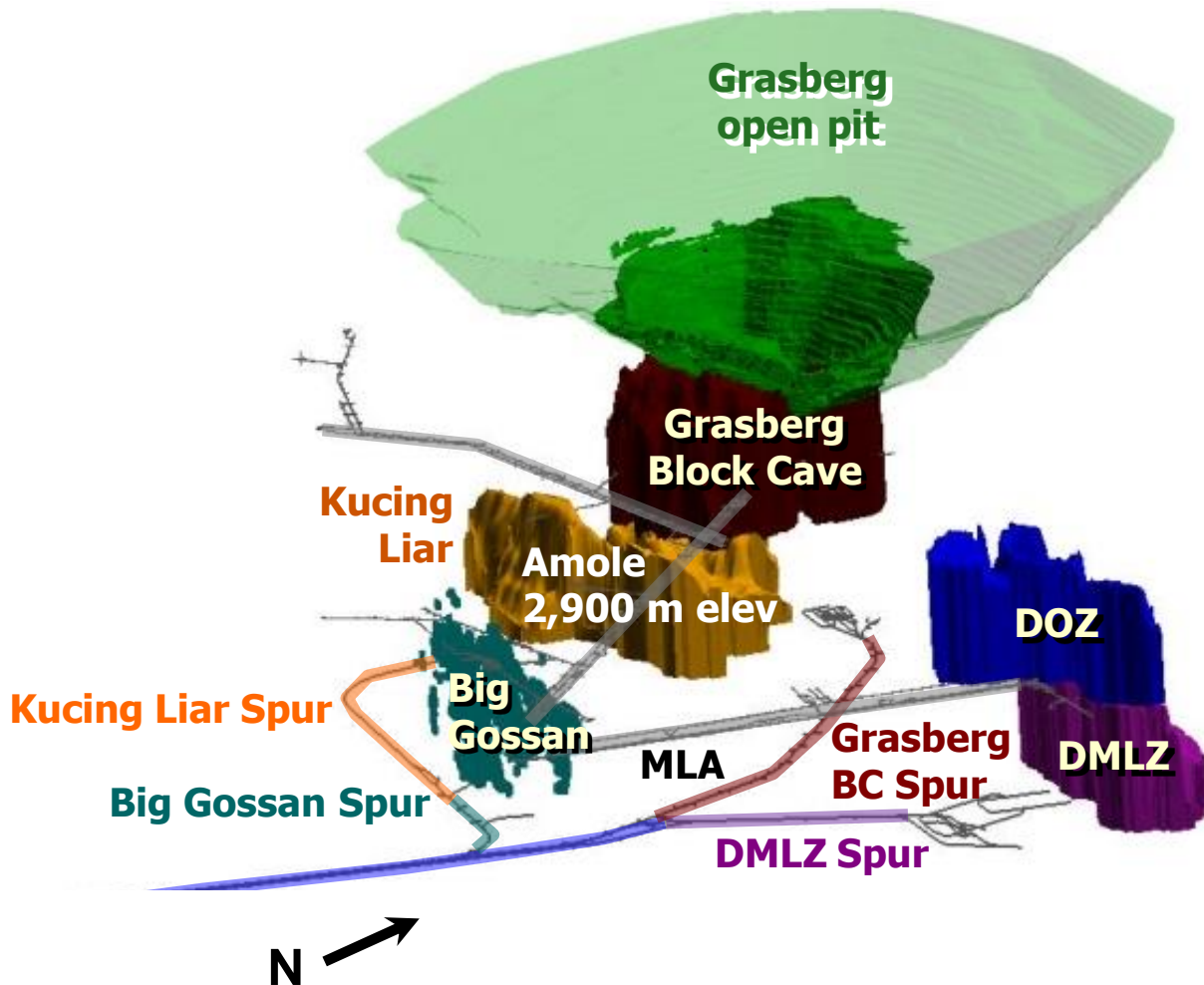


\* Operating cash flow less CAPEX.

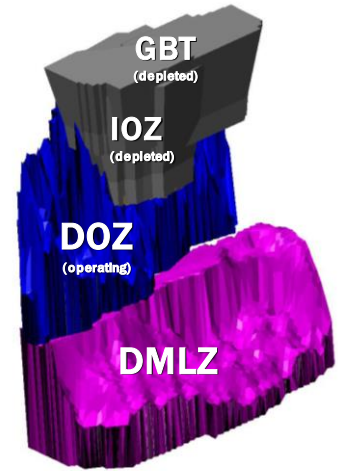
\*\* Includes \$175 mm in 4Q17 and \$712 mm in 2017 associated with Grasberg U/G.



# Grasberg Mining District



## PT-FI History of Block Caving

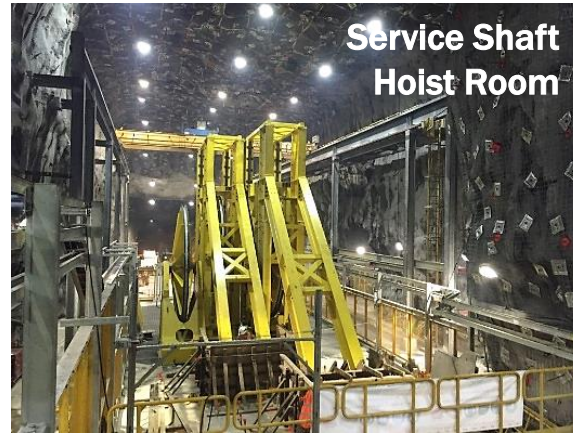


1980's	<b>GBT block cave mine</b> <i>Depleted</i>
1990's	<b>IOZ block cave mine</b> <i>Depleted</i>
2000's	<b>DOZ block cave mine</b> <i>Operating</i>
Future	<ul style="list-style-type: none"> <li>• <b>DMLZ</b> <i>Start-up</i></li> <li>• <b>Grasberg BC</b> <i>In development</i></li> <li>• <b>Kucing Liar</b> <i>Future development</i></li> </ul>

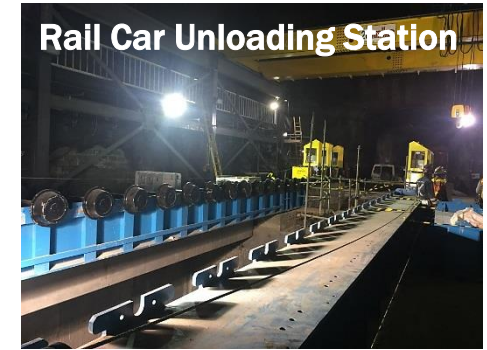
# Grasberg Block Cave

## World Class Design

GBC Rail Lines



Service Shaft Hoist Room



Rail Car Unloading Station

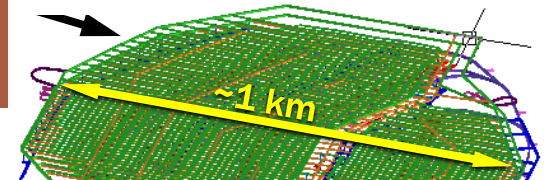
### Grasberg Block Cave Design

Oblique View Looking Southwest

Reserves: 964mm t @ 1.03% Cu & 0.78 g/t Au

- Construction Progress Will Enable Initial Undercutting in Late 2018
- Expected to Ramp Up to >1 Bn lbs of Cu & >1 mm ozs of Au Within 5-6 Yrs\*

Production Levels



Fixed Facilities

Ventilation Drifts

Pump Station

Crushers

Tunnels from Ridge Camp

Conveyor & Service Declines

\* Amounts in aggregate

# Grasberg Block Cave – Key Milestones

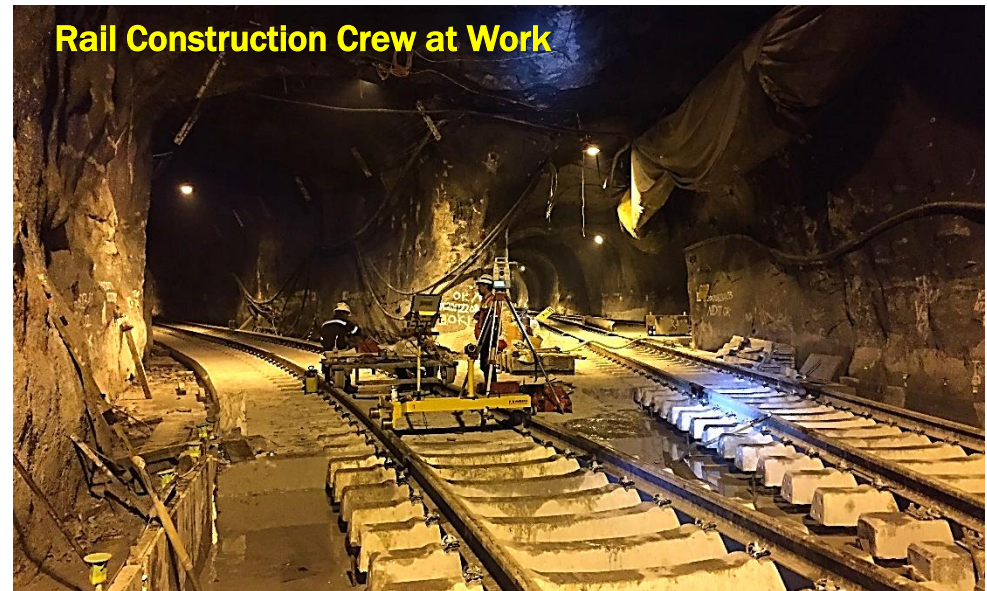
## Completed to Date:

- ✓ +220 km of Development
- ✓ Mine Access
- ✓ Service Shaft
- ✓ Initial Fans & Vent Infrastructure
- ✓ Rail Connection
- ✓ Crusher #1
- ✓ Batch Plant

## Near-term Objectives

- 28 km of Development in 2018
- Complete Rail & Ore Flow Systems in 2H18
- Complete Key Fixed Facilities
- Complete 200+ Drawpoints for Cave Initiation
- First Undercut Blasting in 4Q18
- First Cave Production in 1Q19

*See Cautionary Statement.*



**Rail Construction Crew at Work**



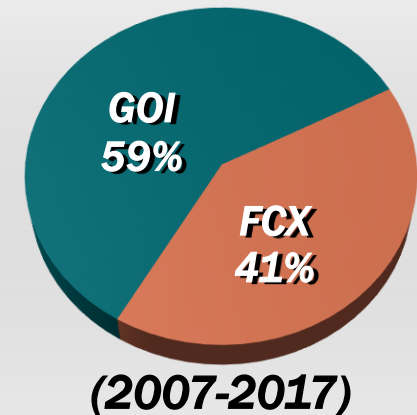
**Approaching the Rail Unloading Station**

# Financial Benefits to Indonesia

- Positive Long-term Historical Relationship
- 50-Year History of Operations in Indonesia
- Contributed +\$60 Bn to National GDP Since 1992
- Largest Private Employer in Papua & Significant Economic Engine for Development in Region
- One of the Largest Taxpayers in Indonesia
- Contributed 1% of Revenues to Local Community Through the “Freeport Partnership Fund For Community Development”
  - Over \$725 Million Since Inception (1996) Through 2017

## Financial Benefits Breakdown

~\$21 Billion



***Future Taxes, Royalties & Dividends for Government through 2041 Expected to Exceed \$40 Bn\****

\* Assumes full development; based on pricing of \$3/lb for copper and \$1,200/oz for gold.

# 2018e Outlook

## Sales Outlook

- **Copper: 3.9 Billion lbs.**
- **Gold: 2.4 Million ozs.**
- **Molybdenum: 91 Million lbs.**

## Unit Cost of Copper

- **Site Production & Delivery: \$1.60/lb**
- **After By-product Credits<sup>(1)</sup>: \$0.97/lb, Including \$0.95/lb for 1Q18e**

## Operating Cash Flows <sup>(2)</sup>

- **Exceed \$5.8 Billion (@ \$3.15/lb Copper for 2018e)**
- **Each 10¢/lb Change in Copper for 2018e = \$360 MM**

## Capital Expenditures

- **\$2.1 Billion**
  - **\$1.2 Billion for Major Projects, Including \$1.0 Billion for Underground Development in Indonesia and Development of Lone Star Oxide Project**
  - **\$0.9 Billion for Other Mining**

(1) Assumes average prices of \$1,300/oz gold and \$10/lb molybdenum for 2018e.

(2) Assumes average prices of \$1,300/oz gold and \$10/lb molybdenum for 2018e; each \$100/oz change in gold would have an approximate \$230 mm impact and each \$2/lb change in molybdenum would have an approximate \$130 mm impact.

e = estimate. See Cautionary Statement.

# 2018e Operating Estimates

## 2018e Unit Production Costs

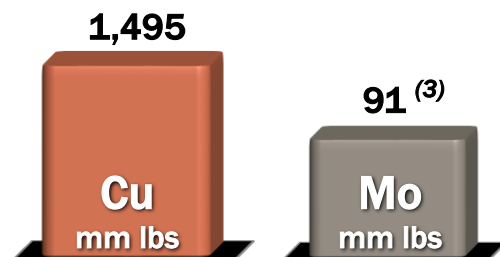
(per pound of copper)

### Cash Unit Costs <sup>(1)</sup>

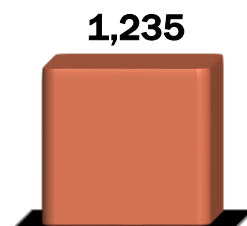
	North America	South America	Indonesia	Consolidated
Site Production & Delivery <sup>(2)</sup>	\$1.76	\$1.62	\$1.37	\$1.60
By-product Credits	(0.20)	(0.19)	(2.56)	(0.92)
Treatment Charges	0.11	0.19	0.25	0.18
Royalties & Export Duties	-	0.01	0.37	0.11
<b>Unit Net Cash Costs (Credits)</b>	<b>\$1.67</b>	<b>\$1.63</b>	<b>(\$0.57)</b>	<b>\$0.97</b>

## 2018e Sales by Region

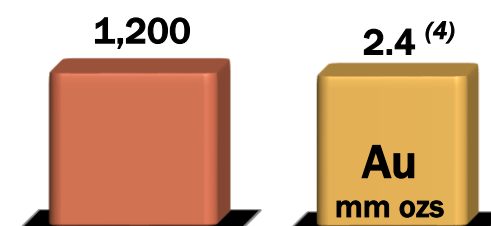
### North America



### South America



### Indonesia



(1) Estimates assume average prices of \$3.15/lb for copper, \$1,300/oz for gold and \$10/lb for molybdenum for 2018e. Quarterly unit costs will vary significantly with quarterly metal sales volumes.

(2) Production costs include profit sharing in South America and severance taxes in North America.

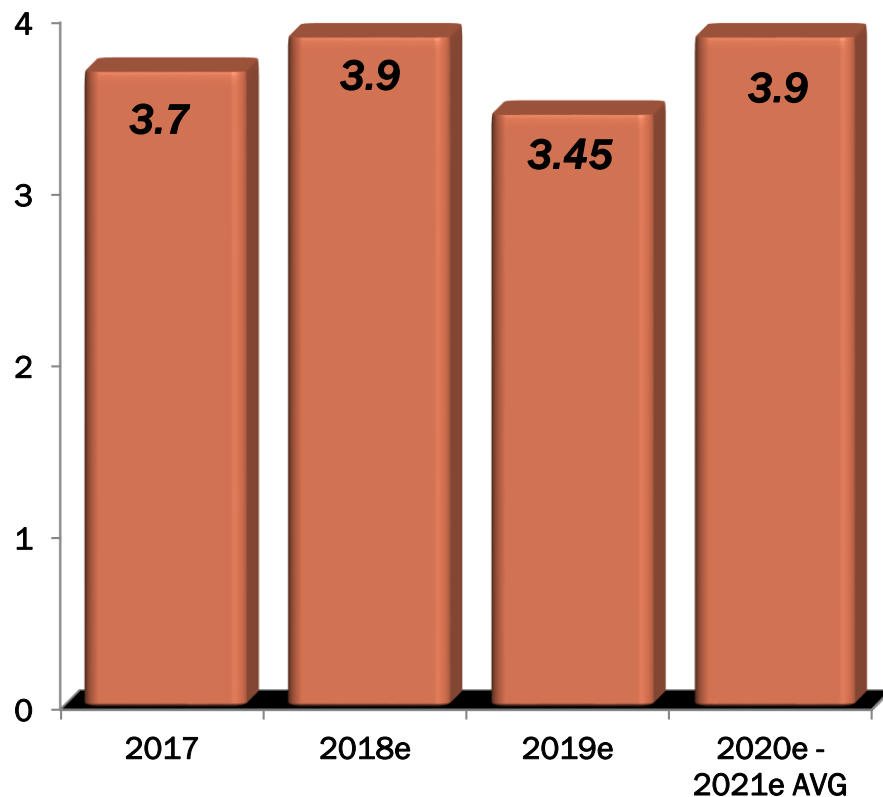
(3) Includes molybdenum produced in South America.

(4) Includes gold produced in North America.

Note: e = estimate. See Cautionary Statement.

# Sales Profile

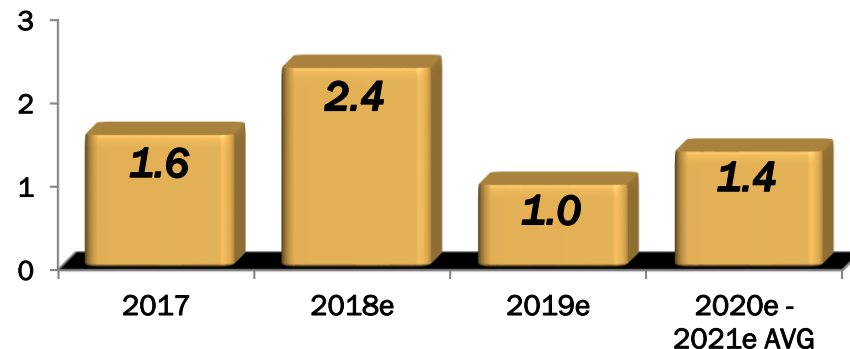
## Copper Sales (billion lbs)



Note: Consolidated copper sales include 670 mm lbs in 2017, 690 mm lbs in 2018e, 695 mm lbs in 2019e and 680 mm lbs in 2020e - 2021e avg for noncontrolling interest; excludes purchased copper.

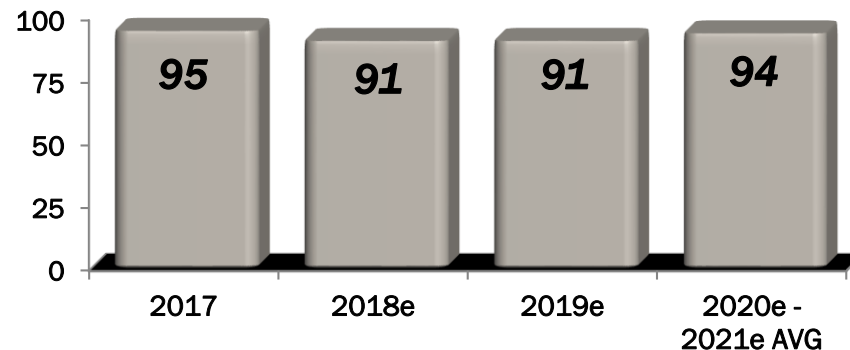
e = estimate. See Cautionary Statement.

## Gold Sales (million ozs)



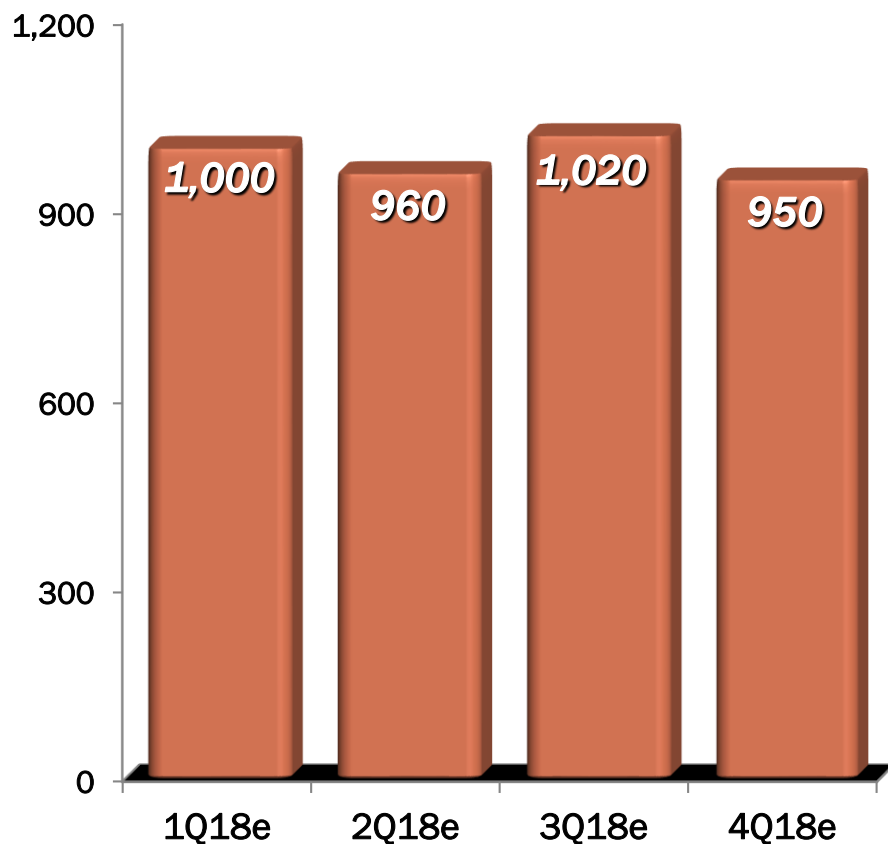
Note: Consolidated gold sales include 144k ozs in 2017, 230k ozs in 2018e, 90k ozs in 2019e, 130k ozs for 2020e-2021e avg for noncontrolling interest.

## Molybdenum Sales (million lbs)



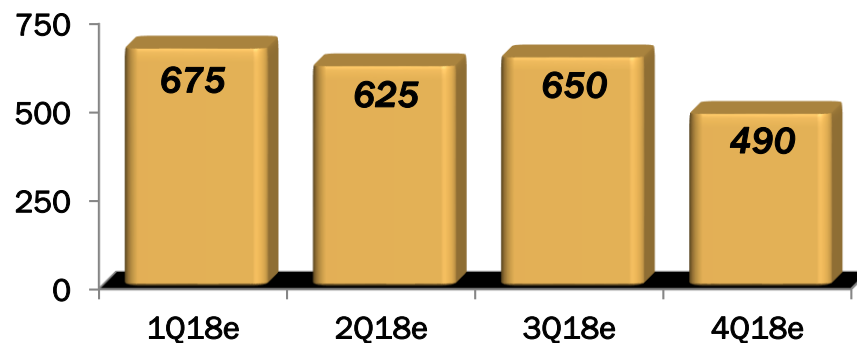
# 2018e Quarterly Sales

## Copper Sales (million lbs)



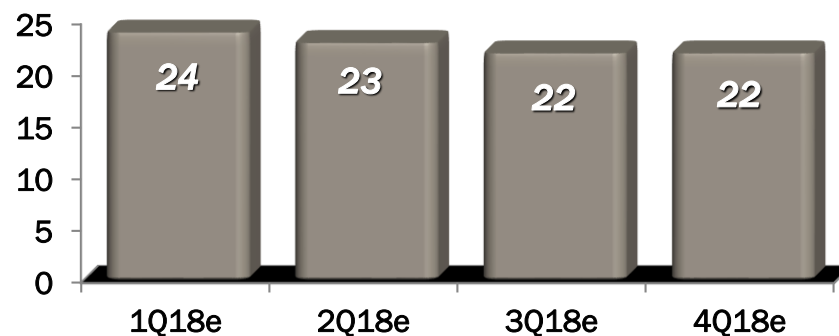
Note: Consolidated copper sales include approximately 165 mm lbs in 1Q18e, 175 mm lbs in 2Q18e, 180 mm lbs in 3Q18e and 170 mm lbs in 4Q18e for noncontrolling interest; excludes purchased copper.

## Gold Sales (thousand ozs)



Note: Consolidated gold sales include approximately 65k ozs in 1Q18e, 60k ozs in 2Q18e, 60k ozs in 3Q18e and 45k ozs in 4Q18e for noncontrolling interest.

## Molybdenum Sales (million lbs)



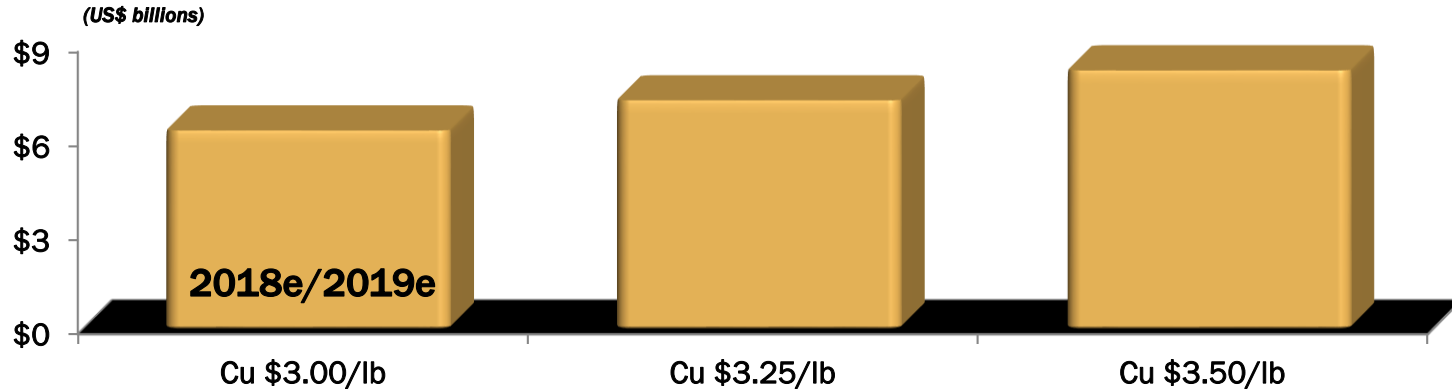
e = estimate. See Cautionary Statement.



# EBITDA and Cash Flow at Various Copper Prices

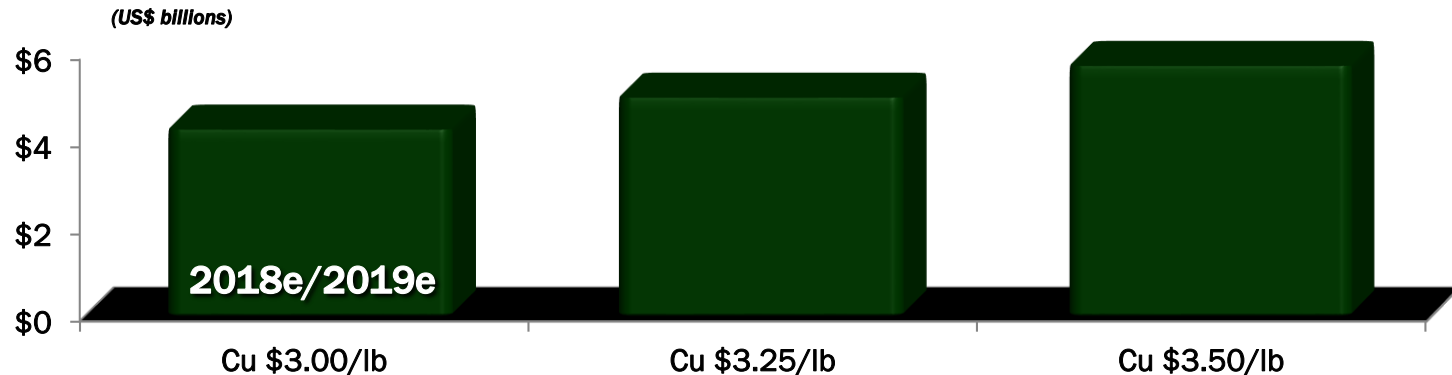
## EBITDA

(\$1,300/oz Gold, \$10.00/lb Molybdenum)



## Operating Cash Flow (excluding Working Capital changes)

(\$1,300/oz Gold, \$10.00/lb Molybdenum)



Note: 2018e EBITDA and Operating Cash Flow expected to be above the two-year average. Assumes continued exports from Indonesia after 2/16/2018. For 2018e/2019e average price sensitivities see slide 26. EBITDA equals operating income plus depreciation, depletion and amortization. e = estimate. See Cautionary Statement.

# Sensitivities (US\$ millions)

Change	2018e/2019e	
	EBITDA	Operating Cash Flow
Copper: +/- \$0.10/lb	\$380	\$290
Molybdenum: +/- \$1.00/lb	\$80	\$70
Gold: +/- \$50/ounce	\$85	\$50
Currencies: <sup>(1)</sup> +/- 10%	\$145	\$100

(1) U.S. Dollar Exchange Rates: 654 Chilean peso, 13,500 Indonesian rupiah, \$0.75 Australian dollar, \$1.18 Euro, 3.22 Peruvian Nuevo Sol base case assumption. Each +10% equals a 10% strengthening of the U.S. dollar; a strengthening of the U.S. dollar against forecasted expenditures in these foreign currencies equates to a cost benefit of noted amounts.

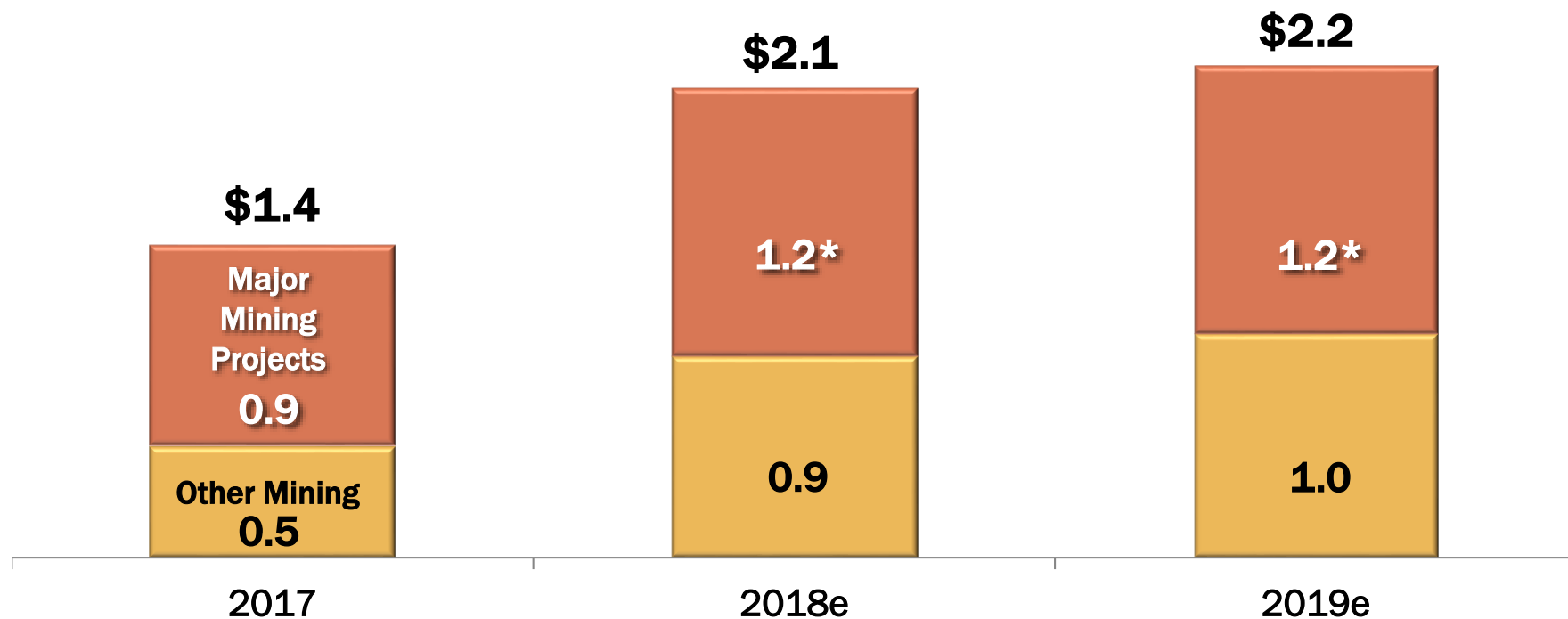
NOTE: EBITDA equals operating income plus depreciation, depletion and amortization costs. Operating cash flow amounts exclude working capital changes. Assumes continued exports from Indonesia after 2/16/2018.

e = estimate. See Cautionary Statement.

# Capital Expenditures

(US\$ billions)

**Includes Lone Star Oxide Project**



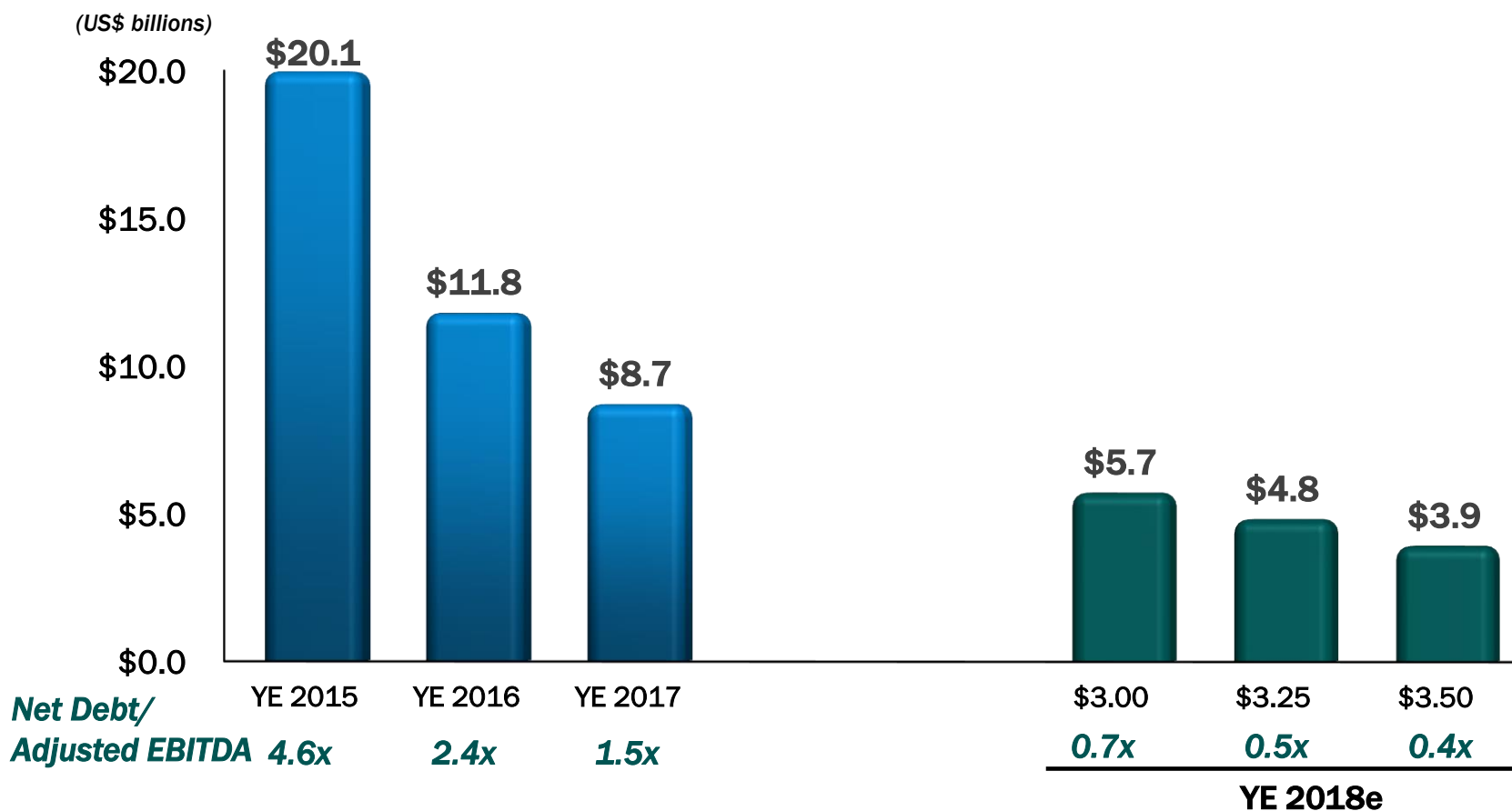
\* Major mining projects include CAPEX associated with Grasberg Underground development (\$0.75 bn in 2018e and 2019e) and Lone Star (\$0.25 bn in 2018e and \$0.35 in 2019e).

Note: Includes capitalized interest; excludes potential spending on new smelter in Indonesia.

e= estimate. See Cautionary Statement.

# Strong Execution of Deleveraging Plan

## Net Debt at Varying Copper Prices



Note: Sensitivity assumes \$10/lb molybdenum and \$1,300/oz gold for 2018e.  
 Net debt equals gross debt less consolidated cash.  
 e= estimate. See Cautionary Statement.

# Positive Long-term Outlook



**FREEPORT-McMoRAN**

*Executing Clearly Defined Strategy*

**Industry-Leading  
Copper Position**



**Experienced Team  
of Operators &  
Developers**



**Long-Lived,  
Geographically  
Diverse Portfolio**



**Financially  
Strong**



**Optimistic About Market Outlook for Copper –  
Attractive Long-Term Fundamentals**

# Reference Slides

# Financial Highlights

<b>Sales Data</b>	<b>4Q17</b>	<b>2017</b>
<b><u>Copper</u></b>		
Consolidated Volumes (mm lbs)	1,017	3,700
Average Realization (per lb)	\$3.21	\$2.93
Site Production & Delivery Costs (per lb)	\$1.62	\$1.61
Unit Net Cash Costs (per lb)	\$1.04	\$1.20
<b><u>Gold</u></b>		
Consolidated Volumes (000's ozs)	593	1,562
Average Realization (per oz)	\$1,285	\$1,268
<b><u>Molybdenum</u></b>		
Consolidated Volumes (mm lbs)	24	95
Average Realization (per lb)	\$9.79	\$9.33
<b>Financial Results</b> (in billions, except per share amounts)	<b>4Q17</b>	<b>2017</b>
Revenues	\$5.0	\$16.4
Net Income Attributable to Common Stock <sup>(1)</sup>	\$1.0	\$1.8
Diluted Net Income Per Share <sup>(1)</sup>	\$0.71	\$1.25
Operating Cash Flows <sup>(2)</sup>	\$1.7	\$4.7
Capital Expenditures	\$0.4	\$1.4
Total Debt	\$13.1	\$13.1
Consolidated Cash	\$4.4	\$4.4

(1) After adjusting for net gains of \$291 mm (20¢/share) for 4Q17 and \$113 mm (8¢/share) for 2017 primarily related to tax benefits associated with U.S. tax reform, partly offset by charges for adjustments to environmental obligations, adjusted net income attributable to common stock totaled \$750 mm (51¢/share) for 4Q17 and \$1,704 mm (\$1.17/share) for 2017. For additional information, refer to "Adjusted Net Income" in the supplemental schedules of FCX's 4Q17 press release, which are available on FCX's website.

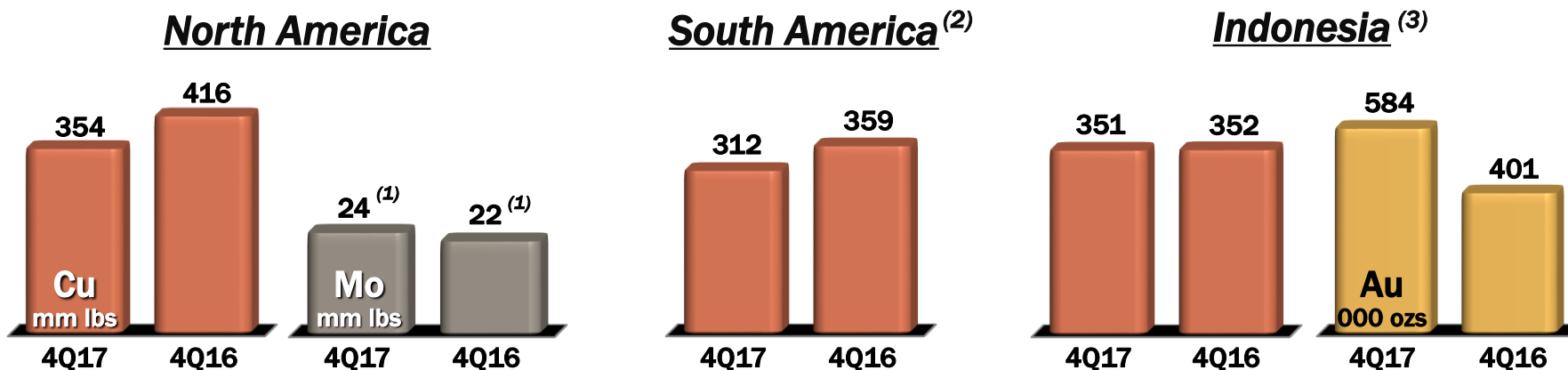
(2) Includes net working capital sources and timing of other tax payments of \$194 mm for 4Q17 and \$589 mm for 2017.

# 4Q 2017 Mining Operating Summary

## 4Q17 Unit Production Costs

Cash Unit Costs (Credits) (per pound of copper)	North America	South America	Indonesia	Consolidated
Site Production & Delivery	\$1.79	\$1.71	\$1.36	\$1.62
By-Product Credits	(0.21)	(0.20)	(2.18)	(0.89)
Treatment Charges	0.10	0.21	0.26	0.19
Royalties & Export Duties	-	0.01	0.34	0.12
<b>Unit Net Cash Costs (Credits)</b>	<b>\$1.68</b>	<b>\$1.73</b>	<b>\$(0.22)</b>	<b>\$1.04</b>

## Sales From Mines for 4Q17 & 4Q16 by Region



(1) Includes 6 mm lbs in 4Q17 and 7 mm lbs in 4Q16 from South America.

(2) Silver sales totaled 967 k ozs in 4Q17 and 981 k ozs in 4Q16.

(3) Silver sales totaled 1.0 mm ozs in 4Q17 and 907 k ozs in 4Q16.

NOTE: For a reconciliation of unit net cash costs (credits) per pound to production and delivery costs applicable to sales reported in FCX's consolidated financial statements, refer to "Product Revenues and Production Costs" in the supplemental schedules of FCX's 4Q17 press release, which is available on FCX's website.



# 2017 Operating Summary

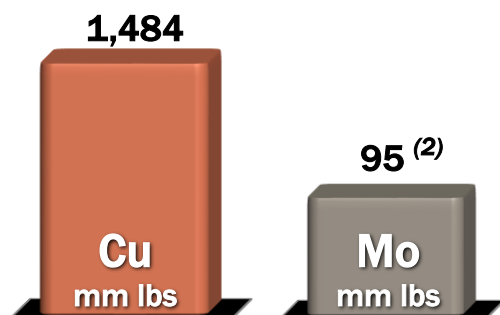
## 2017 Unit Production Costs

(per pound of copper)

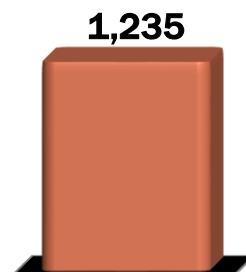
	North America	South America	Indonesia	Consolidated
<b>Cash Unit Costs</b>				
Site Production & Delivery <sup>(1)</sup>	\$1.64	\$1.59	\$1.58	\$1.61
By-product Credits	(0.17)	(0.18)	(2.05)	(0.67)
Treatment Charges	0.10	0.22	0.27	0.19
Royalties & Export Duties	-	0.01	0.29	0.07
<b>Unit Net Cash Costs</b>	<b>\$1.57</b>	<b>\$1.64</b>	<b>\$0.09</b>	<b>\$1.20</b>

## 2017 Sales by Region

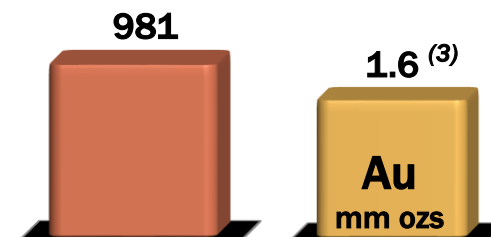
### North America



### South America



### Indonesia



(1) Production costs include profit sharing in South America and severance taxes in North America.

(2) Includes molybdenum produced in South America.

(3) Includes gold produced in North America.

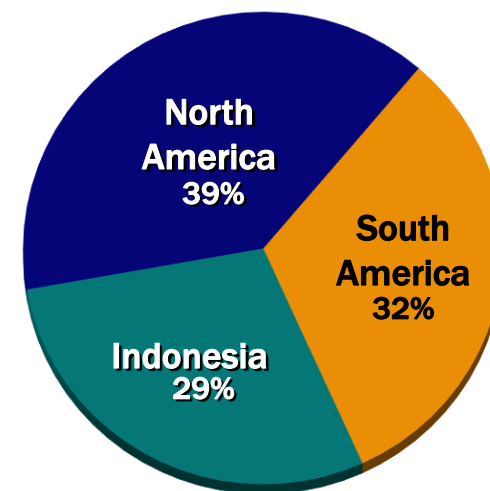
Note: e = estimate. See Cautionary Statement.

# Preliminary Reserves

## Consolidated Proven & Probable Reserves

	<b>Copper</b> billion lbs	<b>Molybdenum</b> billion lbs	<b>Gold</b> million ozs
Reserves @ 12/31/16	86.8	2.95	26.1
Additions/revisions	3.6	(0.02)	(1.0)
Production	(3.7)	(0.09)	(1.6)
Net Change	(0.1)	(0.11)	(2.6)
<b>Reserves @ 12/31/17</b>	<b>86.7</b>	<b>2.84</b>	<b>23.5</b>
Reserves @ 12/31/06	93.6	1.95	42.5
Additions/revisions	36.8	1.78	(2.1)
Production	(43.7)	(0.89)	(16.9)
Net Change	(6.9)	0.89	(19.0)
<b>Reserves @ 12/31/17</b>	<b>86.7</b>	<b>2.84</b>	<b>23.5</b>
* As % of production	84%	201%	-13%

### 12/31/17 Copper Reserves by Geographical Region



Reserves at 12/31/16 & 12/31/17: Prices of \$2/lb copper, \$10/lb molybdenum, and \$1,000/oz gold



Reserves at 12/31/06: Prices of ~\$1/lb copper, \$5/lb molybdenum, and \$400/oz gold; reserves as of 12/31/06 are pro forma

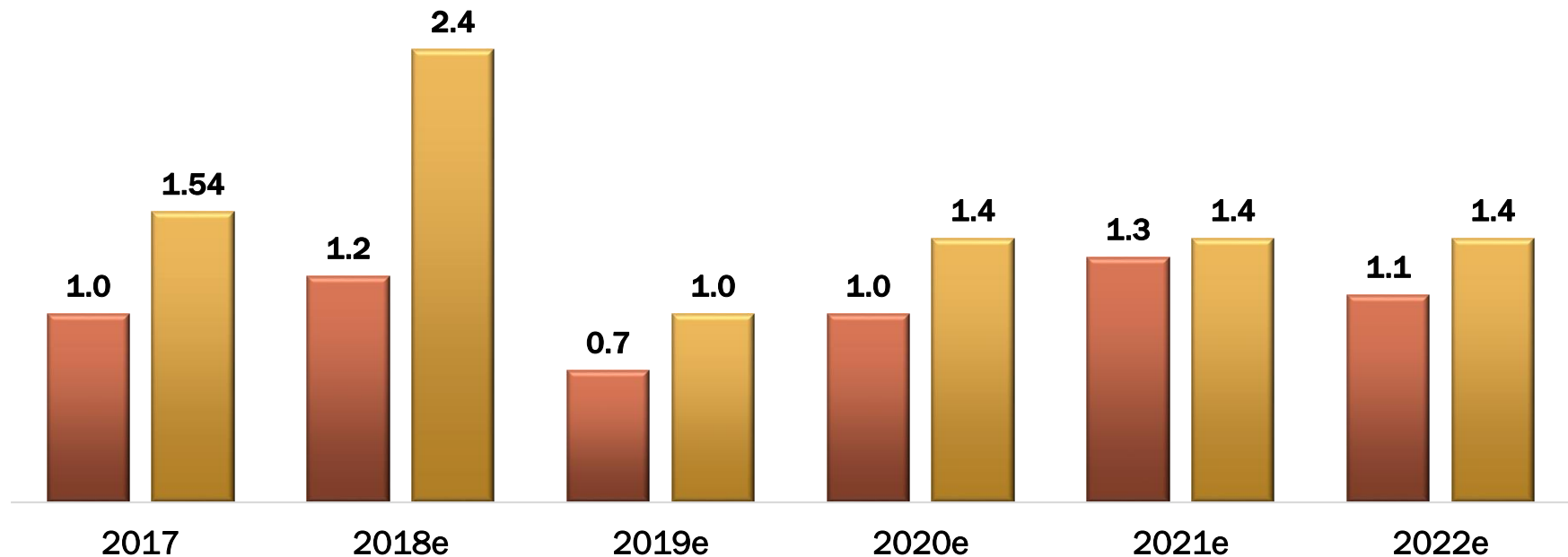
# PT-FI Mine Plan

## PT-FI's Share of Metal Sales, 2017-2022e

**2018e - 2022e PT-FI Share**  
**Total: 5.3 billion lbs copper**  
**Annual Average: 1.07 billion lbs**

**2018e - 2022e PT-FI Share**  
**Total: 7.6 million ozs gold**  
**Annual Average: 1.5 million ozs**

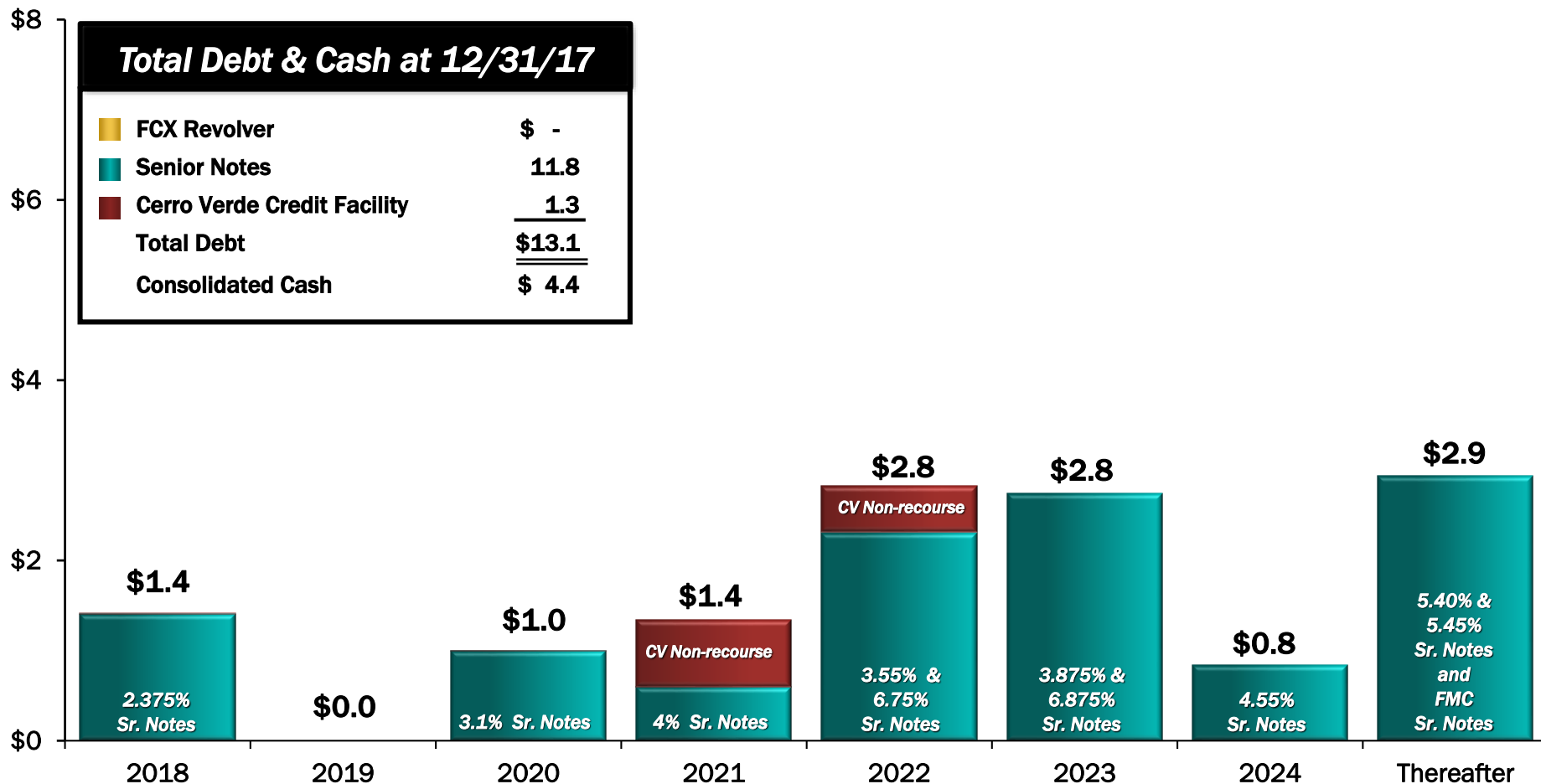
 **Copper, billion lbs**  
 **Gold, million ozs**



*Note: Timing of annual sales will depend upon mine sequencing, shipping schedules and other factors. Assumes continued exports from Indonesia after 2/16/18. e = estimate. Amounts are projections; see Cautionary Statement.*

# FCX Debt Maturities as of 12/31/17

(US\$ billions)



**In 4Q17, Redeemed \$617 mm & Repurchased \$74 mm in Sr. Notes  
Interest Savings Associated with Transactions Over \$40 mm per annum**

# Adjusted EBITDA Reconciliation

(in millions)

	4Q 2017	2017
Net Income Attributable to Common Stock – Continuing Operations	\$1,025	\$1,755
Interest expense, net	168	801
Income tax provision	136	883
Depreciation, depletion and amortization	457	1,714
Gain on early extinguishment and exchanges of debt	(13)	(21)
Net gain on sales of assets	(15)	(81)
Accretion	30	124
Cerro Verde royalties and related net charges (credits)	(13)	203
Other net charges <sup>(1)</sup>	173	359
Other income, net	(13)	(49)
Net income attributable to noncontrolling interest	168	274
Equity in affiliated companies' net earnings	<u>(4)</u>	<u>(10)</u>
<b>Adjusted EBITDA – Continuing Operations</b>	<b>\$2,099</b>	<b>\$5,952</b>
Adjusted EBITDA – Discontinued Operations	<u>-</u>	<u>13</u>
<b>FCX Adjusted EBITDA <sup>(2)</sup></b>	<b><u>\$2,099</u></b>	<b><u>\$5,965</u></b>

(1) Other net charges for 4Q17 primarily include net adjustments to environmental obligations and related litigation reserves (\$157 mm). Other net charges for the year 2017 primarily include mining-related charges for PT-FI workforce reductions (\$125 mm) and net charges to environmental obligations and related litigation reserves (\$210 mm).

(2) Adjusted EBITDA is a non-GAAP financial measure that is frequently used by securities analysts, investors, lenders and others to evaluate companies' performance, including, among other things, profitability before the effect of financing and similar decisions. Because securities analysts, investors, lenders and others use Adjusted EBITDA, management believes that our presentation of Adjusted EBITDA affords them greater transparency in assessing our financial performance. Adjusted EBITDA should not be considered as a substitute for measures of financial performance prepared in accordance with GAAP. Adjusted EBITDA may not necessarily be comparable to similarly titled measures reported by other companies, as different companies calculate such measures differently.