



Item 2.02. Results of Operations and Financial Condition.

Freeport-McMoRan Inc. ("FCX") issued a press release dated October 20, 2022, announcing its third-quarter 2022 and nine-month financial and operating results. A copy of the press release is furnished hereto as Exhibit 99.1.

Item 7.01. Regulation FD Disclosure.

The slides to be presented in connection with FCX's previously announced third-quarter 2022 earnings conference call being webcast on the internet at 10:00 a.m. Eastern Time on October 20, 2022, are furnished hereto as Exhibit 99.2.

*The information furnished pursuant to Item 2.02 and 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 October 20, 2022, titled "Freeport-McMoRan Reports Third-Quarter and Nine-Month 2022 Results."
<a href="#">99.2</a>	Slides presented in connection with FCX's third-quarter 2022 earnings conference call conducted via the internet on October 20, 2022.
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

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/ Ellie L. Mikes

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Ellie L. Mikes  
Vice President and Chief Accounting Officer  
(authorized signatory and  
Principal Accounting Officer)

Date: October 20, 2022

# NEWS RELEASE

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## Freeport-McMoRan Reports Third-Quarter and Nine-Month 2022 Results

- *Strong production performance; copper and gold sales volumes above July 2022 guidance*
- *Unit net cash costs were 5% above July 2022 guidance*
- *Solid balance sheet, liquidity and financial flexibility*
- *Significant debt retirements through open-market transactions*
- *Published updated climate report*

- **Net income** attributable to common stock in third-quarter 2022 totaled \$404 million, \$0.28 per share, and adjusted net income attributable to common stock totaled \$375 million, \$0.26 per share, after excluding net credits totaling \$29 million, \$0.02 per share.
- **Consolidated sales** totaled 1.1 billion pounds of copper, 480 thousand ounces of gold and 17 million pounds of molybdenum in third-quarter 2022. Consolidated sales for the year 2022 are expected to approximate 4.2 billion pounds of copper, 1.8 million ounces of gold and 76 million pounds of molybdenum, including 1.0 billion pounds of copper, 420 thousand ounces of gold and 20 million pounds of molybdenum in fourth-quarter 2022.
- **Average realized prices** in third-quarter 2022 were \$3.50 per pound for copper, \$1,683 per ounce for gold and \$17.05 per pound for molybdenum.
- **Average unit net cash costs** in third-quarter 2022 were \$1.75 per pound of copper and are expected to average \$1.55 per pound of copper for the year 2022.
- **Operating cash flows** totaled \$0.8 billion (net of \$0.3 billion of working capital and other uses) in third-quarter 2022 and \$4.1 billion (net of \$1.0 billion of working capital and other uses) for the first nine months of 2022. Based on current sales volume and cost estimates, and assuming average fourth-quarter 2022 prices of \$3.50 per pound for copper, \$1,700 per ounce for gold and \$18.00 per pound for molybdenum, operating cash flows are expected to approximate \$4.7 billion (net of \$1.4 billion of working capital and other uses) for the year 2022.
- **Capital expenditures** totaled \$0.8 billion (including \$0.4 billion for major mining projects and \$0.2 billion for the Indonesia smelter projects) in third-quarter 2022 and \$2.4 billion (including \$1.2 billion for major mining projects and \$0.5 billion for the Indonesia smelter projects) for the first nine months of 2022. Capital expenditures for the year 2022 are expected to approximate \$3.6 billion (\$2.7 billion excluding the Indonesia smelter projects, including \$1.8 billion for major mining projects).
- FCX has **purchased approximately \$1.1 billion aggregate principal amount of its senior notes** in open-market transactions during 2022 (through October 19, 2022) for a total cost of \$1.0 billion (including \$402 million aggregate principal amount in third-quarter 2022).
- At September 30, 2022, **consolidated debt** totaled \$10.7 billion and **consolidated cash and cash equivalents** totaled \$8.6 billion, resulting in **net debt** of \$2.1 billion (\$1.3 billion excluding net debt for the Indonesia smelter projects). Refer to the supplemental schedule, "Net Debt," on page IX.
- Approximately **\$3.2 billion remains available under FCX's \$5.0 billion share repurchase program**. During 2022, 35.1 million shares have been repurchased for \$1.3 billion, with no shares repurchased since July 11, 2022. Future share repurchases will be funded with available cash flow pursuant to FCX's established financial policy.

PHOENIX, AZ, October 20, 2022 - Freeport-McMoRan Inc. (NYSE: FCX) reported third-quarter 2022 net income attributable to common stock of \$404 million, \$0.28 per share, and adjusted net income attributable to common stock of \$375 million, \$0.26 per share, after excluding net credits totaling \$29 million, \$0.02 per share, primarily associated with gains on early extinguishment of debt and favorable adjustments associated with international tax audits, partly offset by inventory adjustments. For additional information, refer to the supplemental schedule, "Adjusted Net Income," on page VII.

Richard C. Adkerson, Chairman and Chief Executive Officer, said, "FCX's position as a global leader in the copper industry, together with a solid balance sheet, long-lived assets and experienced team, provide strength as we navigate the current global market uncertainties. Our performance in third-quarter 2022 reflects the global team's focus on achieving our production plans in a challenging cost and supply chain environment. Despite near-term uncertainties, the long-term market fundamentals and value opportunities for our stakeholders remain highly attractive. I am confident that our strategy centered on being Foremost in Copper will be positive for all stakeholders as global conditions improve."

#### SUMMARY FINANCIAL DATA

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(in millions, except per share amounts)			
Revenues <sup>a,b</sup>	\$ 5,003	\$ 6,083	\$ 17,022	\$ 16,681
Operating income <sup>a</sup>	\$ 962	\$ 2,462	\$ 5,507	\$ 6,061
Net income attributable to common stock <sup>c,d</sup>	\$ 404	\$ 1,399	\$ 2,771	\$ 3,200
Diluted net income per share of common stock	\$ 0.28	\$ 0.94	\$ 1.90	\$ 2.16
Diluted weighted-average common shares outstanding	1,439	1,484	1,455	1,481
Operating cash flows <sup>e</sup>	\$ 758	\$ 1,965	\$ 4,070	\$ 5,435
Capital expenditures	\$ 836	\$ 541	\$ 2,422	\$ 1,344
At September 30:				
Cash and cash equivalents	\$ 8,578	\$ 7,672	\$ 8,578	\$ 7,672
Total debt, including current portion	\$ 10,690	\$ 9,665	\$ 10,690	\$ 9,665

a. For segment financial results, refer to the supplemental schedules, "Business Segments," beginning on page X.

b. Includes (unfavorable) favorable adjustments to prior period provisionally priced concentrate and cathode copper sales totaling \$(228) million (\$95 million to net income attributable to common stock or \$(0.07) per share) in third-quarter 2022, \$(9) million (\$3 million to net income attributable to common stock or less than \$0.01 per share) in third-quarter 2021, \$58 million (\$24 million to net income attributable to common stock or \$0.02 per share) for the first nine months of 2022 and \$169 million (\$65 million to net income attributable to common stock or \$0.05 per share) for the first nine months of 2021. For further discussion, refer to the supplemental schedule, "Derivative Instruments," beginning on page IX.

c. Includes net credits (charges) totaling \$29 million (\$0.02 per share) in third-quarter 2022, \$79 million (\$0.05 per share) in third-quarter 2021, \$(23) million (\$(0.02) per share) for the first nine months of 2022 and \$(16) million (\$(0.01) per share) for the first nine months of 2021 that are described in the supplemental schedule, "Adjusted Net Income," on page VII.

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 X.

e. Working capital and other (uses) sources totaled \$(269) million in third-quarter 2022, \$180 million in third-quarter 2021, \$(980) million for the first nine months of 2022 and \$367 million for the first nine months of 2021.

## SUMMARY OPERATING DATA

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Copper</b> (millions of recoverable pounds)				
Production	1,056	987	3,140	2,810
Sales, excluding purchases	1,060	1,033	3,171	2,787
Average realized price per pound	\$ 3.50	\$ 4.20	\$ 3.88	\$ 4.22
Site production and delivery costs per pound <sup>a</sup>	\$ 2.35	\$ 1.88	\$ 2.16	\$ 1.92 <sup>b</sup>
Unit net cash costs per pound <sup>a</sup>	\$ 1.75	\$ 1.24	\$ 1.50	\$ 1.36
<b>Gold</b> (thousands of recoverable ounces)				
Production	448	374	1,339	976
Sales	480	402	1,365	965
Average realized price per ounce	\$ 1,683	\$ 1,757	\$ 1,786	\$ 1,780
<b>Molybdenum</b> (millions of recoverable pounds)				
Production	19	23	63	63
Sales, excluding purchases	17	20	56	63
Average realized price per pound	\$ 17.05	\$ 18.61	\$ 18.64	\$ 14.36

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 net cash 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 XIII.

b. Includes \$0.03 per pound of copper associated with nonrecurring labor-related charges at Cerro Verde. Refer to the supplemental schedule, "Adjusted Net Income," on page VII.

## Market Conditions

The London Metal Exchange (LME) copper settlement price reached a high of \$4.87 per pound in March 2022, supported by copper's increasingly important role in decarbonization technologies and limited mine supply. Beginning in June 2022, a series of macro-economic factors (including concerns about the global economy, Chinese economic data, European energy crisis, rising United States (U.S.) interest rates and currency exchange rates related to the strength of the U.S. dollar) led to a decline in copper prices. The LME copper settlement price declined to \$3.74 per pound at June 30, 2022, and further declined during third-quarter 2022 to \$3.47 per pound at September 30, 2022. The LME copper settlement price was \$3.37 per pound on October 19, 2022.

Physical market fundamentals remain tight as evidenced by low levels of global exchange stocks. FCX's global customer base reports healthy demand for copper. FCX believes the outlook for copper fundamentals in the medium- and long-term remain favorable, with studies indicating that demand for copper may double in 15 years based on the global movement towards decarbonization. FCX also believes substantial new mine supply development will be required to meet the goals of the global energy transition, and current prices for copper are insufficient to support new mine supply development, which is expected to add to future supply deficits.

Historically, copper prices have been correlated to various input costs, including energy and other commodity-related consumables. However, during 2022, prices for a number of commodity-related consumables have increased at a time when copper prices have declined. A return to historical long-term correlation and improved labor markets and supply chain constraints would improve cost and operational efficiencies.

The FCX management team and global organization have substantial experience and success in executing under volatile market conditions and a challenging operating environment. FCX benefits from a diversified portfolio of operations with an attractive cost structure, long-lived reserves, optionality in its project pipeline and a strong balance sheet and liquidity position.

FCX is closely monitoring market conditions and will adjust its operating plans to protect its liquidity and preserve its asset values, as necessary. FCX will maintain a strong balance sheet and liquidity position as it focuses on building long-term value in its business, executing its operating plans safely, responsibly and efficiently, and prudently managing costs and capital expenditures. FCX will opportunistically use excess cash to repurchase its debt and equity securities. Refer to FCX's Financial Policy beginning on page 10.

**Responsible Production**

**2021 Climate Report.** In September 2022, FCX published its updated climate report, available on FCX's website at [fcx.com/sustainability](https://fcx.com/sustainability). The climate report details FCX's ongoing initiatives to reduce its greenhouse gas (GHG) emissions, improve energy efficiency, evaluate and integrate the use of lower carbon and renewable energy sources and enhance its resilience to future climate-related risks. FCX continues to advance its GHG emissions reduction initiatives across its global operations and has established 2030 GHG reduction targets that collectively cover nearly 100 percent of its Scope 1 and 2 GHG emissions.

**The Copper Mark.** FCX is committed to validating all of its copper producing sites with the Copper Mark, a comprehensive assurance framework designed to demonstrate the copper industry's responsible production practices. To achieve the Copper Mark, each site is required to complete an external assurance process to assess conformance with 32 environmental, social and governance (ESG) requirements. To date, FCX has achieved the Copper Mark at all 11 of its eligible copper producing sites in North America, South America and Europe, and PT Freeport Indonesia (PT-FI) has signed a letter of commitment and initiated the validation process.

**ICMM.** FCX is a founding member of the International Council on Mining & Metals (ICMM), an organization dedicated to a safe, fair and sustainable mining and metals industry, aiming continuously to strengthen ESG performance across the global mining and metals industry. As a member company, FCX is required to implement the 10 Mining Principles which define good ESG practices, and associated position statements, while also meeting 39 performance expectations and producing an externally verified sustainability report in accordance with the Global Reporting Initiative Standards subject to the ICMM Assurance & Validation Procedure.

**Consolidated Sales Volumes**

Third-quarter 2022 **copper** sales of 1.1 billion pounds were 4 percent higher than the July 2022 estimate and 3 percent higher than third-quarter 2021 sales, primarily reflecting strong production performance and the timing of shipments at PT-FI.

Third-quarter 2022 **gold** sales of 480 thousand ounces were 20 percent higher than the July 2022 estimate of 400 thousand ounces of gold, primarily reflecting higher ore grades and the timing of shipments. Third-quarter 2022 gold sales were 19 percent higher than third-quarter 2021 sales of 402 thousand ounces, primarily reflecting increased operating rates at the Grasberg minerals district.

Third-quarter 2022 **molybdenum** sales of 17 million pounds were lower than the July 2022 estimate of 21 million pounds and third-quarter 2021 sales of 20 million pounds, primarily reflecting lower by-product production from certain copper mines.

Consolidated sales volumes for the year 2022 are expected to approximate 4.2 billion pounds of copper, 1.8 million ounces of gold and 76 million pounds of molybdenum, including 1.0 billion pounds of copper, 420 thousand ounces of gold and 20 million pounds of molybdenum in fourth-quarter 2022. Projected sales volumes are dependent on operational performance, weather-related conditions, timing of shipments and other factors detailed in the Cautionary Statement below.

**Consolidated Unit Net Cash Costs**

Third-quarter 2022 consolidated average unit net cash costs (net of by-product credits) for FCX's copper mines of \$1.75 per pound of copper were higher than the third-quarter 2021 average of \$1.24 per pound, primarily reflecting higher energy prices and increased costs for other consumables such as sulfuric acid, explosives, key equipment parts and other supplies and services. Third-quarter 2022 consolidated average unit net cash costs were 5 percent higher than the July 2022 estimate of \$1.67 per pound, primarily reflecting higher maintenance and supply costs. Refer to "Mining Operations" below for further discussion.

Assuming average prices of \$1,700 per ounce of gold and \$18.00 per pound of molybdenum in fourth-quarter 2022 and achievement of current sales volume and cost estimates, consolidated unit net cash costs (net of by-product credits) for FCX's copper mines are expected to average \$1.55 per pound of copper for the year 2022 (including \$1.68 per pound in fourth-quarter 2022). The impact of price changes during fourth-quarter 2022 on consolidated unit net cash costs for the year 2022 would approximate \$0.02 per pound of copper for each \$100 per ounce change in the average price of gold and less than \$0.01 per pound of copper for each \$2 per pound change in the average price of molybdenum. Quarterly unit net cash costs vary with fluctuations in sales volumes and realized prices, primarily for gold and molybdenum.

## MINING OPERATIONS

**Leaching Innovation Initiatives.** FCX is advancing efforts to improve copper recovery from all ore types using leach processes. Several initiatives ongoing across FCX's North America and South America operations incorporate new applications, technologies and data analytics. FCX believes these leach innovation initiatives provide potential opportunities to produce incremental copper from its large existing leach stockpiles and lower-grade material currently classified as waste. Initial results support the potential for incremental low-cost additions to FCX's production and reserve profile.

**North America Copper Mines.** FCX operates seven open-pit copper mines in North America - Morenci, Bagdad, Safford (including Lone Star), Sierrita and Miami in Arizona, and Chino and Tyrone in New Mexico. In addition to copper, certain of these 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 substantial reserves and future opportunities in the U.S., primarily associated with existing mining operations.

Lone Star is increasing its operating rates to achieve production of 300 million pounds of copper per year from oxide ores (compared with the initial design capacity of 200 million pounds per year). This oxide project at Lone Star advances the opportunity for development of the underlying, large-scale sulfide resources. FCX is also increasing exploration in the area to support metallurgical testing and mine development planning for a potential significant long-term investment to build additional scale on an economically attractive basis.

FCX is planning an expansion to double the concentrator capacity of the Bagdad operation in northwest Arizona. FCX is engaging stakeholders and is conducting a feasibility study, which is expected to be completed in 2023. The timing of future development will be dependent on market conditions and other economic factors.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Copper</b> (millions of recoverable pounds)				
Production	373	377	1,109	1,090
Sales, excluding purchases	361	375	1,131	1,072
Average realized price per pound	\$ 3.57	\$ 4.34	\$ 4.17	\$ 4.24
<b>Molybdenum</b> (millions of recoverable pounds)				
Production <sup>a</sup>	7	9	22	26
<b>Unit net cash costs per pound of copper<sup>b</sup></b>				
Site production and delivery, excluding adjustments	\$ 2.76	\$ 2.12	\$ 2.54	\$ 2.11
By-product credits	(0.30)	(0.39)	(0.33)	(0.32)
Treatment charges	0.10	0.09	0.10	0.09
Unit net cash costs	\$ 2.56	\$ 1.82	\$ 2.31	\$ 1.88

a. Refer to summary operating data on page 3 for FCX's consolidated molybdenum sales, which include 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 XIII.

FCX's consolidated copper sales volumes from North America of 361 million pounds in third-quarter 2022 were lower than third-quarter 2021 copper sales volumes of 375 million, primarily reflecting timing of shipments as quarterly production volumes in third-quarter 2022 approximated third-quarter 2021. North America copper sales are estimated to approximate 1.5 billion pounds for the year 2022.

Average unit net cash costs (net of by-product credits) for the North America copper mines of \$2.56 per pound of copper in third-quarter 2022 were higher than third-quarter 2021 unit net cash costs of \$1.82 per pound,

primarily reflecting increased costs for energy, labor, maintenance and supplies and lower molybdenum by-product credits.

Average unit net cash costs (net of by-product credits) for the North America copper mines are expected to approximate \$2.35 per pound of copper for the year 2022, based on achievement of current sales volume and cost estimates and assuming an average molybdenum price of \$18.00 per pound in fourth-quarter 2022. North America's average unit net cash costs for the year 2022 would change by approximately \$0.01 per pound for each \$2 per pound change in the average price of molybdenum in fourth-quarter 2022.

**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.** During third-quarter 2022, milling rates at Cerro Verde's concentrator averaged 403,900 metric tons of ore per day and are currently expected to average over 400,000 metric tons of ore per day in fourth-quarter 2022.

Operating rates at El Abra have returned to pre-COVID-19 levels and increased mining and stacking activities are expected to result in an approximate 30 percent increase in El Abra copper production for the year 2022, compared with the year 2021.

El Abra's large sulfide resource supports a potential major mill project similar to the large-scale concentrator constructed at Cerro Verde in 2015. Technical and economic studies continue to be evaluated to determine the optimal scope and timing for the sulfide project. FCX also is considering options to invest in water infrastructure to provide options to extend existing operations, while continuing to monitor potential changes in Chile's regulatory and fiscal matters. FCX will defer major investment decisions pending clarity on Chile's regulatory and fiscal matters.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Copper</b> (millions of recoverable pounds)				
Production	302	260	862	764
Sales	293	280	845	769
Average realized price per pound	\$ 3.47	\$ 4.12	\$ 3.73	\$ 4.21
<b>Molybdenum</b> (millions of recoverable pounds)				
Production <sup>a</sup>	4	5	18	14
<b>Unit net cash costs per pound of copper<sup>b</sup></b>				
Site production and delivery, excluding adjustments	\$ 2.60	\$ 2.14	\$ 2.50	\$ 2.20 <sup>c</sup>
By-product credits	(0.16)	(0.38)	(0.31)	(0.31)
Treatment charges	0.13	0.13	0.15	0.13
Royalty on metals	0.01	0.01	0.01	0.01
Unit net cash costs	\$ 2.58	\$ 1.90	\$ 2.35	\$ 2.03

a. Refer to summary operating data on page 3 for FCX's consolidated molybdenum sales, which include 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 XIII.

c. Includes \$0.10 per pound of copper associated with nonrecurring labor-related charges at Cerro Verde. Refer to the supplemental schedule, "Adjusted Net Income," on page VII.

FCX's consolidated copper sales volumes from South America of 293 million pounds in third-quarter 2022 were higher than third-quarter 2021 copper sales volumes of 280 million pounds, primarily reflecting higher mining and milling rates and higher ore grades. Copper sales from South America mining are expected to approximate 1.15 billion pounds for the year 2022.

Average unit net cash costs (net of by-product credits) for South America mining of \$2.58 per pound of copper in third-quarter 2022 were higher than third-quarter 2021 unit net cash costs of \$1.90, primarily reflecting higher energy, sulfuric acid and other input costs and lower molybdenum by-product credits, partly offset by higher sales volumes.

Average unit net cash costs (net of by-product credits) for South America mining are expected to approximate \$2.38 per pound of copper for the year 2022, based on current sales volume and cost estimates and assuming an average price of \$18.00 per pound of molybdenum in fourth-quarter 2022.

In September 2022, El Abra and its two workers' unions signed new collective labor agreements (CLAs), which expire on April 30, 2026. No significant charges are expected to be recorded associated with the new CLAs.

**Indonesia Mining.** PT-FI operates one of the world's largest copper and gold mines 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. Under the terms of the 2018 shareholders agreement, FCX's economic interest in PT-FI approximates 81 percent through 2022, and 48.76 percent thereafter. PT-FI's results are consolidated in FCX's financial statements.

**Operating and Development Activities.** PT-FI currently has three underground operating mines in the Grasberg minerals district: Grasberg Block Cave, DMLZ and Big Gossan. In late 2021, PT-FI achieved quarterly copper and gold production volumes approximating 100 percent of projected annualized levels of approximately 1.6 billion pounds of copper and 1.6 million ounces of gold.

PT-FI's milling rates for ore extracted from its underground mines averaged 188,700 metric tons of ore per day in third-quarter 2022, and PT-FI expects to achieve a similar milling rate in fourth-quarter 2022. The installation of additional milling facilities at PT-FI is currently expected to be completed in the second half of 2023, which would increase milling capacity to approximately 240,000 metric tons of ore per day and provide for continued annualized copper and gold production volumes of approximately 1.6 billion pounds of copper and 1.6 million ounces of gold. PT-FI is also advancing a mill recovery project with the installation of a new copper cleaner circuit that is expected to be completed in the first half of 2024, and is expected to provide incremental metal production of approximately 60 million pounds of copper and 40 thousand ounces of gold per year.

For the year 2022, PT-FI's estimated capital spending on the Grasberg Block Cave and DMLZ underground projects, including construction of a dual-fuel power plant, is expected to approximate \$1.0 billion, net of scheduled contributions from PT Indonesia Asahan Aluminium (Paser) (PT Inalum, also known as MIND ID). In accordance with applicable accounting guidance, the aggregate costs (before scheduled contributions from PT Inalum), which are expected to approximate \$1.2 billion for the year 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.

**Kucing Liar.** PT-FI commenced long-term mine development activities for its Kucing Liar deposit during 2021, which is expected to produce over 6 billion pounds of copper and 5 million ounces of gold between 2028 and the end of 2041. Pre-production development activities will occur over an approximate 10-year timeframe, and capital investments are expected to average approximately \$400 million per year over the next 10 years. At full operating rates, annual production from Kucing Liar is expected to approximate 600 million pounds of copper and 500 thousand ounces of gold, providing PT-FI with sustained long-term, large-scale and low-cost production. Kucing Liar will benefit from substantial shared infrastructure and PT-FI's experience and long-term success in block-cave mining.

**Indonesia Smelter.** In connection with PT-FI's 2018 agreement with the Indonesia government to secure the extension of its long-term mining rights, PT-FI committed to construct additional domestic smelting capacity totaling 2 million metric tons of concentrate per year by the end of 2023 (subject to force majeure provisions).

PT-FI is actively engaged in the following projects for additional domestic smelting capacity:

- Construction of a greenfield smelter in Gresik, Indonesia with a capacity to process approximately 1.7 million metric tons of copper concentrate per year. The smelter construction is advancing and is expected to be completed as soon as feasible in 2024 at an estimated cost of \$3.0 billion, including \$2.8 billion for a construction contract (excluding capitalized interest, owner's costs and commissioning) and \$0.2 billion for investment in a desalination plant.
- Expansion of PT Smelting's capacity by 30 percent to 1.3 million metric tons of concentrate per year, which is expected to be completed by the end of 2023. PT-FI completed agreements in November 2021 with the majority owner of PT Smelting to implement the expansion plans. PT-FI is funding the cost of the expansion.

estimated to approximate \$250 million, with a loan that will convert to equity, increasing ownership in PT Smelting from a 39.5 percent ownership interest to a majority ownership interest once the expansion is complete. FCX and PT-FI will consolidate PT Smelting's results following the increase to a majority ownership.

- Commencing in 2023, PT-FI's commercial arrangement with PT Smelting will convert to a tolling arrangement. PT-FI will pay PT Smelting a tolling fee to smelt and refine its concentrate and will retain title of all products for sale to third parties. This is not expected to result in a significant change in PT-FI's economics but will impact the timing of PT-FI's sales during 2023.
  - Construction of a precious metals refinery (PMR) to process gold and silver from the greenfield smelter and PT Smelting at an estimated cost of \$400 million.
- Capital expenditures for the greenfield smelter and PMR (collectively, the Indonesia smelter projects) totaled \$0.5 billion during the first nine months of 2022 and are expected to approximate \$0.9 billion for the year 2022. Capital expenditures for the Indonesia smelter projects are being funded with proceeds received from PT-FI's senior notes offering and availability under its revolving credit facility.

Construction of the additional domestic smelter capacity will result in the elimination of export duties, providing an offset to the economic cost associated with the Indonesia smelter projects. Based on current development progress of additional smelting capacity, PT-FI expects export duties to be reduced from the current rate of 5 percent to 2.5 percent by the end of 2022.

**Mining Rights.** PT-FI and the Indonesia government have begun preliminary discussions regarding the extension of PT-FI's mining rights under its special mining license (IUPK) beyond 2041. PT-FI believes an extension beyond 2041 would enable continuity of operations and the identification of additional resource development opportunities in the Grasberg minerals district.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Copper</b> (millions of recoverable pounds)				
Production	381	350	1,169	956
Sales	406	378	1,195	946
Average realized price per pound	\$ 3.45	\$ 4.11	\$ 3.71	\$ 4.21
<b>Gold</b> (thousands of recoverable ounces)				
Production	445	371	1,330	968
Sales	476	399	1,356	957
Average realized price per ounce	\$ 1,683	\$ 1,757	\$ 1,786	\$ 1,780
<b>Unit net cash costs per pound of copper<sup>a</sup></b>				
Site production and delivery, excluding adjustments	\$ 1.81 <sup>b</sup>	\$ 1.46	\$ 1.55 <sup>b</sup>	\$ 1.49
Gold and silver credits	(2.00)	(1.97)	(2.11)	(1.91)
Treatment charges	0.23	0.24	0.24	0.24
Export duties	0.20	0.19	0.20	0.15
Royalty on metals	0.20	0.25	0.24	0.26
Unit net cash costs	\$ 0.44	\$ 0.17	\$ 0.12	\$ 0.23

a. 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 XIII.

b. Includes charges totaling \$0.05 per pound in the third quarter and \$0.02 per pound for the first nine months for nonrecurring costs associated with PT-FI's environmental commitments.

PT-FI's consolidated sales of 406 million pounds of copper and 476 thousand ounces of gold in third-quarter 2022 were higher than third-quarter 2021 consolidated sales of 378 million pounds of copper and 399 thousand ounces of gold, primarily reflecting increased operating rates at the Grasberg minerals district, partially offset by

lower copper ore grades. Consolidated sales volumes from PT-FI are expected to approximate 1.6 billion pounds of copper and 1.8 million ounces of gold for the year 2022.

PT-FI's unit net cash costs (net of gold and silver credits) of \$0.44 per pound of copper in third-quarter 2022 were higher than unit net cash costs of \$0.17 per pound in third-quarter 2021, primarily reflecting higher energy costs and increased operating rates, partly offset by higher sales volumes.

Assuming an average gold price \$1,700 per ounce in fourth-quarter 2022 and achievement of current sales volumes and cost estimates, unit net cash costs (net of gold and silver credits) for PT-FI are expected to approximate \$0.19 per pound of copper for the year 2022. PT-FI's average unit net cash costs for the year 2022 would change by approximately \$0.04 per pound of copper for each \$100 per ounce change in the average price of gold in fourth-quarter 2022.

**Molybdenum Mines.** FCX operates two wholly owned molybdenum mines in Colorado - the Climax open-pit mine and the Henderson underground mine. The Climax and Henderson mines produce high-purity molybdenum concentrate, which is typically further processed into value-added molybdenum chemical products. The majority of the molybdenum concentrate produced at the Climax and Henderson mines and at 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 third-quarter 2022 and 9 million pounds of molybdenum in third-quarter 2021. FCX's consolidated molybdenum sales and average realized prices include sales of molybdenum produced at the Molybdenum mines and at FCX's North America and South America copper mines, which are presented on page 3.

Average unit net cash costs for the Molybdenum mines of \$12.10 per pound of molybdenum in third-quarter 2022 were higher than average unit net cash costs of \$8.54 per pound in third-quarter 2021, primarily reflecting increased contract labor largely for a pushback at the Climax mine, and higher energy and other input costs. Based on current sales volume and cost estimates, average unit net cash costs for the Molybdenum mines are expected to approximate \$11.45 per pound of molybdenum for the year 2022.

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 XIII.

## EXPLORATION

FCX's mining exploration activities are primarily associated with its existing mines, focusing on opportunities to expand reserves and resources to support development of additional future production capacity. Exploration results continue to indicate opportunities for significant future potential reserve additions at FCX's existing properties in North America and South America. Exploration expenditures for the year 2022, primarily to advance Lone Star and other opportunities at FCX's North America copper mines, are expected to approximate \$115 million, compared with \$50 million in 2021. FCX has long-lived reserves and a significant resource position in its existing portfolio.

## LIQUIDITY, CASH FLOWS, CASH AND DEBT

**Liquidity.** At September 30, 2022, FCX had \$8.6 billion in consolidated cash and cash equivalents and \$3.5 billion of availability under its revolving credit facility. In addition, PT-FI and Cerro Verde have \$1.3 billion and \$350 million, respectively, of availability under their respective revolving credit facilities.

**Operating Cash Flows.** FCX generated operating cash flows of \$0.8 billion (net of \$0.3 billion of working capital and other uses) in third-quarter 2022 and \$4.1 billion (net of \$1.0 billion of working capital and other uses) for the first nine months of 2022.

Based on current sales volume and cost estimates, and assuming average prices of \$3.50 per pound of copper, \$1,700 per ounce of gold and \$18.00 per pound of molybdenum in fourth-quarter 2022, FCX's consolidated operating cash flows are estimated to approximate \$4.7 billion (net of \$1.4 billion of working capital and other uses) for the year 2022. The impact of price changes during fourth-quarter 2022 on operating cash flows for the year 2022 would approximate \$100 million for each \$0.10 per pound change in the average price of copper, \$35 million for each \$100 per ounce change in the average price of gold and \$15 million for each \$2 per pound change in the average price of molybdenum.

**Capital Expenditures.** Capital expenditures totaled \$0.8 billion in third-quarter 2022 (including \$0.4 billion for major mining projects and \$0.2 billion for the Indonesia smelter projects) and \$2.4 billion for the first nine months of 2022 (including \$1.2 billion for major mining projects and \$0.5 billion for the Indonesia smelter projects).

Capital expenditures are expected to approximate \$3.6 billion for the year 2022 (including \$1.8 billion for major mining projects and \$0.9 billion for the Indonesia smelter projects). Projected capital expenditures for major mining projects include \$1.4 billion for planned projects primarily associated with underground mine development in the Grasberg minerals district and supporting mill and power capital costs and \$0.4 billion for discretionary growth projects. Capital expenditures for the Indonesia smelter projects are being funded with the proceeds received from PT-FI's senior notes offerings and availability under its revolving credit facility.

**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 September 30, 2022 (in billions):

Cash at domestic companies	\$	4.6
Cash at international operations		4.0 <sup>a</sup>
<b>Total consolidated cash and cash equivalents</b>		<b>8.6</b>
Noncontrolling interests' share		(1.0)
Cash, net of noncontrolling interests' share		7.6
Withholding taxes		(0.3)
<b>Net cash available</b>	<b>\$</b>	<b>7.3</b>

a. Includes \$2.2 billion from PT-FI's senior notes offerings that is expected to be used to finance the Indonesia smelter projects.

**Debt.** Following is a summary of total debt and the weighted-average interest rates at September 30, 2022 (in billions, except percentages):

		<b>Weighted-Average Interest Rate</b>
Senior notes:		
Issued by FCX <sup>a</sup>	\$	7.3
Issued by PT-FI		3.0
Issued by Freeport Minerals Corporation		0.3
Other		0.1
<b>Total debt</b>	<b>\$</b>	<b>10.7</b>
		5.0%

a. Includes \$1.0 billion maturing in March 2023 with redemption rights at par in December 2022.

At September 30, 2022, there were no borrowings and \$8 million in letters of credit issued under FCX's \$3.5 billion revolving credit facility. In October 2022, FCX entered into a new \$3.0 billion revolving credit facility that matures in October 2027 and replaces its prior revolving credit facility. The terms of the new facility are substantially similar to FCX's prior facility.

FCX has purchased approximately \$1.1 billion aggregate principal amount of its senior notes in open-market transactions during 2022 (through October 19, 2022) for a total cost of \$1.0 billion (including \$402 million aggregate principal amount in third-quarter 2022), resulting in annual cash interest savings of approximately \$50 million. During third-quarter 2022, FCX recorded a gain on early extinguishment of debt totaling \$20 million associated with its senior note purchases.

## FINANCIAL POLICY

FCX's financial policy is aligned with its strategic objectives of maintaining a strong balance sheet and increasing cash returns to shareholders while advancing opportunities for future growth. The policy includes a base dividend and a performance-based payout framework, whereby up to 50 percent of available cash flows generated after planned capital spending and distributions to noncontrolling interests would be allocated to shareholder returns and the balance to debt reduction and investments in value enhancing growth projects, subject to FCX maintaining its net debt at a level not to exceed the net debt target of \$3.0 billion to \$4.0 billion (excluding project debt for additional smelting capacity in Indonesia). The Board of Directors (the Board) will review the structure of the performance-based payout framework at least annually.

At September 30, 2022, FCX's net debt, excluding net debt for the Indonesia smelter projects, totaled \$1.3 billion. Refer to the supplemental schedule, "Net Debt," on page IX.

On September 21, 2022, FCX declared dividends totaling \$0.15 per share on its common stock (which included a \$0.075 per share quarterly base cash dividend and a \$0.075 per share quarterly variable cash dividend), which will be paid on November 1, 2022, to shareholders of record as of October 14, 2022. The declaration and payment of dividends (base or variable) is at the discretion of the Board and will depend on FCX's financial results, cash requirements, business prospects, global economic conditions and other factors deemed relevant by the Board.

In July 2022, the Board authorized an increase in the share repurchase program up to \$5.0 billion. No shares have been purchased since July 11, 2022. FCX has acquired 47.9 million shares of its common stock for a total cost of \$1.8 billion (\$38.35 average cost per share) under its share repurchase program, including 35.1 million shares for a total cost of \$1.3 billion (\$38.36 average cost per share) during 2022. As of October 19, 2022, FCX has 1.43 billion shares of common stock outstanding and \$3.2 billion is available under its share repurchase program. The timing and amount of share repurchases is at the discretion of management and will depend on a variety of factors. The share repurchase program may be modified, increased, suspended or terminated at any time at the Board's discretion.

#### WEBCAST INFORMATION

A conference call with securities analysts to discuss FCX's third-quarter 2022 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](http://fcx.com). A replay of the webcast will be available through Friday, November 18, 2022.

#### FREEPORT: Foremost in Copper

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 North America and South America, including the large-scale Morenci minerals district in Arizona and the Cerro Verde operation in Peru.

By supplying responsibly produced copper, FCX is proud to be a positive contributor to the world well beyond its operational boundaries. Additional information about FCX is available on FCX's website at [fcx.com](http://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 plans, projections, or expectations relating to business outlook, strategy, goals or targets; global market conditions; ore grades and milling rates; production and sales volumes; unit net cash costs and operating costs; capital expenditures; operating plans; cash flows; liquidity; PT-FI's financing, construction and completion of additional domestic smelting capacity in Indonesia in accordance with the terms of its IUPK, extension of PT-FI's IUPK beyond 2041; FCX's commitment to deliver responsibly produced copper, including plans to implement and validate its operating sites under specific frameworks; execution of FCX's energy and climate strategies and the underlying assumptions and estimated impacts on FCX's business related thereto; achievement of climate commitments by 2030 and 2050 net zero aspiration; improvements in operating procedures and technology innovations; exploration efforts and results; development and production activities, rates and costs; future organic growth opportunities; tax rates; export quotas and duties; the impact of copper, gold and molybdenum price changes; the impact of deferred intercompany profits on earnings; mineral reserve and mineral resource estimates; final resolution of settlements associated with ongoing legal proceedings; debt repurchases and the ongoing implementation of FCX's financial policy and future returns to shareholders, including dividend payments (base or variable) and share repurchases. The words "anticipates," "may," "can," "plans," "believes," "estimates," "expects," "projects," "targets," "intends," "likely," "will," "should," "could," "to be," "potential," "assumptions," "guidance," "aspirations," "future," "commitments," "pursues," "initiates," "objectives," "opportunities," "strategy" and any similar expressions are intended to identify those assertions as forward-looking statements. The declaration and payment of dividends (base or variable), and timing and amount of any share repurchases is at the discretion of the Board and management, respectively, and is subject to a number of factors, including maintaining FCX's net debt target, capital availability, FCX's financial results, cash requirements, business prospects, global economic conditions, changes in laws, contractual restrictions and other factors deemed relevant by the Board or management, as applicable. The share repurchase program may be modified, increased, suspended or terminated at any time at the Board's discretion.

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 the commodities FCX produces, primarily copper; changes in FCX's cash requirements, financial position, financing or investment plans; changes in general market, economic, tax, regulatory or industry conditions, including as a result of Russia's invasion of Ukraine or potential global economic downturn or recession; reductions in liquidity and access to capital; the ongoing COVID-19 pandemic and

*any future public health crisis; political and social risks; operational risks inherent in mining, with higher inherent risks in underground mining; fluctuations in price and availability of commodities purchased; constraints on supply, logistics and transportation services; mine sequencing; changes in mine plans or operational modifications, delays, deferrals or cancellations; production rates; timing of shipments; results of technical, economic or 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 Indonesia government's extension of PT-FI's export license after March 19, 2023; satisfaction of requirements in accordance with PT-FI's IUPK to extend mining rights from 2031 through 2041; the Indonesia government's approval of a deferred schedule for completion of additional domestic smelting capacity in Indonesia; discussions relating to extension of PT-FI's IUPK beyond 2041; cybersecurity incidents; labor relations, including labor-related work stoppages and costs; the results of the human health assessment to evaluate the potential impacts of tailings and mining waste, and compliance with applicable environmental, health and safety laws and regulations; weather- and climate-related risks; environmental risks and litigation results; FCX's ability to comply with its responsible production commitments under specific frameworks and any changes to such frameworks 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, 2021, filed with the U.S. Securities and Exchange Commission (SEC).*

*Investors are cautioned that many of the assumptions upon which FCX's forward-looking statements are based are likely to change after the date the forward-looking statements are made, including for example commodity prices, which FCX cannot control, and production volumes and costs or technological solutions and innovation, 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 undertakes no obligation to update any forward-looking statements, which speak only as of the date made, notwithstanding any changes in its assumptions, changes in business plans, actual experience or other changes.*

*This press release also contains financial measures such as net debt, adjusted net income and unit net cash costs per pound of copper and molybdenum, 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.*

Freeport-McMoRan Inc.  
SELECTED OPERATING DATA

Three Months Ended September 30,

	2022		2021	
	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>	159	160	156	162
Safford (100%)	76	74	72	70
Bagdad (100%)	44	51	42	48
Sierrita (100%)	43	42	43	46
Chino (100%)	34	33	31	32
Tyrone (100%)	15	15	14	14
Miami (100%)	2	2	3	3
Total North America	373	377	361	375
<b>South America</b>				
Cerro Verde (53.56%)	242	226	232	244
El Abra (51%)	60	34	61	36
Total South America	302	260	293	280
<b>Indonesia</b>				
Grasberg (48.76%) <sup>b</sup>	381	350	406	378
<b>Total</b>	<b>1,056</b>	<b>987</b>	<b>1,060</b> <sup>c</sup>	<b>1,033</b> <sup>c</sup>
Less noncontrolling interests	214	187	213	202
<b>Net</b>	<b>842</b>	<b>800</b>	<b>847</b>	<b>831</b>
Average realized price per pound			\$ 3.50	\$ 4.20
<b>GOLD</b> (thousands of recoverable ounces)				
<i>(FCX's net interest in %)</i>				
North America (100%)	3	3	4	3
Indonesia (48.76%) <sup>b</sup>	445	371	476	399
<b>Consolidated</b>	<b>448</b>	<b>374</b>	<b>480</b>	<b>402</b>
Less noncontrolling interests	83	70	89	75
<b>Net</b>	<b>365</b>	<b>304</b>	<b>391</b>	<b>327</b>
Average realized price per ounce			\$ 1,683	\$ 1,757
<b>MOLYBDENUM</b> (millions of recoverable pounds)				
<i>(FCX's net interest in %)</i>				
Climax (100%)	5	5	N/A	N/A
Henderson (100%)	3	4	N/A	N/A
North America copper mines (100%) <sup>a</sup>	7	9	N/A	N/A
Cerro Verde (53.56%)	4	5	N/A	N/A
<b>Consolidated</b>	<b>19</b>	<b>23</b>	<b>17</b>	<b>20</b>
Less noncontrolling interests	2	3	2	2
<b>Net</b>	<b>17</b>	<b>20</b>	<b>15</b>	<b>18</b>
Average realized price per pound			\$ 17.05	\$ 18.61

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

b. FCX's economic interest in PT Freeport Indonesia (PT-FI) approximates 81 percent through 2022 and 48.76 percent thereafter.

c. Consolidated sales volumes exclude purchased copper of 48 million pounds in third-quarter 2022 and 28 million pounds in third-quarter 2021.

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

	Nine Months Ended September 30,			
	2022	2021	2022	2021
	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>	485	470	495	474
Safford (100%)	215	202	215	188
Sierrita (100%)	143	144	146	143
Bagdad (100%)	124	134	130	137
Chino (100%)	91	91	93	82
Tyrone (100%)	43	40	44	38
Miami (100%)	8	9	8	10
<b>Total North America</b>	<b>1,109</b>	<b>1,090</b>	<b>1,131</b>	<b>1,072</b>
<b>South America</b>				
Cerro Verde (53.56%)	720	649	704	648
El Abra (51%)	142	115	141	121
<b>Total South America</b>	<b>862</b>	<b>764</b>	<b>845</b>	<b>769</b>
<b>Indonesia</b>				
Grasberg (48.76%) <sup>b</sup>	1,169	956	1,195	946
<b>Total</b>	<b>3,140</b>	<b>2,810</b>	<b>3,171</b> <sup>c</sup>	<b>2,787</b> <sup>c</sup>
Less noncontrolling interests	623	537	619	538
<b>Net</b>	<b>2,517</b>	<b>2,273</b>	<b>2,552</b>	<b>2,249</b>
Average realized price per pound			\$ 3.88	\$ 4.22
<b>GOLD</b> (thousands of recoverable ounces)				
<i>(FCX's net interest in %)</i>				
<b>North America (100%)</b>				
Indonesia (48.76%) <sup>b</sup>	9	8	9	8
<b>Consolidated</b>	<b>1,330</b>	<b>968</b>	<b>1,356</b>	<b>957</b>
Less noncontrolling interests	249	181	254	179
<b>Net</b>	<b>1,090</b>	<b>795</b>	<b>1,111</b>	<b>786</b>
Average realized price per ounce			\$ 1,786	\$ 1,780
<b>MOLYBDENUM</b> (millions of recoverable pounds)				
<i>(FCX's net interest in %)</i>				
Climax (100%)	14	14	N/A	N/A
Henderson (100%)	9	9	N/A	N/A
North America copper mines (100%) <sup>a</sup>	22	26	N/A	N/A
Cerro Verde (53.56%)	18	14	N/A	N/A
<b>Consolidated</b>	<b>63</b>	<b>63</b>	<b>56</b>	<b>63</b>
Less noncontrolling interests	8	7	7	7
<b>Net</b>	<b>55</b>	<b>56</b>	<b>49</b>	<b>56</b>
Average realized price per pound			\$ 18.64	\$ 14.36

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

b. FCX's economic interest in PT-FI approximates 81 percent through 2022 and 48.76 percent thereafter.

c. Consolidated sales volumes exclude purchased copper of 86 million pounds for the first nine months of 2022 and 149 million pounds for the first nine months of 2021.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>100% North America Copper Mines</b>				
<b>Leach Operations</b>				
Leach ore placed in stockpiles (metric tons per day)	622,200	579,100	684,200	656,900
Average copper ore grade (percent)	0.30	0.30	0.29	0.29
Copper production (millions of recoverable pounds)	260	270	759	797
<b>Mill Operations</b>				
Ore milled (metric tons per day)	294,600	274,300	297,600	269,000
Average ore grades (percent):				
Copper	0.36	0.39	0.37	0.38
Molybdenum	0.02	0.03	0.02	0.03
Copper recovery rate (percent)	82.3	81.6	82.2	80.9
Production (millions of recoverable pounds):				
Copper	174	170	538	476
Molybdenum	8	10	23	27
<b>100% South America Mining</b>				
<b>Leach Operations</b>				
Leach ore placed in stockpiles (metric tons per day)	175,200	171,600	157,700	171,900
Average copper ore grade (percent)	0.34	0.30	0.35	0.33
Copper production (millions of recoverable pounds)	85	62	217	188
<b>Mill Operations</b>				
Ore milled (metric tons per day)	403,900	380,300	408,500	381,500
Average ore grades (percent):				
Copper	0.32	0.31	0.32	0.30
Molybdenum	0.01	0.01	0.01	0.01
Copper recovery rate (percent)	85.4	86.1	85.5	86.3
Production (millions of recoverable pounds):				
Copper	217	199	645	576
Molybdenum	4	5	18	14
<b>100% Indonesia Mining</b>				
<b>Ore extracted and milled (metric tons per day):</b>				
Grasberg Block Cave underground mine	100,600	76,500	100,900	64,300
Deep Mill Level Zone underground mine	81,400	59,700	79,000	53,500
Big Gossan underground mine	7,600	7,400	7,500	7,500
Other adjustments <sup>a</sup>	(900)	13,800	3,400	16,300
Total	<u>188,700</u>	<u>157,400</u>	<u>190,800</u>	<u>141,600</u>
Average ore grades:				
Copper (percent)	1.17	1.30	1.20	1.32
Gold (grams per metric ton)	1.07	1.05	1.06	1.04
Recovery rates (percent):				
Copper	90.1	90.1	89.8	90.0
Gold	77.2	78.6	77.9	77.8
Production (recoverable):				
Copper (millions of pounds)	381	350	1,169	956
Gold (thousands of ounces)	445	371	1,330	968
<b>100% Molybdenum Mines</b>				
Ore milled (metric tons per day)	25,400	24,800	24,600	22,000
Average molybdenum ore grade (percent)	0.18	0.19	0.18	0.19
Molybdenum production (millions of recoverable pounds)	8	9	23	23

a. Also includes ore extracted and milled from the Deep Ore Zone underground mine ore body, which was depleted at the end of 2021.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(In Millions, Except Per Share Amounts)			
Revenues <sup>a</sup>	\$ 5,003	\$ 6,083	\$ 17,022 <sup>b</sup>	\$ 16,681
Cost of sales:				
Production and delivery <sup>b,c,d</sup>	3,366	3,009 <sup>e</sup>	9,519	8,862 <sup>e</sup>
Depreciation, depletion and amortization	508	528	1,504	1,430
Metals inventory adjustments	25	14	43	15
Total cost of sales	3,899	3,551	11,066	10,307
Selling, general and administrative expenses	98	102	313	289
Mining exploration and research expenses	38	15	87	36
Environmental obligations and shutdown costs	6	13	51	51
Net gain on sales of assets	—	(60)	(2)	(63)
Total costs and expenses	4,041	3,621	11,515	10,620
Operating income	962	2,462	5,507	6,061
Interest expense, net <sup>f</sup>	(140) <sup>b,d</sup>	(138)	(423) <sup>b,d</sup>	(431) <sup>b</sup>
Net gain on early extinguishment of debt	20	—	28	—
Other income, net	25 <sup>d</sup>	36	67 <sup>d</sup>	56 <sup>b</sup>
Income before income taxes and equity in affiliated companies' net earnings (losses)	867	2,360	5,179	5,686
Provision for income taxes <sup>g</sup>	(315)	(628)	(1,710)	(1,674)
Equity in affiliated companies' net earnings (losses)	8	(9)	33	(5)
Net income	560	1,723	3,502	4,007
Net income attributable to noncontrolling interests	(156)	(324)	(731)	(807)
Net income attributable to common stockholders <sup>h</sup>	\$ 404	\$ 1,399	\$ 2,771	\$ 3,200
Diluted net income per share attributable to common stock	\$ 0.28	\$ 0.94	\$ 1.90	\$ 2.16
Diluted weighted-average common shares outstanding	1,439	1,484	1,455	1,481
Dividends declared per share of common stock	\$ 0.15	\$ 0.075	\$ 0.45	\$ 0.225

- 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," beginning on page IX.
- b. Includes PT-FI net credits (charges) totaling \$17 million in third-quarter 2022, \$1 million in third-quarter 2021, \$(34) million for the first nine months of 2022 and \$(53) million for the first nine months of 2021, which are summarized in the supplemental schedule, "Adjusted Net Income," on page VII.
- c. FCX is engaged in various studies associated with potential future expansion projects primarily at its mining operations. Production and delivery costs include charges for these feasibility and optimization studies totaling \$34 million in third-quarter 2022, \$20 million in third-quarter 2021, \$84 million for the first nine months of 2022 and \$36 million for the first nine months of 2021.
- d. Includes other net (charges) credits totaling \$(21) million in third-quarter 2022, \$1 million in third-quarter 2021, \$(37) million for the first nine months of 2022 and \$(12) million for the first nine months of 2021, which are summarized in the supplemental schedule, "Adjusted Net Income," on page VII.
- e. Includes nonrecurring labor-related charges at Cerro Verde totaling \$5 million in third-quarter 2021 and \$74 million for the first nine months of 2021, which are summarized in the supplemental schedule, "Adjusted Net Income," on page VII.
- f. Consolidated interest costs (before capitalization) totaled \$182 million in third-quarter 2022, \$157 million in third-quarter 2021, \$524 million for the first nine months of 2022 and \$482 million for the first nine months of 2021. Higher interest costs (before capitalization) in the 2022 periods are primarily related to PT-FI's senior notes that were issued in April 2022.
- g. For a summary of FCX's income taxes, refer to the supplemental schedule, "Income Taxes," on page VIII.
- h. 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 X.

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

	September 30, 2022	December 31, 2021
(In Millions)		
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 8,578	\$ 8,068
Trade accounts receivable	844	1,168
Income and other tax receivables	485	574
<b>Inventories:</b>		
Materials and supplies, net	1,873	1,669
Mill and leach stockpiles	1,369	1,170
Product	1,577	1,658
Other current assets	647	523
Total current assets	15,373	14,830
Property, plant, equipment and mine development costs, net	31,814	30,345
Long-term mill and leach stockpiles	1,194	1,387
Other assets	1,546	1,460
<b>Total assets</b>	<b>\$ 49,927</b>	<b>\$ 48,022</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 3,947	\$ 3,495
Current portion of debt	1,032	372
Accrued income taxes	439	1,541
Current portion of environmental and asset retirement obligations	365	264
Dividends payable	216	220
Total current liabilities	5,999	6,892
Long-term debt, less current portion	9,658	9,078
Deferred income taxes	4,316	4,234
Environmental and asset retirement obligations, less current portion	4,223	4,116
Other liabilities	1,550	1,683
Total liabilities	25,746	25,003
<b>Equity:</b>		
<b>Stockholders' equity:</b>		
Common stock	161	160
Capital in excess of par value	25,483	25,875
Accumulated deficit	(4,604)	(7,375)
Accumulated other comprehensive loss	(385)	(388)
Common stock held in treasury	(5,701)	(4,292)
Total stockholders' equity	14,954	13,980
Noncontrolling interests <sup>a</sup>	9,227	9,039
Total equity	24,181	23,019
<b>Total liabilities and equity</b>	<b>\$ 49,927</b>	<b>\$ 48,022</b>

a. Includes \$4.6 billion associated with the December 2018 PT-FI transaction, including \$4.1 billion associated with the PT Indonesia Asahan Aluminium (Persero) acquisition of Rio Tinto's joint venture interest.

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

	Nine Months Ended September 30,	
	2022	2021
	(In Millions)	
Cash flow from operating activities:		
Net income	\$ 3,502	\$ 4,007
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	1,504	1,430
Metals inventory adjustments	43	15
Net gain on sales of assets	(2)	(63)
Stock-based compensation	75	79
Net charges for environmental and asset retirement obligations, including accretion	180	131
Payments for environmental and asset retirement obligations	(197)	(184)
Net charges for defined pension and postretirement plans	28	3
Pension plan contributions	(52)	(75)
Net gain on early extinguishment of debt	(28)	—
Deferred income taxes	83	96
Payments for Cerro Verde royalty dispute	—	(421) <sup>a</sup>
Other, net	(86)	50
Changes in working capital and other:		
Accounts receivable	456	(218)
Inventories	(184)	(310)
Other current assets	(71)	(77)
Accounts payable and accrued liabilities	84	123
Accrued income taxes and timing of other tax payments	(1,265)	849
Net cash provided by operating activities	<u>4,070</u>	<u>5,435</u>
Cash flow from investing activities:		
Capital expenditures:		
North America copper mines	(430)	(211)
South America	(203)	(94)
Indonesia mining	(1,148)	(904)
Indonesia smelter projects	(517)	(79)
Molybdenum mines	(16)	(4)
Other	(108)	(52)
Proceeds from sale of Freeport Cobalt	—	150
Proceeds from sales of assets	102	21
Loans to PT Smelting for expansion	(51)	—
Acquisition of minority interest in PT Smelting	—	(33)
Other, net	(10)	(25)
Net cash used in investing activities	<u>(2,381)</u>	<u>(1,231)</u>
Cash flow from financing activities:		
Proceeds from debt	5,366	633
Repayments of debt	(4,073)	(672)
Cash dividends and distributions paid:		
Common stock	(652)	(220)
Noncontrolling interests	(625)	(187)
Treasury stock purchases	(1,347)	—
Contributions from noncontrolling interests	142	135
Proceeds from exercised stock options	106	189
Payments for withholding of employee taxes related to stock-based awards	(55)	(19)
Debt financing costs and other, net	(41)	(47)
Net cash used in financing activities	<u>(1,179)</u>	<u>(188)</u>
Net increase in cash, cash equivalents, restricted cash and restricted cash equivalents	510	4,016
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of year	8,314	3,903
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period <sup>b</sup>	<u>\$ 8,824</u>	<u>\$ 7,919</u>

a. Cerro Verde paid the balance of its royalty dispute liabilities in third-quarter 2021.

b. Includes restricted cash and cash equivalents of \$246 million at September 30, 2022, and \$247 million at September 30, 2021.

**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 September 30,					
	2022			2021		
	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>	N/A	\$ 404	\$ 0.28	N/A	\$ 1,399	\$ 0.94
Metals inventory adjustments	\$ (25) <sup>b</sup>	\$ (10)	\$ (0.01)	\$ (14)	\$ (14)	\$ (0.01)
Net adjustments to environmental obligations	5	5	—	2	2	—
Cerro Verde labor agreement	—	—	—	(5)	(2)	—
PT-FI net credits	17 <sup>c</sup>	8	0.01	1 <sup>c</sup>	12	0.01
Net gain on sales of assets	—	—	—	60	34	0.02
Net gain on early extinguishment of debt	20	20	0.01	—	—	—
Other net (charges) credits	(21) <sup>d</sup>	(11)	(0.01)	1 <sup>e</sup>	(8)	(0.01)
Net tax credits <sup>f</sup>	N/A	16	0.01	N/A	55	0.04
	\$ (2) <sup>g</sup>	\$ 29 <sup>g</sup>	\$ 0.02 <sup>g</sup>	\$ 45	\$ 79	\$ 0.05
<b>Adjusted net income attributable to common stock</b>	N/A	\$ 375	\$ 0.26	N/A	\$ 1,320	\$ 0.89

	Nine Months Ended September 30,					
	2022			2021		
	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>	N/A	\$ 2,771	\$ 1.90	N/A	\$ 3,200	\$ 2.16
Metals inventory adjustments	\$ (43) <sup>b</sup>	\$ (21)	\$ (0.01)	\$ (15)	\$ (15)	\$ (0.01)
PT-FI net charges	(34) <sup>c</sup>	(23)	(0.02)	(53) <sup>c</sup>	(36)	(0.02)
Net adjustments to environmental obligations	(8)	(8)	(0.01)	(15)	(15)	(0.01)
Cerro Verde labor agreement	—	—	—	(74)	(24)	(0.02)
Net gain on sales of assets	2	2	—	63	37	0.02
Net gain on early extinguishment of debt	28	33	0.02	—	—	—
Other net charges	(37) <sup>d</sup>	(23)	(0.01)	(12) <sup>e</sup>	(18)	(0.01)
Net tax credits <sup>f</sup>	N/A	16	0.01	N/A	55	0.04
	\$ (91) <sup>g</sup>	\$ (23) <sup>g</sup>	\$ (0.02) <sup>g</sup>	\$ (106)	\$ (16)	\$ (0.01)
<b>Adjusted net income attributable to common stock</b>	N/A	\$ 2,794	\$ 1.92	N/A	\$ 3,216	\$ 2.17

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

b. Includes stockpile write-offs at Cerro Verde totaling \$1 million in third-quarter 2022 and \$10 million for the first nine months of 2022.

c. Reflects net (charges) credits associated with contested matters at PT-FI (including historical tax audits and an administrative fine levied by the Indonesia government), asset impairments and exposure for additional export duties for prior periods, which were recorded to the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues	\$ —	\$ —	\$ (18)	\$ —
Production and delivery	21	1	(12)	(29)
Interest expense, net	(4)	—	(4)	(8)
Other income, net	—	—	—	(16)

d. Reflects net (charges) credits primarily associated with a historical tax audit, asset retirement obligation adjustments (ARO), a litigation settlement and contract cancellation costs, which were recorded to production and delivery (\$19 million in third-quarter and \$(35) million for the first nine months of 2022), other income, net (\$11 million for the third quarter and first nine months of 2022) and interest expense, net (\$9 million for the third quarter and first nine months of 2022).

e. Includes credits recorded to production and delivery associated with ARO adjustments (\$1 million in third-quarter and \$17 million for the first nine months of 2021). The first nine months of 2021 also include other net charges recorded to production and delivery (\$29 million), primarily associated with employee separation charges and international tax matters.

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

g. Does not foot because of rounding.

**Freeport-McMoRan Inc.**  
**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 September 30,					
	2022			2021		
	Income (Loss) <sup>a</sup>	Effective Tax Rate	Income Tax (Provision) Benefit	Income (Loss) <sup>a</sup>	Effective Tax Rate	Income Tax (Provision) Benefit
U.S. <sup>b</sup>	\$ (55)	—%	\$ —	\$ 581	1%	\$ (4)
South America	26	(58)%	15 <sup>d</sup>	502	44%	(220)
Indonesia	855	40%	(343)	1,181	32%	(382) <sup>e</sup>
Eliminations and other	41	N/A	(18)	96	N/A	14
Rate adjustment <sup>f</sup>	—	N/A	31	—	N/A	(36)
Continuing operations	<u>\$ 867</u>	36%	<u>\$ (315)</u>	<u>\$ 2,360</u>	27%	<u>\$ (628)</u>

	Nine Months Ended September 30,					
	2022			2021		
	Income (Loss) <sup>a</sup>	Effective Tax Rate	Income Tax (Provision) Benefit	Income (Loss) <sup>a</sup>	Effective Tax Rate	Income Tax (Provision) Benefit
U.S. <sup>b</sup>	\$ 854	1%	\$ (5)	\$ 1,324	1%	\$ (7)
South America	802	36%	(287) <sup>d</sup>	1,425	40%	(576)
Indonesia	3,480	39%	(1,363)	2,940	37%	(1,101) <sup>e</sup>
Eliminations and other	43	N/A	(25)	(3)	N/A	19
Rate adjustment <sup>f</sup>	—	N/A	(30)	—	N/A	(9)
Continuing operations	<u>\$ 5,179</u>	33%	<u>\$ (1,710)</u>	<u>\$ 5,686</u>	29%	<u>\$ (1,674)</u>

a. Represents income before income taxes and equity in affiliated companies' net earnings (losses).

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

c. Includes valuation allowance release on prior year unbenefited net operating losses (NOLs).

d. The third quarter and first nine months of 2022 include a tax credit of \$31 million (\$16 million net of noncontrolling interest) primarily associated with completion of Cerro Verde's 2016 tax audit.

e. The third quarter and first nine months of 2021 include net tax benefits of \$69 million (\$55 million net of noncontrolling interest) associated with the release of a portion of the valuation allowances recorded against PT Rio Tinto Indonesia (PT RTI) NOLs and \$24 million (\$19 million net of noncontrolling interest) primarily associated with the reversal of a tax reserve related to the treatment of prior year contractor support costs; partly offset by a tax charge of \$10 million (\$8 million net of noncontrolling interest) associated with the audit of PT-FI's 2019 tax returns.

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

Assuming achievement of current sales volume and cost estimates and average prices of \$3.50 per pound for copper, \$1,700 per ounce for gold and \$18.00 per pound for molybdenum in fourth-quarter 2022, FCX estimates its consolidated effective tax rate for the year 2022 would approximate 34 percent (which would result in a 38 percent effective tax rate in fourth-quarter 2022). Changes in projected sales volumes and average prices during fourth-quarter 2022 would incur tax impacts at estimated effective rates of 40 percent for Peru, 38 percent for Indonesia and 0 percent for the U.S.

On August 16, 2022, the U.S. Inflation Reduction Act of 2022 (the Inflation Reduction Act) was signed into law, which includes, among other provisions, a new corporate alternative minimum tax of 15 percent on the adjusted financial statement income (AFSI) of corporations with average AFSI exceeding \$1.0 billion over a three-year period. Additionally, the Inflation Reduction Act imposes a new excise tax of 1 percent on the fair market value of net corporate stock repurchases. These provisions are effective for tax years beginning after December 31, 2022. FCX continues to analyze the impacts of the Inflation Reduction Act on its future results of operations. The Inflation Reduction Act had no impact on FCX's financial statements for the third quarter or first nine months of 2022.

**Freeport-McMoRan Inc.**  
**NET DEBT**

Net debt, which FCX defines as consolidated debt less consolidated cash and cash equivalents, is intended to provide investors with information related to the performance-based payout framework in FCX's financial policy, which requires achievement of a net debt target in the range of \$3 billion to \$4 billion (excluding project debt for additional smelting capacity in Indonesia). This information differs from consolidated debt determined in accordance with U.S. GAAP and should not be considered in isolation or as a substitute for consolidated debt determined in accordance with U.S. GAAP. FCX's net debt, which may not be comparable to similarly titled measures reported by other companies follows (in billions):

	As of September 30, 2022		As of December 31, 2021	
Current portion of debt	\$	1.0	\$	0.4
Long-term debt, less current portion		9.7		9.1
Consolidated debt		10.7		9.5
Less: consolidated cash and cash equivalents		8.6		8.1
<b>FCX net debt</b>		<b>2.1</b>		<b>1.4</b>
Less: net debt for Indonesia smelter projects <sup>a</sup>		0.8		0.2
<b>FCX net debt, excluding Indonesia smelter projects</b>	<b>\$</b>	<b>1.3</b>		<b>1.2</b>

a. Includes consolidated debt of \$3.0 billion and consolidated cash and cash equivalents of \$2.2 billion as of September 30, 2022, and consolidated debt of \$0.4 billion and consolidated cash and cash equivalents of \$0.2 billion as of December 31, 2021.

**DERIVATIVE INSTRUMENTS**

For the nine months ended September 30, 2022, FCX's mined copper was sold 60 percent in concentrate, 18 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 \$3.51 per pound during third-quarter 2022 and settled at \$3.47 per pound on September 30, 2022. 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 \$3.50 per pound in third-quarter 2022.

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 September 30,					
	2022			2021		
	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total
Revenues	\$ (228)	\$ (44)	\$ (272)	\$ (9)	\$ (93)	\$ (102)
Net income attributable to common stock	\$ (95)	\$ (21)	\$ (116)	\$ (3)	\$ (36)	\$ (39)
Net income per share of common stock	\$ (0.07)	\$ (0.01)	\$ (0.08)	\$ —	\$ (0.03)	\$ (0.03)

a. Reflects adjustments to provisionally priced copper sales at June 30, 2022 and 2021.

b. Reflects adjustments to provisionally priced copper sales during the third quarters of 2022 and 2021.

	Nine Months Ended September 30,					
	2022			2021		
	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total
Revenues	\$ 58	\$ (832)	\$ (774)	\$ 169	\$ 54	\$ 223
Net income attributable to common stock	\$ 24	\$ (343)	\$ (319)	\$ 65	\$ 17	\$ 82
Net income per share of common stock	\$ 0.02	\$ (0.24)	\$ (0.22)	\$ 0.05	\$ 0.01	\$ 0.06

a. Reflects adjustments to provisionally priced copper sales at December 31, 2021 and 2020.

b. Reflects adjustments to provisionally priced copper sales for the first nine months of 2022 and 2021.

**Freeport-McMoRan Inc.**  
**DERIVATIVE INSTRUMENTS (continued)**

At September 30, 2022, FCX had provisionally priced copper sales at its copper mining operations totaling 523 million pounds of copper (net of intercompany sales and noncontrolling interests) recorded at an average price of \$3.45 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 \$16 million effect on 2022 net income attributable to common stock. The LME copper price settled at \$3.37 per pound on October 19, 2022.

**DEFERRED PROFITS**

FCX defers recognizing profits on sales from its mining operations to Atlantic Copper and on 39.5 percent of PT-FI's sales to PT Smelting (PT-FI's 39.5 percent-owned Indonesia smelting unit) until final sales to third parties occur. Changes in these deferrals attributable to variability in intercompany volumes resulted in net additions (reductions) to operating income totaling \$33 million (\$14 million to net income attributable to common stock) in third-quarter 2022, \$41 million (\$48 million to net income attributable to common stock) in third-quarter 2021, \$73 million (\$37 million to net income attributable to common stock) for the first nine months of 2022 and \$(144) million (\$(97) million to net income attributable to common stock) for the first nine months of 2021. 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 \$105 million at September 30, 2022. 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 and Cerro Verde copper mines, the Grasberg minerals district (Indonesia Mining), 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	Total	Cerro Verde	Other	Total						
<b>Three Months Ended September 30, 2022</b>												
<b>Revenues:</b>												
Unaffiliated customers	\$ 18	\$ 74	\$ 92	\$ 666	\$ 215	\$ 881	\$ 1,726 <sup>a</sup>	\$ —	\$ 1,436	\$ 604	\$ 264 <sup>b</sup>	\$ 5,003
Intersegment	551	805	1,356	83	—	83	72	127	7	5	(1,650)	—
Production and delivery	408	736	1,144	579	221	800	663	94	1,450	604	(1,389)	3,366
Depreciation, depletion and amortization	44	56	100	84	14	98	265	18	1	8	18	508
Metals inventory adjustments	2	1	3	2	20	22	—	—	—	—	—	25
Selling, general and administrative expenses	—	1	1	2	—	2	26	—	—	6	63	98
Mining exploration and research expenses	—	—	—	—	—	—	—	—	—	—	38	38
Environmental obligations and shutdown costs	—	1	1	—	—	—	—	—	—	—	5	6
Operating income (loss)	115	84	199	82	(40)	42	844	15	(8)	(9)	(121)	962
Interest expense, net	—	1	1	5	—	5	15	—	—	4	115	140
Provision for (benefit from) income taxes	—	—	—	3	(18)	(15)	343	—	—	—	(13)	315
Total assets at September 30, 2022	2,996	5,456	8,452	8,390	1,826	10,216	20,496	1,701	216	1,082	7,764	49,927
Capital expenditures	71	83	154	41	38	79	389	7	2	17	188 <sup>c</sup>	836
<b>Three Months Ended September 30, 2021</b>												
<b>Revenues:</b>												
Unaffiliated customers	\$ 16	\$ 64	\$ 80	\$ 979	\$ 149	\$ 1,128	\$ 1,961 <sup>a</sup>	\$ —	\$ 1,697	\$ 783	\$ 434 <sup>b</sup>	\$ 6,083
Intersegment	711	1,020	1,731	95	—	95	81	151	7	—	(2,065)	—
Production and delivery	312	592	904	533	97	630	569	70	1,701	765	(1,630)	3,009
Depreciation, depletion and amortization	40	54	94	101	10	111	280	19	1	7	16	528
Metals inventory adjustments	13	—	13	—	—	—	—	—	—	—	1	14
Selling, general and administrative expenses	—	1	1	2	—	2	28	—	—	5	66	102
Mining exploration and research expenses	—	1	1	—	—	—	—	—	—	—	14	15
Environmental obligations and shutdown costs	(1)	(1)	(2)	—	—	—	—	—	—	—	15	13
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(60) <sup>d</sup>	(60)
Operating income (loss)	363	437	800	438	42	480	1,165	62	2	6	(53)	2,462
Interest expense, net	—	1	1	6	—	6	1	—	—	1	129	138
Provision for (benefit from) income taxes	—	—	—	197	24	221	382 <sup>e</sup>	—	—	(1)	26	628
Total assets at September 30, 2021	2,586	5,244	7,830	8,554	1,843	10,397	18,592	1,726	278	1,067	7,027	46,917
Capital expenditures	42	74	116	41	6	47	328	1	1	5	43 <sup>c</sup>	541

- a. Includes PT-FI's sales to PT Smelting totaling \$572 million in third-quarter 2022 and \$795 million in third-quarter 2021.  
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.  
c. Primarily includes capital expenditures for the greenfield smelter and precious metals refinery (collectively, the Indonesia smelter projects).  
d. Represents the gain on the sale of FCX's remaining cobalt business located in Kokkola, Finland (Freeport Cobalt).  
e. Includes net tax benefits of \$69 million associated with the release of a portion of the valuation allowances recorded against PT RTI NOLs.

**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	Total	Cerro Verde	Other	Total						
<b>Nine Months Ended September 30, 2022</b>												
<b>Revenues:</b>												
Unaffiliated customers	\$ 125	\$ 159	\$ 284	\$ 2,474	\$ 555	\$ 3,029	\$ 5,972 <sup>a</sup>	\$ —	\$ 4,932	\$ 1,755	\$ 1,050 <sup>b</sup>	\$ 17,022
Intersegment	1,992	2,978	4,970	325	—	325	208	399	24	5	(5,931)	—
Production and delivery	1,168	2,111	3,279	1,702	510	2,212	1,853	249	4,969	1,789 <sup>c</sup>	(4,832)	9,519
Depreciation, depletion and amortization	132	175	307	262	35	297	775	52	3	20	50	1,504
Metals inventory adjustments	2	8	10	11	22	33	—	—	—	—	—	43
Selling, general and administrative expenses	1	2	3	6	—	6	83	—	—	19	202	313
Mining exploration and research expenses	—	1	1	—	—	—	—	—	—	—	86	87
Environmental obligations and shutdown costs	(13)	1	(12)	—	—	—	—	—	—	—	63	51
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(2)	(2)
Operating income (loss)	827	839	1,666	818	(12)	806	3,469	98	(16)	(68)	(448)	5,507
Interest expense, net	—	1	1	12	—	12	30	—	—	8	372	423
Provision for (benefit from) income taxes	—	—	—	298	(11)	287	1,363	—	—	—	60	1,710
Capital expenditures	207	223	430	109	94	203	1,148	16	6	60	559 <sup>d</sup>	2,422
<b>Nine Months Ended September 30, 2021</b>												
<b>Revenues:</b>												
Unaffiliated customers	\$ 77	\$ 147	\$ 224	\$ 2,721	\$ 512	\$ 3,233	\$ 5,097 <sup>a</sup>	\$ —	\$ 4,695	\$ 2,264	\$ 1,168 <sup>b</sup>	\$ 16,681
Intersegment	1,996	2,783	4,779	260	—	260	189	310	20	—	(5,558)	—
Production and delivery	932	1,646	2,578	1,463 <sup>e</sup>	306	1,769	1,552	183	4,708	2,213	(4,141) <sup>c</sup>	8,862
Depreciation, depletion and amortization	114	161	275	272	34	306	726	51	3	22	47	1,430
Metals inventory adjustments	13	—	13	—	—	—	—	1	—	—	1	15
Selling, general and administrative expenses	1	2	3	6	—	6	81	—	—	17	182	289
Mining exploration and research expenses	—	1	1	—	—	—	—	—	—	—	35	36
Environmental obligations and shutdown costs	—	(1)	(1)	—	—	—	—	—	—	—	52	51
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(63) <sup>f</sup>	(63)
Operating income (loss)	1,013	1,121	2,134	1,240	172	1,412	2,927	75	4	12	(503)	6,061
Interest expense, net	—	1	1	31	—	31	8	—	—	4	387	431
Provision for (benefit from) income taxes	—	—	—	515	62	577	1,101 <sup>g</sup>	—	—	(1)	(3)	1,674
Capital expenditures	74	137	211	84	10	94	904	4	2	18	111 <sup>d</sup>	1,344

a. Includes PT-FI's sales to PT Smelting totaling \$2.3 billion for both the first nine months of 2022 and 2021.

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.

c. Includes maintenance charges and idle facility costs associated with major maintenance turnarounds totaling \$41 million at Atlantic Copper for the first nine months of 2022 and \$87 million at the Miami smelter for the first nine months of 2021.

d. Primarily includes capital expenditures for the Indonesia smelter projects.

e. Includes nonrecurring charges totaling \$74 million associated with labor-related charges at Cerro Verde.

f. Includes a \$60 million gain on the sale of Freeport Cobalt.

g. Includes net tax benefits of \$69 million associated with the release of a portion of the valuation allowances recorded against PT RTI NOLs.

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

Unit net cash costs 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 of Directors 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 (credits), net which are removed from site production and delivery costs in the calculation of unit net cash costs, consist of items such as stock-based compensation costs, long-lived asset impairments, idle facility costs, restructuring and/or unusual charges (credits). 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 September 30, 2022  
(In millions)

	By-Product Method	Co-Product Method			
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	Total
Revenues, excluding adjustments	\$ 1,293	\$ 1,293	\$ 111	\$ 38	\$ 1,442
Site production and delivery, before net noncash and other costs shown below	1,000	908	104	31	1,043
By-product credits	(106)	—	—	—	—
Treatment charges	35	33	—	2	35
Net cash costs	929	941	104	33	1,078
Depreciation, depletion and amortization (DD&A)	99	91	6	2	99
Metals inventory adjustments	3	3	—	—	3
Noncash and other costs, net	38 <sup>c</sup>	33	4	1	38
Total costs	1,069	1,068	114	36	1,218
Other revenue adjustments, primarily for pricing on prior period open sales	(20)	(20)	—	—	(20)
Gross profit (loss)	\$ 204	\$ 205	\$ (3)	\$ 2	\$ 204
Copper sales (millions of recoverable pounds)	361	361			
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>			7		
Gross profit (loss) per pound of copper/molybdenum:					
Revenues, excluding adjustments	\$ 3.57	\$ 3.57	\$ 16.75		
Site production and delivery, before net noncash and other costs shown below	2.76	2.51	15.60		
By-product credits	(0.30)	—	—		
Treatment charges	0.10	0.09	—		
Unit net cash costs	2.56	2.60	15.60		
DD&A	0.28	0.25	0.95		
Metals inventory adjustments	0.01	0.01	—		
Noncash and other costs, net	0.10 <sup>c</sup>	0.09	0.60		
Total unit costs	2.95	2.95	17.15		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.06)	(0.06)	—		
Gross profit (loss) per pound	\$ 0.56	\$ 0.56	\$ (0.40)		
<b>Reconciliation to Amounts Reported</b>					
	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments	
Totals presented above	\$ 1,442	\$ 1,043	\$ 99	\$ 3	
Treatment charges	(6)	29	—	—	
Noncash and other costs, net	—	38	—	—	
Other revenue adjustments, primarily for pricing on prior period open sales	(20)	—	—	—	
Eliminations and other	32	34	1	—	
North America copper mines	1,448	1,144	100	3	
Other mining <sup>d</sup>	4,941	3,611	390	22	
Corporate, other & eliminations	(1,386)	(1,389)	18	—	
As reported in FCX's consolidated financial statements	\$ 5,003	\$ 3,366	\$ 508	\$ 25	

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. Includes charges totaling \$20 million (\$0.06 per pound of copper) for feasibility and optimization studies.

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

**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 September 30, 2021

(In millions)

	By-Product Method	Co-Product Method			
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	Total
Revenues, excluding adjustments	\$ 1,627	\$ 1,627	\$ 152	\$ 27	\$ 1,806
Site production and delivery, before net noncash and other costs shown below	795	724	82	20	826
By-product credits	(148)	—	—	—	—
Treatment charges	35	33	—	2	35
Net cash costs	682	757	82	22	861
DD&A	94	85	7	2	94
Metals inventory adjustments	13	13	—	—	13
Noncash and other costs, net	30	28	2	—	30
Total costs	819	883	91	24	998
Other revenue adjustments, primarily for pricing on prior period open sales	(7)	(7)	—	—	(7)
Gross profit	\$ 801	\$ 737	\$ 61	\$ 3	\$ 801
Copper sales (millions of recoverable pounds)	375	375			
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>			9		

Gross profit per pound of copper/molybdenum:

	Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>
Revenues, excluding adjustments	\$ 4.34	\$ 4.34	\$ 16.69
Site production and delivery, before net noncash and other costs shown below	2.12	1.93	8.97
By-product credits	(0.39)	—	—
Treatment charges	0.09	0.09	—
Unit net cash costs	1.82	2.02	8.97
DD&A	0.25	0.23	0.73
Metals inventory adjustments	0.03	0.03	—
Noncash and other costs, net	0.08	0.08	0.23
Total unit costs	2.18	2.36	9.93
Other revenue adjustments, primarily for pricing on prior period open sales	(0.02)	(0.02)	—
Gross profit per pound	\$ 2.14	\$ 1.96	\$ 6.76

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 1,806	\$ 826	\$ 94	\$ 13
Treatment charges	(4)	31	—	—
Noncash and other costs, net	—	30	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	(7)	—	—	—
Eliminations and other	16	17	—	—
North America copper mines	1,811	904	94	13
Other mining <sup>d</sup>	5,903	3,735	418	—
Corporate, other & eliminations	(1,631)	(1,630)	16	1
As reported in FCX's consolidated financial statements	\$ 6,083	\$ 3,009	\$ 528	\$ 14

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. Includes charges totaling \$12 million (\$0.03 per pound of copper) for feasibility and optimization studies.

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

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

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

Nine Months Ended September 30, 2022

(In millions)

	By-Product Method	Co-Product Method				Total
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>		
Revenues, excluding adjustments	\$ 4,720	\$ 4,720	\$ 393	\$ 95	\$ 5,208	
Site production and delivery, before net noncash and other costs shown below	2,882	2,643	283	70	2,996	
By-product credits	(374)	—	—	—	—	
Treatment charges	112	109	—	3	112	
Net cash costs	2,620	2,752	283	73	3,108	
DD&A	306	282	19	5	306	
Metals inventory adjustments	10	9	1	—	10	
Noncash and other costs, net	104 <sup>c</sup>	94	8	2	104	
Total costs	3,040	3,137	311	80	3,528	
Other revenue adjustments, primarily for pricing on prior period open sales	(13)	(13)	—	—	(13)	
Gross profit	\$ 1,667	\$ 1,570	\$ 82	\$ 15	\$ 1,667	

Copper sales (millions of recoverable pounds)

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

Gross profit per pound of copper/molybdenum:

Revenues, excluding adjustments	\$ 4.17	\$ 4.17	\$ 17.87	
Site production and delivery, before net noncash and other costs shown below	2.54	2.33	12.87	
By-product credits	(0.33)	—	—	
Treatment charges	0.10	0.10	—	
Unit net cash costs	2.31	2.43	12.87	
DD&A	0.27	0.25	0.88	
Metals inventory adjustments	0.01	0.01	—	
Noncash and other costs, net	0.09 <sup>c</sup>	0.08	0.40	
Total unit costs	2.68	2.77	14.15	
Other revenue adjustments, primarily for pricing on prior period open sales	(0.01)	(0.01)	—	
Gross profit per pound	\$ 1.48	\$ 1.39	\$ 3.72	

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 5,208	\$ 2,996	\$ 306	\$ 10
Treatment charges	(15)	97	—	—
Noncash and other costs, net	—	104	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	(13)	—	—	—
Eliminations and other	74	82	1	—
North America copper mines	5,254	3,279	307	10
Other mining <sup>d</sup>	16,649	11,072	1,147	33
Corporate, other & eliminations	(4,881)	(4,832)	50	—
As reported in FCX's consolidated financial statements	\$ 17,022	\$ 9,519	\$ 1,504	\$ 43

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. Includes charges totaling \$49 million (\$0.04 per pound of copper) for feasibility and optimization studies.

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

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

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

Nine Months Ended September 30, 2021

(In millions)

	By-Product Method	Co-Product Method			
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	Total
Revenues, excluding adjustments	\$ 4,538	\$ 4,538	\$ 337	\$ 93	\$ 4,968
Site production and delivery, before net noncash and other costs shown below	2,254	2,093	194	60	2,347
By-product credits	(337)	—	—	—	—
Treatment charges	98	93	—	5	98
Net cash costs	2,015	2,186	194	65	2,445
DD&A	275	254	15	6	275
Metals inventory adjustments	13	13	—	—	13
Noncash and other costs, net	103 <sup>c</sup>	99	3	1	103
Total costs	2,406	2,552	212	72	2,836
Other revenue adjustments, primarily for pricing on prior period open sales	7	7	—	—	7
Gross profit	\$ 2,139	\$ 1,993	\$ 125	\$ 21	\$ 2,139
Copper sales (millions of recoverable pounds)	1,072	1,072			
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>			26		
Gross profit per pound of copper/molybdenum:					
Revenues, excluding adjustments	\$ 4.24	\$ 4.24	\$ 13.09		
Site production and delivery, before net noncash and other costs shown below	2.11	1.95	7.54		
By-product credits	(0.32)	—	—		
Treatment charges	0.09	0.09	—		
Unit net cash costs	1.88	2.04	7.54		
DD&A	0.26	0.24	0.59		
Metals inventory adjustments	0.01	0.01	—		
Noncash and other costs, net	0.10 <sup>c</sup>	0.09	0.12		
Total unit costs	2.25	2.38	8.25		
Other revenue adjustments, primarily for pricing on prior period open sales	0.01	0.01	—		
Gross profit per pound	\$ 2.00	\$ 1.87	\$ 4.84		
Reconciliation to Amounts Reported					
	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments	
Totals presented above	\$ 4,968	\$ 2,347	\$ 275	\$ 13	
Treatment charges	(21)	77	—	—	
Noncash and other costs, net	—	103	—	—	
Other revenue adjustments, primarily for pricing on prior period open sales	7	—	—	—	
Eliminations and other	49	51	—	—	
North America copper mines	5,003	2,578	275	13	
Other mining <sup>d</sup>	16,068	10,425	1,108	1	
Corporate, other & eliminations	(4,390)	(4,141)	47	1	
As reported in FCX's consolidated financial statements	\$ 16,681	\$ 8,862	\$ 1,430	\$ 15	

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. Includes charges totaling \$21 million (\$0.02 per pound of copper) for feasibility and optimization studies.

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

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

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

Three Months Ended September 30, 2022  
(In millions)

	By-Product Method	Co-Product Method		
		Copper	Other <sup>a</sup>	Total
Revenues, excluding adjustments	\$ 1,017	\$ 1,017	\$ 62	\$ 1,079
Site production and delivery, before net noncash and other costs shown below	761	723	52	775
By-product credits	(48)	—	—	—
Treatment charges	40	40	—	40
Royalty on metals	2	2	—	2
Net cash costs	755	765	52	817
DD&A	99	93	6	99
Metals inventory adjustments	22	22	—	22
Noncash and other costs, net	25	23	2	25
Total costs	901	903	60	963
Other revenue adjustments, primarily for pricing on prior period open sales	(73)	(73)	—	(73)
Gross profit	\$ 43	\$ 41	\$ 2	\$ 43

Copper sales (millions of recoverable pounds)

	293	293		
--	-----	-----	--	--

Gross profit per pound of copper:

Revenues, excluding adjustments	\$ 3.47	\$ 3.47		
Site production and delivery, before net noncash and other costs shown below	2.60	2.47		
By-product credits	(0.16)	—		
Treatment charges	0.13	0.14		
Royalty on metals	0.01	—		
Unit net cash costs	2.58	2.61		
DD&A	0.34	0.32		
Metals inventory adjustments	0.07	0.07		
Noncash and other costs, net	0.09	0.08		
Total unit costs	3.08	3.08		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.25)	(0.25)		
Gross profit per pound	\$ 0.14	\$ 0.14		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 1,079	\$ 775	\$ 99	\$ 22
Treatment charges	(40)	—	—	—
Royalty on metals	(2)	—	—	—
Noncash and other costs, net	—	25	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	(73)	—	—	—
Eliminations and other	—	—	(1)	—
South America mining	964	800	98	22
Other mining <sup>b</sup>	5,425	3,955	392	3
Corporate, other & eliminations	(1,386)	(1,389)	18	—
As reported in FCX's consolidated financial statements	\$ 5,003	\$ 3,366	\$ 508	\$ 25

a. Includes silver sales of 1.1 million ounces (\$17.11 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 X.

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

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

Three Months Ended September 30, 2021

(In millions)

	By-Product Method	Co-Product Method		
		Copper	Other <sup>a</sup>	Total
Revenues, excluding adjustments	\$ 1,153	\$ 1,153	\$ 120	\$ 1,273
Site production and delivery, before net noncash and other costs shown below	597 <sup>b</sup>	546	64	610
By-product credits	(107)	—	—	—
Treatment charges	38	38	—	38
Royalty on metals	3	2	1	3
Net cash costs	531	586	65	651
DD&A	112	101	11	112
Noncash and other costs, net	20	19	1	20
Total costs	663	706	77	783
Other revenue adjustments, primarily for pricing on prior period open sales	(8)	(8)	—	(8)
Gross profit	\$ 482	\$ 439	\$ 43	\$ 482

Copper sales (millions of recoverable pounds) 280 280

Gross profit per pound of copper:

Revenues, excluding adjustments	\$ 4.12	\$ 4.12		
Site production and delivery, before net noncash and other costs shown below	2.14 <sup>b</sup>	1.96		
By-product credits	(0.38)	—		
Treatment charges	0.13	0.13		
Royalty on metals	0.01	0.01		
Unit net cash costs	1.90	2.10		
DD&A	0.40	0.36		
Noncash and other costs, net	0.07	0.06		
Total unit costs	2.37	2.52		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.03)	(0.03)		
Gross profit per pound	\$ 1.72	\$ 1.57		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	\$ 1,273	\$ 610	\$ 112
Treatment charges	(38)	—	—
Royalty on metals	(3)	—	—
Noncash and other costs, net	—	20	—
Other revenue adjustments, primarily for pricing on prior period open sales	(8)	—	—
Eliminations and other	(1)	—	(1)
South America mining	1,223	630	111
Other mining <sup>c</sup>	6,491	4,009	401
Corporate, other & eliminations	(1,631)	(1,630)	16
As reported in FCX's consolidated financial statements	\$ 6,083	\$ 3,009	\$ 528

a. Includes silver sales of 1.0 million ounces (\$24.34 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 nonrecurring charges totaling \$5 million (\$0.02 per pound of copper) associated with labor related costs at Cerro Verde.

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

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

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

Nine Months Ended September 30, 2022  
(In millions)

	By-Product Method	Co-Product Method		
		Copper	Other <sup>a</sup>	Total
Revenues, excluding adjustments	\$ 3,149	\$ 3,149	\$ 302	\$ 3,451
Site production and delivery, before net noncash and other costs shown below	2,114	1,968	188	2,156
By-product credits	(260)	—	—	—
Treatment charges	124	124	—	124
Royalty on metals	7	6	1	7
Net cash costs	1,985	2,098	189	2,287
DD&A	297	272	25	297
Metals inventory adjustments	32	31	1	32
Noncash and other costs, net	60	57	3	60
Total costs	2,374	2,458	218	2,676
Other revenue adjustments, primarily for pricing on prior period open sales	35	35	—	35
Gross profit	\$ 810	\$ 726	\$ 84	\$ 810
Copper sales (millions of recoverable pounds)	845	845		

Gross profit per pound of copper:

Revenues, excluding adjustments	\$ 3.73	\$ 3.73		
Site production and delivery, before net noncash and other costs shown below	2.50	2.33		
By-product credits	(0.31)	—		
Treatment charges	0.15	0.15		
Royalty on metals	0.01	0.01		
Unit net cash costs	2.35	2.49		
DD&A	0.35	0.32		
Metals inventory adjustments	0.04	0.04		
Noncash and other costs, net	0.07	0.06		
Total unit costs	2.81	2.91		
Other revenue adjustments, primarily for pricing on prior period open sales	0.04	0.04		
Gross profit per pound	\$ 0.96	\$ 0.86		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 3,451	\$ 2,156	\$ 297	\$ 32
Treatment charges	(124)	—	—	—
Royalty on metals	(7)	—	—	—
Noncash and other costs, net	—	60	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	35	—	—	—
Eliminations and other	(1)	(4)	—	1
South America mining	3,354	2,212	297	33
Other mining <sup>b</sup>	18,549	12,139	1,157	10
Corporate, other & eliminations	(4,881)	(4,832)	50	—
As reported in FCX's consolidated financial statements	\$ 17,022	\$ 9,519	\$ 1,504	\$ 43

- a. Includes silver sales of 3.2 million ounces (\$21.24 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 X.

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

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

Nine Months Ended September 30, 2021  
(In millions)

	By-Product Method	Co-Product Method		Total
		Copper	Other <sup>a</sup>	
Revenues, excluding adjustments	\$ 3,238	\$ 3,238	\$ 267	\$ 3,505
Site production and delivery, before net noncash and other costs shown below	1,690 <sup>b</sup>	1,568	155	1,723
By-product credits	(234)	—	—	—
Treatment charges	101	101	—	101
Royalty on metals	8	7	1	8
Net cash costs	1,565	1,676	156	1,832
DD&A	306	282	24	306
Noncash and other costs, net	49	45	4	49
Total costs	1,920	2,003	184	2,187
Other revenue adjustments, primarily for pricing on prior period open sales	98	98	—	98
Gross profit	\$ 1,416	\$ 1,333	\$ 83	\$ 1,416

Copper sales (millions of recoverable pounds) 769 769

Gross profit per pound of copper:

Revenues, excluding adjustments	\$ 4.21	\$ 4.21		
Site production and delivery, before net noncash and other costs shown below	2.20 <sup>b</sup>	2.04		
By-product credits	(0.31)	—		
Treatment charges	0.13	0.13		
Royalty on metals	0.01	0.01		
Unit net cash costs	2.03	2.18		
DD&A	0.40	0.36		
Noncash and other costs, net	0.07	0.06		
Total unit costs	2.50	2.60		
Other revenue adjustments, primarily for pricing on prior period open sales	0.13	0.13		
Gross profit per pound	\$ 1.84	\$ 1.74		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	\$ 3,505	\$ 1,723	\$ 306
Treatment charges	(101)	—	—
Royalty on metals	(8)	—	—
Noncash and other costs, net	—	49	—
Other revenue adjustments, primarily for pricing on prior period open sales	98	—	—
Eliminations and other	(1)	(3)	—
South America mining	3,493	1,769	306
Other mining <sup>c</sup>	17,578	11,234	1,077
Corporate, other & eliminations	(4,390)	(4,141)	47
As reported in FCX's consolidated financial statements	\$ 16,681	\$ 8,862	\$ 1,430

a. Includes silver sales of 2.7 million ounces (\$25.81 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 nonrecurring charges totaling \$74 million (\$0.10 per pound of copper) associated with labor related costs at Cerro Verde.

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

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

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

Three Months Ended September 30, 2022

(In millions)	By-Product Method	Co-Product Method			Total
		Copper	Gold	Silver <sup>a</sup>	
Revenues, excluding adjustments	\$ 1,400	\$ 1,400	\$ 802	\$ 30	\$ 2,232
Site production and delivery, before net noncash and other credits shown below	735 <sup>b</sup>	461	264	10	735
Gold and silver credits	(814)	—	—	—	—
Treatment charges	95	60	34	1	95
Export duties	80	50	29	1	80
Royalty on metals	81	48	32	1	81
Net cash costs	177	619	359	13	991
DD&A	265	167	95	3	265
Noncash and other credits, net	(10) <sup>c</sup>	(7)	(3)	—	(10)
Total costs	432	779	451	16	1,246
Other revenue adjustments, primarily for pricing on prior period open sales	(158)	(158)	(17)	(1)	(176)
PT Smelting intercompany profit	60	38	22	—	60
Gross profit	\$ 870	\$ 501	\$ 356	\$ 13	\$ 870
Copper sales (millions of recoverable pounds)	406	406			
Gold sales (thousands of recoverable ounces)			476		
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	\$ 3.45	\$ 3.45	\$ 1,683		
Site production and delivery, before net noncash and other credits shown below	1.81 <sup>b</sup>	1.13	553		
Gold and silver credits	(2.00)	—	—		
Treatment charges	0.23	0.15	72		
Export duties	0.20	0.12	61		
Royalty on metals	0.20	0.12	67		
Unit net cash costs	0.44	1.52	753		
DD&A	0.65	0.41	200		
Noncash and other credits, net	(0.02) <sup>c</sup>	(0.01)	(7)		
Total unit costs	1.07	1.92	946		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.39)	(0.39)	(36)		
PT Smelting intercompany profit	0.15	0.09	45		
Gross profit per pound/ounce	\$ 2.14	\$ 1.23	\$ 746		
<b>Reconciliation to Amounts Reported</b>					
	Revenues	Production and Delivery	DD&A		
Totals presented above	\$ 2,232	\$ 735	\$ 265		
Treatment charges	(95)	—	—		
Export duties	(80)	—	—		
Royalty on metals	(81)	—	—		
Noncash and other credits, net	(2)	(12)	—		
Other revenue adjustments, primarily for pricing on prior period open sales	(176)	—	—		
PT Smelting intercompany profit	—	(60)	—		
Indonesia mining	1,798	663	265		
Other mining <sup>d</sup>	4,591	4,092	225		
Corporate, other & eliminations	(1,386)	(1,389)	18		
As reported in FCX's consolidated financial statements	\$ 5,003	\$ 3,366	\$ 508		

a. Includes silver sales of 1.6 million ounces (\$18.58 per ounce average realized price).

b. Includes charges totaling \$21 million (\$0.05 per pound of copper) for nonrecurring costs associated with PT-FI's environmental commitments.

c. Includes net credits totaling \$21 million (\$0.05 per pound of copper) associated with historical tax audits.

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

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

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

Three Months Ended September 30, 2021  
(In millions)

	By-Product Method	Co-Product Method			Total
		Copper	Gold	Silver <sup>a</sup>	
Revenues, excluding adjustments	\$ 1,555	\$ 1,555	\$ 701	\$ 37	\$ 2,293
Site production and delivery, before net noncash and other costs shown below	553	375	169	9	553
Gold and silver credits	(744)	—	—	—	—
Treatment charges	90	61	27	2	90
Export duties	71	48	22	1	71
Royalty on metals	94	67	25	2	94
Net cash costs	64	551	243	14	808
DD&A	280	190	86	4	280
Noncash and other costs, net <sup>b</sup>	—	—	—	—	—
Total costs	344	741	329	18	1,088
Other revenue adjustments, primarily for pricing on prior period open sales	(2)	(2)	6	—	4
PT Smelting intercompany loss	(16)	(11)	(5)	—	(16)
Gross profit	\$ 1,193	\$ 801	\$ 373	\$ 19	\$ 1,193
Copper sales (millions of recoverable pounds)	378	378	—	—	—
Gold sales (thousands of recoverable ounces)	—	—	399	—	—
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	\$ 4.11	\$ 4.11	\$ 1.757		
Site production and delivery, before net noncash and other costs shown below	1.46	0.99	424		
Gold and silver credits	(1.97)	—	—		
Treatment charges	0.24	0.16	69		
Export duties	0.19	0.13	54		
Royalty on metals	0.25	0.18	63		
Unit net cash costs	0.17	1.46	610		
DD&A	0.74	0.50	215		
Noncash and other costs, net	—	—	—		
Total unit costs	0.91	1.96	825		
Other revenue adjustments, primarily for pricing on prior period open sales	—	—	16		
PT Smelting intercompany loss	(0.04)	(0.03)	(12)		
Gross profit per pound/ounce	\$ 3.16	\$ 2.12	\$ 936		
<i>Reconciliation to Amounts Reported</i>					
	Revenues	Production and Delivery	DD&A		
Totals presented above	\$ 2,293	\$ 553	\$ 280		
Treatment charges	(90)	—	—		
Export duties	(71)	—	—		
Royalty on metals	(94)	—	—		
Other revenue adjustments, primarily for pricing on prior period open sales	4	—	—		
PT Smelting intercompany loss	—	16	—		
Indonesia mining	2,042	569	280		
Other mining <sup>c</sup>	5,672	4,070	232		
Corporate, other & eliminations	(1,631)	(1,630)	16		
As reported in FCX's consolidated financial statements	\$ 6,083	\$ 3,009	\$ 528		

a. Includes silver sales of 1.7 million ounces (\$22.22 per ounce average realized price).

b. Amounts round to less than \$1 million.

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

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

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

Nine Months Ended September 30, 2022

(In millions)

	By-Product Method	Co-Product Method			Total
		Copper	Gold	Silver <sup>a</sup>	
Revenues, excluding adjustments	\$ 4,433	\$ 4,433	\$ 2,422	\$ 98	\$ 6,953
Site production and delivery, before net noncash and other costs shown below	1,855 <sup>b</sup>	1,183	646	26	1,855
Gold and silver credits	(2,523)	—	—	—	—
Treatment charges	287	183	100	4	287
Export duties	245	156	85	4	245
Royalty on metals	281	183	95	3	281
Net cash costs	145	1,705	926	37	2,668
DD&A	775	494	270	11	775
Noncash and other costs, net	20 <sup>c</sup>	13	7	—	20
Total costs	940	2,212	1,203	48	3,463
Other revenue adjustments, primarily for pricing on prior period open sales	25	25	3	—	28
PT Smelting intercompany profit	34	21	12	1	34
Gross profit	\$ 3,552	\$ 2,267	\$ 1,234	\$ 51	\$ 3,552
Copper sales (millions of recoverable pounds)	1,195	1,195			
Gold sales (thousands of recoverable ounces)			1,356		
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	\$ 3.71	\$ 3.71	\$ 1.786		
Site production and delivery, before net noncash and other costs shown below	1.55 <sup>b</sup>	0.99	476		
Gold and silver credits	(2.11)	—	—		
Treatment charges	0.24	0.15	74		
Export duties	0.20	0.13	63		
Royalty on metals	0.24	0.16	70		
Unit net cash costs	0.12	1.43	683		
DD&A	0.65	0.41	199		
Noncash and other costs, net	0.02 <sup>c</sup>	0.01	5		
Total unit costs	0.79	1.85	887		
Other revenue adjustments, primarily for pricing on prior period open sales	0.02	0.02	2		
PT Smelting intercompany profit	0.03	0.02	9		
Gross profit per pound/ounce	\$ 2.97	\$ 1.90	\$ 910		
Reconciliation to Amounts Reported					
	Revenues	Production and Delivery	DD&A		
Totals presented above	\$ 6,953	\$ 1,855	\$ 775		
Treatment charges	(287)	—	—		
Export duties	(245)	—	—		
Royalty on metals	(281)	—	—		
Noncash and other costs, net	12	32	—		
Other revenue adjustments, primarily for pricing on prior period open sales	28	—	—		
PT Smelting intercompany profit	—	(34)	—		
Indonesia mining	6,180	1,853	775		
Other mining <sup>d</sup>	15,723	12,498	679		
Corporate, other & eliminations	(4,881)	(4,832)	50		
As reported in FCX's consolidated financial statements	\$ 17,022	\$ 9,519	\$ 1,504		

a. Includes silver sales of 4.7 million ounces (\$20.80 per ounce average realized price).

b. Includes charges totaling \$21 million (\$0.02 per pound of copper) for nonrecurring costs associated with PT-FI's environmental commitments.

c. Includes a net charge of \$30 million (\$0.02 per pound of copper) consisting of charges associated with a settlement of an administrative fine levied by the Indonesia government and a reserve for exposure associated with export duties in prior periods, partially offset by credits for adjustments to prior year treatment and refining charges and historical tax audits.

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

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

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

Nine Months Ended September 30, 2021  
(In millions)

	By-Product Method	Co-Product Method			Total
		Copper	Gold	Silver <sup>a</sup>	
Revenues, excluding adjustments	\$ 3,989	\$ 3,989	\$ 1,703	\$ 104	\$ 5,796
Site production and delivery, before net noncash and other costs shown below	1,412	972	415	25	1,412
Gold and silver credits	(1,803)	—	—	—	—
Treatment charges	229	158	67	4	229
Export duties	145	99	43	3	145
Royalty on metals	234	167	63	4	234
Net cash costs	217	1,396	588	36	2,020
DD&A	726	499	213	14	726
Noncash and other costs, net	3 <sup>b</sup>	2	1	—	3
Total costs	946	1,897	802	50	2,749
Other revenue adjustments, primarily for pricing on prior period open sales	71	71	(4)	—	67
PT Smelting intercompany loss	(106)	(73)	(31)	(2)	(106)
Gross profit	\$ 3,008	\$ 2,090	\$ 866	\$ 52	\$ 3,008
Copper sales (millions of recoverable pounds)	946	946			
Gold sales (thousands of recoverable ounces)			957		
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	\$ 4.21	\$ 4.21	\$ 1.780		
Site production and delivery, before net noncash and other credits shown below	1.49	1.03	434		
Gold and silver credits	(1.91)	—	—		
Treatment charges	0.24	0.17	70		
Export duties	0.15	0.10	45		
Royalty on metals	0.26	0.18	66		
Unit net cash costs	0.23	1.48	615		
DD&A	0.76	0.52	222		
Noncash and other costs, net	0.01 <sup>b</sup>	0.01	1		
Total unit costs	1.00	2.01	838		
Other revenue adjustments, primarily for pricing on prior period open sales	0.08	0.08	(5)		
PT Smelting intercompany loss	(0.11)	(0.08)	(33)		
Gross profit per pound/ounce	\$ 3.18	\$ 2.20	\$ 904		
Reconciliation to Amounts Reported					
	Revenues	Production and Delivery	DD&A		
Totals presented above	\$ 5,796	\$ 1,412	\$ 726		
Treatment charges	(229)	—	—		
Export duties	(145)	—	—		
Royalty on metals	(234)	—	—		
Noncash and other costs, net	31	34	—		
Other revenue adjustments, primarily for pricing on prior period open sales	67	—	—		
PT Smelting intercompany loss	—	106	—		
Indonesia mining	5,286	1,552	726		
Other mining <sup>c</sup>	15,785	11,451	657		
Corporate, other & eliminations	(4,390)	(4,141)	47		
As reported in FCX's consolidated financial statements	\$ 16,681	\$ 8,862	\$ 1,430		

a. Includes silver sales of 4.3 million ounces (\$24.50 per ounce average realized price).

b. Includes credits of \$31 million (\$0.03 per pound of copper) associated with adjustments to prior year treatment and refining charges and charges of \$16 million (\$0.02 per pound of copper) associated with a potential settlement of an administrative fine levied by the Indonesia government.

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

**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 September 30,	
	2022	2021
Revenues, excluding adjustments <sup>a</sup>	\$ 134	\$ 158
Site production and delivery, before net noncash and other costs shown below	91	67
Treatment charges and other	7	7
Net cash costs	98	74
DD&A	18	19
Noncash and other costs, net	3	3
Total costs	119	96
Gross profit	\$ 15	\$ 62
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>	8	9
Gross profit per pound of molybdenum:		
Revenues, excluding adjustments <sup>a</sup>	\$ 16.51	\$ 18.13
Site production and delivery, before net noncash and other costs shown below	11.26	7.70
Treatment charges and other	0.84	0.84
Unit net cash costs	12.10	8.54
DD&A	2.16	2.14
Noncash and other costs, net	0.40	0.30
Total unit costs	14.66	10.98
Gross profit per pound	\$ 1.85	\$ 7.15

**Reconciliation to Amounts Reported**

	Production		
	Revenues	and Delivery	DD&A
<b>Three Months Ended September 30, 2022</b>			
Totals presented above	\$ 134	\$ 91	\$ 18
Treatment charges and other	(7)	—	—
Noncash and other costs, net	—	3	—
Molybdenum mines	127	94	18
Other mining <sup>b</sup>	6,262	4,661	472
Corporate, other & eliminations	(1,386)	(1,389)	18
As reported in FCX's consolidated financial statements	\$ 5,003	\$ 3,366	\$ 508
<b>Three Months Ended September 30, 2021</b>			
Totals presented above	\$ 158	\$ 67	\$ 19
Treatment charges and other	(7)	—	—
Noncash and other costs, net	—	3	—
Molybdenum mines	151	70	19
Other mining <sup>b</sup>	7,563	4,569	493
Corporate, other & eliminations	(1,631)	(1,630)	16
As reported in FCX's consolidated financial statements	\$ 6,083	\$ 3,009	\$ 528

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 X. 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.

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

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

(In millions)	Nine Months Ended September 30,	
	2022	2021
Revenues, excluding adjustments <sup>a</sup>	\$ 419	\$ 329
Site production and delivery, before net noncash and other costs shown below	241	175
Treatment charges and other	20	19
Net cash costs	261	194
DD&A	52	51
Metals inventory adjustments	—	1
Noncash and other costs, net	8	8
Total costs	321	254
Gross profit	\$ 98	\$ 75
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>	23	23
Gross profit per pound of molybdenum:		
Revenues, excluding adjustments <sup>a</sup>	\$ 18.01	\$ 14.41
Site production and delivery, before net noncash and other costs shown below	10.37	7.69
Treatment charges and other	0.85	0.85
Unit net cash costs	11.22	8.54
DD&A	2.23	2.21
Metals inventory adjustments	—	0.04
Noncash and other costs, net	0.37	0.34
Total unit costs	13.82	11.13
Gross profit per pound	\$ 4.19	\$ 3.28

*Reconciliation to Amounts Reported*

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
<b>Nine Months Ended September 30, 2022</b>				
Totals presented above	\$ 419	\$ 241	\$ 52	\$ —
Treatment charges and other	(20)	—	—	—
Noncash and other costs, net	—	8	—	—
Molybdenum mines	399	249	52	—
Other mining <sup>b</sup>	21,504	14,102	1,402	43
Corporate, other & eliminations	(4,881)	(4,832)	50	—
As reported in FCX's consolidated financial statements	\$ 17,022	\$ 9,519	\$ 1,504	\$ 43
<b>Nine Months Ended September 30, 2021</b>				
Totals presented above	\$ 329	\$ 175	\$ 51	\$ 1
Treatment charges and other	(19)	—	—	—
Noncash and other costs, net	—	8	—	—
Molybdenum mines	310	183	51	1
Other mining <sup>b</sup>	20,761	12,820	1,332	13
Corporate, other & eliminations	(4,390)	(4,141)	47	1
As reported in FCX's consolidated financial statements	\$ 16,681	\$ 8,862	\$ 1,430	\$ 15

- 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 X. 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.

ELECTRIFYING THE FUTURE

# FCX Conference Call 3<sup>rd</sup> Quarter 2022 Results

October 20, 2022

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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 plans, projections, or expectations relating to business outlook, strategy, goals or targets; global market conditions; ore grades and milling rates; production and sales volumes; unit net cash costs and operating costs; capital expenditures; operating plans; cash flows; liquidity; PT-FI's financing, construction and completion of additional domestic smelting capacity in Indonesia in accordance with the terms of its special mining license (IUPK); extension of PT-FI's IUPK beyond 2041; FCX's commitment to deliver responsibly produced copper, including plans to implement and validate its operating sites under specific frameworks; execution of FCX's energy and climate strategies and the underlying assumptions and estimated impacts on FCX's business related thereto; achievement of climate commitments by 2030 and 2050 net zero aspiration; improvements in operating procedures and technology innovations; exploration efforts and results; development and production activities, rates and costs; future organic growth opportunities; tax rates; export quotas and duties; the impact of copper, gold and molybdenum price changes; the impact of deferred intercompany profits on earnings; mineral reserve and mineral resource estimates; final resolution of settlements associated with ongoing legal proceedings; debt repurchases and the ongoing implementation of FCX's financial policy and future returns to shareholders, including dividend payments (base or variable) and share repurchases. The words "anticipates," "may," "can," "plans," "believes," "estimates," "expects," "projects," "targets," "intends," "likely," "will," "should," "could," "to be," "potential," "assumptions," "guidance," "aspirations," "future," "commitments," "pursues," "initiatives," "objectives," "opportunities," "strategy" and any similar expressions are intended to identify those assertions as forward-looking statements. The declaration and payment of dividends (base or variable), and timing and amount of any share repurchases is at the discretion of the Board of Directors (Board) and management, respectively, and is subject to a number of factors, including maintaining FCX's net debt target, capital availability, FCX's financial results, cash requirements, business prospects, global economic conditions, changes in laws, contractual restrictions and other factors deemed relevant by the Board or management, as applicable. The share repurchase program may be modified, increased, suspended or terminated at any time at the Board's discretion.

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 the commodities FCX produces, primarily copper; changes in FCX's cash requirements, financial position, financing or investment plans; changes in general market, economic, tax, regulatory or industry conditions, including as a result of Russia's invasion of Ukraine or potential global economic downturn or recession; reductions in liquidity and access to capital; the ongoing COVID-19 pandemic and any future public health crisis; political and social risks; operational risks inherent in mining, with higher inherent risks in underground mining; fluctuations in price and availability of commodities purchased; constraints on supply, logistics and transportation services; mine sequencing; changes in mine plans or operational modifications, delays, deferrals or cancellations; production rates; timing of shipments; results of technical, economic or 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 Indonesia government's extension of PT-FI's export license after March 19, 2023; satisfaction of requirements in accordance with PT-FI's IUPK to extend mining rights from 2031 through 2041; the Indonesia government's approval of a deferred schedule for completion of additional domestic smelting capacity in Indonesia; discussions relating to the extension of PTFI's IUPK beyond 2041; cybersecurity incidents; labor relations, including labor-related work stoppages and costs; the results of the human health assessment to evaluate the potential impacts of tailings and mining waste, and compliance with applicable environmental, health and safety laws and regulations; weather- and climate-related risks; environmental risks and litigation results; FCX's ability to comply with its responsible production commitments under specific frameworks and any changes to such frameworks 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, 2021, filed with the U.S. Securities and Exchange Commission (SEC).

Investors are cautioned that many of the assumptions upon which FCX's forward-looking statements are based are likely to change after the date the forward-looking statements are made, including for example commodity prices, which FCX cannot control, and production volumes and costs or technological solutions and innovation, 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 undertakes no obligation to update any forward-looking statements, which speak only as of the date made, notwithstanding any changes in its assumptions, changes in business plans, actual experience or other changes.

This presentation also includes forward-looking statements regarding mineral resources not included in proven and probable mineral reserves. A mineral resource, which includes measured, indicated and inferred mineral resources, is a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. Such a deposit cannot qualify as recoverable proven and probable mineral reserves until legal and economic feasibility are confirmed based upon a comprehensive evaluation of development and operating costs, grades, recoveries and other material factors. This presentation also includes forward-looking statements regarding mineral potential, which includes exploration targets and mineral resources but will not qualify as mineral reserves until comprehensive engineering studies establish legal and economic feasibility. Significant additional evaluation 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 mineral resources or estimated mineral potential not included in mineral reserves will become proven and probable mineral reserves.

This presentation also contains financial measures such as unit net cash costs per pound of copper, net debt and adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), which are not recognized under U.S. generally accepted accounting principles (GAAP). As required by SEC Regulation G, FCX's calculation and reconciliation of unit net cash costs per pound of copper and net debt to amounts reported in FCX's consolidated financial statements are in the supplemental schedules of FCX's 3Q22 press release, which is available on FCX's website, [fcx.com](http://fcx.com). A reconciliation of amounts reported in FCX's consolidated financial statements to adjusted EBITDA is included on slide 31.

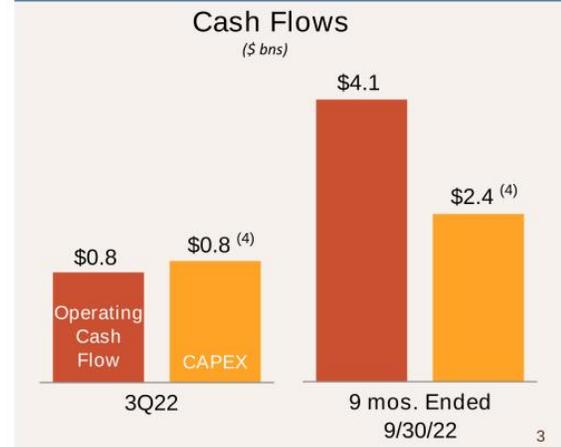
For forward-looking non-GAAP measures FCX is unable to provide a reconciliation to the most comparable GAAP financial measure because the information needed to reconcile these measures is dependent upon future events, many of which are outside of management's control as described above. Additionally, estimating such GAAP measures and providing a meaningful reconciliation consistent with FCX's accounting policies for future periods is extremely difficult and requires a level of precision that is unavailable for these future periods and cannot be accomplished without unreasonable effort. Forward-looking non-GAAP measures are estimated consistent with the relevant definitions and assumptions.

## 3Q22 Highlights

- Strong production and sales performance
  - Copper & gold sales:
    - 4% & 20% above July 2022 guidance
    - 3% & 19% above 3Q21 actuals
- Unit net cash costs for copper 5% above July 2022 guidance
- Adjusted EBITDA of \$1.5 bn <sup>(1)</sup>
  - Results include \$228 mm revenue/Adjusted EBITDA reduction on prior period provisionally priced sales <sup>(2)</sup>
- Retired ~\$1.1 bn in debt through open-market transactions in 2022, including \$0.4 bn in 3Q22
  - ~\$50 mm in annual interest cost savings
- Solid balance sheet, liquidity and financial flexibility
  - Net Debt <sup>(3)</sup> of \$2.1 bn (\$1.3 bn excluding net debt for smelter projects)
- ~\$3.2 bn available under \$5.0 bn share repurchase program
- Published updated climate report

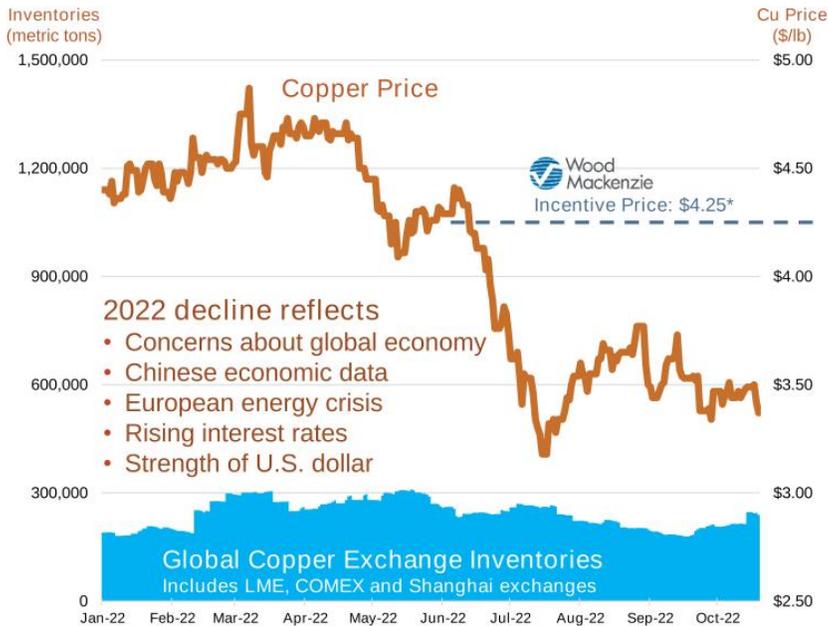
(1) A reconciliation of amounts reported in FCX's consolidated financial statements to Adjusted EBITDA is included on slide 31.  
 (2) See slide 30 for details on FCX's 3Q22 prior period open pounds adjustment.  
 (3) Net debt equals consolidated debt less consolidated cash.  
 (4) Includes \$0.4 bn for major projects and \$0.2 bn for the Indonesia smelter projects in 3Q22 and \$1.2 bn for major projects and \$0.5 bn for the Indonesia smelter projects for the 9 months ended 9/30/22.  
 See Cautionary Statement.

Key Stats	3Q22 Actual	July Estimate
Copper Sales (mm lbs)	1,060	1,020
Gold Sales (k ozs)	480	400
Unit Net Cash Costs (\$/lb)	\$1.75	\$1.67
3Q22 Realization	Copper \$3.50/lb	Gold \$1,683/oz



# Current Copper Market Conditions

## Price Insufficient to Support New Mine Supply Development



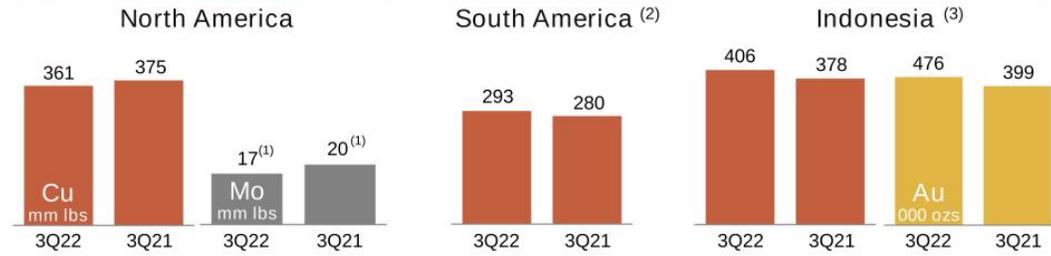
\* June 2022 presentation: Copper outlook under an accelerated energy transition  
 Source: Bloomberg as of 10/19/22

### Copper Structurally Supported by Favorable Long-term Fundamentals

- Physical demand remains strong
- Inventories low by historical standards
- Ongoing supply disruptions and social challenges in Latin America
- Secular growth in metals demand required for clean energy technologies
- Project pipeline is thin
- Structural demand growth tied to decarbonization combined with limited supply development expected to result in large supply deficits

# 3Q22 Mining Operating Summary

## Sales From Mines for 3Q22 & 3Q21 by Region



3Q22 Unit Net Cash Costs (per lb of Cu)	North America	South America	Indonesia	Consolidated
Site Production & Delivery, excl. adjs.	\$2.76	\$2.60	\$1.81	\$2.35
By-product Credits	(0.30)	(0.16)	(2.00)	(0.91)
Treatment Charges	0.10	0.13	0.23	0.16
Royalties & Export Duties	-	0.01	0.40	0.15
<b>Unit Net Cash Costs</b>	<b>\$2.56</b>	<b>\$2.58</b>	<b>\$0.44</b>	<b>\$1.75</b>

(1) Includes 4 mm lbs in 3Q22 and 5 mm lbs in 3Q21 from South America.

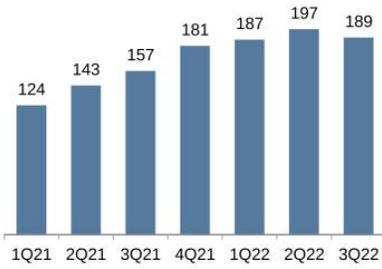
(2) Silver sales totaled 1.1 mm ozs in 3Q22 and 1.0 mm ozs in 3Q21.

(3) Silver sales totaled 1.6 mm ozs in 3Q22 and 1.7 mm ozs in 3Q21.

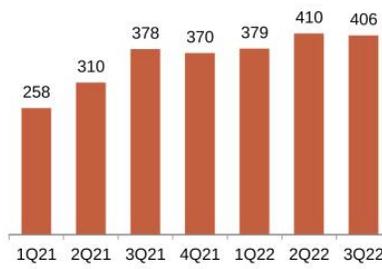
NOTE: For a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales reported in FCX's consolidated financial statements, refer to "Product Revenues and Production Costs" in the supplemental schedules of FCX's 3Q22 press release, which is available on FCX's website.

# PT-FI – Successfully Sustaining the World’s Largest & Most Modern Underground Operation

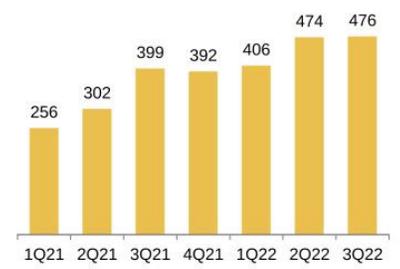
Mill Rate (000's t/d)



Copper Sales (mm lbs)



Gold Sales (k ozs)





# Advancing New Leach Technologies

## Taking Leach to the Next Level

**FREEPORT**  
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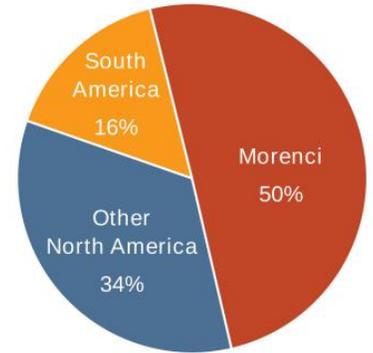


- Industry leader with long history of leach production
- Internal and external initiatives to advance sulfide leaching technologies and to drive continuous recovery improvement
- Focused on traditional ores and ores that have been typically considered difficult to leach, like chalcopyrite
- Data analytics providing new insights to drive additional value
- New applications to retain heat in stockpiles yielding results
- Success would enable utilization of latent tank house capacity with limited capital investment and low incremental cost
- Lower carbon and water-intensity footprint
- Gaining confidence toward achieving targeted run rate of 200 mm lbs/annum by year-end 2023

See Cautionary Statement.

### Copper in Leach Stockpiles Unrecoverable by Traditional Leach Methods

38 bn lbs Contained\*



\* Copper from historical placements beyond assumed recovery estimates and is not included in mineral reserves and mineral resources.

# Annual Sales Profile

## October 2022 Estimate

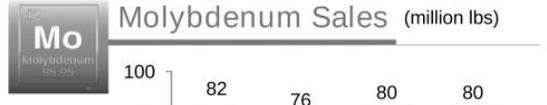


NOTE: Consolidated copper sales include 741 mm lbs in 2021, 833 mm lbs in 2022e, 1,368 mm lbs in 2023e and 1,409 mm lbs in 2024e for noncontrolling interests; excludes purchased copper.

\* Beginning in 2023, PT-FI's commercial arrangement with PT Smelting will convert to a tolling arrangement. Estimates assume approximately 80 mm lbs of copper and 130k ozs of gold from PT-FI's production will be deferred in inventory until final sale.  
e = estimate. See Cautionary Statement.



NOTE: Consolidated gold sales include 253k ozs in 2021, 333k ozs in 2022e, 873k ozs in 2023e and 820k ozs in 2024e for noncontrolling interests.

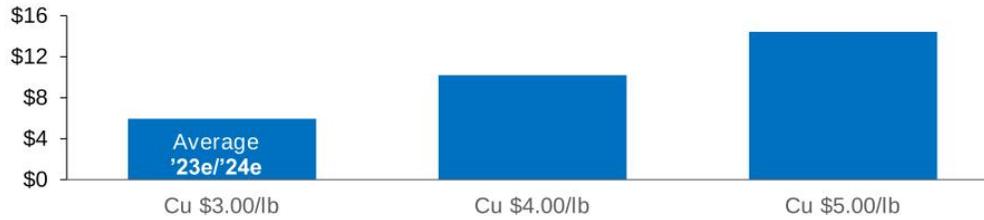


# EBITDA and Cash Flow at Various Copper Prices

(\$ in bns except copper, gold and molybdenum prices)



**EBITDA** | (\$1,700/oz gold, \$18/lb molybdenum)



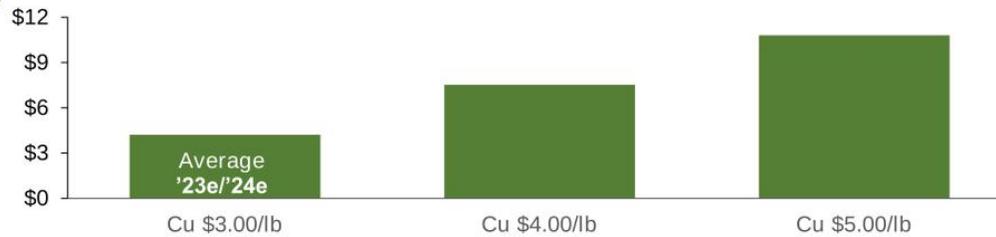
**Sensitivities**  
**Average '23e/'24e**  
 (US\$ in mms)

**EBITDA**

Copper	+/- \$0.10/lb	\$425
Molybdenum	+/- \$1.00/lb	\$ 80
Gold	+/- \$50/oz	\$ 80
Currencies <sup>(1)</sup>	+/- 10%	\$225
Diesel	+/- 10%	\$105



**Operating cash flow** | Excludes working capital changes (\$1,700/oz gold, \$18/lb molybdenum)



**Operating Cash Flow**

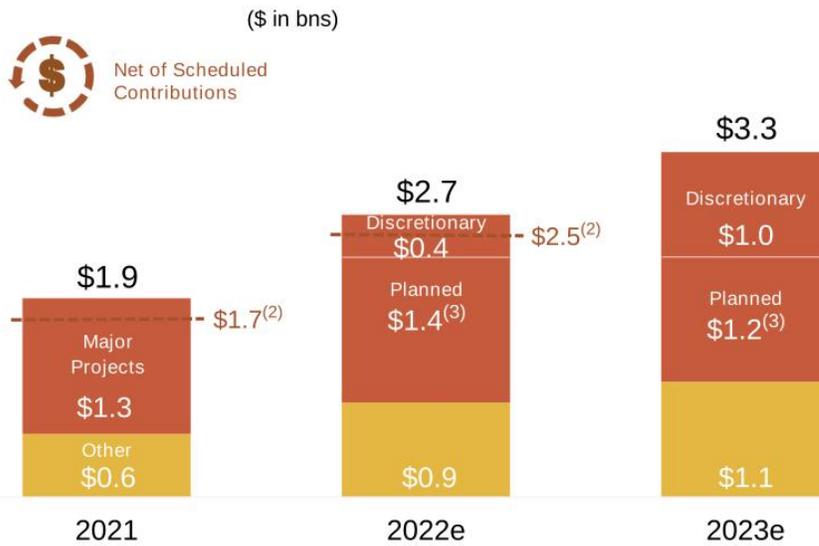
Copper	+/- \$0.10/lb	\$335
Molybdenum	+/- \$1.00/lb	\$ 70
Gold	+/- \$50/oz	\$ 55
Currencies <sup>(1)</sup>	+/- 10%	\$160
Diesel	+/- 10%	\$ 75

NOTE: EBITDA equals operating income plus depreciation, depletion and amortization. e = estimate. See Cautionary Statement.

(1) U.S. Dollar Exchange Rates: 905 Chilean peso, 14,900 Indonesian rupiah, \$0.68 Australian dollar, \$1.01 Euro, 3.84 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.

# Consolidated Capital Expenditures

## Excluding Indonesia Smelter Projects CAPEX <sup>(1)</sup>

**FREEPORT**  
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(1) See slide 28; Indonesia smelter projects are being funded with net proceeds from PT-FI's *senior notes offering and its available revolving credit facility*.

(2) Net of scheduled contributions from PT Inalum for expansion capital spending that will be reflected in financing on the cash flow statement.

(3) Major projects include CAPEX associated with Grasberg underground development and supporting mill and power capital costs (\$1.2 bn in 2022e and \$0.9 bn in 2023e).

For detail of discretionary spending see slide 29.

NOTE: Amounts include capitalized interest. Discretionary CAPEX and smelter spending will be excluded from the free cash flow (as defined on slide 12) calculation for purposes of the performance-based payout framework. e= estimate. See Cautionary Statement.

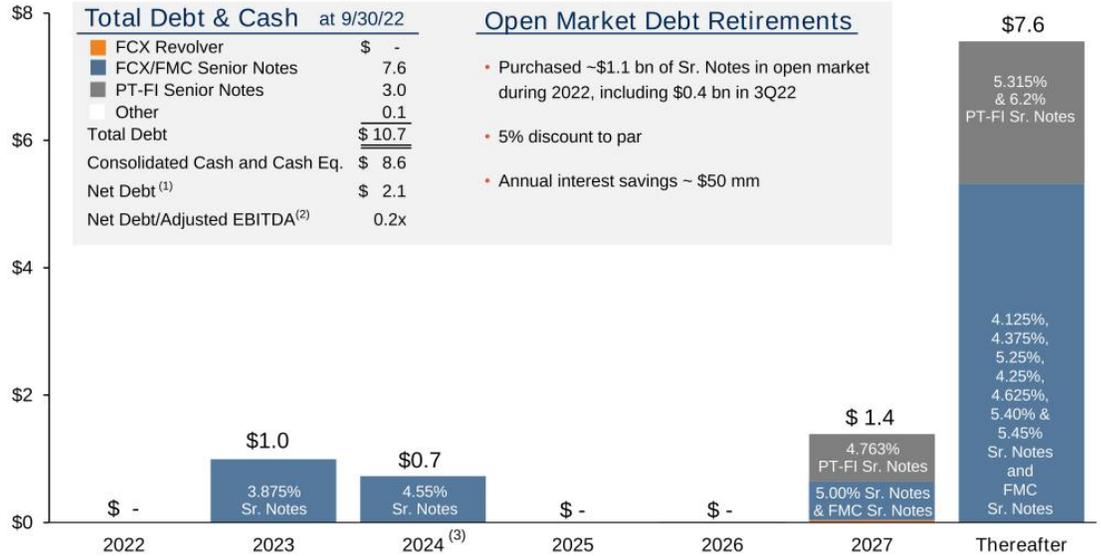


# Solid Balance Sheet and Liquidity

## Attractive Debt Maturity Profile



(US\$ bns)



(1) Includes \$0.8 bn associated with the Indonesia smelter projects.

(2) Trailing 12-months.

(3) For purposes of this schedule, maturities of uncommitted lines of credit and other short-term lines are included in FCX's revolver balance, which matures in 2027. See Cautionary Statement.

# Financial Policy

## Priorities



Maintain strong  
balance sheet



Cash returns  
to stockholders



Advance organic  
growth opportunities

- Executing performance-based payout framework
  - Up to 50% Free Cash Flow<sup>(1)</sup> to be returned to shareholders
  - Balance available to advance organic growth opportunities
- \$2.7 bn in cash returned to shareholders since achievement of Net Debt target of \$3-\$4 bn in June 2021
  - \$0.9 bn in common stock dividends (base and variable)
  - \$1.8 bn in share repurchases (47.9 mm shares)
- \$3.2 bn in share repurchases remaining under board authorization
  - Future discretionary share purchases will be dependent upon market conditions and cash flow generation
- Will continue to prioritize balance sheet as cornerstone of financial policy

**Board will review structure of performance-based payout framework at least annually**

NOTE: Target net debt \$3 - \$4 bn, excluding project debt for additional smelting capacity in Indonesia.

(1) Available cash flows generated after planned capital spending (excluding Indonesia smelter projects funded with debt and discretionary CAPEX) and distributions to noncontrolling interests. See Cautionary Statement.

# Executing Clearly Defined Strategy Focused on Copper

## BUILDING VALUE FOR SHAREHOLDERS

Responsible  
producer of scale

Experienced  
management team

Long-lived  
reserves

Strong  
balance sheet

Embedded  
growth options

Cash returns  
for shareholders

**FREEMPORT**  
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ELECTRIFYING  
THE FUTURE

TEAM  
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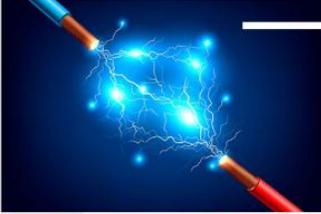
# Reference Slides

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# Copper – Metal of the Future

## Critical to Global Decarbonization

### Global Decarbonization is Expected to Drive Intensity of Copper Use



More than 65% of the world's copper is used in applications that deliver electricity



Renewable energy technologies use four to five times more copper than fossil fuel power generation



Electric vehicles use up to four times more copper than internal combustion engines



Copper consumption associated with electric vehicles and renewable energy technologies to grow rapidly

Freeport is strategically positioned as a leading copper producer.

Source: International Copper Association  
See Cautionary Statement.

# S&P Global Copper Study Published in July 2022

## Key takeaways from independent study led by Dan Yergin as project chairman

- Copper — the “metal of electrification” — is essential to all energy transition plans
- Copper demand is projected to grow from 25 million metric tons (MMt) today to about 50 MMt by 2035, a record-high level that will be sustained and continue to grow to 53 MMt by 2050
- Potential supply-demand gap is expected to be very large as the transition proceeds
- Substitution and recycling will not be enough to meet the demands of electric vehicles (EVs), power infrastructure, and renewable generation
- Unless massive new supply comes online in a timely way, the global goal of Net-Zero Emissions by 2050 will be short-circuited and remain out of reach



## The Future of Copper

Will the looming supply gap short-circuit the energy transition?

# The Copper Mark

## Recognition for Responsible Production

- ▶ Assurance framework developed to demonstrate the copper industry's responsible production practices
- ▶ Producers participating in the Copper Mark are committed to adhering to internationally recognized responsible operating practices
- ▶ Copper Mark governed by independent board including NGO participation and multi-stakeholder advisory council
- ▶ Framework covers 32 issue areas across 5 ESG categories developed by the Responsible Minerals Initiative's Risk Readiness Assessment
- ▶ Requires third-party assurance of site performance and independent Copper Mark validation every three years
- ▶ FCX is committed to achieving the Copper Mark at all of our copper producing sites
- ▶ The Copper Mark is currently evaluating an extension of its framework to metals that are produced as a by-product of copper; FCX supports this effort

### COPPER MARK STATUS BY SITE:

#### AWARDED

Atlantic Copper smelter & refinery (Spain)	Miami smelter, mine & rod mill (AZ)
Bagdad mine (AZ)	Morenci mine (AZ)
Cerro Verde mine (Peru)	Safford mine (AZ)
Chino mine (NM)	Sierrita mine (AZ)
El Abra mine (Chile)	Tyrone mine (NM)
El Paso refinery & rod mill (TX)	

#### LETTER OF COMMITMENT

PT-FI mine (Indonesia)

Note: Copper Mark status as of 10/19/2022



# Financial Highlights

Sales Data	3Q22	3Q21
<b>Copper</b>		
Consolidated Volumes, excluding purchases (mm lbs)	1,060	1,033
Average Realization (per lb)	\$ 3.50	\$ 4.20
Site Production & Delivery Costs (per lb)	\$ 2.35	\$ 1.88
Unit Net Cash Costs (per lb)	\$ 1.75	\$ 1.24
<b>Gold</b>		
Consolidated Volumes (000's ozs)	480	402
Average Realization (per oz)	\$1,683	\$1,757
<b>Molybdenum</b>		
Consolidated Volumes (mm lbs)	17	20
Average Realization (per lb)	\$17.05	\$18.61
<b>Financial Results</b> (in billions, except per share amounts)		
Revenues	\$ 5.0	\$ 6.1
Net Income Attributable to Common Stock	\$ 0.4	\$ 1.4
Diluted Net Income Per Share	\$ 0.28	\$ 0.94
Operating Cash Flows <sup>(1)</sup>	\$ 0.8	\$ 2.0
Capital Expenditures	\$ 0.8	\$ 0.5
Total Debt <sup>(2)</sup>	\$ 10.7	\$ 9.7
Consolidated Cash and Cash Equivalents <sup>(3)</sup>	\$ 8.6	\$ 7.7

(1) Includes working capital and other (uses) sources of \$(0.3) bn for 3Q22 and \$0.2 bn for 3Q21.

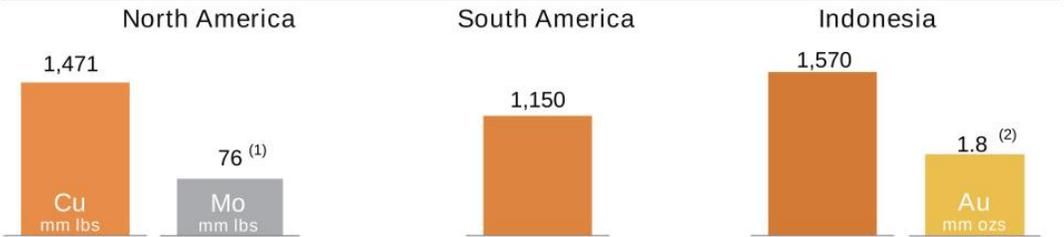
(2) 3Q22 includes \$3.0 bn in senior notes issued by PT-FI in April 2022.

(3) 3Q22 includes \$2.2 bn from PT-FI senior notes offering that is expected to be used to finance the Indonesia smelter projects.



# 2022e Operational Data

## 2022e Sales by Region



2022e Unit Net Cash Costs <sup>(3)</sup> (per lb of Cu)	North America	South America	Indonesia	Consolidated
Site Production & Delivery, excl. adjs. <sup>(4)</sup>	\$2.58	\$2.54	\$1.59	\$2.20
By-product Credits	(0.33)	(0.32)	(2.08)	(0.98)
Treatment Charges	0.10	0.15	0.24	0.16
Royalties & Export Duties	-	0.01	0.44	0.17
<b>Unit Net Cash Costs</b>	<b>\$2.35</b>	<b>\$2.38</b>	<b>\$0.19</b>	<b>\$1.55</b>

(1) Includes molybdenum produced in South America.

(2) Includes gold produced in North America.

(3) Estimates assume average prices of \$1,700/oz for gold and \$18/lb for molybdenum for 4Q22e. Quarterly unit costs will vary significantly with quarterly metal sales volumes.

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

e = estimate. See Cautionary Statement.

# 2022e Outlook

Sales Outlook	Unit Net Cash Cost of Copper	Operating Cash Flows <sup>(2)</sup>	Capital Expenditures
<ul style="list-style-type: none"> <li>• Copper: 4.2 billion lbs</li> <li>• Gold: 1.8 million ozs</li> <li>• Molybdenum: 76 million lbs</li> </ul>	<ul style="list-style-type: none"> <li>• Site prod. &amp; delivery               <ul style="list-style-type: none"> <li>○ 2022e: \$2.20/lb</li> <li>○ 4Q22e: \$2.32/lb</li> </ul> </li> <li>• After by-product credits <sup>(1)</sup> <ul style="list-style-type: none"> <li>○ 2022e: \$1.55/lb</li> <li>○ 4Q22e: \$1.68/lb</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• ~\$4.7 billion<sup>(3)</sup> @ \$3.50/lb copper for 4Q22e</li> <li>• Each 10¢/lb change in copper in 4Q22e = \$100 million impact</li> </ul>	<ul style="list-style-type: none"> <li>• \$2.7 billion <sup>(4)</sup> (excluding smelter projects <sup>(5)</sup>)               <ul style="list-style-type: none"> <li>○ \$1.8 billion for major projects</li> <li>○ \$0.9 billion for other mining</li> </ul> </li> </ul>

(1) Assumes average prices of \$1,700/oz gold and \$18/lb molybdenum in 4Q22e.

(2) Assumes average prices of \$1,700/oz gold and \$18/lb molybdenum in 4Q22e; each \$100/oz change in gold would have an approximate \$35 mm impact and each \$2/lb change in molybdenum would have an approximate \$15 mm impact.

(3) Net of \$1.4 billion of working capital and other uses.

(4) PT Inalum scheduled contributions in 2022e approximate \$0.2 bn. Major projects CAPEX includes \$1.4 bn for planned projects and \$0.4 bn of discretionary projects.

(5) Indonesia smelter projects are being funded with net proceeds from PT-FI's senior notes offering and its available revolving credit facility.

e = estimate. See Cautionary Statement.



# Reconciliation of 2022e Unit Net Cash Cost Guidance

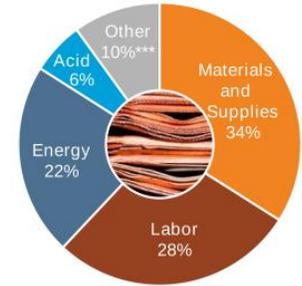
(\$ and ¢ per pound of copper)

	July 2022e Guidance	Impacts	October 2022e Guidance
	Price Assumptions \$3.25 Cu / \$1,700 Au / \$16 Mo		Price Assumptions \$3.50 Cu / \$1,700 Au / \$18 Mo
Site Production & Delivery	\$2.13	+7¢*	\$2.20
By-product Credits	(0.95)	-3¢**	(0.98)
Treatment Charges	0.16	No Change	0.16
Royalties & Export Duties	0.16	+1¢	0.17
Unit Net Cash Costs	<u>\$1.50</u>		<u>\$1.55</u>

\* Reflects higher costs primarily associated with maintenance and supplies

\*\* Reflects higher gold volumes and higher molybdenum price assumption for 4Q22e

e = estimate. See Cautionary Statement.

 2022e Site Production  
 Costs Breakdown


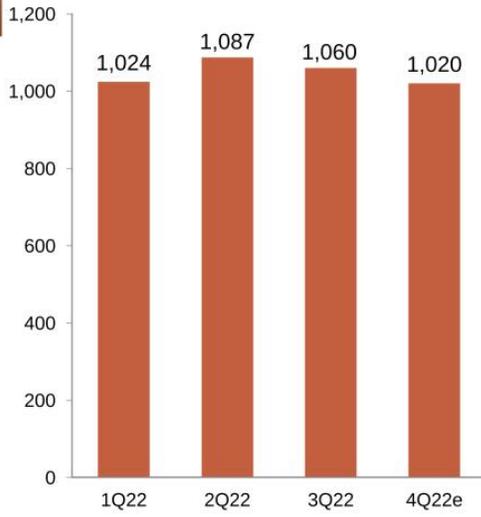
\*\*\* Support costs, taxes/fees, social costs &amp; other



# 2022e Quarterly Sales



## Copper Sales (million lbs)

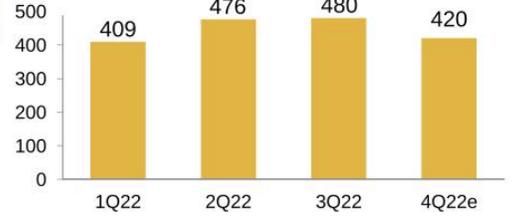


Note: Consolidated copper sales include 194 mm lbs in 1Q22, 212 mm lbs in 2Q22, 213 mm lbs in 3Q22 and 214 mm lbs in 4Q22e for noncontrolling interests; excludes purchased copper.

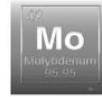
e = estimate. See Cautionary Statement.



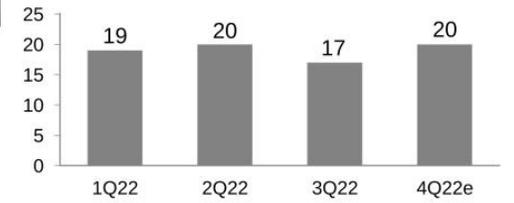
## Gold Sales (thousand ozs)



Note: Consolidated gold sales include 76k ozs in 1Q22, 89k ozs in 2Q22, 89k ozs in 3Q22 and 79k ozs in 4Q22e for noncontrolling interests.

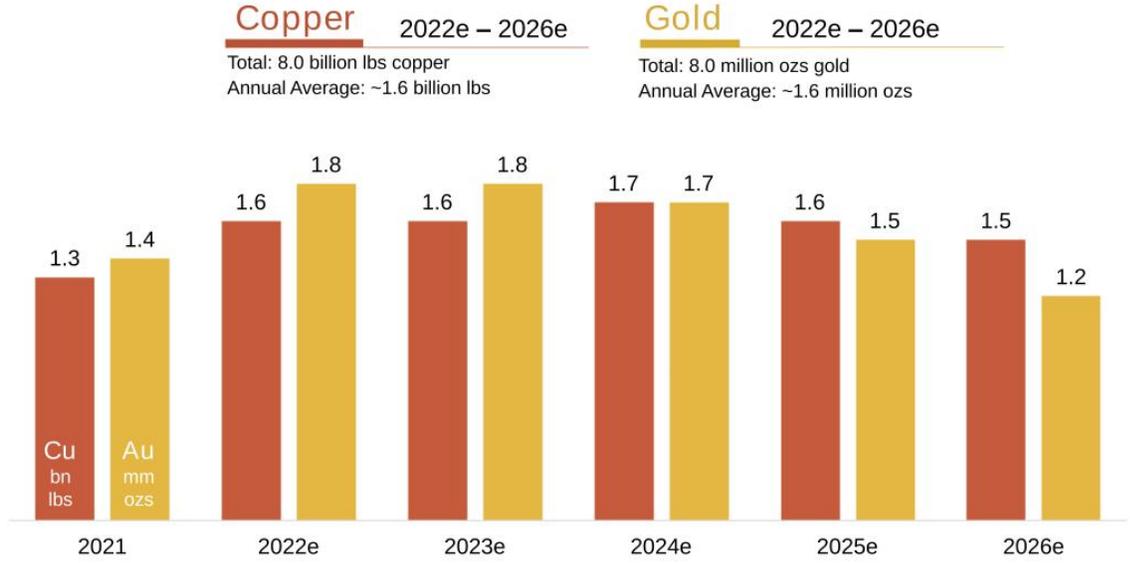


## Molybdenum Sales (million lbs)



# PT-FI Mine Plan

## Metal Production, 2021 – 2026e



**Copper** 2022e – 2026e  
 Total: 8.0 billion lbs copper  
 Annual Average: ~1.6 billion lbs

**Gold** 2022e – 2026e  
 Total: 8.0 million ozs gold  
 Annual Average: ~1.6 million ozs

NOTE: Amounts are projections. Timing of annual production will depend on a number of factors, including operational performance and other factors. FCX's economic interest in PT-FI approximates 81.27% through 2022 and 48.76% thereafter. Beginning in 2023, PT-FI's commercial arrangement with PT Smelting will convert to a tolling arrangement. PT-FI will pay PT Smelting a tolling fee to smelt and refine its concentrate and PT-FI will retain title of all products for sale to third parties. This is not expected to result in a significant change in PT-FI's economics but will impact the timing of PT-FI's sales.  
 e = estimate. See Cautionary Statement.

# Future Growth Embedded in Existing Asset Base Provides Increased Leverage to Copper Prices

## New Leach Technologies Americas



- Advancing sulfide leaching technologies
- Gaining confidence toward achieving targeted run rate of 200 mm lbs/annum by year-end 2023

See Cautionary Statement.

## Bagdad Expansion Arizona



- Double concentrator capacity
- Commencing feasibility study, stakeholder engagement
- Advancing work to provide options to commence construction in 2023 for potential 2026 start-up

## Lone Star Expansions Arizona



- Near-term oxide expansions
- Increasing exploration to define resource
- Potential long-term sulfide investment

## El Abra Expansion Chile



- Large sulfide resource supports a major expansion opportunity
- Preparations for submitting environmental impact statement and stakeholder engagement
- Monitoring regulatory and fiscal matters

## Kucing Liar Grasberg District Indonesia

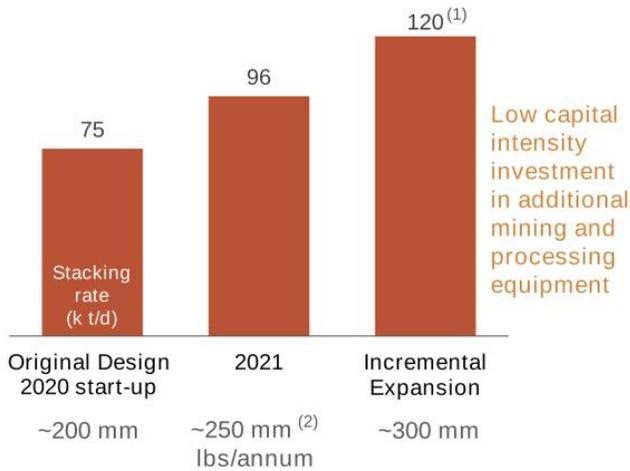


- Commenced development of underground copper/gold reserves
- Benefits from substantial shared infrastructure

# Lone Star Update

## Oxides

2P Reserves: 4.9 billion lbs



(1) Initially at 105k t/d with ramp-up to 120k t/d by 2024e.

(2) Excludes historic Safford leach material which currently approximates 25 mm lbs/annum.

(3) Estimated mineral potential includes exploration targets and mineral resources but will not qualify as mineral reserves until comprehensive engineering studies establish legal and economic feasibility. Significant additional evaluation is required and no assurance can be given that the potential quantities of metal will be produced. Accordingly, no assurance can be given that estimated mineral potential not included in mineral reserves will become proven and probable mineral reserves.

e = estimate See Cautionary Statement.

## Sulfides

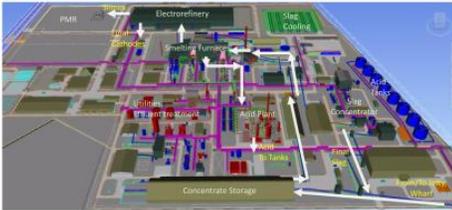
Mineral Potential: ~50 billion lbs<sup>(3)</sup>

- Success of oxide development advances opportunity for scale
- Design to incorporate combined leach and concentrate facilities – similar to Morenci
- Next steps
  - Ongoing exploration to support metallurgical testing
  - Scoping studies/mine planning scenarios

# Indonesia Downstream Processing Activities

## Greenfield Smelter

- 1.7 mm mt of annual concentrate capacity
- Designed to be world's largest flash smelter/converter facility
- Advancing groundwork/preparation
- Project expected to be completed as soon as feasible in 2024 <sup>(1)</sup>
- Cost estimate: ~\$3.0 bn <sup>(2)</sup>



Overall Smelting Process

## PT Smelting Expansion

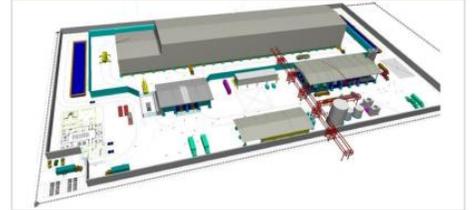
- 30% increase to existing smelter to add 300,000 mt of annual concentrate capacity
- Completed commercial arrangements in 4Q21
- Target completion of YE 2023
- Cost estimate: \$250 mm



PTS Smelter at Gresik

## Precious Metals Refinery (PMR)

- To be constructed to process gold and silver from greenfield smelter and PT Smelting
- Cost estimate: \$400 mm



3D Concept Map of PMR

(1) Dependent on no further COVID-19-related disruptions; PT-FI has requested an extension of the timeline for the greenfield smelter from the Indonesian government.

(2) Based on target price of \$2.8 bn for construction contract (excludes *capitalized interest, owner's costs and commissioning*) and \$0.2 bn for investment in new desalination plant for the smelter. See Cautionary Statement.

# Indonesia Downstream Processing Update

## PT-FI's Downstream Commitment

- PT-FI committed in 2018 IUPK to construct 2 mm tpy in-country Cu concentrate processing capacity
  - Greenfield project expected to be completed as soon as feasible in 2024<sup>(1)</sup>
  - PT Smelting expansion expected to be completed by end of 2023
- Financing in place to fund construction activities

NOTE: See slide 27 for additional details.

(1) Dependent on no further COVID-19-related disruptions; PT-FI has requested an extension of the timeline for the greenfield smelter from the Indonesian government.

(2) Capital spending on the greenfield smelter will be debt financed and will not be deducted from cash available for returns to FCX shareholders. Excludes capitalized interest, owner's costs and commissioning. e = estimate. See Cautionary Statement.

## Preliminary Estimate of Spending on Greenfield Smelter and PMR to be shared 51% / 49% (PT Inalum/FCX)<sup>(2)</sup>



# Discretionary Capital Projects\*

## Kucing Liar

- Commenced long-term mine development activities
- Approximate 10-year development timeframe
- Sustain large-scale, low-cost Cu/Au production
- Capital investment: ~\$400 mm/yr average (~\$130 mm in 2022e)
- > 6 bn lbs copper & 5 mm ozs gold
  - ~ 600 mm lbs & 500K ozs per annum

## Lone Star Oxide Expansion

- Low capital intensity investment
- Capital investment: ~\$300 mm (~\$80 mm in 2022e)
- Increase stacking rate: 95k t/d to 120k t/d
- Targeting 300 mm lbs of copper/annum by 2023e
  - +50 mm lbs/yr of incremental production

## Grasberg Mill Recovery Project

- Installing new copper cleaner circuit
- Improved Cu concentrate grades/metal recoveries
- Capital investment: ~\$470 mm (~\$120 mm in 2022e)
- Targeted completion: 1H24e
- +60 mm lbs/yr & +40K ozs/yr of incremental Cu/Au

## Atlantic Copper CirCular

- Recycle electronic material
- Capital investment: ~\$320 mm (~\$40 mm in 2022e)
- Expect to commission in 2024e; full rates in 2025e
- ~\$60 mm per annum in incremental EBITDA

\*These discretionary projects and the Indonesia smelter projects will be excluded from the free cash flow calculation (defined on slide 12) for purposes of the performance-based payout framework.  
 e = estimate. See Cautionary Statement.

## 3Q22 Copper Realization & 4Q22e Guidance

3Q22 LME Average Copper Price	\$3.51/lb
3-Mo. Fwd Price for Copper at the End of September	\$3.46/lb
FCX 3Q22 Consolidated Copper Price Realization	\$3.50/lb (Generally, 50/50 weight of qtrly avg and 3-mo forward price at end of period)
FCX 3Q22 Prior Period Open Lb Adj. (aka Provisional Price Adj.)	Revenue/EBITDA: \$(228) mm Net income: \$(95) mm Earnings/share: \$(0.07)
4Q22e Open Pound Guidance	<ul style="list-style-type: none"> <li>• Open lbs priced at \$3.45/lb on 9/30/22</li> <li>• Each \$0.05 change in avg copper price in 4Q22 = \$16 mm impact to 2022e net income</li> <li>• LME copper settled at \$3.37/lb on 10/19/22</li> </ul>

*NOTE: When the quarter end forward pricing is below the average quarterly spot price, FCX's consolidated quarterly copper realization can be expected to be below the quarterly average spot pricing. Conversely, the quarterly copper realization can be expected to be above the quarterly spot price average if quarter end forward curve pricing is above the quarterly average spot price. Quarterly copper realizations by region may vary from the consolidated average.  
e = estimate. See Cautionary Statement.*



# Adjusted EBITDA Reconciliation

(\$ in mm)	12 mos ended	
	3Q22	9/30/2022
Net income attributable to common stock	\$404	\$3,877
Interest expense, net	140	594
Income tax provision	315	2,336
Depreciation, depletion and amortization	508	2,072
Metals inventory adjustments	25	44
Net gain on sales of assets	-	(19)
Accretion and stock-based compensation	38	185
Other net (credits) charges	(8)	385 <sup>(1)</sup>
Gain on early extinguishment of debt	(20)	(28)
Other (income) expense, net	(25)	94
Net income attributable to noncontrolling interests	156	983
Equity in affiliated companies' net earnings	(8)	(44)
<b>FCX Adjusted EBITDA<sup>(2)</sup></b>	<b>\$1,525</b>	<b>\$10,479</b>

(1) The 12 months ended 9/30/2022 includes adjustments to reclamation liabilities at PT-FI (\$340 mm), net adjustments to environmental obligations (\$34 mm), net charges for contested matters at PT-FI (\$30 mm) and nonrecurring labor-related charges at Cerro Verde (\$18 mm), partly offset by net credits associated with refunds of Arizona transaction privilege taxes related to purchased electricity (\$27 mm) and adjustments to prior period profit sharing at Cerro Verde (\$16 mm).

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

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