

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 25, 2019



**Freeport-McMoRan Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation)

**001-11307-01**  
(Commission File Number)

**74-2480931**  
(I.R.S. Employer Identification No.)

**333 North Central Avenue**  
**Phoenix, AZ**  
(Address of Principal Executive Offices)

**85004**  
(Zip Code)

Registrant's telephone number, including area code: (602) 366-8100

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR § 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Item 2.02. Results of Operations and Financial Condition.

Freeport-McMoRan Inc. (FCX) issued a press release dated April 25, 2019 , announcing its first-quarter 2019 financial and operating results, referencing supplementary schedules (see Exhibit 99.1).

Item 7.01. Regulation FD Disclosure.

The slides presented in connection with FCX's first-quarter 2019 earnings conference call conducted via the internet on April 25, 2019 , are attached hereto as Exhibit 99.2.

The information furnished pursuant to this Item 7.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Exhibit Title
<a href="#">99.1</a>	Press release dated April 25, 2019, titled "Freeport-McMoRan Reports First-Quarter 2019 Results" and supplementary schedules.
<a href="#">99.2</a>	Slides presented in connection with FCX's first-quarter 2019 earnings conference call conducted via the internet on April 25, 2019.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FREEPORT-McMoRan INC.

By: /s/ C. Donald Whitmire, Jr.

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C. Donald Whitmire, Jr.  
Vice President and Controller -  
Financial Reporting  
(authorized signatory and  
Principal Accounting Officer)

Date: April 25, 2019



## Freeport-McMoRan Reports First-Quarter 2019 Results

- **Net income** attributable to common stock totaled \$31 million , \$0.02 per share, in first-quarter 2019 . After adjusting for net charges of \$36 million , \$0.03 per share, first-quarter 2019 adjusted net income attributable to common stock totaled \$67 million , \$0.05 per share.
- **Consolidated sales** totaled 784 million pounds of copper, 242 thousand ounces of gold and 22 million pounds of molybdenum in first-quarter 2019 .
- **Consolidated sales** for the year 2019 are expected to approximate 3.3 billion pounds of copper, 0.8 million ounces of gold and 94 million pounds of molybdenum, including 800 million pounds of copper, 265 thousand ounces of gold and 25 million pounds of molybdenum in second-quarter 2019 .
- **Average realized prices** in first-quarter 2019 were \$2.90 per pound for copper, \$1,291 per ounce for gold and \$12.69 per pound for molybdenum.
- **Average unit net cash costs** in first-quarter 2019 were \$1.78 per pound of copper and are expected to approximate \$1.75 per pound of copper for the year 2019 .
- **Operating cash flows** totaled \$534 million (net of \$27 million in working capital uses and timing of other tax payments) in first-quarter 2019 . Based on current sales volume and cost estimates, and assuming average prices of \$3.00 per pound for copper, \$1,300 per ounce for gold and \$13.00 per pound for molybdenum for the remainder of 2019 , operating cash flows are expected to approximate \$2.3 billion for the year 2019 .
- **Capital expenditures** totaled \$622 million in first-quarter 2019 (including approximately \$370 million for major mining projects). Capital expenditures for the year 2019 are expected to approximate \$2.5 billion , including \$1.5 billion for major mining projects primarily associated with underground development activities in the Grasberg minerals district in Indonesia and development of the Lone Star copper leach project in Arizona.
- In March 2019, FCX **redeemed all of its outstanding \$1 billion aggregate principal** amount of senior notes due 2020.
- At March 31, 2019 , **consolidated debt** totaled \$9.9 billion and **consolidated cash** totaled \$2.8 billion . FCX had no borrowings and \$3.5 billion available under its revolving credit facility at March 31, 2019 .
- On March 27, 2019, FCX **declared a quarterly cash dividend** of \$0.05 per share on its common stock, which will be paid on May 1, 2019.



PHOENIX, AZ, April 25, 2019 - Freeport-McMoRan Inc. (NYSE: FCX) reported net income attributable to common stock of \$31 million ( \$0.02 per share) in first-quarter 2019 . After adjusting for net charges of \$36 million ( \$0.03 per share), adjusted net income attributable to common stock totaled \$67 million ( \$0.05 per share) in first-quarter 2019 . Refer to the supplemental schedule, "Adjusted Net Income," on page VI , which is available on FCX's website, "fcx.com," for additional information.

Richard C. Adkerson, President and Chief Executive Officer, said, "During the first quarter, our global team maintained its focus on providing products necessary to support growing economies around the world in a cost-efficient, safe and environmentally responsible manner. Our transition to underground mining at Grasberg is advancing according to plan, and we are encouraged by recent milestones. In North America and South America, we are advancing the Lone Star copper leach project in eastern Arizona and continuing to focus on opportunities to enhance operating performance from existing mines. As we look forward, we are optimistic about the future that our asset base and copper market fundamentals are expected to provide shareholders. Our strategy will continue to focus on maximizing the value of our existing resource base through rigorous cost management, productivity and technology, executing our plan to successfully transition from open-pit mining to large-scale underground mining at Grasberg, generating cash flows to enhance shareholder returns and creating value organically from our large undeveloped resource position."

## SUMMARY FINANCIAL DATA

	Three Months Ended March 31,	
	2019	2018
	(in millions, except per share amounts)	
Revenues a,b	\$ 3,792	\$ 4,868
Operating income a	\$ 321	\$ 1,459
Net income from continuing operations	\$ 75	\$ 828
Net income attributable to common stock c,d	\$ 31	\$ 692
Diluted net income (loss) per share of common stock:		
Continuing operations	\$ 0.02	\$ 0.48
Discontinued operations	—	(0.01)
	\$ 0.02	\$ 0.47
Diluted weighted-average common shares outstanding	1,457	1,458
Operating cash flows e	\$ 534	\$ 1,369
Capital expenditures	\$ 622	\$ 402
At March 31:		
Cash and cash equivalents	\$ 2,833	\$ 3,749
Total debt, including current portion	\$ 9,905	\$ 11,718

a. For segment financial results, refer to the supplemental schedules, "Business Segments," beginning on page VII , which are available on FCX's website, "fcx.com."

b. Includes favorable (unfavorable) adjustments to prior period provisionally priced concentrate and cathode copper sales totaling \$70 million ( \$29 million to net income attributable to common stock or \$0.02 per share) in first-quarter 2019 and \$(78) million ( \$(35) million to net income attributable to common stock or \$(0.02) per share) in first-quarter 2018 . For further discussion, refer to the supplemental schedule, "Derivative Instruments," on page VII , which is available on FCX's website, "fcx.com."

c. Includes net (charges) gains of \$(36) million ( \$(0.03) per share) in first-quarter 2019 and \$13 million ( \$0.01 per share) in first-quarter 2018 that are described in the supplemental schedule, "Adjusted Net Income," on page VI , which is available on FCX's website, "fcx.com."

d. FCX defers recognizing profits on intercompany sales until final sales to third parties occur. For a summary of net impacts from changes in these deferrals, refer to the supplemental schedule, "Deferred Profits," on page VII , which is available on FCX's website, "fcx.com."

e. Net of working capital uses and timing of other tax payments of \$27 million in first-quarter 2019 and \$21 million in first-quarter 2018 .



## SUMMARY OPERATING DATA

	Three Months Ended March 31,	
	2019	2018
<b>Copper</b> (millions of recoverable pounds)		
Production	780	952
Sales, excluding purchases	784	993
Average realized price per pound	\$ 2.90	\$ 3.11
Site production and delivery costs per pound <sup>a</sup>	\$ 2.17	\$ 1.67
Unit net cash costs per pound <sup>a</sup>	\$ 1.78	\$ 0.98
<b>Gold</b> (thousands of recoverable ounces)		
Production	166	599
Sales, excluding purchases	242	610
Average realized price per ounce	\$ 1,291	\$ 1,312
<b>Molybdenum</b> (millions of recoverable pounds)		
Production	23	22
Sales, excluding purchases	22	24
Average realized price per pound	\$ 12.69	\$ 11.95

a. Reflects per pound weighted-average production and delivery costs and unit net cash costs (net of by-product credits) for all copper mines, before net noncash and other costs. For reconciliations of per pound unit costs by operating division to production and delivery costs applicable to sales reported in FCX's consolidated financial statements, refer to the supplemental schedules, "Product Revenues and Production Costs," beginning on page IX, which are available on FCX's website, "fcx.com."

### Consolidated Sales Volumes

First-quarter 2019 **copper** sales of 784 million pounds and **gold** sales of 242 thousand ounces were approximately five percent lower than January 2019 sales estimates of 825 million pounds of copper and 255 thousand ounces of gold, reflecting impacts from weather events at El Abra, unscheduled maintenance in North America and timing of shipments in Indonesia. First-quarter 2019 copper and gold sales were lower than first-quarter 2018 sales volumes primarily reflecting anticipated lower mill rates and ore grades as PT Freeport Indonesia (PT-FI) transitions mining from the open pit to underground.

First-quarter 2019 **molybdenum** sales of 22 million pounds were lower than the January 2019 estimate and first-quarter 2018 sales of 24 million pounds.

Sales volumes for the year 2019 are expected to approximate 3.3 billion pounds of copper, 0.8 million ounces of gold and 94 million pounds of molybdenum, including 800 million pounds of copper, 265 thousand ounces of gold and 25 million pounds of molybdenum in second-quarter 2019. As PT-FI transitions mining from the open pit to underground, its production is expected to be significantly lower in 2019 and 2020, compared with 2018. Metal production is expected to improve significantly by 2021 following a ramp-up period.

### Consolidated Unit Costs

Consolidated average unit net cash costs (net of by-product credits) for FCX's copper mines were \$1.78 per pound of copper in first-quarter 2019. As anticipated, average unit net cash costs were higher than the first-quarter 2018 average of \$0.98 per pound, primarily reflecting lower sales volumes in Indonesia associated with PT-FI's transition.

Assuming average prices of \$1,300 per ounce of gold and \$13.00 per pound of molybdenum for the remainder of 2019 and achievement of current sales volume and cost estimates, consolidated unit net cash costs (net of by-product credits) for copper mines are expected to average \$1.75 per pound of copper for the year 2019. FCX expects unit net cash costs to decline by 2021 following a ramp-up period at PT-FI. The impact of price changes on consolidated unit net cash costs would approximate \$0.01 per pound for each \$50 per ounce change in the average price of gold and \$0.02 per pound for each \$2 per pound change in the average price of molybdenum for the remainder of 2019. Quarterly unit net cash costs vary with fluctuations in sales volumes and realized prices, primarily for gold and molybdenum.



## MINING OPERATIONS

**North America Copper Mines.** FCX operates seven open-pit copper mines in North America - Morenci, Bagdad, Safford, Sierrita and Miami in Arizona, and Chino and Tyrone in New Mexico. In addition to copper, certain of FCX's North America copper mines produce molybdenum concentrate, gold and silver. All of the North America mining operations are wholly owned, except for Morenci. FCX records its 72 percent undivided joint venture interest in Morenci using the proportionate consolidation method.

**Operating and Development Activities.** FCX has significant undeveloped reserves and resources in North America and a portfolio of potential long-term development projects. Future investments will be undertaken based on the results of economic and technical feasibility studies, and are dependent on market conditions. FCX continues to pursue projects to enhance productivity through innovative technologies and to study opportunities to reduce the capital intensity of its potential long-term development projects.

Through exploration drilling, FCX has identified a significant resource at its wholly owned Lone Star project located near the Safford operation in eastern Arizona. An initial project to develop the Lone Star leachable ores commenced in first-quarter 2018, with first production expected by the end of 2020. Initial production from the Lone Star leachable ores is expected to average approximately 200 million pounds of copper per year, with the potential for future expansion options. Total capital costs for the initial project, including mine equipment and pre-production stripping, are expected to approximate \$850 million and will benefit from the utilization of existing infrastructure at the adjacent Safford operation. As of March 31, 2019, approximately \$385 million has been incurred for this project. The project also advances exposure to a significant sulfide resource. FCX expects to incorporate recent positive drilling and ongoing results in its future development plans.

**Operating Data.** Following is summary consolidated operating data for the North America copper mines:

	Three Months Ended March 31,	
	2019	2018
<b>Copper</b> (millions of recoverable pounds)		
Production	336	348
Sales, excluding purchases	320	384
Average realized price per pound	\$ 2.85	\$ 3.16
<b>Molybdenum</b> (millions of recoverable pounds)		
Production <sup>a</sup>	7	7
<b>Unit net cash costs per pound of copper <sup>b</sup></b>		
Site production and delivery, excluding adjustments	\$ 2.06	\$ 1.84
By-product credits	(0.26)	(0.20)
Treatment charges	0.11	0.10
Unit net cash costs	\$ 1.91	\$ 1.74

a. Refer to summary operating data on page 3 for FCX's consolidated molybdenum sales, which includes sales of molybdenum produced at the North America copper mines.

b. For a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales reported in FCX's consolidated financial statements, refer to the supplemental schedules, "Product Revenues and Production Costs," beginning on page IX, which are available on FCX's website, "fcx.com."

North America's consolidated copper sales volumes of 320 million pounds in first-quarter 2019 were lower than first-quarter 2018 sales of 384 million pounds, primarily reflecting timing of shipments. North America copper sales are estimated to approximate 1.4 billion pounds for the year 2019, similar to 2018.

Average unit net cash costs (net of by-product credits) for the North America copper mines of \$1.91 per pound of copper in first-quarter 2019 were higher than unit net cash costs of \$1.74 per pound in first-quarter 2018, primarily reflecting lower copper sales volumes.

Average unit net cash costs (net of by-product credits) for the North America copper mines are expected to approximate \$1.91 per pound of copper for the year 2019, based on achievement of current sales volume and cost



estimates and assuming an average molybdenum price of \$13.00 per pound for the remainder of 2019. North America's average unit net cash costs for the year 2019 would change by approximately \$0.03 per pound for each \$2 per pound change in the average price of molybdenum for the remainder of 2019.

**South America Mining.** FCX operates two copper mines in South America - Cerro Verde in Peru (in which FCX owns a 53.56 percent interest) and El Abra in Chile (in which FCX owns a 51 percent interest). These operations are consolidated in FCX's financial statements. In addition to copper, the Cerro Verde mine produces molybdenum concentrate and silver.

**Operating and Development Activities.** Cerro Verde's expanded operations benefit from its large-scale, long-lived reserves and cost efficiencies. Cerro Verde's concentrator facilities have continued to perform well, with average mill throughput rates of 386,500 metric tons of ore per day in first-quarter 2019. Debottlenecking projects and additional initiatives to enhance operating rates are being advanced.

FCX continues to evaluate a large-scale expansion at El Abra to process additional sulfide material and to achieve higher recoveries. El Abra's large sulfide resource could potentially support a major mill project similar to facilities constructed at Cerro Verde. Technical and economic studies are being advanced to determine the optimal scope and timing for the project.

**Operating Data.** Following is summary consolidated operating data for South America mining:

	Three Months Ended March 31,	
	2019	2018
<b>Copper</b> (millions of recoverable pounds)		
Production	299	293
Sales	290	290
Average realized price per pound	\$ 2.93	\$ 3.08
<b>Molybdenum</b> (millions of recoverable pounds)		
Production <sup>a</sup>	8	6
<b>Unit net cash costs per pound of copper <sup>b</sup></b>		
Site production and delivery, excluding adjustments	\$ 1.73	\$ 1.78
By-product credits	(0.34)	(0.25)
Treatment charges	0.19	0.20
Royalty on metals	0.01	0.01
Unit net cash costs	\$ 1.59	\$ 1.74

a. Refer to summary operating data on page 3 for FCX's consolidated molybdenum sales, which includes sales of molybdenum produced at Cerro Verde.

b. For a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales reported in FCX's consolidated financial statements, refer to the supplemental schedules, "Product Revenues and Production Costs," beginning on page IX, which are available on FCX's website, "fcx.com."

South America's consolidated copper sales volumes of 290 million pounds in first-quarter 2019 approximated first-quarter 2018, with lower volumes from El Abra being offset by higher volumes at Cerro Verde.

During first-quarter 2019, heavy rainfall and electrical storms resulted in a suspension of El Abra's crushed leach stacking operations for approximately 35 days; operations resumed in mid-March. The estimated impact of the disruption on FCX's 2019 consolidated copper production approximates 30 million pounds, approximately half of which was in first-quarter 2019.

Sales from South America mining are expected to approximate 1.3 billion pounds of copper for the year 2019, similar to 2018.

Average unit net cash costs (net of by-product credits) for South America mining of \$1.59 per pound of copper in first-quarter 2019 were lower than unit net cash costs of \$1.74 per pound in first-quarter 2018, primarily reflecting higher by-product credits.



Average unit net cash costs (net of by-product credits) for South America mining are expected to approximate \$1.66 per pound of copper for the year 2019, based on current sales volume and cost estimates and assuming an average price of \$13.00 per pound of molybdenum for the remainder of 2019.

**Indonesia Mining.** PT-FI's assets include one of the world's largest copper and gold deposits at the Grasberg minerals district in Papua, Indonesia. PT-FI produces copper concentrate that contains significant quantities of gold and silver. FCX has a 48.76 percent ownership interest in PT-FI and manages its mining operations. PT-FI is consolidated in FCX's financial statements.

The transaction completed in December 2018 regarding PT-FI's long-term mining rights and share ownership provided for FCX and the other pre-transaction PT-FI shareholders to retain the economics of the revenue and cost sharing arrangements under the former joint venture with Rio Tinto. As a result, FCX's economic interest in PT-FI is expected to approximate 81 percent through 2022.

**Operating and Development Activities.** PT-FI is currently mining the final phase of the Grasberg open pit and expects to transition to the Grasberg Block Cave (GBC) underground mine in mid-2019. PT-FI continues to assess opportunities to recover additional ore from the open pit during the remainder of 2019, subject to mine planning considerations.

PT-FI continues to advance several projects in the Grasberg minerals district related to the development of its large-scale, long-lived, high-grade underground ore bodies. In aggregate, these underground ore bodies are expected to produce large-scale quantities of copper and gold following the transition from the Grasberg open pit.

PT-FI's estimated annual capital spending on underground mine development projects is expected to average \$0.7 billion per year over the next four years, net of scheduled contributions from PT Indonesia Asahan Aluminium (Persero) (PT Inalum). In accordance with applicable accounting guidance, aggregate costs (before scheduled contributions from PT Inalum), which are expected to average \$0.9 billion per year through 2022, will be reflected as an investing activity in FCX's cash flow statement, and contributions from PT Inalum will be reflected as a financing activity. Considering the long-term nature and size of these projects, actual costs could vary from these estimates.

Substantial progress has been made to prepare for the transition to mining of the GBC underground mine. First undercut blasting occurred in late 2018 and several drawbells have been constructed and blasted to prepare for mining. Cave production is in progress and on schedule. All underground mining levels and the ore flow system are being commissioned. Production rates over the next five years are expected to ramp up to 130,000 metric tons of ore per day.

During third-quarter 2018, PT-FI commenced hydraulic fracturing activities to manage rock stresses and pre-condition the Deep Mill Level Zone (DMLZ) underground mine for large-scale production following mining induced seismic activity experienced in 2017 and 2018. Results to date have been effective in managing rock stresses and pre-conditioning the cave. PT-FI expects to commence the ramp-up of production in the DMLZ underground mine by mid-2019 and to reach full production rates of 80,000 metric tons per day in 2022. Estimates of timing of future production continue to be reviewed and may be modified as additional information becomes available.

In connection with completion of the December 2018 transaction, PT-FI committed to construct a new smelter in Indonesia by December 21, 2023. PT-FI has reviewed various process technologies and has initiated front-end engineering and design for the selected technology. The preliminary capital cost estimate for the project is in the \$3 billion range and PT-FI intends to pursue financing, commercial and potential partner arrangements for this project. The economics of PT-FI's share of the new smelter will be shared by PT-FI's shareholders according to their respective share ownership percentages.



Operating Data. Following is summary consolidated operating data for Indonesia mining:

	Three Months Ended March 31,	
	2019	2018
<b>Copper</b> (millions of recoverable pounds)		
Production	145	311
Sales	174	319
Average realized price per pound	\$ 2.92	\$ 3.06
<b>Gold</b> (thousands of recoverable ounces)		
Production	162	595
Sales	235	603
Average realized price per ounce	\$ 1,291	\$ 1,312
<b>Unit net cash costs (credits) per pound of copper <sup>a</sup></b>		
Site production and delivery, excluding adjustments	\$ 3.10	\$ 1.36
Gold and silver credits	(1.81)	(2.59)
Treatment charges	0.29	0.25
Export duties	0.10	0.14
Royalty on metals	0.16	0.21
Unit net cash costs (credits)	\$ 1.84	\$ (0.63)

a. 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 the supplemental schedules, "Product Revenues and Production Costs," beginning on page IX, which are available on FCX's website, "fcx.com."

In March 2019, PT-FI's export license was extended to March 8, 2020. PT-FI's approved export quota for the current export period totals approximately 180,000 dry metric tons of concentrate, reflecting PT-FI's production plan submitted to the Indonesian government in November 2018. PT-FI plans to seek approval from the Indonesian government for an increase in its export quota for the current export period.

Indonesia's consolidated sales of 174 million pounds of copper and 235 thousand ounces of gold in first-quarter 2019 were lower than first-quarter 2018 sales of 319 million pounds of copper and 603 thousand ounces of gold, primarily reflecting anticipated lower mill rates and ore grades as PT-FI transitions mining from the open pit to underground.

As PT-FI transitions mining from the open pit to underground, production is expected to be significantly lower in 2019 and 2020, compared with historical levels. Metal production is expected to improve significantly by 2021 following a ramp-up period. Consolidated sales volumes from Indonesia are expected to approximate 0.6 billion pounds of copper and 0.8 million ounces of gold in 2019.

A significant portion of PT-FI's costs are fixed and unit costs vary depending on production volumes and other factors. Indonesia's unit net cash costs (including gold and silver credits) of \$1.84 per pound of copper in first-quarter 2019, compared with unit cash credits of \$0.63 per pound in first-quarter 2018, primarily reflected lower gold and silver credits and lower copper sales volumes.

Because of the fixed nature of a large portion of Indonesia's costs, unit net cash costs vary from quarter to quarter depending on copper and gold volumes. Assuming an average gold price of \$1,300 per ounce for the remainder of 2019 and achievement of current sales volume and cost estimates, unit net cash costs (including gold and silver credits) for Indonesia mining are expected to approximate \$1.54 per pound of copper for the year 2019. Indonesia mining's unit net cash costs for the year 2019 would change by approximately \$0.05 per pound for each \$50 per ounce change in the average price of gold for the remainder of 2019.

Indonesia mining's projected sales volumes and unit net cash costs for the year 2019 are dependent on a number of factors, including operational performance, timing of shipments, export quotas and workforce productivity.



**Molybdenum Mines.** FCX has two wholly owned molybdenum mines - the Henderson underground mine and the Climax open-pit mine - both in Colorado. The Henderson and Climax mines produce high-purity, chemical-grade molybdenum concentrate, which is typically further processed into value-added molybdenum chemical products. The majority of molybdenum concentrate produced at the Henderson and Climax mines, as well as from FCX's North America and South America copper mines, is processed at FCX's conversion facilities.

**Operating and Development Activities.** Production from the Molybdenum mines totaled 8 million pounds of molybdenum in first-quarter 2019 and 9 million pounds in first-quarter 2018 . Refer to summary operating data on page 3 for FCX's consolidated molybdenum sales and average realized prices, which includes sales of molybdenum produced at the Molybdenum mines, and from FCX's North America and South America copper mines.

Unit net cash costs for the Molybdenum mines averaged \$9.80 per pound of molybdenum in first-quarter 2019 and \$8.57 per pound in first-quarter 2018 . Based on current sales volume and cost estimates, average unit net cash costs for the Molybdenum mines are expected to approximate \$9.60 per pound of molybdenum for the year 2019 .

For a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales reported in FCX's consolidated financial statements, refer to the supplemental schedules, "Product Revenues and Production Costs," beginning on page IX , which are available on FCX's website, "fcx.com."

**Mining Exploration Activities.** FCX's mining exploration activities are generally associated with its existing mines, focusing on opportunities to expand reserves and resources to support development of additional future production capacity. A drilling program to further delineate the Lone Star resource continues to indicate significant additional mineralization in this district, with higher ore grades than FCX's other North America copper mines. Exploration results continue to indicate opportunities for significant future potential reserve additions in North America and South America. Exploration spending is expected to approximate \$70 million for the year 2019 , compared with \$78 million in 2018 .

#### **CASH FLOWS, CASH and DEBT**

**Operating Cash Flows.** FCX generated operating cash flows of \$534 million (net of \$27 million in working capital uses and timing of other tax payments) in first-quarter 2019 .

Based on current sales volume and cost estimates, and assuming average prices of \$3.00 per pound of copper, \$1,300 per ounce of gold and \$13.00 per pound of molybdenum for the remainder of 2019 , FCX's consolidated operating cash flows are estimated to approximate \$2.3 billion for the year 2019 . The impact of price changes during the remainder of 2019 on operating cash flows would approximate \$265 million for each \$0.10 per pound change in the average price of copper, \$30 million for each \$50 per ounce change in the average price of gold and \$95 million for each \$2 per pound change in the average price of molybdenum.

**Capital Expenditures.** Capital expenditures totaled \$622 million in first-quarter 2019 (including approximately \$370 million for major mining projects).

Capital expenditures are expected to approximate \$2.5 billion for the year 2019 , including \$1.5 billion for major mining projects primarily associated with underground development activities in the Grasberg minerals district and development of the Lone Star project, and exclude estimates associated with the new smelter in Indonesia. A large portion of the capital expenditures relate to projects that are expected to add significant production and cash flow in future periods, enabling FCX to generate operating cash flows exceeding capital expenditures in future years. FCX has cash on hand and the financial flexibility to fund these expenditures and will continue to be disciplined in deploying capital.



**Cash.** Following is a summary of the U.S. and international components of consolidated cash and cash equivalents available to the parent company, net of noncontrolling interests' share, taxes and other costs at March 31, 2019 (in billions):

Cash at domestic companies	\$	1.9
Cash at international operations		0.9
Total consolidated cash and cash equivalents		2.8
Noncontrolling interests' share		(0.4)
Cash, net of noncontrolling interests' share	\$	2.4
Withholding taxes and other		— <sup>a</sup>
<b>Net cash available</b>	<b>\$</b>	<b>2.4</b>

a. Rounds to less than \$0.1 billion.

**Debt.** At March 31, 2019, FCX's consolidated debt totaled \$9.9 billion, with a related weighted-average interest rate of 4.7 percent. FCX had no borrowings, \$13 million in letters of credit issued and \$3.5 billion available under its revolving credit facility at March 31, 2019.

During first-quarter 2019, FCX redeemed all of its outstanding \$1 billion aggregate principal amount of 3.100% Senior Notes due 2020 and repaid \$200 million under Cerro Verde's credit facility. FCX recorded losses on early extinguishment of debt totaling \$6 million in first-quarter 2019.

## FINANCIAL POLICY

On March 27, 2019, FCX declared a quarterly cash dividend of \$0.05 per share on its common stock, which will be paid on May 1, 2019, to shareholders of record as of April 15, 2019. The declaration of dividends is at the discretion of the Board of Directors (Board) and will depend upon FCX's financial results, cash requirements, future prospects and other factors deemed relevant by the Board.

## WEBCAST INFORMATION

A conference call with securities analysts to discuss FCX's first-quarter 2019 results is scheduled for today at 10:00 a.m. Eastern Time. The conference call will be broadcast on the Internet along with slides. Interested parties may listen to the conference call live and view the slides by accessing "fcx.com." A replay of the webcast will be available through Friday, May 24, 2019.

FCX is a leading international mining company with headquarters in Phoenix, Arizona. FCX operates large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold and molybdenum. FCX is one of the world's largest publicly traded copper producers.

FCX's portfolio of assets includes the Grasberg minerals district in Indonesia, one of the world's largest copper and gold deposits; and significant mining operations in the North America and South America, including the large-scale Morenci minerals district in Arizona and the Cerro Verde operation in Peru. Additional information about FCX is available on FCX's website at "fcx.com."

**Cautionary Statement and Regulation G Disclosure:** This press release 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; capital expenditures; FCX's expectations regarding its share of PT-FI's net income and future cash flows through 2022; PT-FI's development, financing, construction and completion of a new smelter in Indonesia; PT-FI's compliance with environmental standards under the new framework established by the Ministry of Environment and Forestry; exploration efforts and results; development and production activities, rates and costs; liquidity; tax rates; export quotas and duties; the impact of copper, gold and molybdenum price changes; the impact of deferred intercompany profits on earnings; reserve estimates; and future dividend payments, 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. The declaration of dividends is at the discretion of the Board and will depend on FCX's financial results, cash requirements, future prospects, and other factors deemed relevant by the Board.

FCX cautions readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, expected, 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, but are not limited to, supply of and demand



for, and prices of, copper, gold and molybdenum; mine sequencing; production rates; timing of shipments; results of feasibility studies; potential inventory adjustments; potential impairment of long-lived mining assets; the potential effects of violence in Indonesia generally and in the province of Papua; the Indonesian government's approval of an increase in PT-FI's export quota for the current export period, which ends March 8, 2020, and extension of PT-FI's export license after March 8, 2020; risks associated with underground mining; satisfaction of requirements in accordance with PT-FI's IUPK to extend mining rights from 2031 through 2041; industry risks; regulatory changes; political and social risks; labor relations; weather- and climate-related risks; environmental risks; litigation results; cybersecurity incidents; 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, 2018, filed with the U.S. Securities and Exchange Commission (SEC) as updated by FCX's subsequent filings with the SEC.

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 press release also contains certain financial measures such as unit net cash costs (credits) per pound of copper and molybdenum and adjusted net income, which are not recognized under U.S. generally accepted accounting principles. As required by SEC Regulation G, reconciliations of these measures to amounts reported in FCX's consolidated financial statements are in the supplemental schedules of this press release, which are also available on FCX's website, "fcx.com."

Freeport-McMoRan Inc.  
SELECTED OPERATING DATA

	Three Months Ended March 31,			
	2019	2018	2019	2018
	Production		Sales	
<b>MINING OPERATIONS:</b>				
<b>Copper</b> (millions of recoverable pounds)				
<i>(FCX's net interest in %)</i>				
<b>North America</b>				
Morenci (72%) <sup>a</sup>	167	169	156	187
Bagdad (100%)	55	49	51	51
Safford (100%)	28	33	27	36
Sierrita (100%)	36	41	34	44
Miami (100%)	3	4	3	5
Chino (100%)	35	38	37	45
Tyrone (100%)	12	13	12	15
Other (100%)	—	1	—	1
Total North America	336	348	320	384
<b>South America</b>				
Cerro Verde (53.56%)	261	243	256	242
El Abra (51%)	38	50	34	48
Total South America	299	293	290	290
<b>Indonesia</b>				
Grasberg (48.76%) <sup>b</sup>	145	311	174	319
<b>Total</b>	<b>780</b>	<b>952</b>	<b>784</b> <sup>c</sup>	<b>993</b> <sup>c</sup>
Less noncontrolling interests	167	167	168	166
<b>Net</b>	<b>613</b>	<b>785</b>	<b>616</b>	<b>827</b>
Average realized price per pound			\$ 2.90	\$ 3.11
<b>Gold</b> (thousands of recoverable ounces)				
<i>(FCX's net interest in %)</i>				
North America (100%)	4	4	7	7
Indonesia (48.76%) <sup>b</sup>	162	595	235	603
<b>Consolidated</b>	<b>166</b>	<b>599</b>	<b>242</b>	<b>610</b>
Less noncontrolling interests	30	55	44	57
<b>Net</b>	<b>136</b>	<b>544</b>	<b>198</b>	<b>553</b>
Average realized price per ounce			\$ 1,291	\$ 1,312
<b>Molybdenum</b> (millions of recoverable pounds)				
<i>(FCX's net interest in %)</i>				
Henderson (100%)	4	4	N/A	N/A
Climax (100%)	4	5	N/A	N/A
North America (100%) <sup>a</sup>	7	7	N/A	N/A
Cerro Verde (53.56%)	8	6	N/A	N/A
<b>Consolidated</b>	<b>23</b>	<b>22</b>	<b>22</b>	<b>24</b>
Less noncontrolling interests	4	3	3	3
<b>Net</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>21</b>
Average realized price per pound			\$ 12.69	\$ 11.95

a. Amounts are net of Morenci's undivided joint venture partners' interests.

b. Effective December 21, 2018, FCX's share ownership in PT Freeport Indonesia (PT-FI) is 48.76 percent. Through 2022, FCX's economic interest in PT-FI is expected to approximate 81 percent.

c. Consolidated sales volumes exclude purchased copper of 117 million pounds in first-quarter 2019 and 74 million pounds in first-quarter 2018.

**Freeport-McMoRan Inc.**  
**SELECTED OPERATING DATA (continued)**

	Three Months Ended March 31,	
	2019	2018
<b>100% North America Copper Mines</b>		
<i>Leach Operations</i>		
Leach ore placed in stockpiles (metric tons per day)	705,000	674,600
Average copper ore grade (percent)	0.23	0.27
Copper production (millions of recoverable pounds)	226	239
<i>Mill Operations</i>		
Ore milled (metric tons per day)	315,600	288,600
Average ore grades (percent):		
Copper	0.33	0.35
Molybdenum	0.02	0.02
Copper recovery rate (percent)	87.8	88.0
Production (millions of recoverable pounds):		
Copper	176	174
Molybdenum	8	7
<b>100% South America Mining</b>		
<i>Leach Operations</i>		
Leach ore placed in stockpiles (metric tons per day)	166,700	168,000
Average copper ore grade (percent)	0.34	0.33
Copper production (millions of recoverable pounds)	59	67
<i>Mill Operations</i>		
Ore milled (metric tons per day)	386,500	385,500
Average ore grades (percent):		
Copper	0.37	0.39
Molybdenum	0.02	0.01
Copper recovery rate (percent)	87.2	79.0
Production (millions of recoverable pounds):		
Copper	240	226
Molybdenum	8	6
<b>100% Indonesia Mining</b>		
Ore milled (metric tons per day): <sup>a</sup>		
Grasberg open pit	102,800	125,200
Deep Ore Zone underground mine	30,300	39,400
Deep Mill Level Zone underground mine	6,800	2,600
Grasberg Block Cave underground mine	5,000	4,000
Big Gossan underground mine	5,600	2,400
Total	<u>150,500</u>	<u>173,600</u>
Average ore grades:		
Copper (percent)	0.62	1.12
Gold (grams per metric ton)	0.58	1.63
Recovery rates (percent):		
Copper	84.7	92.0
Gold	68.7	84.7
Production (recoverable):		
Copper (millions of pounds)	145	340
Gold (thousands of ounces)	162	673
<b>100% Molybdenum Mines</b>		
Ore milled (metric tons per day)	27,700	23,100
Average molybdenum ore grade (percent)	0.16	0.21
Molybdenum production (millions of recoverable pounds)	8	9

a. Amounts represent the approximate average daily throughput processed at PT-FI mill facilities from each producing mine, related stockpiles and development activities that result in metal production.

**Freeport-McMoRan Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**

	Three Months Ended	
	March 31,	
	2019	2018
	(In Millions, Except Per Share Amounts)	
Revenues <sup>a</sup>	\$ 3,792	\$ 4,868
Cost of sales:		
Production and delivery	2,919 <sup>b</sup>	2,808
Depreciation, depletion and amortization	347	451
Cobalt inventory adjustments	57	—
Total cost of sales	<u>3,323</u>	<u>3,259</u>
Selling, general and administrative expenses	112	131
Mining exploration and research expenses	27	21
Environmental obligations and shutdown costs	42	9
Net gain on sales of assets	(33)	(11)
Total costs and expenses	<u>3,471</u>	<u>3,409</u>
Operating income	321	1,459
Interest expense, net <sup>c</sup>	(146)	(151)
Net loss on early extinguishment of debt	(6)	(1)
Other income, net	14	29 <sup>d</sup>
Income from continuing operations before income taxes and equity in affiliated companies' net losses	183	1,336
Provision for income taxes <sup>e</sup>	(105)	(506)
Equity in affiliated companies' net losses	(3)	(2)
Net income from continuing operations	75	828
Net gain (loss) from discontinued operations <sup>f</sup>	1	(11)
Net income	76	817
Net income attributable to noncontrolling interests	(45)	(125)
Net income attributable to common stockholders <sup>g</sup>	<u>\$ 31</u>	<u>\$ 692</u>
Diluted net income (loss) per share attributable to common stock:		
Continuing operations	\$ 0.02	\$ 0.48
Discontinued operations	—	(0.01)
	<u>\$ 0.02</u>	<u>\$ 0.47</u>
Weighted-average common shares outstanding:		
Basic	1,451	1,449
Diluted	<u>1,457</u>	<u>1,458</u>
Dividends declared per share of common stock	<u>\$ 0.05</u>	<u>\$ 0.05</u>

a. Includes adjustments to provisionally priced concentrate and cathode sales. For a summary of adjustments to provisionally priced copper sales, refer to the supplemental schedule, "Derivative Instruments," on page VII.

b. Includes other charges totaling \$22 million, which are summarized in the supplemental schedules, "Adjusted Net Income," on page VI.

c. Consolidated interest costs (before capitalization) totaled \$178 million in first-quarter 2019 and \$176 million in first-quarter 2018.

d. Includes \$24 million of interest received with the refund of PT-FI's prior years' tax receivables. Refer to the supplemental schedule, "Adjusted Net Income," on page VI.

e. For a summary of FCX's provision for income taxes, refer to the supplemental schedule, "Income Taxes," on page VI.

f. Primarily reflects adjustments to the estimated fair value of contingent consideration related to the 2016 sale of FCX's interest in TF Holdings Limited, which will continue to be adjusted through December 31, 2019.

g. FCX defers recognizing profits on intercompany sales until final sales to third parties occur. For a summary of net impacts from changes in these deferrals, refer to the supplemental schedule, "Deferred Profits," on page VII.

**Freeport-McMoRan Inc.**  
**CONSOLIDATED BALANCE SHEETS (Unaudited)**

	March 31, 2019	December 31, 2018
	(In Millions)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,833	\$ 4,217
Trade accounts receivable	781	829
Income and other tax receivables	410	493
Inventories:		
Materials and supplies, net	1,595	1,528
Mill and leach stockpiles	1,374	1,453
Product	1,492	1,778
Other current assets	502	422
Total current assets	8,987	10,720
Property, plant, equipment and mine development costs, net	28,497	28,010
Long-term mill and leach stockpiles	1,343	1,314
Other assets	2,232	2,172
Total assets	\$ 41,059	\$ 42,216
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,599	\$ 2,625
Accrued income taxes	150	165
Current portion of environmental and asset retirement obligations	422	449
Dividends payable	73	73
Current portion of debt	3	17
Total current liabilities	3,247	3,329
Long-term debt, less current portion	9,902	11,124
Deferred income taxes	4,067	4,032
Environmental and asset retirement obligations, less current portion	3,632	3,609
Other liabilities	2,370	2,230
Total liabilities	23,218	24,324
Equity:		
Stockholders' equity:		
Common stock	158	158
Capital in excess of par value	25,963	26,013
Accumulated deficit	(12,010)	(12,041)
Accumulated other comprehensive loss	(594)	(605)
Common stock held in treasury	(3,734)	(3,727)
Total stockholders' equity	9,783	9,798
Noncontrolling interests <sup>a</sup>	8,058	8,094
Total equity	17,841	17,892
Total liabilities and equity	\$ 41,059	\$ 42,216

a. Includes \$4.6 billion associated with the December 2018 PT-FI transaction.

**Freeport-McMoRan Inc.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

	Three Months Ended	
	March 31,	
	2019	2018
	(In Millions)	
Cash flow from operating activities:		
Net income	\$ 76	\$ 817
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	347	451
Cobalt inventory adjustments	57	—
Net gain on sales of assets	(33)	(11)
Stock-based compensation	29	49
Net charges for environmental and asset retirement obligations, including accretion	64	53
Payments for environmental and asset retirement obligations	(46)	(38)
Net charges for defined pension and postretirement plans	26	18
Pension plan contributions	(16)	(24)
Net loss on early extinguishment of debt	6	1
Deferred income taxes	33	22
(Gain) loss on discontinued operations	(1)	11
(Increase) decrease in long-term mill and leach stockpiles	(29)	22
Other, net	48	19
Changes in working capital and other tax payments:		
Accounts receivable	19	136
Inventories	221	(142)
Other current assets	42	(42)
Accounts payable and accrued liabilities	(247)	(96)
Accrued income taxes and timing of other tax payments	(62)	123
Net cash provided by operating activities	<u>534</u>	<u>1,369</u>
Cash flow from investing activities:		
Capital expenditures:		
North America copper mines	(210)	(92)
South America	(61)	(67)
Indonesia	(319)	(203)
Molybdenum mines	(4)	(1)
Other	(28)	(39)
Proceeds from sales of oil and gas properties	84	—
Intangible water rights and other, net	(8)	(90)
Net cash used in investing activities	<u>(546)</u>	<u>(492)</u>
Cash flow from financing activities:		
Proceeds from debt	114	122
Repayments of debt	(1,356)	(1,633)
Cash dividends and distributions paid:		
Common stock	(73)	—
Noncontrolling interests	(9)	(80)
Stock-based awards net (payments) proceeds	(7)	3
Net cash used in financing activities	<u>(1,331)</u>	<u>(1,588)</u>
Net decrease in cash, cash equivalents, restricted cash and restricted cash equivalents	(1,343)	(711)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of year	4,455	4,710
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period <sup>a</sup>	<u>\$ 3,112</u>	<u>\$ 3,999</u>

a. Includes restricted cash and restricted cash equivalents of \$279 million at March 31, 2019, and \$250 million at March 31, 2018.

**Freeport-McMoRan Inc.**  
**ADJUSTED NET INCOME**

Adjusted net income is intended to provide investors and others with information about FCX's recurring operating performance. This information differs from net income attributable to common stock determined in accordance with U.S. generally accepted accounting principles (GAAP) and should not be considered in isolation or as a substitute for measures of performance determined in accordance with U.S. GAAP. FCX's adjusted net income follows, which may not be comparable to similarly titled measures reported by other companies (in millions, except per share amounts).

	Three Months Ended March 31,					
	2019			2018		
	Pre-tax	After-tax <sup>a</sup>	Per Share	Pre-tax	After-tax <sup>a</sup>	Per Share
<b>Net income attributable to common stock</b>	<b>N/A</b>	<b>\$ 31</b>	<b>\$ 0.02</b>	<b>N/A</b>	<b>\$ 692</b>	<b>\$ 0.47</b>
Cobalt inventory adjustments	(57)	(26)	(0.02)	—	—	—
Other charges	(22) <sup>b</sup>	(10)	(0.01)	—	—	—
Net adjustments to environmental obligations and related litigation reserves	(35)	(35)	(0.02)	—	—	—
Net gain on sales of assets	33 <sup>c</sup>	33	0.02	11	11	0.01
Net loss on early extinguishment of debt	(6)	(5)	—	(1)	—	—
PT-FI interest on tax refunds	—	—	—	24	13	0.01
Net tax credits	N/A	6 <sup>d</sup>	—	N/A	—	—
Gain (loss) on discontinued operations	1	1	—	(11)	(11)	(0.01)
	<u>\$ (86)</u>	<u>\$ (36)</u>	<u>\$ (0.03)</u>	<u>\$ 23</u>	<u>\$ 13</u>	<u>\$ 0.01</u>
<b>Adjusted net income attributable to common stock</b>	<b>N/A</b>	<b>\$ 67</b>	<b>\$ 0.05</b>	<b>N/A</b>	<b>\$ 679</b>	<b>\$ 0.46</b>

a. Reflects impact to FCX net income attributable to common stock (i.e., net of any taxes and noncontrolling interests).

b. Includes charges primarily associated with weather-related issues at El Abra and for non-recurring employee costs at PT-FI.

c. Includes a \$20 million gain on sales of oil and gas assets and \$13 million for adjustments to the fair value of potential contingent consideration related to the 2016 sale of onshore California oil and gas properties. FCX would receive additional contingent consideration related to this transaction consisting of \$50 million per year for 2019 and 2020 if the price of Brent crude oil averages over \$70 per barrel in each of these calendar years.

d. Refer to "Income Taxes" below for further discussion of net tax credits.

**INCOME TAXES**

Following is a summary of the approximate amounts used in the calculation of FCX's consolidated income tax provision (in millions, except percentages):

	Three Months Ended March 31,					
	2019			2018		
	Income (Loss) <sup>a</sup>	Effective Tax Rate	Income Tax (Provision) Benefit	Income <sup>a</sup>	Effective Tax Rate	Income Tax (Provision) Benefit
U.S. <sup>b</sup>	\$ (97)	1%	\$ 1	\$ 170	(2)%	\$ 4
South America	263	40%	(105)	183	39%	(72)
Indonesia	79	33%	(26) <sup>c</sup>	933	43%	(401)
Eliminations and other	(62)	N/A	10	50	N/A	(3)
Rate adjustment <sup>d</sup>	—	N/A	15	—	N/A	(34)
Continuing operations	<u>\$ 183</u>	<u>57%</u>	<u>\$ (105)</u>	<u>\$ 1,336</u>	<u>38%</u>	<u>\$ (506)</u>

a. Represents income from continuing operations before income taxes and equity in affiliated companies' net losses.

b. In addition to FCX's North America mining operations, the U.S. jurisdiction reflects corporate-level expenses, which includes interest expense associated with senior notes, general and administrative expenses, and environmental obligations and shutdown costs.

c. Includes a tax credit of \$8 million (\$6 million net of noncontrolling interest) associated with the reduction in PT-FI's statutory tax rates in accordance with its special mining license (IUPK).

d. In accordance with applicable accounting rules, FCX adjusts its interim provision for income taxes equal to its consolidated tax rate.

e. FCX's first-quarter 2019 consolidated effective income tax rate is a function of the combined effective tax rates for the jurisdictions in which FCX operates, excluding the U.S. jurisdiction. Because FCX's U.S. jurisdiction generated net losses in first-quarter 2019 that will not result in a realized tax benefit, applicable accounting rules require FCX to adjust its estimated annual effective tax rate to exclude the impact of U.S. net losses.

Assuming achievement of current sales volume and cost estimates and average prices of \$3.00 per pound for copper, \$1,300 per ounce for gold and \$13.00 per pound for molybdenum for the remainder of 2019, FCX estimates its consolidated effective tax rate for the year 2019 would approximate 41 percent (comprised of an estimated effective rate of 41 percent on South America income, 38 percent on Indonesia income and 0 percent for the U.S.). Variations in the relative proportions of jurisdictional income result in fluctuations to FCX's consolidated effective income tax rate. Because of FCX's U.S. tax position, it does not record a financial statement impact for income or losses generated in the U.S., therefore, the consolidated effective tax rate is generally higher than the international rates at lower copper prices and lower than international rates at higher copper prices.

**Freeport-McMoRan Inc.**  
**DERIVATIVE INSTRUMENTS**

For the three months ended March 31, 2019, FCX's mined copper was sold 59 percent in concentrate, 19 percent as cathode and 22 percent as rod from North America operations. Substantially all of FCX's copper concentrate and cathode sales contracts provide final copper pricing in a specified future month (generally one to four months from the shipment date) based primarily on quoted London Metal Exchange (LME) monthly average copper prices. FCX records revenues and invoices customers at the time of shipment based on then-current LME prices, which results in an embedded derivative on provisionally priced concentrate and cathode sales that is adjusted to fair value through earnings each period, using the period-end forward prices, until final pricing on the date of settlement. LME copper settlement prices averaged \$2.82 per pound during first-quarter 2019 and settled at \$2.94 per pound on March 29, 2019. Because a significant portion of FCX's copper concentrate and cathode sales in any quarterly period usually remain subject to final pricing, the quarter-end forward price is a major determinant of the average recorded copper price for the period. FCX's average realized copper price was \$2.90 per pound in first-quarter 2019. Following is a summary of the adjustments to prior period and current period provisionally priced copper sales (in millions, except per share amounts):

	Three Months Ended March 31,					
	2019			2018		
	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total
Revenues	\$ 70	\$ 52	\$ 122	\$ (78)	\$ (57)	\$ (135)
Net income attributable to common stock	\$ 29	\$ 20	\$ 49	\$ (35)	\$ (23)	\$ (58)
Net income per share of common stock	\$ 0.02	\$ 0.01	\$ 0.03	\$ (0.02)	\$ (0.02)	\$ (0.04)

a. Reflects adjustments to provisionally priced copper sales at December 31, 2018 and 2017.

b. Reflects adjustments to provisionally priced copper sales during the three months ended March 31, 2019 and 2018.

At March 31, 2019, FCX had provisionally priced copper sales at its copper mining operations totaling 364 million pounds of copper (net of intercompany sales and noncontrolling interests) recorded at an average price of \$2.94 per pound, subject to final pricing over the next several months. FCX estimates that each \$0.05 change in the price realized from the quarter-end provisional price would have an approximate \$12 million effect on 2019 net income attributable to common stock. The LME copper price settled at \$2.92 per pound on April 24, 2019.

**DEFERRED PROFITS**

FCX defers recognizing profits on sales from its mining operations to Atlantic Copper and on 25 percent of PT-FI's sales to PT Smelting (PT-FI's 25 percent-owned Indonesian smelting unit) until final sales to third parties occur. Changes in these deferrals attributable to variability in intercompany volumes resulted in net reductions to net income attributable to common stock totaling \$14 million for first-quarter 2019 and \$7 million for first-quarter 2018. FCX's net deferred profits on its inventories at Atlantic Copper and PT Smelting to be recognized in future periods' net income attributable to common stock totaled \$34 million at March 31, 2019. Quarterly variations in ore grades, the timing of intercompany shipments and changes in product prices will result in variability in FCX's net deferred profits and quarterly earnings.

**BUSINESS SEGMENTS**

FCX has organized its mining operations into four primary divisions – North America copper mines, South America mining, Indonesia mining and Molybdenum mines, and operating segments that meet certain thresholds are reportable segments. Separately disclosed in the following tables are FCX's reportable segments, which include the Morenci, Cerro Verde and Grasberg (Indonesia Mining) copper mines, the Rod & Refining operations and Atlantic Copper Smelting & Refining.

Intersegment sales between FCX's business segments are based on terms similar to arms-length transactions with third parties at the time of the sale. Intersegment sales may not be reflective of the actual prices ultimately realized because of a variety of factors, including additional processing, the timing of sales to unaffiliated customers and transportation premiums.

FCX allocates certain operating costs, expenses and capital expenditures to its operating divisions and individual segments. However, not all costs and expenses applicable to an operation are allocated. U.S. federal and state income taxes are recorded and managed at the corporate level (included in Corporate, Other & Eliminations), whereas foreign income taxes are recorded and managed at the applicable country level. In addition, most mining exploration and research activities are managed on a consolidated basis, and those costs along with some selling, general and administrative costs, are not allocated to the operating divisions or individual segments. Accordingly, the following segment information reflects management determinations that may not be indicative of what the actual financial performance of each operating division or segment would be if it was an independent entity.

**Freeport-McMoRan Inc.**  
**BUSINESS SEGMENTS (continued)**

(In millions)

	North America Copper Mines			South America Mining			Indonesia Mining	Molybdenum Mines	Rod & Refining	Atlantic Copper Smelting & Refining	Corporate, Other & Eliminations	FCX Total
	Morenci	Other Mines	Total	Cerro Verde	Other Mines	Total						
<b>Three Months Ended March 31, 2019</b>												
Revenues:												
Unaffiliated customers	\$ 12	\$ 95	\$ 107	\$ 727	\$ 98	\$ 825	\$ 705 <sup>a</sup>	\$ —	\$ 1,128	\$ 571	\$ 456 <sup>b</sup>	\$ 3,792
Intersegment	458	469	927	126	—	126	58	91	6	5	(1,213)	—
Production and delivery	295	448	743	439	100	539	556	71	1,133	552	(675)	2,919
Depreciation, depletion and amortization	40	43	83	100	14	114	105	16	2	7	20	347
Cobalt inventory adjustments	—	—	—	—	—	—	—	—	—	—	—	57
Selling, general and administrative expenses	1	1	2	2	—	2	30	—	—	5	73	112
Mining exploration and research expenses	—	—	—	—	—	—	—	—	—	—	27	27
Environmental obligations and shutdown costs	—	—	—	—	—	—	—	—	—	—	42	42
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(33)	(33)
Operating income (loss)	134	72	206	312	(16)	296	72	4	(1)	12	(268)	321
Interest expense, net	1	—	1	29	—	29	—	—	—	6	110	146
Provision for (benefit from) income taxes	—	—	—	110	(5)	105	26	—	—	1	(27)	105
Total assets at March 31, 2019	2,904	4,760	7,664	8,674	1,720	10,394	15,792	1,785	232	771	4,421	41,059
Capital expenditures	62	148	210	56	5	61	319	4	1	4	23	622
<b>Three Months Ended March 31, 2018</b>												
Revenues:												
Unaffiliated customers	\$ 3	\$ 15	\$ 18	\$ 625	\$ 150	\$ 775	\$ 1,521 <sup>a</sup>	\$ —	\$ 1,385	\$ 577	\$ 592 <sup>b</sup>	\$ 4,868
Intersegment	601	689	1,290	102	—	102	52	95	8	2	(1,549)	—
Production and delivery	290	501	791	427	116	543	457	67	1,388	556	(994)	2,808
Depreciation, depletion and amortization	46	48	94	105	22	127	181	19	2	7	21	451
Selling, general and administrative expenses	1	2	3	2	—	2	39	—	—	6	81	131
Mining exploration and research expenses	—	1	1	—	—	—	—	—	—	—	20	21
Environmental obligations and shutdown costs	—	—	—	—	—	—	—	—	—	—	9	9
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(11)	(11)
Operating income (loss)	267	152	419	193	12	205	896	9	3	10	(83)	1,459
Interest expense, net	1	—	1	17	—	17	—	—	—	5	128	151
Provision for income taxes	—	—	—	68	4	72	401	—	—	1	32	506
Total assets at March 31, 2018	2,817	4,340	7,157	8,740	1,715	10,455	10,992	1,836	290	809	5,098	36,637
Capital expenditures	47	45	92	63	4	67	203	1	1	4	34	402

a. Includes PT-FI's sales to PT Smelting totaling \$409 million for first-quarter 2019 and \$628 million for first-quarter 2018.

b. Includes revenues from FCX's molybdenum sales company, which includes sales of molybdenum produced by the Molybdenum mines and by certain of the North America and South America copper mines.

**Freeport-McMoRan Inc.**  
**PRODUCT REVENUES AND PRODUCTION COSTS**

Unit net cash costs (credits) per pound of copper and molybdenum are measures intended to provide investors with information about the cash-generating capacity of FCX's mining operations expressed on a basis relating to the primary metal product for the respective operations. FCX uses this measure for the same purpose and for monitoring operating performance by its mining operations. This information differs from measures of performance determined in accordance with U.S. GAAP and should not be considered in isolation or as a substitute for measures of performance determined in accordance with U.S. GAAP. These measures are presented by other metals mining companies, although FCX's measures may not be comparable to similarly titled measures reported by other companies.

FCX presents gross profit per pound of copper in the following tables using both a "by-product" method and a "co-product" method. FCX uses the by-product method in its presentation of gross profit per pound of copper because (i) the majority of its revenues are copper revenues, (ii) it mines ore, which contains copper, gold, molybdenum and other metals, (iii) it is not possible to specifically assign all of FCX's costs to revenues from the copper, gold, molybdenum and other metals it produces and (iv) it is the method used by FCX's management and Board to monitor FCX's mining operations and to compare mining operations in certain industry publications. In the co-product method presentations, shared costs are allocated to the different products based on their relative revenue values, which will vary to the extent FCX's metals sales volumes and realized prices change.

FCX shows revenue adjustments for prior period open sales as a separate line item. Because these adjustments do not result from current period sales, these amounts have been reflected separately from revenues on current period sales. Noncash and other costs, which are removed from site production and delivery costs in the calculation of unit net cash costs (credits), consist of items such as stock-based compensation costs, start-up costs, inventory adjustments, long-lived asset impairments, restructuring and/or unusual charges. As discussed above, gold, molybdenum and other metal revenues at copper mines are reflected as credits against site production and delivery costs in the by-product method. The following schedules are presentations under both the by-product and co-product methods together with reconciliations to amounts reported in FCX's consolidated financial statements.

**Freeport-McMoRan Inc.**  
**PRODUCT REVENUES AND PRODUCTION COSTS (continued)**

**North America Copper Mines Product Revenues, Production Costs and Unit Net Cash Costs**

Three Months Ended March 31, 2019

(In millions)

	By-Product Method	Co-Product Method			Total
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	
Revenues, excluding adjustments	\$ 914	\$ 914	\$ 87	\$ 23	\$ 1,024
Site production and delivery, before net noncash and other costs shown below	658	616	52	17	685
By-product credits	(83)	—	—	—	—
Treatment charges	36	35	—	1	36
Net cash costs	611	651	52	18	721
Depreciation, depletion and amortization (DD&A)	83	77	3	3	83
Noncash and other costs, net	23	22	1	—	23
Total costs	717	750	56	21	827
Other revenue adjustments, primarily for pricing on prior period open sales	12	12	—	—	12
Gross profit	\$ 209	\$ 176	\$ 31	\$ 2	\$ 209

Copper sales (millions of recoverable pounds)

320

320

Molybdenum sales (millions of recoverable pounds) <sup>a</sup>

7

Gross profit per pound of copper/molybdenum:

Revenues, excluding adjustments	\$ 2.85	\$ 2.85	\$ 11.68
Site production and delivery, before net noncash and other costs shown below	2.06	1.92	6.98
By-product credits	(0.26)	—	—
Treatment charges	0.11	0.11	—
Unit net cash costs	1.91	2.03	6.98
DD&A	0.26	0.24	0.44
Noncash and other costs, net	0.07	0.07	0.14
Total unit costs	2.24	2.34	7.56
Other revenue adjustments, primarily for pricing on prior period open sales	0.04	0.04	—
Gross profit per pound	\$ 0.65	\$ 0.55	\$ 4.12

Reconciliation to Amounts Reported

(In millions)

	Revenues	Production and Delivery	DD&A
Totals presented above	\$ 1,024	\$ 685	\$ 83
Treatment charges	(13)	23	—
Noncash and other costs, net	—	23	—
Other revenue adjustments, primarily for pricing on prior period open sales	12	—	—
Eliminations and other	11	12	—
North America copper mines	1,034	743	83
Other mining <sup>c</sup>	3,515	2,851	244
Corporate, other & eliminations	(757)	(675)	20
As reported in FCX's consolidated financial statements	\$ 3,792	\$ 2,919	\$ 347

a. Reflects sales of molybdenum produced by certain of the North America copper mines to FCX's molybdenum sales company at market-based pricing.

b. Includes gold and silver product revenues and production costs.

c. Represents the combined total for FCX's other mining operations as presented in the supplemental schedule, "Business Segments," beginning on page VII.

**Freeport-McMoRan Inc.**  
**PRODUCT REVENUES AND PRODUCTION COSTS (continued)**

**North America Copper Mines Product Revenues, Production Costs and Unit Net Cash Costs**

Three Months Ended March 31, 2018

(In millions)

	By-Product Method	Co-Product Method			Total
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	
Revenues, excluding adjustments	\$ 1,209	\$ 1,209	\$ 76	\$ 23	\$ 1,308
Site production and delivery, before net noncash and other costs shown below	705	660	55	13	728
By-product credits	(76)	—	—	—	—
Treatment charges	37	35	—	2	37
Net cash costs	666	695	55	15	765
DD&A	94	88	4	2	94
Noncash and other costs, net	19	18	1	—	19
Total costs	779	801	60	17	878
Other revenue adjustments, primarily for pricing on prior period open sales	(5)	(5)	—	—	(5)
Gross profit	\$ 425	\$ 403	\$ 16	\$ 6	\$ 425

Copper sales (millions of recoverable pounds)

383

383

Molybdenum sales (millions of recoverable pounds) <sup>a</sup>

7

Gross profit per pound of copper/molybdenum:

	\$ 3.16	\$ 3.16	\$ 10.87
Revenues, excluding adjustments	\$ 3.16	\$ 3.16	\$ 10.87
Site production and delivery, before net noncash and other costs shown below	1.84	1.73	7.81
By-product credits	(0.20)	—	—
Treatment charges	0.10	0.09	—
Unit net cash costs	1.74	1.82	7.81
DD&A	0.25	0.23	0.66
Noncash and other costs, net	0.05	0.05	0.09
Total unit costs	2.04	2.10	8.56
Other revenue adjustments, primarily for pricing on prior period open sales	(0.01)	(0.01)	—
Gross profit per pound	\$ 1.11	\$ 1.05	\$ 2.31

Reconciliation to Amounts Reported

(In millions)

	Revenues	Production and Delivery	DD&A
Totals presented above	\$ 1,308	\$ 728	\$ 94
Treatment charges	(8)	29	—
Noncash and other costs, net	—	19	—
Other revenue adjustments, primarily for pricing on prior period open sales	(5)	—	—
Eliminations and other	13	15	—
North America copper mines	1,308	791	94
Other mining <sup>c</sup>	4,517	3,011	336
Corporate, other & eliminations	(957)	(994)	21
As reported in FCX's consolidated financial statements	\$ 4,868	\$ 2,808	\$ 451

a. Reflects sales of molybdenum produced by certain of the North America copper mines to FCX's molybdenum sales company at market-based pricing.

b. Includes gold and silver product revenues and production costs.

c. Represents the combined total for FCX's other mining operations as presented in the supplemental schedule, "Business Segments," beginning on page VII.

**Freeport-McMoRan Inc.**  
**PRODUCT REVENUES AND PRODUCTION COSTS (continued)**

**South America Copper Mines Product Revenues, Production Costs and Unit Net Cash Costs**

Three Months Ended March 31, 2019

(In millions)

	By-Product		Co-Product Method					
	Method		Copper	Other <sup>a</sup>	Total			
Revenues, excluding adjustments	\$	850	\$	850	\$	112	\$	962
Site production and delivery, before net noncash and other costs shown below		503		450		66		516
By-product credits		(99)		—		—		—
Treatment charges		56		56		—		56
Royalty on metals		2		2		—		2
Net cash costs		462		508		66		574
DD&A		114		101		13		114
Noncash and other costs, net		24 <sup>b</sup>		24		—		24
Total costs		600		633		79		712
Other revenue adjustments, primarily for pricing on prior period open sales		47		47		—		47
Gross profit	\$	297	\$	264	\$	33	\$	297

Copper sales (millions of recoverable pounds)

	290	290
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Gross profit per pound of copper:

Revenues, excluding adjustments	\$	2.93	\$	2.93
Site production and delivery, before net noncash and other costs shown below		1.73		1.55
By-product credits		(0.34)		—
Treatment charges		0.19		0.19
Royalty on metals		0.01		0.01
Unit net cash costs		1.59		1.75
DD&A		0.39		0.34
Noncash and other costs, net		0.09 <sup>b</sup>		0.09
Total unit costs		2.07		2.18
Other revenue adjustments, primarily for pricing on prior period open sales		0.16		0.16
Gross profit per pound	\$	1.02	\$	0.91

*Reconciliation to Amounts Reported*

(In millions)

	Revenues	Production and Delivery	DD&A			
Totals presented above	\$	962	\$	516	\$	114
Treatment charges		(56)		—		—
Royalty on metals		(2)		—		—
Noncash and other costs, net		—		24		—
Other revenue adjustments, primarily for pricing on prior period open sales		47		—		—
Eliminations and other		—		(1)		—
South America mining		951		539		114
Other mining <sup>c</sup>	—	3,598		3,055		213
Corporate, other & eliminations	—	(757)		(675)		20
As reported in FCX's consolidated financial statements	\$	3,792	\$	2,919	\$	347

a. Includes silver sales of 1.3 million ounces (\$15.75 per ounce average realized price). Also reflects sales of molybdenum produced by Cerro Verde to FCX's molybdenum sales company at market-based pricing.

b. Includes charges of \$12 million (\$0.04 per pound of copper) associated with weather-related impacts at El Abra.

c. Represents the combined total for FCX's other mining operations as presented in the supplemental schedule, "Business Segments," beginning on page VII.

**Freeport-McMoRan Inc.**  
**PRODUCT REVENUES AND PRODUCTION COSTS (continued)**

**South America Copper Mines Product Revenues, Production Costs and Unit Net Cash Costs**

Three Months Ended March 31, 2018

(In millions)

	By-Product	Co-Product Method		
	Method	Copper	Other <sup>a</sup>	Total
Revenues, excluding adjustments	\$ 894	\$ 894	\$ 85	\$ 979
Site production and delivery, before net noncash and other costs shown below	517	476	52	528
By-product credits	(74)	—	—	—
Treatment charges	59	59	—	59
Royalty on metals	2	2	—	2
Net cash costs	504	537	52	589
DD&A	126	115	11	126
Noncash and other costs, net	15	15	—	15
Total costs	645	667	63	730
Other revenue adjustments, primarily for pricing on prior period open sales	(43)	(43)	—	(43)
Gross profit	<u>\$ 206</u>	<u>\$ 184</u>	<u>\$ 22</u>	<u>\$ 206</u>

Copper sales (millions of recoverable pounds)

	290	290
--	-----	-----

Gross profit per pound of copper:

Revenues, excluding adjustments	\$ 3.08	\$ 3.08
Site production and delivery, before net noncash and other costs shown below	1.78	1.64
By-product credits	(0.25)	—
Treatment charges	0.20	0.20
Royalty on metals	0.01	0.01
Unit net cash costs	1.74	1.85
DD&A	0.43	0.40
Noncash and other costs, net	0.05	0.05
Total unit costs	2.22	2.30
Other revenue adjustments, primarily for pricing on prior period open sales	(0.15)	(0.15)
Gross profit per pound	<u>\$ 0.71</u>	<u>\$ 0.63</u>

Reconciliation to Amounts Reported

(In millions)

	Revenues	Production and Delivery	DD&A
Totals presented above	\$ 979	\$ 528	\$ 126
Treatment charges	(59)	—	—
Royalty on metals	(2)	—	—
Noncash and other costs, net	—	15	—
Other revenue adjustments, primarily for pricing on prior period open sales	(43)	—	—
Eliminations and other	2	—	1
South America mining	877	543	127
Other mining <sup>b</sup>	4,948	3,259	303
Corporate, other & eliminations	(957)	(994)	21
As reported in FCX's consolidated financial statements	<u>\$ 4,868</u>	<u>\$ 2,808</u>	<u>\$ 451</u>

a. Includes silver sales of 1.0 million ounces (\$16.52 per ounce average realized price). Also reflects sales of molybdenum produced by Cerro Verde to FCX's molybdenum sales company at market-based pricing.

b. Represents the combined total for FCX's other mining operations as presented in the supplemental schedule, "Business Segments," beginning on page VII.

**Freeport-McMoRan Inc.**  
**PRODUCT REVENUES AND PRODUCTION COSTS (continued)**

**Indonesia Mining Product Revenues, Production Costs and Unit Net Cash Costs**

Three Months Ended March 31, 2019

(In millions)

	By-Product	Co-Product Method			Total
	Method	Copper	Gold	Silver <sup>a</sup>	
Revenues, excluding adjustments	\$ 507	\$ 507	\$ 303	\$ 9	\$ 819
Site production and delivery, before net noncash and other costs shown below	538	333	199	6	538
Gold and silver credits	(314)	—	—	—	—
Treatment charges	51	31	19	1	51
Export duties	17	11	6	—	17
Royalty on metals	28	17	11	—	28
Net cash costs	320	392	235	7	634
DD&A	105	65	39	1	105
Noncash and other costs, net	2 <sup>b</sup>	1	1	—	2
Total costs	427	458	275	8	741
Other revenue adjustments, primarily for pricing on prior period open sales	19	19	2	—	21
PT Smelting intercompany profit	3	2	1	—	3
Gross profit	\$ 102	\$ 70	\$ 31	\$ 1	\$ 102

Copper sales (millions of recoverable pounds)

174

174

Gold sales (thousands of recoverable ounces)

235

Gross profit per pound of copper/per ounce of gold:

Revenues, excluding adjustments	\$ 2.92	\$ 2.92	\$ 1,291
Site production and delivery, before net noncash and other costs shown below	3.10	1.92	850
Gold and silver credits	(1.81)	—	—
Treatment charges	0.29	0.18	80
Export duties	0.10	0.06	27
Royalty on metals	0.16	0.10	46
Unit net cash costs	1.84	2.26	1,003
DD&A	0.61	0.37	166
Noncash and other costs, net	0.01 <sup>b</sup>	0.01	4
Total unit costs	2.46	2.64	1,173
Other revenue adjustments, primarily for pricing on prior period open sales	0.11	0.11	9
PT Smelting intercompany profit	0.02	0.01	5
Gross profit per pound/ounce	\$ 0.59	\$ 0.40	\$ 132

*Reconciliation to Amounts Reported*

(In millions)

	Revenues	Production and Delivery	DD&A
Totals presented above	\$ 819	\$ 538	\$ 105
Treatment charges	(32)	19	—
Export duties	(17)	—	—
Royalty on metals	(28)	—	—
Noncash and other costs, net	—	2	—
Other revenue adjustments, primarily for pricing on prior period open sales	21	—	—
PT Smelting intercompany profit	—	(3)	—
Indonesia mining	763	556	105
Other mining <sup>c</sup>	3,786	3,038	222
Corporate, other & eliminations	(757)	(675)	20
As reported in FCX's consolidated financial statements	\$ 3,792	\$ 2,919	\$ 347

a. Includes silver sales of 0.6 million ounces (\$14.85 per ounce average realized price).

b. Includes credits of \$19 million (\$0.11 per pound of copper) associated with adjustments to prior year treatment and refining charges.

c. Represents the combined total for FCX's other mining operations as presented in the supplemental schedule, "Business Segments," beginning on page VII.

**Freeport-McMoRan Inc.**  
**PRODUCT REVENUES AND PRODUCTION COSTS (continued)**

**Indonesia Mining Product Revenues and Production Costs and Unit Net Cash (Credits) Costs**

Three Months Ended March 31, 2018

(In millions)

	By-Product	Co-Product Method			Total
	Method	Copper	Gold	Silver <sup>a</sup>	
Revenues, excluding adjustments	\$ 976	\$ 976	\$ 791	\$ 19	\$ 1,786
Site production and delivery, before net noncash and other costs shown below					
Gold and silver credits	433	237	192	4	433
Treatment charges	(826)	—	—	—	—
Export duties	78	43	34	1	78
Royalty on metals	46	25	21	—	46
Royalty on metals	67	36	30	1	67
Net cash (credits) costs	(202)	341	277	6	624
DD&A	181	99	80	2	181
Noncash and other costs, net	15	8	6	1	15
Total (credits) costs	(6)	448	363	9	820
Other revenue adjustments, primarily for pricing on prior period open sales	(38)	(38)	16	—	(22)
PT Smelting intercompany loss	(9)	(5)	(4)	—	(9)
Gross profit	\$ 935	\$ 485	\$ 440	\$ 10	\$ 935

Copper sales (millions of recoverable pounds)

319

319

Gold sales (thousands of recoverable ounces)

603

Gross profit per pound of copper/per ounce of gold:

Revenues, excluding adjustments	\$ 3.06	\$ 3.06	\$ 1,312
Site production and delivery, before net noncash and other costs shown below	1.36	0.75	319
Gold and silver credits	(2.59)	—	—
Treatment charges	0.25	0.13	57
Export duties	0.14	0.08	34
Royalty on metals	0.21	0.11	49
Unit net cash (credits) costs	(0.63)	1.07	459
DD&A	0.57	0.31	133
Noncash and other costs, net	0.04	0.02	11
Total unit (credits) costs	(0.02)	1.40	603
Other revenue adjustments, primarily for pricing on prior period open sales	(0.12)	(0.12)	27
PT Smelting intercompany loss	(0.03)	(0.02)	(7)
Gross profit per pound/ounce	\$ 2.93	\$ 1.52	\$ 729

Reconciliation to Amounts Reported

(In millions)

	Revenues	Production and Delivery	DD&A
Totals presented above	\$ 1,786	\$ 433	\$ 181
Treatment charges	(78)	—	—
Export duties	(46)	—	—
Royalty on metals	(67)	—	—
Noncash and other costs, net	—	15	—
Other revenue adjustments, primarily for pricing on prior period open sales	(22)	—	—
PT Smelting intercompany loss	—	9	—
Indonesia mining	1,573	457	181
Other mining <sup>b</sup>	4,252	3,345	249
Corporate, other & eliminations	(957)	(994)	21
As reported in FCX's consolidated financial statements	\$ 4,868	\$ 2,808	\$ 451

a. Includes silver sales of 1.2 million ounces (\$15.76 per ounce average realized price).

b. Represents the combined total for FCX's other mining operations as presented in the supplemental schedule, "Business Segments," beginning on page VII.

**Freeport-McMoRan Inc.**  
**PRODUCT REVENUES AND PRODUCTION COSTS (continued)**

**Molybdenum Mines Product Revenues, Production Costs and Unit Net Cash Costs**

(In millions)

	Three Months Ended March 31,	
	2019	2018
Revenues, excluding adjustments <sup>a</sup>	\$ 98	\$ 102
Site production and delivery, before net noncash and other costs shown below		
Treatment charges and other	70	65
Net cash costs	7	7
DD&A	77	72
Noncash and other costs, net	16	19
Total costs	1	2
Gross profit	\$ 94	\$ 93
	\$ 4	\$ 9
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>	8	9
Gross profit per pound of molybdenum:		
Revenues, excluding adjustments <sup>a</sup>	\$ 12.49	\$ 11.99
Site production and delivery, before net noncash and other costs shown below		
Treatment charges and other	8.94	7.71
Unit net cash costs	0.86	0.86
	9.80	8.57

DD&A	2.00	2.24
Noncash and other costs, net	0.16	0.15
Total unit costs	11.96	10.96
Gross profit per pound	\$ 0.53	\$ 1.03

Reconciliation to Amounts Reported  
(In millions)

	Revenues	Production and Delivery	DD&A
<b>Three Months Ended March 31, 2019</b>			
Totals presented above	\$ 98	\$ 70	\$ 16
Treatment charges and other	(7)	—	—
Noncash and other costs, net	—	1	—
Molybdenum mines	91	71	16
Other mining <sup>b</sup>	4,458	3,523	311
Corporate, other & eliminations	(757)	(675)	20
As reported in FCX's consolidated financial statements	\$ 3,792	\$ 2,919	\$ 347

<b>Three Months Ended March 31, 2018</b>			
Totals presented above	\$ 102	\$ 65	\$ 19
Treatment charges and other	(7)	—	—
Noncash and other costs, net	—	2	—
Molybdenum mines	95	67	19
Other mining <sup>b</sup>	5,730	3,735	411
Corporate, other & eliminations	(957)	(994)	21
As reported in FCX's consolidated financial statements	\$ 4,868	\$ 2,808	\$ 451

- a. Reflects sales of the Molybdenum mines' production to FCX's molybdenum sales company at market-based pricing. On a consolidated basis, realizations are based on the actual contract terms for sales to third parties; as a result, FCX's consolidated average realized price per pound of molybdenum will differ from the amounts reported in this table.
- b. Represents the combined total for FCX's other mining operations as presented in the supplemental schedule, "Business Segments," beginning on page VII. Also includes amounts associated with FCX's molybdenum sales company, which includes sales of molybdenum produced by the Molybdenum mines and by certain of the North America and South America copper mines.

# 1<sup>st</sup> Quarter 2019 Earnings Conference Call

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April 25, 2019



PROVEN ASSETS.  
FUNDAMENTAL VALUE.

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# 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; capital expenditures; FCX's expectations regarding its share of PT Freeport Indonesia's (PT-FI) net income and future cash flows through 2022; PT-FI's development, financing, construction and completion of a new smelter in Indonesia; PT-FI's compliance with environmental standards under the new framework established by Indonesia's Ministry of Environment and Forestry; exploration efforts and results; development and production activities; rates and costs; liquidity; tax rates; export quotas and duties; the impact of copper, gold and molybdenum price changes; the impact of deferred intercompany profits on earnings; reserve estimates; and future dividend payments, 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. The declaration of dividends is at the discretion of the Board of Directors (Board) and will depend on FCX's financial results, cash requirements, future prospects, and other factors deemed relevant by the Board.*

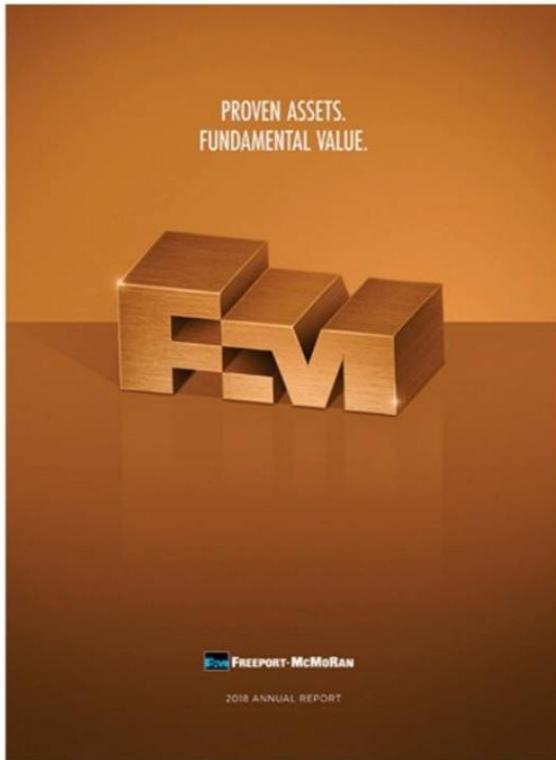
*FCX cautions readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, expected, projected or assumed in the forward-looking statements. Important factors that can cause FCX's actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, supply of and demand for, and prices of, copper, gold and molybdenum; mine sequencing; production rates; timing of shipments; results of feasibility studies; potential inventory adjustments; potential impairment of long-lived mining assets; the potential effects of violence in Indonesia generally and in the province of Papua; the Indonesian government's approval of an increase in PT-FI's export quota for the current export period, which ends March 8, 2020, and extension of PT-FI's export license after March 8, 2020; risks associated with underground mining; satisfaction of requirements in accordance with PT-FI's special mining license (IUPK) to extend mining rights from 2031 through 2041; industry risks; regulatory changes; political and social risks; labor relations; weather- and climate-related risks; environmental risks; litigation results; cybersecurity incidents; 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, 2018, filed with the U.S. Securities and Exchange Commission (SEC) as updated by FCX's subsequent filings with the SEC.*

*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 potential resources not included in proven and probable mineral reserves. 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 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 (credits) per pound of copper and molybdenum, net debt and adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) that are not recognized under U.S. generally accepted accounting principles. As required by SEC Regulation G, reconciliations of unit net cash costs (credits) per pound of copper and molybdenum to amounts reported in FCX's consolidated financial statements are in the supplemental schedules of FCX's 1Q19 press release, which are also available on FCX's website, "fcx.com." Net debt equals gross debt less consolidated cash. A reconciliation of adjusted EBITDA to amounts reported in FCX's consolidated financial statements is included on slide 28.*

# “Proven Assets. Fundamental Value.”



- **Leading Global Copper Producer**
- **Safe and Environmentally Responsible Operator**
- **Geographically Diverse, Long-lived Asset Base**
- **Portfolio Difficult to Replicate**
- **Significant Productive Capacity**
- **Large Footprint of Organic Growth Options**
- **Proven Track Record for Superior Execution**
- **Financially Strong**
- **Positive on Long-term Fundamentals for Copper**
- **Clear Strategy to Build Value for Shareholders**

# 2019 Priorities to Build Shareholder Value

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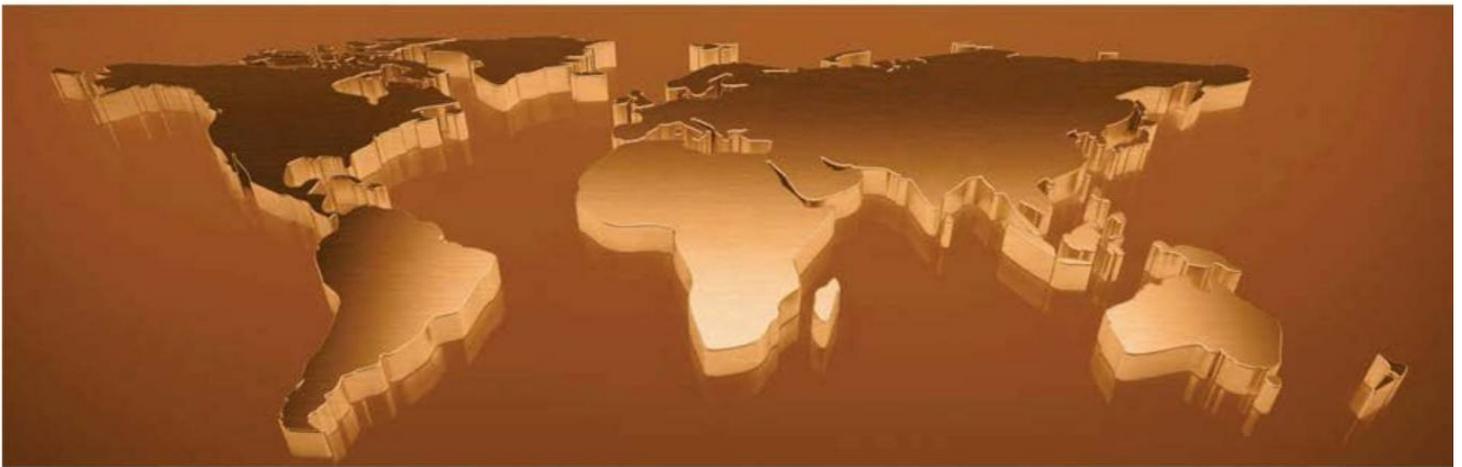


- **Ramp-up Production from our Large-Scale Underground Assets at Grasberg**
- **Continued Focus on Productivity and Cost Management**
- **Advance Lone Star Development and Long-term Expansion Opportunities**
- **Define Future Growth Options from our Large Portfolio of Reserves and Resources**

***Remain Confident in Fundamentals and Long-term Outlook for Copper***

*See Cautionary Statement.*

# 1Q 2019 Operations Update



## North America

- **Maintaining Focus on Productivity and Cost Management**
  - Advanced Analytics Projects Taking Shape
- **Advancing Lone Star Project – on Schedule and Budget**

## South America

- **Cerro Verde Mill Continues to Perform Well**
  - Debottlenecking Continues
- **El Abra Weather Events – 35-Day Outage During 1Q**
  - Operations Resumed in Mid-March

## Indonesia

- **Completing Final Phases of Grasberg Open Pit**
- **Underground Ramp-up Proceeding as Planned**

# “Capital Light” Debottlenecking Through Innovation

## Objective: Increase Metal Production Using Advanced Analytics in Combination with Expert Systems

- Initial Pilot at Bagdad – Cross-Functional Team

- ✓ Metallurgists
- ✓ Operators
- ✓ Process Control
- ✓ Big Data Team
- ✓ Information Technology
- ✓ Dispatchers
- ✓ Mine Planners

- Developed Data-driven Model to Optimize Operations in Concentrating

- Initial Results

- ✓ +12% Increase in Mill Throughput
- ✓ +1% Point Increase in Recoveries
- ✓ Low Capital Intensity



- Taking Process to Other Sites

- ✓ Next Stop - Morenci

# Lone Star

## Potential for Another Morenci

### Leachable Development Provides Exposure to Major Asset

12/31/2018 Reserves <sup>(1)</sup>	Potential <sup>(2)</sup> (Leach & Mill)	Initial Leach Project	Initial Production: YE 2020
5.6 bn lbs of Copper (Leach Only)	50 - 70 bn lbs of Copper	\$850 mm Project ~\$385 mm as of 3/31/19 Favorable Economics	~200 mm lbs/year With Expansion Options

### Drilling Results

Drill Hole	1Q19 Intercepts	
	meters	% Cu
LS18-292	1,274	0.47
LS18-293	890	0.69
LS18-311	958	0.40
LS18-312	335	0.59
LS18-315	878	0.47
LS18-317	1,109	0.56
LS18-322A	735	0.55
LS19-327	463	0.54



(1) Estimate of recoverable proven and probable copper reserves using a long-term average copper price of \$2.50/lb.

(2) Potential resources are not included in reserves and will not qualify as reserves until comprehensive engineering studies establish legal and economic feasibility. Accordingly, no assurance can be given that the potential resources will become proven and probable reserves. See Cautionary Statement.

# Cerro Verde

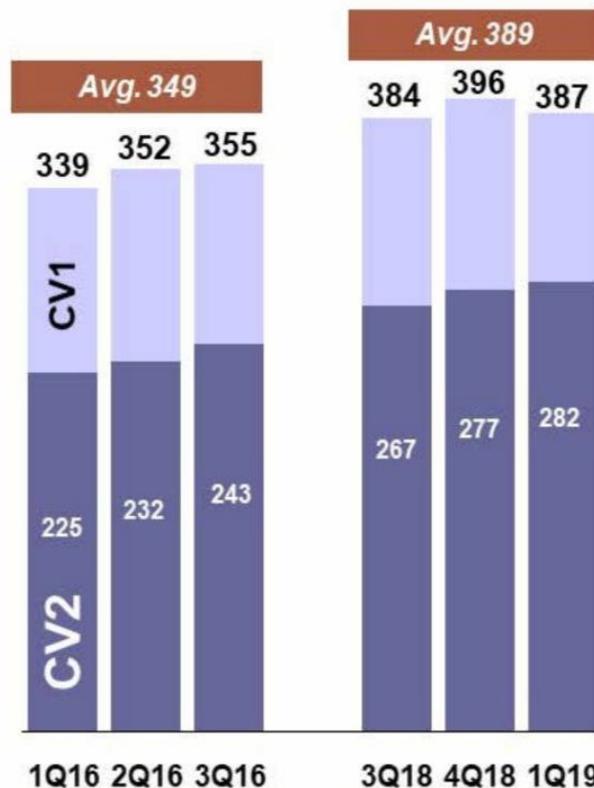
## Operations Update

- Expanded CV2 Mill Facility Processing 15% More Ore v. Original Design
- Reviewing Opportunities to Process Additional Ore



### Mill Rate (K mt/d)

+40K mt/d



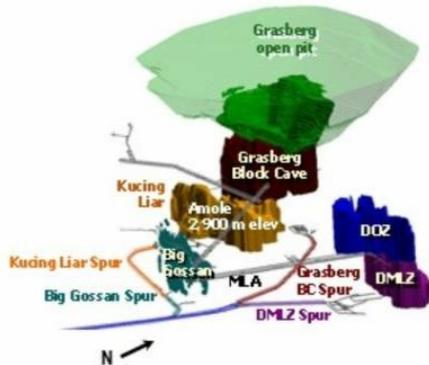
# PT-FI Underground Transition

## Advancing According to Plan

### DMLZ Update

#### Ramp-up to 80,000 t/d by 2022

- YE 2018 Reserves: 432mm t @ 0.92% Cu & 0.76 g/t Au
- Results from Ongoing Hydraulic Fracturing to Manage Seismicity and Pre-condition Cave Have Been Effective
- 3<sup>rd</sup> Hydraulic Fracturing Unit On Site and Will be Commissioned in 2Q19
- On Track to Commence Ramp-up in Mid-2019
- Inventory of 70 Drawbells Constructed and Blasted Supports Near-term Ramp-up Schedule



See Cautionary Statement.

### Grasberg Block Cave

#### Ramp-up to 130,000 t/d by 2023

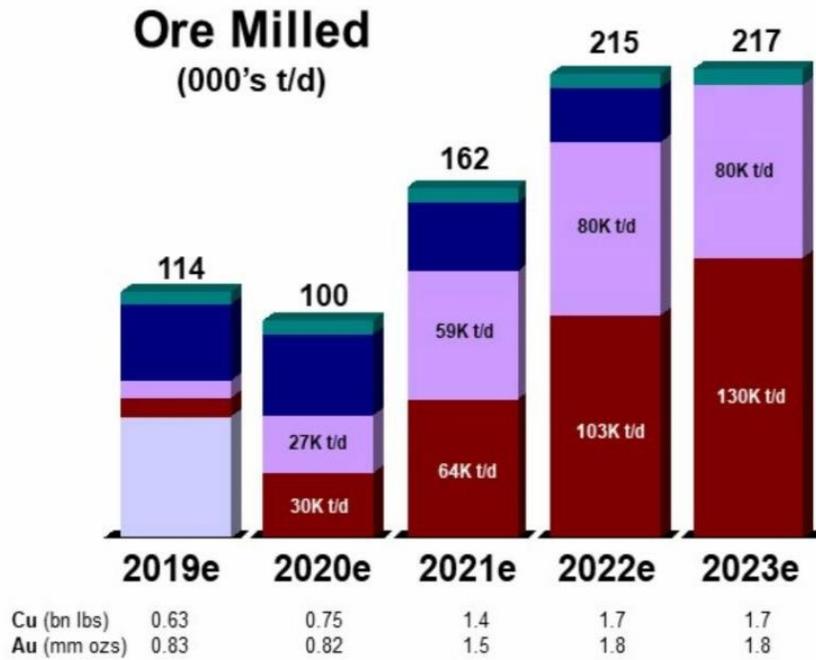
- YE 2018 Reserves: 963mm t @ 0.96% Cu & 0.72 g/t Au
- Infrastructure in Place – Successful Testing of Underground Rail and Ore Flow in 2018
- Rock Type & Proximity to Surface Does Not Require Pre-conditioning
- Cave Undercut Blasting Continued in 1Q19; 2 More Cave Fronts Initiated (3 Total)
- Ten Drawbells Blasted in 1Q19 (11 in Inventory)
- Large Footprint and 3 Cave Fronts to Support Ramp-up



# PT-FI Underground Ramp-up

## Contribution by Deposit

Grasberg open pit   DOZ   Big Gossan   DMLZ   Grasberg BC

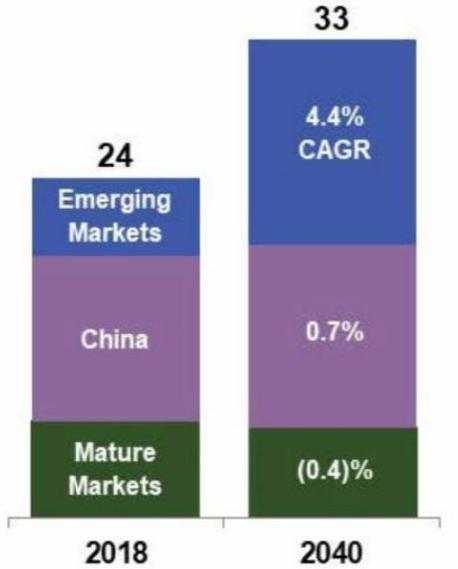


Note: Amounts are projections. Timing of annual sales will depend on a number of factors, including mine sequencing, operational performance, timing of shipments, export quotas, and other factors. See Cautionary Statement. e = estimate

# Copper Market – Compelling Fundamentals

## Demand Expected to Grow

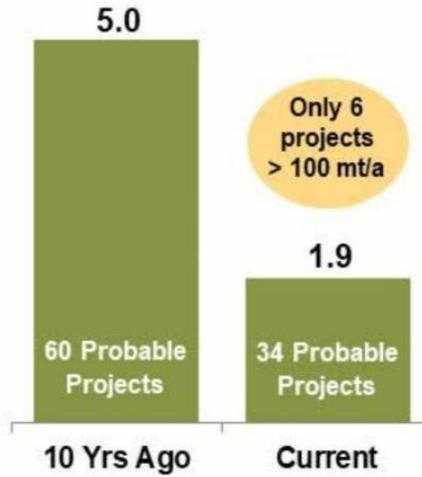
(million metric tonnes)



Emerging Markets Growth / Carbon Reduction Initiatives Expected to Support Consumption

## Project Pipeline Thin

(million metric tonnes/annum)



Project Approval Rate Has Been Slow in Recent Years

## Estimated Supply Gap

(million metric tonnes/annum)



Long-term Structural Deficit Remains in Place

**Copper Project Pipeline Not Sufficient to Meet Demand – Higher Price Likely Needed to Incentivize Additional Investment**

Source: WoodMackenzie

# 2019e Outlook

Sales Outlook	<ul style="list-style-type: none"> <li>▪ Copper: 3.3 Billion lbs.</li> <li>▪ Gold: 0.8 Million ozs.</li> <li>▪ Molybdenum: 94 Million lbs.</li> </ul>
Unit Cost of Copper	<ul style="list-style-type: none"> <li>▪ Site Production &amp; Delivery 2019e: \$2.09/lb (2Q19e: \$2.07/lb)</li> <li>▪ After By-product Credits 2019e: \$1.75/lb<sup>(1)</sup> (2Q19e: \$1.67/lb)</li> </ul>
Operating Cash Flows <sup>(2)</sup>	<ul style="list-style-type: none"> <li>▪ ~\$2.3 Billion @ \$3.00/lb Copper for 2Q19e – 4Q19e</li> <li>▪ Each 10¢/lb Change in Copper for Remainder of 2019 = \$265 Million</li> </ul>
Capital Expenditures	<ul style="list-style-type: none"> <li>▪ <b>\$2.5 Billion</b> (consolidated, prior to scheduled contribution to replicate JV economics) <sup>(3)</sup> <ul style="list-style-type: none"> <li>• \$1.5 Billion for Major Projects, Including \$1.3 Billion for Underground Development in Indonesia and Development of Lone Star Leach Project</li> <li>• \$1.0 Billion for Other Mining</li> <li>• A Large Portion Relates to Projects that Are Expected to Add Significant Production and Cash Flow in Future Periods</li> </ul> </li> </ul>

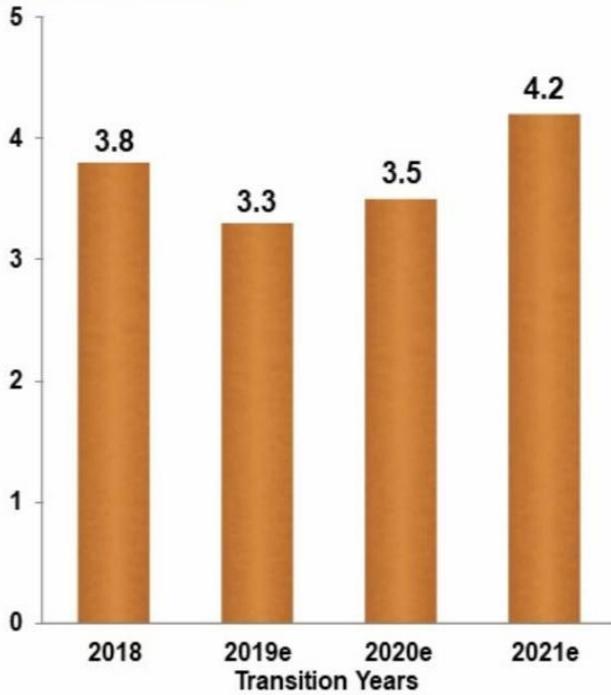
(1) Assumes average prices of \$1,300/oz gold and \$13/lb molybdenum for remainder of 2019.

(2) Assumes average prices of \$1,300/oz gold and \$13/lb molybdenum for remainder of 2019; each \$100/oz change in gold would have an approximate \$60 mm impact and each \$2/lb change in molybdenum would have an approximate \$95 mm impact.

(3) PT Inalum projected contributions in 2019 approximate \$0.1 bn  
e = estimate. See Cautionary Statement.

# Sales Profile

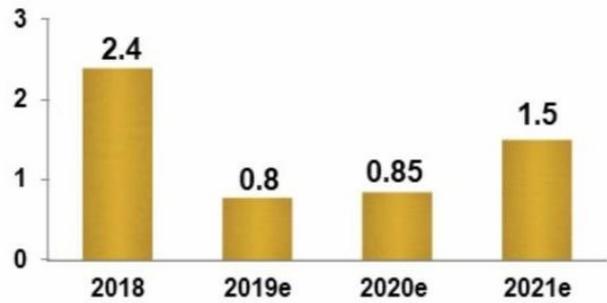
**Copper Sales** (billion lbs)



Note: Consolidated copper sales include 694 mm lbs in 2018, 702 mm lbs in 2019e, 710 mm lbs in 2020e and 875 mm in 2021e for noncontrolling interest; excludes purchased copper.

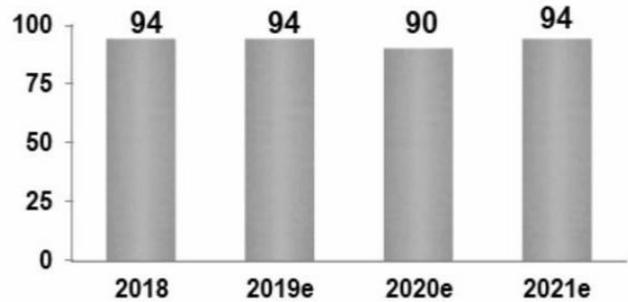
e = estimate. See Cautionary Statement.

**Gold Sales** (million ozs)



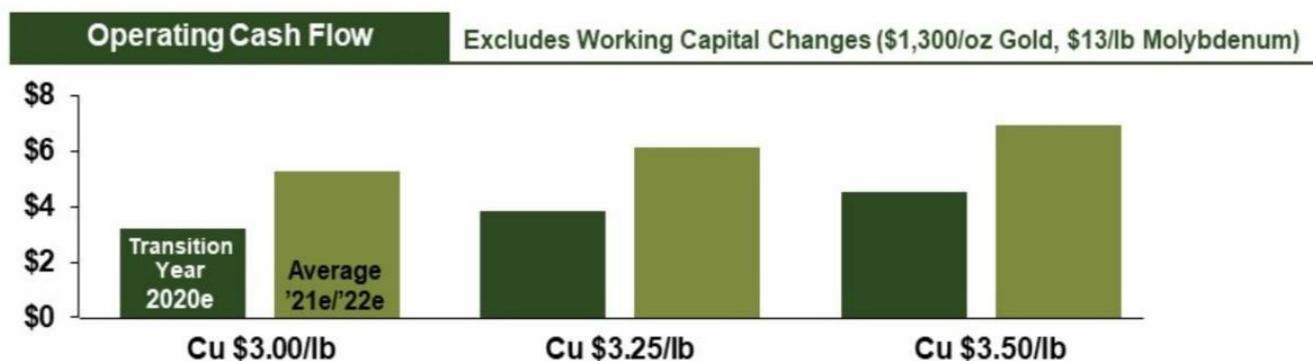
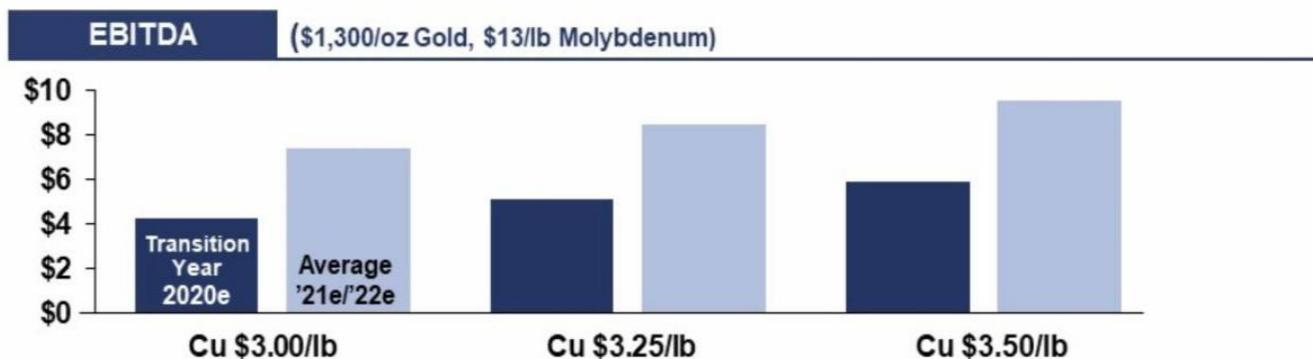
Note: Consolidated gold sales include 223k ozs in 2018, 154k ozs in 2019e, 155k ozs in 2020e and 285k ozs in 2021e for noncontrolling interest.

**Molybdenum Sales** (million lbs)



# EBITDA and Cash Flow at Various Copper Prices

(US\$ billions)

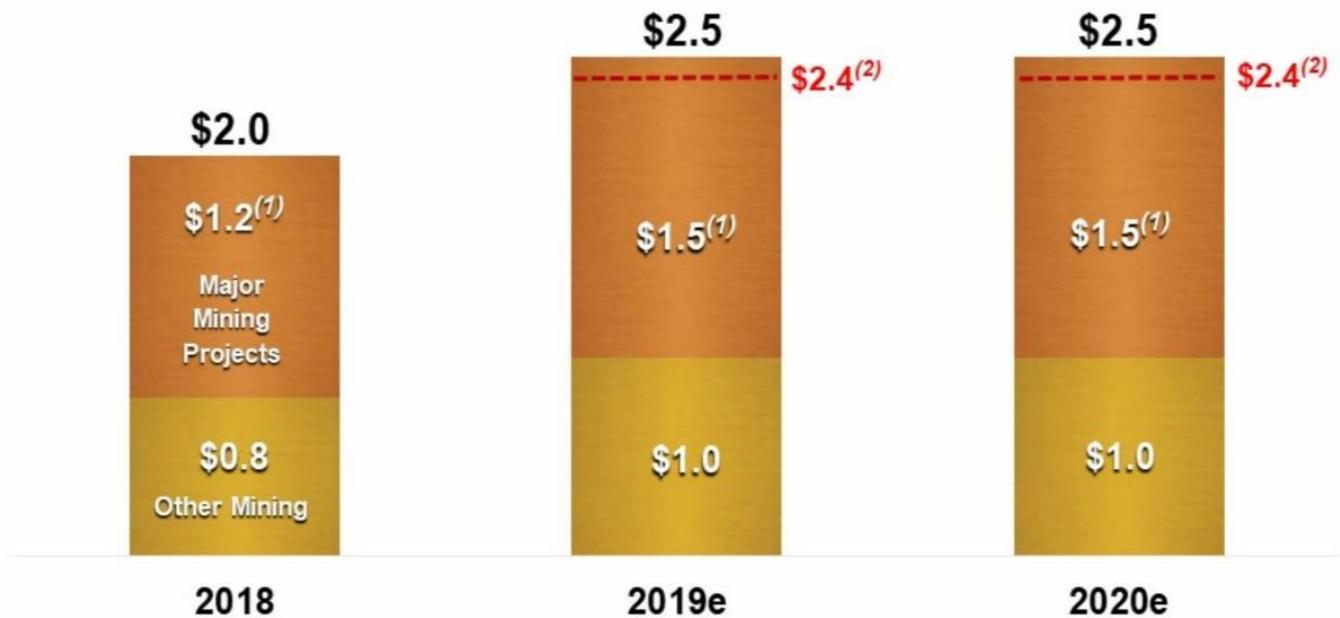


NOTE: For 2020e and 2021e – 2022e average price sensitivities, see slide 26.  
EBITDA equals operating income plus depreciation, depletion and amortization. e = estimate. See Cautionary Statement.

# Consolidated Capital Expenditures

(US\$ billions)

--- Net of Scheduled Contributions



(1) Major mining projects include CAPEX associated with Grasberg underground development (\$0.9 bn per year in 2019e and 2020e) and Lone Star (\$0.4 bn in 2019e and \$0.2 bn in 2020e).

(2) Net of scheduled contributions from PT Inalum that will be recorded separately on the cash flow statement.

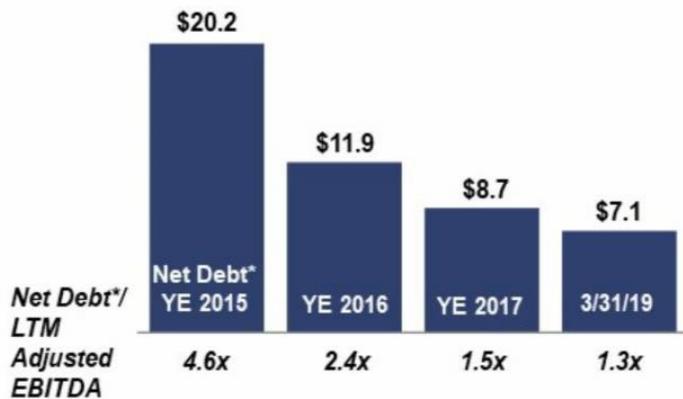
NOTE: Amounts include capitalized interest; excludes capital spending for the new Indonesia smelter project that is currently in the early stages of planning and is expected to be constructed by year-end 2023. FCX intends to pursue financing and other partner arrangements for this approximate \$3 bn project. The economics of the smelter will be shared by PT-FI's shareholders according to their share ownership percentages.

e= estimate. See Cautionary Statement.

# Financial Policy

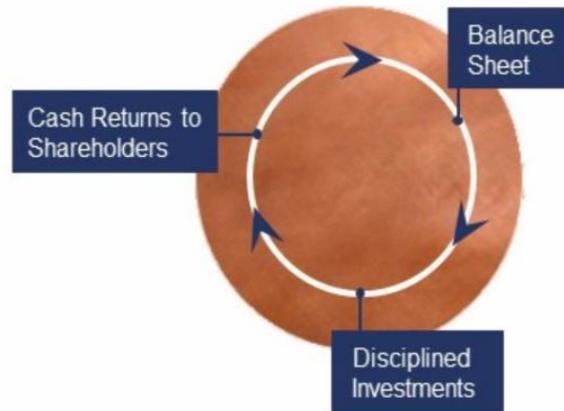
- Maintain Balance Sheet Strength
- Disciplined Approach to Investing in Attractive Growth Projects
- Quarterly Cash Dividend Policy on Common Stock: 5¢/Share
- Positive Market to Enable Enhanced Returns to Shareholders
- Board Reviews Financial Policy on Ongoing Basis

## Significant Deleveraging Since 2015 (\$ in bn)



\* Net debt equals gross debt less consolidated cash. See Cautionary Statement.

## Balanced Approach

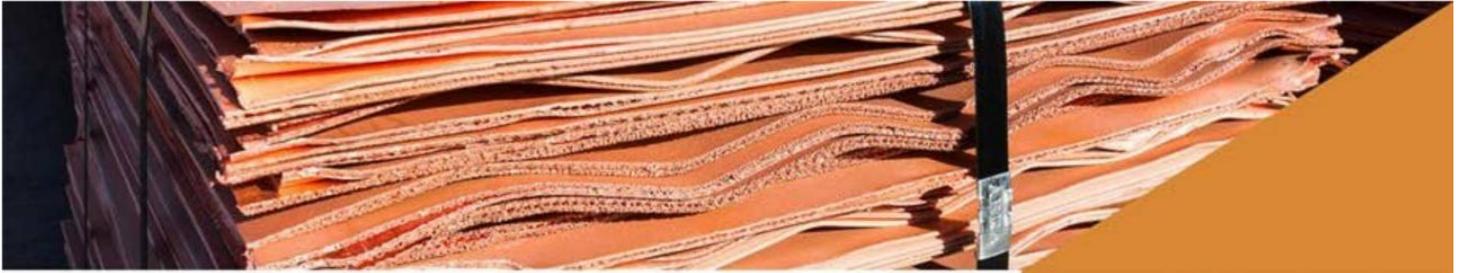


- **FCX is Well Positioned**
  - **High-Quality Assets**
    - **Well Managed**
  - **Focused on Execution**



WORLD'S PREMIER  
PUBLICLY TRADED  
COPPER PRODUCER

**FCX**  
**LISTED**  
**NYSE**



# Reference Slides



PROVEN ASSETS.  
FUNDAMENTAL VALUE.

# Financial Highlights

Sales Data	1Q19	1Q18
<b>Copper</b>		
Consolidated Volumes (mm lbs)	784	993
Average Realization (per lb)	\$2.90	\$3.11
Site Production & Delivery Costs (per lb)	\$2.17	\$1.67
Unit Net Cash Costs (per lb)	\$1.78	\$0.98
<b>Gold</b>		
Consolidated Volumes (000's ozs)	242	610
Average Realization (per oz)	\$1,291	\$1,312
<b>Molybdenum</b>		
Consolidated Volumes (mm lbs)	22	24
Average Realization (per lb)	\$12.69	\$11.95

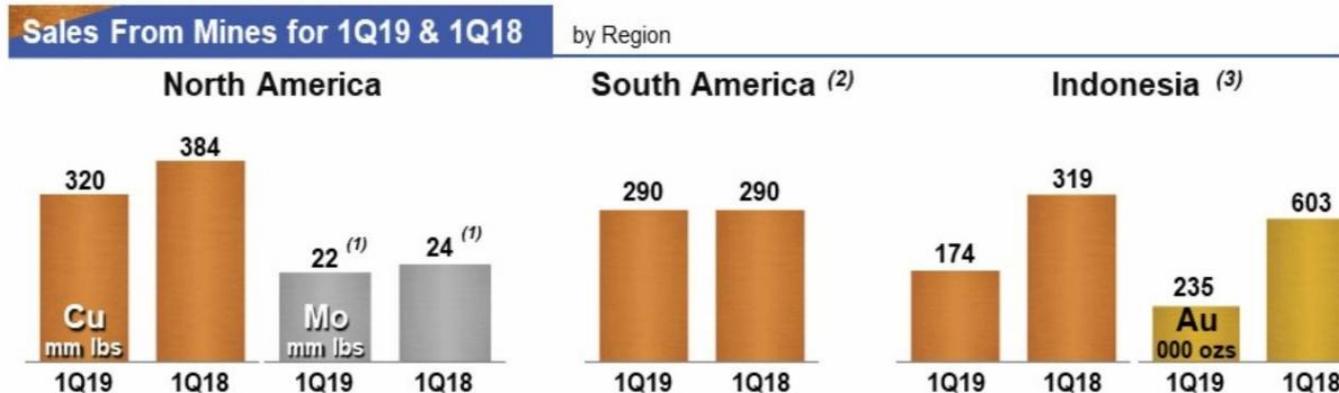
Financial Results	(in billions, except per share amounts)	
Revenues	\$3.8 <sup>(1)</sup>	\$4.9
Net Income Attributable to Common Stock	\$0.0 <sup>(1)</sup>	\$0.7
Diluted Net Income Per Share	\$0.02 <sup>(1)</sup>	\$0.47
Operating Cash Flows <sup>(2)</sup>	\$0.5	\$1.4
Capital Expenditures	\$0.6	\$0.4
Total Debt	\$9.9	\$11.7
Consolidated Cash	\$2.8	\$3.7

(1) After adjusting for net charges of \$36 mm (3¢/share), adjusted net income attributable to common stock totaled \$67 mm (5¢/share) in 1Q19. Refer to the supplemental schedule, "Adjusted Net Income," on page VI of FCX's 1Q19 press release, which is available on FCX's website for more information.

(2) Net of working capital uses and timing of other tax payments of \$27 mm for 1Q19 and \$21 mm for 1Q18.

# 1Q19 Mining Operating Summary

1Q19 Unit Production Costs (per lb of Cu)	North America	South America	Indonesia	Consolidated
<b>Cash Unit Costs</b>				
Site Production & Delivery, excluding adjustments	\$2.06	\$1.73	\$3.10	\$2.17
By-product Credits	(0.26)	(0.34)	(1.81)	(0.63)
Treatment Charges	0.11	0.19	0.29	0.18
Royalties & Export Duties	-	0.01	0.26	0.06
<b>Unit Net Cash Costs</b>	<b>\$1.91</b>	<b>\$1.59</b>	<b>\$1.84</b>	<b>\$1.78</b>



(1) Includes 8 mm lbs in 1Q19 and 6 mm lbs in 1Q18 from South America.

(2) Silver sales totaled 1.3 mm ozs in 1Q19 and 1.0 mm ozs in 1Q18.

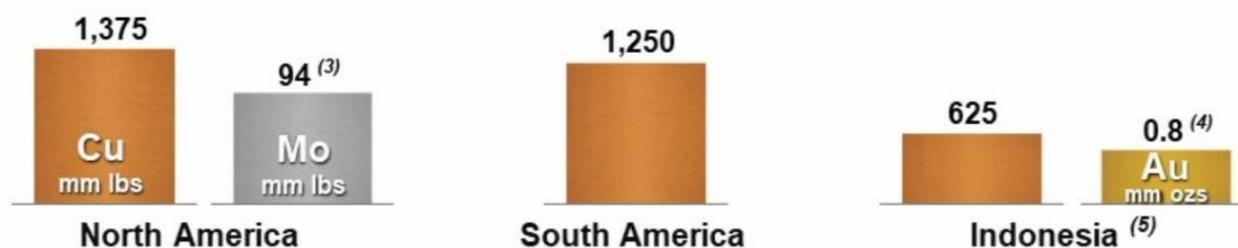
(3) Silver sales totaled 0.6 mm ozs in 1Q19 and 1.2 mm ozs in 1Q18.

NOTE: For a reconciliation of unit net cash costs 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 1Q19 press release, which is available on FCX's website.

# 2019e Operating Estimates

2019e Unit Production Costs (per lb of Cu)	North America	South America	Indonesia	Consolidated
<b>Cash Unit Costs <sup>(1)</sup></b>				
Site Production & Delivery <sup>(2)</sup>	\$2.07	\$1.75	\$2.81	\$2.09
By-product Credits	(0.27)	(0.29)	(1.75)	(0.56)
Treatment Charges	0.11	0.19	0.26	0.17
Royalties & Export Duties	-	0.01	0.22	0.05
<b>Unit Net Cash Costs</b>	<b>\$1.91</b>	<b>\$1.66</b>	<b>\$1.54</b>	<b>\$1.75</b>

## 2019e Sales by Region



(1) Estimates assume average prices of \$3.00/lb for copper, \$1,300/oz for gold and \$13/lb for molybdenum for 2Q19e – 4Q19e. 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.

(5) 2019e sales assumes Indonesian Government's approval of increase in PT-FI's export quota for current export period. Note: e = estimate. See Cautionary Statement.

## 2021e Consolidated Unit Net Cash Cost

Sales Volume Roll Forward		
	Copper (bns of lbs)	Gold (mms of ozs)
2019e	3.3	0.8
Americas	0.1	-
Indonesia	<u>0.8</u>	<u>0.7</u>
2021e	<u>4.2</u>	<u>1.5</u>

Consolidated Unit Net Cash Cost Roll Forward (\$/lb)	
2019e	\$ 1.75
Americas	-
Indonesia	<u>(0.45)</u> <sup>(1)</sup>
2021e	\$ 1.30

Pro Forma with Indonesia @ 30¢/lb<sup>(2)</sup>  
After Ramp Up in 2021

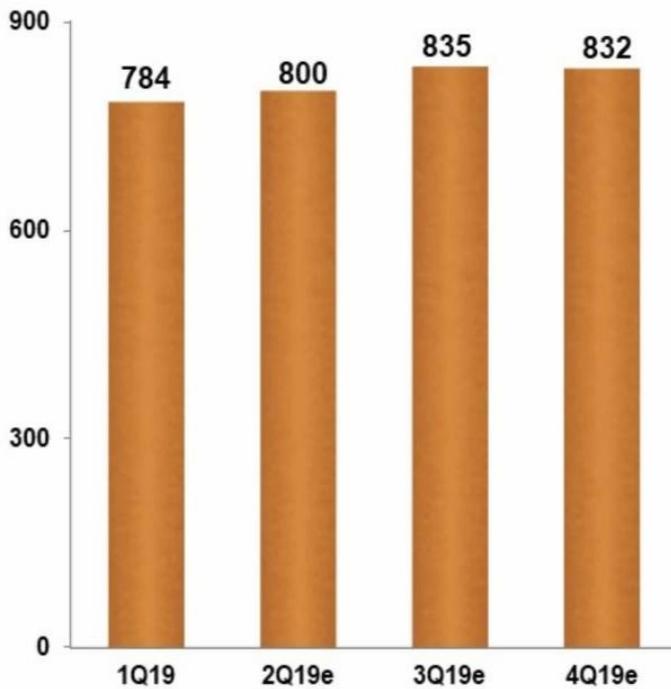
NOTE: 2Q19e-4Q19e and 2021e assumes average prices of \$1,300/oz gold and \$13/lb molybdenum for by-product credits.

(1) Variance is substantially all volume driven

(2) Based on \$1,300 gold price, each \$50/oz change in gold prices would impact PT-FI's net unit cash costs by 5¢/lb and Consolidated by 2¢/lb in 2021  
e = estimate. See Cautionary Statement

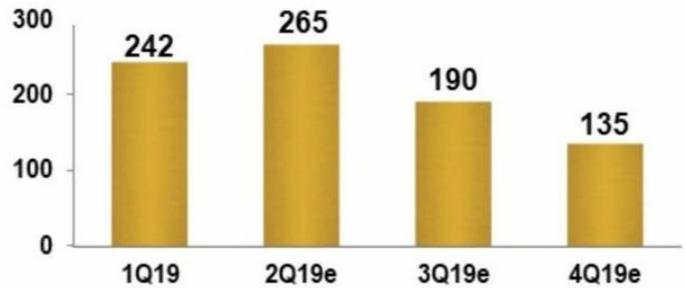
# 2019e Quarterly Sales

**Copper Sales** (million lbs)



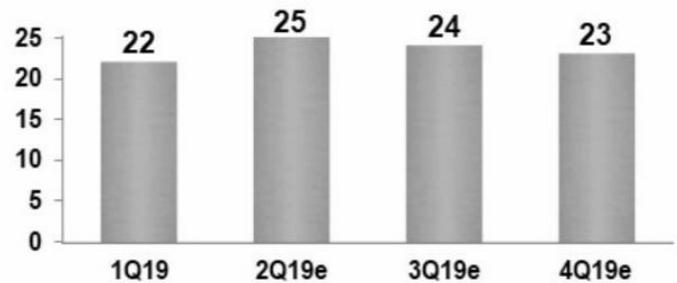
Note: Consolidated copper sales include approximately 168 mm lbs in 1Q19, 165 mm lbs in 2Q19e, 179 mm lbs in 3Q19e and 190 mm lbs in 4Q19e for noncontrolling interest; excludes purchased copper.

**Gold Sales** (thousand ozs)



Note: Consolidated gold sales include approximately 44k ozs in 1Q19, 50k ozs in 2Q19e, 35k ozs in 3Q19e and 25k ozs in 4Q19e for noncontrolling interest.

**Molybdenum Sales** (million lbs)



e = estimate. See Cautionary Statement.

# PT-FI Mine Plan

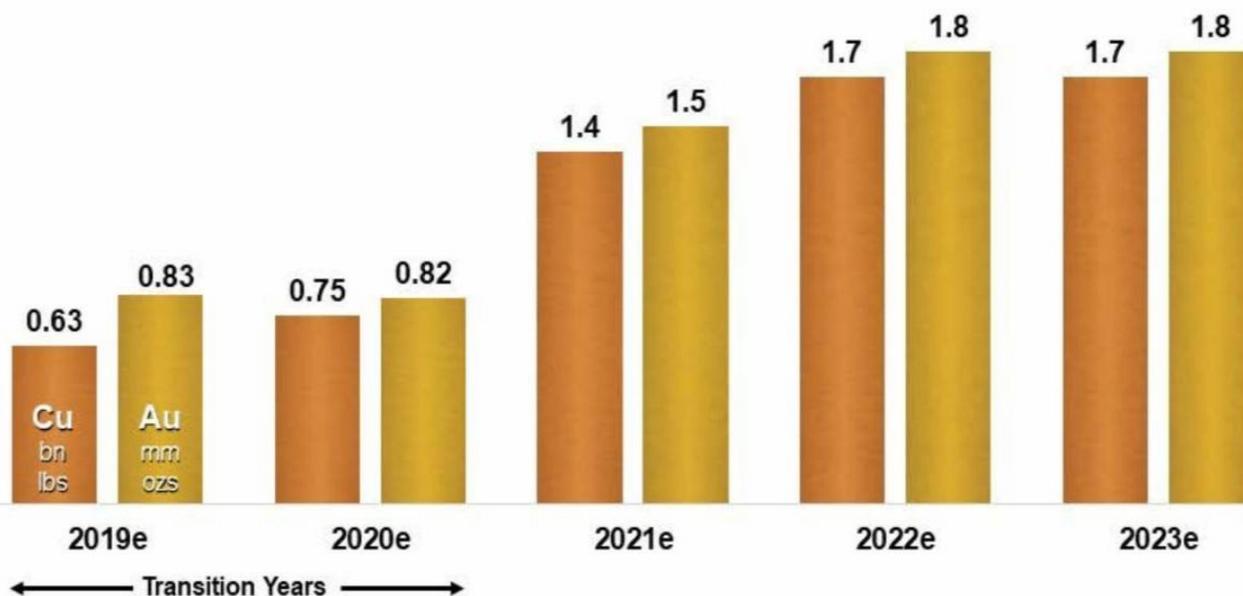
## Metal Sales, 2019e-2023e

### Copper 2019e – 2023e

Total: 6.2 billion lbs copper  
 Annual Average: 1.24 billion lbs

### Gold 2019e – 2023e

Total: 6.8 million ozs gold  
 Annual Average: 1.35 million ozs



*Note: Amounts are projections. Timing of annual sales will depend on a number of factors, including mine sequencing, operational performance, timing of shipments, export quotas, and other factors. See Cautionary Statement. e = estimate  
 FCX's economic interest in PT-FI is expected to approximate 81% through 2022 and 48.76% thereafter.*

# Grasberg Block Cave – Key Milestones

## Reserves YE 2018

- 963mm t @ 0.96% Cu & 0.72 g/t Au

## Completed to Date

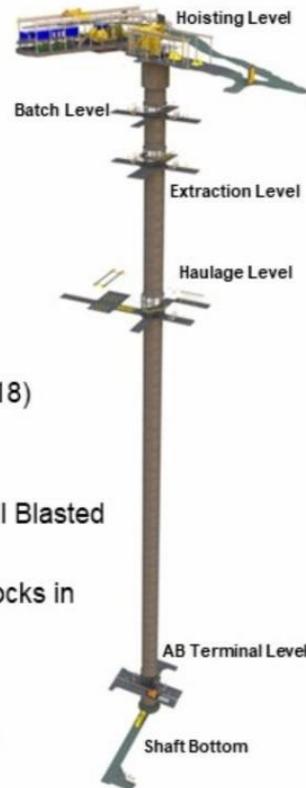
- ✓ +254 km of Development
- ✓ Mine Access, Service Shaft, Initial Fans & Vent Infrastructure
- ✓ Initial Rail Haulage System; Over 5 km of Rail
- ✓ Crusher #1 & Conveyors to Surface Stockpiles
- ✓ Underground Batch Plant
- ✓ Train, Rail & Unloading Station Commissioning
- ✓ First Tonne of Ore to Mill via Rail & Conveyor (3Q18)
- ✓ First Undercut Blasting Initiated in 3Q18
- ✓ 266 Drawpoints Constructed by 1Q19
- ✓ First Cave Production in 4Q18 when First Drawbell Blasted
- ✓ 11 Drawbells Blasted
- ✓ Completed Undercutting on 2 More Production Blocks in 1Q19

## Near-Term Objectives

- 20 km of Additional Development Planned in 2019
- Complete Key Fixed Facilities
- Cave Production Continues in 2019

## GBC Service Shaft

355 meters



GBC Rail Haulage Surface Control Room



GBC Ore Train Being Loaded by a Chute

# Sensitivities

(US\$ millions)

2020e Change	EBITDA	Operating Cash Flow
<b>Copper: +/- \$0.10/lb</b>	<b>\$330</b>	<b>\$265</b>
<b>Molybdenum: +/- \$1.00/lb</b>	<b>\$80</b>	<b>\$70</b>
<b>Gold: +/- \$50/ounce</b>	<b>\$40</b>	<b>\$20</b>
<b>Currencies: <sup>(1)</sup> +/- 10%</b>	<b>\$195</b>	<b>\$135</b>
2021e-2022e Avg. Change		
<b>Copper: +/- \$0.10/lb</b>	<b>\$425</b>	<b>\$335</b>
<b>Molybdenum: +/- \$1.00/lb</b>	<b>\$90</b>	<b>\$85</b>
<b>Gold: +/- \$50/ounce</b>	<b>\$80</b>	<b>\$50</b>
<b>Currencies: <sup>(1)</sup> +/- 10%</b>	<b>\$195</b>	<b>\$135</b>

(1) U.S. Dollar Exchange Rates: 669 Chilean peso, 14,300 Indonesian rupiah, \$0.71 Australian dollar, \$1.12 Euro, 3.30 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.  
e = estimate. See Cautionary Statement

# FCX Debt Maturities as of 3/31/19

(US\$ billions)



# Adjusted EBITDA Reconciliation

<i>(in millions)</i>	1Q19	12 mos ended 3/31/19
Net Income Attributable to Common Stock – Continuing Operations	\$ 30	\$1,944
Interest expense, net	146	940
Income tax provision	105	590
Depreciation, depletion and amortization	347	1,650
Cobalt inventory adjustments	57	57
Net gain on sales of assets	(33)	(230)
Accretion	30	111
Other net charges <sup>(1)</sup>	56	431
Loss (gain) on early extinguishment of debt	6	(2)
Other income, net	(14)	(61)
Net income attributable to noncontrolling interests	45	212
Equity in affiliated companies' net losses (earnings)	<u>3</u>	<u>(7)</u>
<b>FCX Adjusted EBITDA – Continuing Operations <sup>(2)</sup></b>	<b><u>\$778</u></b>	<b><u>\$5,635</u></b>

(1) Other net charges primarily include net adjustments to environmental obligations and litigation reserves (\$35 mm in 1Q19 and \$92 mm for the 12 months ended 3/31/19) and charges primarily associated with weather-related issues at El Abra and for non-recurring employee costs at PT-FI (\$18 mm in 1Q19 and for the 12 months ended 3/31/19). The 12 months ended 3/31/19 also includes \$223 mm for PT-FI charges and charges of \$69 mm for Cerro Verde's new three-year Collective Labor Agreement. For further discussion of net charges, refer to "Adjusted Net Income" on page VI in the supplemental schedules of FCX's 1Q19 press release, which is available on FCX's website.

(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.

# 1Q19 Copper Realization & 2Q19 Guidance

<b>1Q19 LME Average Copper Price</b>	<b>\$2.82/lb</b>
<b>3-Mo. Fwd Price for Copper at the End of March</b>	<b>\$2.94/lb</b>
<b>FCX 1Q19 Consolidated Copper Price Realization</b>	<b>\$2.90/lb*</b> (Generally, 50/50 Weight of Qtrly Avg and 3-mo Forward Price at End of Period)
<b>FCX 1Q19 Prior Period Open Lb Adj. (aka Provisional Price Adj.)</b>	<b>Revenue/EBITDA: \$70 mm</b> <b>Net Income: \$29 mm</b> <b>Earnings/Share: \$0.02</b>
<b>2Q19 Open Pound Guidance</b>	<ul style="list-style-type: none"> <li>▪ <b>1Q19 Open Lbs Priced at \$2.94/lb on 3/31/19</b></li> <li>▪ <b>Each \$0.05 Change in Avg Copper Price in 2Q19 = \$12 mm Impact to 2019 Net Income</b></li> <li>▪ <b>LME Copper Settled at \$2.92/lb on 4/24/19</b></li> </ul>

*\* Note that when the average quarter-end forward curve price is above the average quarterly spot price, FCX's consolidated quarterly copper realization can be expected to be above the quarterly average (and vice versa if quarter-end forward curve price is below the quarterly average spot price). Quarterly copper realizations by region may vary from the consolidated average. See Cautionary Statement.*

