



Item 2.02. Results of Operations and Financial Condition.

Freeport-McMoRan Inc. ("FCX") issued a press release dated January 26, 2021, announcing its fourth-quarter and year ended 2020 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 fourth-quarter and year ended 2020 earnings conference call being webcast on the internet at 10:00 a.m. Eastern Time on January 26, 2021, 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 January 26, 2021, titled "Freeport-McMoRan Reports Fourth-Quarter and Year Ended 2020 Results."
<a href="#">99.2</a>	Slides presented in connection with FCX's fourth-quarter and year ended 2020 earnings conference call conducted via the internet on January 26, 2021.
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/ C. Donald Whitmire, Jr.

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

Date: January 26, 2021

# NEWS RELEASE

**FREEMO**  
FOREMOST IN COPPER  
fcx.com | NYSE: FCX

**ADDRESS:**

333 North Central Avenue  
Phoenix, AZ 85004

**FINANCIAL CONTACTS:**

Kathleen J. D'Elia  
(602) 366-8836  
Peter P. Jandt  
(602) 582-4233

**MEDIA CONTACT:**

Inda R. Hayes  
(602) 366-7824

## Freeport-McMoRan Reports Fourth-Quarter and Year Ended 2020 Results

- *Strong execution of operating plans*
- *Solid cost & capital management*
- *Ramp-up of Grasberg underground advancing on schedule*
- *Fourth-quarter 2020 copper and gold sales 3% and 9% above October 2020 estimates*
- *Strong cash flow generation*

- **Net income** attributable to common stock totaled \$708 million, \$0.48 per share, in fourth-quarter 2020. After adjusting for net credits totaling \$142 million, \$0.10 per share, fourth-quarter 2020 adjusted net income attributable to common stock totaled \$566 million, or \$0.39 per share.
- **Consolidated sales** totaled 866 million pounds of copper, 293 thousand ounces of gold and 21 million pounds of molybdenum in fourth-quarter 2020, and 3.2 billion pounds of copper, 855 thousand ounces of gold and 80 million pounds of molybdenum for the year 2020. Consolidated sales for the year 2021 are expected to approximate 3.8 billion pounds of copper, 1.3 million ounces of gold and 85 million pounds of molybdenum, including 825 million pounds of copper, 275 thousand ounces of gold and 20 million pounds of molybdenum in first-quarter 2021.
- **Average realized prices** in fourth-quarter 2020 were \$3.40 per pound for copper, \$1,870 per ounce for gold and \$9.96 per pound for molybdenum.
- **Average unit net cash costs** in fourth-quarter 2020 were \$1.28 per pound of copper and \$1.48 per pound of copper for the year 2020. Unit net cash costs are expected to average \$1.25 per pound of copper for the year 2021.
- **Operating cash flows** totaled \$1.3 billion (including \$0.3 billion from working capital and other sources) in fourth-quarter 2020 and \$3.0 billion (including \$0.7 billion from working capital and other sources) for the year 2020. Based on current sales volume and cost estimates, and assuming average prices of \$3.50 per pound for copper, \$1,850 per ounce for gold and \$9.00 per pound for molybdenum, operating cash flows are expected to approximate \$5.5 billion (including \$0.4 billion from working capital and other sources) for the year 2021.
- **Capital expenditures** totaled \$0.4 billion (including approximately \$0.3 billion for major projects) in fourth-quarter 2020 and \$2.0 billion (including approximately \$1.2 billion for major projects) for the year 2020. Capital expenditures for the year 2021 are expected to approximate \$2.3 billion, including \$1.4 billion for major projects primarily associated with underground development activities in the Grasberg minerals district in Indonesia.
- During fourth-quarter 2020, **FCX sold an undeveloped exploration project** in the Democratic Republic of Congo (DRC) for \$550 million and recognized an after-tax gain of \$350 million. After-tax net cash proceeds to FCX totaled \$415 million.
- At December 31, 2020, **consolidated debt** totaled \$9.7 billion and **consolidated cash** totaled \$3.7 billion. FCX had no borrowings and \$3.5 billion available under its revolving credit facility at December 31, 2020.

PHOENIX, AZ, January 26, 2021 - Freeport-McMoRan Inc. (NYSE: FCX) reported net income attributable to common stock of \$708 million, \$0.48 per share, in fourth-quarter 2020 and \$599 million, \$0.41 per share, for the year 2020. After adjusting for net credits totaling \$142 million, \$0.10 per share, mostly associated with a gain on sale of assets, partly offset by charges for a litigation settlement and international tax matters, and other net charges, adjusted net income attributable to common stock totaled \$566 million, \$0.39 per share, in fourth-quarter 2020. For additional information, refer to the supplemental schedule, "Adjusted Net Income," on page VII.

Richard C. Adkerson, President and Chief Executive Officer, said, "During 2020, our global team responded to the challenges of the pandemic in an exceptional fashion, safeguarding our people, communities and assets as we executed and delivered on our clearly defined strategy. Together we achieved strong operating performance and project execution, establishing a solid foundation for future growth in sales volumes and cash flows. We are enthusiastic about the future prospects for our business based on the positive outlook for the markets we serve, our long-lived and high-quality copper assets, our seasoned and highly motivated global organization and the critical role of copper to the technologies necessary to deliver clean energy and support the global transition to a low-carbon economy."

**SUMMARY FINANCIAL DATA**

	Three Months Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
	(in millions, except per share amounts)			
Revenues <sup>a,b</sup>	\$ 4,495	\$ 3,911	\$ 14,198	\$ 14,402
Operating income <sup>a</sup>	\$ 1,709	\$ 775	\$ 2,437	\$ 1,091
Net income (loss) attributable to common stock <sup>c,d</sup>	\$ 708	\$ 9	\$ 599	\$ (239)
Diluted net income (loss) per share of common stock	\$ 0.48	\$ —	\$ 0.41	\$ (0.17)
Diluted weighted-average common shares outstanding	1,469	1,457	1,461	1,451
Operating cash flows <sup>a</sup>	\$ 1,327	\$ 170	\$ 3,017	\$ 1,482
Capital expenditures	\$ 388	\$ 735	\$ 1,961	\$ 2,652
At December 31:				
Cash and cash equivalents	\$ 3,657	\$ 2,020	\$ 3,657	\$ 2,020
Total debt, including current portion	\$ 9,711	\$ 9,826	\$ 9,711	\$ 9,826

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

b. Includes favorable (unfavorable) adjustments to prior period provisionally priced concentrate and cathode copper sales totaling \$113 million (\$41 million to net income attributable to common stock or \$0.03 per share) in fourth-quarter 2020, \$33 million (\$14 million to net income attributable to common stock or \$0.01 per share) in fourth-quarter 2019, \$(102) million (\$(42) million to net income attributable to common stock or \$(0.03) per share) for the year 2020 and \$58 million (\$24 million to net loss attributable to common stock or \$0.02 per share) for the year 2019. For further discussion, refer to the supplemental schedule, "Derivative Instruments," beginning on page IX.

c. Includes net credits (charges) totaling \$142 million (\$0.10 per share) in fourth-quarter 2020, \$(22) million (\$(0.02) per share) in fourth-quarter 2019, \$(191) million (\$(0.13) per share) for the year 2020 and \$(275) million (\$(0.19) per share) for the year 2019 that are described in the supplemental schedule, "Adjusted Net Income," beginning 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 sources totaled \$346 million in fourth-quarter 2020, \$75 million in fourth-quarter 2019, \$665 million for the year 2020 and \$349 million for the year 2019.

**SUMMARY OPERATING DATA**

	Three Months Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
<b>Copper</b> (millions of recoverable pounds)				
Production	864	827	3,206	3,247
Sales, excluding purchases	866	906	3,202	3,292
Average realized price per pound	\$ 3.40	\$ 2.74	\$ 2.95	\$ 2.73
Site production and delivery costs per pound <sup>a</sup>	\$ 1.78	\$ 2.12	\$ 1.88 <sup>b</sup>	\$ 2.15
Unit net cash costs per pound <sup>a</sup>	\$ 1.28	\$ 1.67	\$ 1.48	\$ 1.74
<b>Gold</b> (thousands of recoverable ounces)				
Production	273	223	857	882
Sales	293	317	855	991
Average realized price per ounce	\$ 1,870	\$ 1,491	\$ 1,832	\$ 1,415
<b>Molybdenum</b> (millions of recoverable pounds)				
Production	19	21	76	90
Sales, excluding purchases	21	22	80	90
Average realized price per pound	\$ 9.96	\$ 11.65	\$ 10.20	\$ 12.61

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

b. Excludes charges totaling \$0.06 per pound of copper associated with the COVID-19 pandemic and our April 2020 revised operating plans.

**Consolidated Sales Volumes**

Fourth-quarter 2020 **copper** sales of 866 million pounds were 3 percent higher than the October 2020 estimate of 840 million pounds of copper, primarily reflecting higher sales from Cerro Verde and Indonesia. Fourth-quarter 2020 copper sales were lower than fourth-quarter 2019 sales of 906 million pounds of copper, primarily reflecting previously announced operating plan adjustments, partly offset by higher mining rates and copper ore grades in Indonesia.

Fourth-quarter 2020 **gold** sales of 293 thousand ounces were 9 percent higher than the October 2020 estimate of 270 thousand ounces of gold, primarily reflecting higher gold ore grades in Indonesia. Fourth-quarter 2020 gold sales were lower than fourth-quarter 2019 sales of 317 thousand ounces of gold, primarily reflecting timing of shipments in fourth-quarter 2019.

Fourth-quarter 2020 **molybdenum** sales of 21 million pounds were in line with both the October 2020 estimate and fourth-quarter 2019 sales of 22 million pounds.

Consolidated sales volumes for the year 2021 are expected to approximate 3.8 billion pounds of copper, 1.3 million ounces of gold and 85 million pounds of molybdenum, including 825 million pounds of copper, 275 thousand ounces of gold and 20 million pounds of molybdenum in first-quarter 2021. Projected sales volumes are dependent on operational performance, continued progress of the ramp-up of underground mining at PT Freeport Indonesia (PT-FI), impacts and duration of the COVID-19 pandemic, timing of shipments, and other factors.

**Consolidated Unit Net Cash Costs**

Consolidated average unit net cash costs (net of by-product credits) for FCX's copper mines of \$1.28 per pound of copper in fourth-quarter 2020, were lower than the October 2020 estimate of \$1.32 per pound, primarily reflecting higher copper sales volumes and by-product credits. As anticipated, consolidated average unit net cash costs in fourth-quarter 2020 of \$1.28 per pound were significantly lower than the fourth-quarter 2019 average of \$1.67 per pound, primarily reflecting lower mining costs and higher by-product credits.

Assuming average prices of \$1,850 per ounce of gold and \$9.00 per pound of molybdenum for 2021 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 \$1.25 per pound of copper for the year 2021. The impact of price changes on 2021 consolidated unit net cash costs would approximate \$0.03 per pound of copper for each \$100 per ounce change in the average price of gold and \$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

**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's North America operating sites continue to focus on strong execution of operating plans. Production from Lone Star continues to ramp-up on schedule and is expected to exceed 200 million pounds of copper for the year 2021. FCX plans to advance studies for potential expansions and long-term development options for its large-scale sulfide resources at Lone Star.

In January 2021, FCX restarted mining activities at the Chino mine at a reduced rate of approximately 100 million pounds of copper per year (approximately 50 percent of capacity).

FCX has substantial resources in the United States (U.S.), primarily associated with existing mining operations, and will continue to assess options for future growth.

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

	Three Months Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
<b>Copper</b> (millions of recoverable pounds)				
Production	335	361	1,418	1,457
Sales, excluding purchases	320	358	1,422	1,442
Average realized price per pound	\$ 3.29	\$ 2.73	\$ 2.82 <sup>a</sup>	\$ 2.74
<b>Molybdenum</b> (millions of recoverable pounds)				
Production <sup>b</sup>	9	8	33	32
<b>Unit net cash costs per pound of copper<sup>c</sup></b>				
Site production and delivery, excluding adjustments	\$ 1.85	\$ 2.07	\$ 1.90 <sup>d</sup>	\$ 2.05
By-product credits	(0.18)	(0.22)	(0.19)	(0.24)
Treatment charges	0.09	0.11	0.10	0.11
Unit net cash costs	\$ 1.76	\$ 1.96	\$ 1.81	\$ 1.92

a. Includes reductions to average realized prices of \$0.02 per pound of copper for the year 2020 related to forward sales contracts covering 150 million pounds of copper sales for May and June 2020 at a fixed price of \$2.34 per pound. There are no remaining forward sales contracts.

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

c. 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.

d. Excludes charges totaling \$0.02 per pound of copper primarily associated with the April 2020 revised operating plans (including employee separation costs) and the COVID-19 pandemic (including health and safety costs).

FCX's consolidated copper sales volumes from North America of 320 million pounds in fourth-quarter 2020 were lower than fourth-quarter 2019 copper sales volumes of 358 million pounds, primarily reflecting lower mining rates associated with the April 2020 revised operating plans, partly offset by production from Lone Star. North America copper sales are estimated to approximate 1.5 billion pounds for the year 2021, compared with 1.4 billion pounds for the year 2020.

Average unit net cash costs (net of by-product credits) for the North America copper mines of \$1.76 per pound of copper in fourth-quarter 2020 were lower than fourth-quarter 2019 unit net cash costs of \$1.96 per pound, primarily reflecting lower mining rates and cost reductions associated with the April 2020 revised operating plans, partly offset by lower sales volumes.

Average unit net cash costs (net of by-product credits) for the North America copper mines are expected to approximate \$1.86 per pound of copper for the year 2021, based on achievement of current sales volume and cost estimates and assuming an average molybdenum price of \$9.00 per pound. North America's average unit net cash costs for the year 2021 would change by approximately \$0.05 per pound of copper for each \$2 per pound change in the average price of molybdenum.

**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 fourth-quarter 2020, Cerro Verde continued to increase milling rates to an average of 373,200 metric tons of ore per day while operating consistent with the April 2020 revised operating plans and under strict COVID-19 restrictions and protocols. FCX expects Cerro Verde's mill rates to average approximately 360,000 metric tons of ore per day in 2021 with the potential to ramp-up to pre-COVID-19 levels approximating 400,000 metric tons of ore per day as COVID-19 restrictions are lifted.

El Abra plans to increase operating rates during 2021 to pre-COVID-19 levels, subject to ongoing monitoring of public health conditions in Chile. Incremental copper production associated with increasing El Abra's stacking rates from 65,000 metric tons of ore per day to over 100,000 metric tons of ore per day, approximates 70 million pounds per year beginning in 2022.

FCX continues to evaluate a large-scale expansion at El Abra to process additional sulfide material and to achieve higher recoveries. El Abra's large sulfide resource could potentially support a major mill project similar to facilities constructed at Cerro Verde. Technical and economic studies continue to be evaluated to determine the optimal scope and timing for the project in parallel with extending the life of the current leaching operation.

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

	Three Months Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
<b>Copper</b> (millions of recoverable pounds)				
Production	263	320	979	1,183
Sales	260	345	976	1,183
Average realized price per pound	\$ 3.48	\$ 2.76	\$ 3.05	\$ 2.71
<b>Molybdenum</b> (millions of recoverable pounds)				
Production <sup>a</sup>	5	8	19	29
<b>Unit net cash costs per pound of copper<sup>b</sup></b>				
Site production and delivery, excluding adjustments	\$ 1.93	\$ 1.85	\$ 1.86 <sup>c</sup>	\$ 1.85
By-product credits	(0.22)	(0.18)	(0.17)	(0.27)
Treatment charges	0.16	0.17	0.15	0.18
Royalty on metals	0.01	0.01	0.01	0.01
Unit net cash costs	\$ 1.88	\$ 1.85	\$ 1.85	\$ 1.77

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

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

c. Excludes charges totaling \$0.09 per pound of copper, primarily associated with idle facility (Cerro Verde) and contract cancellation costs related to the COVID-19 pandemic, and employee separation costs associated with the April 2020 revised operating plans.

FCX's consolidated copper sales volumes from South America of 260 million pounds in fourth-quarter 2020 were lower than fourth-quarter 2019 copper sales volumes of 345 million pounds, primarily reflecting lower mining rates associated with COVID-19 protocols and the April 2020 revised operating plans.

Copper sales from South America mining are expected to approximate 1.0 billion pounds for the year 2021, consistent with the year 2020.

Average unit net cash costs (net of by-product credits) for South America mining of \$1.88 per pound of copper in fourth-quarter 2020 were higher than average unit net cash costs of \$1.85 per pound in fourth-quarter 2019, primarily reflecting lower sales volumes, mostly offset by lower mining and input costs and higher by-product credits.

Average unit net cash costs (net of by-product credits) for South America mining are expected to approximate \$1.92 per pound of copper for the year 2021, based on current sales volume and cost estimates and assuming an average price of \$9.00 per pound of molybdenum.

**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 shareholders agreement, FCX's economic interest in PT-FI approximates 81 percent through 2022. PT-FI's results are consolidated in FCX's financial statements.

**Operating and Development Activities.** The ramp-up of underground production at the Grasberg minerals district in Indonesia continues to advance on schedule. During fourth-quarter 2020, a total of 56 new drawbells were constructed at the Grasberg Block Cave and Deep Mill Level Zone (DMLZ) underground mines, bringing cumulative open drawbells to over 370. Combined average production from the Grasberg Block Cave and DMLZ mines approximated 85,000 metric tons of ore per day during fourth-quarter 2020 (including approximately 95,000 metric tons of ore per day during the month of December). PT-FI expects production for the year 2021 to approximate 1.4 billion pounds of copper and 1.4 million ounces of gold, which is nearly double 2020 levels.

The successful completion of this ramp up is expected to enable PT-FI to generate average annual production for the next several years of 1.55 billion pounds of copper and 1.6 million ounces of gold at an attractive unit net cash cost, providing significant margins and cash flows.

PT-FI's estimated annual capital spending on underground mine development projects is expected to average approximately \$0.9 billion per year for the two-year period 2021 through 2022, net of scheduled contributions from PT Indonesia Asahan Aluminium (Paser) (PT Inalum). In accordance with applicable accounting guidance, aggregate costs (before scheduled contributions from PT Inalum), which are expected to average \$1.1 billion per year for the two-year period 2021 through 2022, will be reflected as an investing activity in FCX's cash flow statement, and contributions from PT Inalum will be reflected as a financing activity.

**Indonesia Smelter.** As a result of COVID-19 mitigation measures, there have been disruptions to work and travel schedules of international contractors and restrictions on access to the proposed physical site of the new smelter in Gresik, Indonesia. Accordingly, during 2020, PT-FI notified the Indonesia government of delays in achieving the completion timeline of December 2023. PT-FI continues to discuss with the Indonesia government a deferred schedule for the project as well as other alternatives in light of the ongoing COVID-19 pandemic and volatile global economic conditions.

In connection with its commitment to develop additional smelter capacity in Indonesia, PT-FI has advanced discussions with the majority owner of the existing smelter in Gresik, Indonesia (PT Smelting), which is 25-percent owned by PT-FI, regarding an expansion of the smelter to increase smelter concentrate treatment capacity by approximately 30 percent (300,000 metric tons of concentrate per year). Commercial and financial arrangements for this potential project are being advanced.

An expansion of PT Smelting would reduce PT-FI's smelter development commitment from 2.0 million metric tons of concentrate per year to 1.7 million metric tons per year. PT-FI continues to evaluate a new greenfield smelter project located in East Java in parallel with discussions with a third party to develop new smelter capacity at an alternate location in partnership with PT-FI.

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

	Three Months Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
<b>Copper</b> (millions of recoverable pounds)				
Production	266	146	809	607
Sales	286	203	804	667
Average realized price per pound	\$ 3.47	\$ 2.75	\$ 3.08	\$ 2.72
<b>Gold</b> (thousands of recoverable ounces)				
Production	271	218	848	863
Sales	293	314	842	973
Average realized price per ounce	\$ 1,870	\$ 1,491	\$ 1,832	\$ 1,416
<b>Unit net cash costs per pound of copper<sup>a</sup></b>				
Site production and delivery, excluding adjustments	\$ 1.57	\$ 2.69	\$ 1.88 <sup>b</sup>	\$ 2.91
Gold and silver credits	(2.05)	(2.38)	(2.03)	(2.13)
Treatment charges	0.27	0.23	0.27	0.26
Export duties	0.17	0.11	0.12	0.08
Royalty on metals	0.22	0.19	0.19	0.16
Unit net cash costs	\$ 0.18	\$ 0.84	\$ 0.43	\$ 1.28

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. Excludes COVID-19 related costs (including one-time incremental employee benefits and health and safety costs) totaling \$0.02 per pound of copper.

FCX's consolidated copper sales from PT-FI of 286 million pounds in fourth-quarter 2020 were higher than fourth-quarter 2019 consolidated copper sales of 203 million pounds, primarily reflecting higher mining rates and copper ore grades. FCX's consolidated gold sales from PT-FI of 293 thousand ounces in fourth-quarter 2020 were lower than fourth-quarter 2019 consolidated gold sales of 314 thousand ounces, primarily reflecting timing of shipments in fourth-quarter 2019.

FCX's consolidated sales volumes from PT-FI are expected to approximate 1.3 billion pounds of copper and 1.3 million ounces of gold for the year 2021, compared with 804 million pounds of copper and 0.8 million ounces of gold in 2020.

Because of the fixed nature of a large portion of PT-FI's costs, unit net cash costs can vary significantly from quarter to quarter depending on copper and gold volumes. PT-FI's unit net cash costs (net of gold and silver credits) of \$0.18 per pound of copper in fourth-quarter 2020, were lower than unit net cash costs of \$0.84 per pound in fourth-quarter 2019, primarily reflecting higher copper sales volumes and lower mining costs, partly offset by the lower gold and silver credits.

Average unit net cash costs (net of gold and silver credits) for PT-FI are expected to approximate \$0.06 per pound of copper for the year 2021, based on achievement of current sales volume and cost estimates and assuming an average gold price of \$1,850 per ounce. PT-FI's average unit net cash costs for the year 2021 would change by approximately \$0.09 per pound of copper for each \$100 per ounce change in the average price of gold.

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

*Operating and Development Activities.* Production from the molybdenum mines of 5 million pounds of molybdenum in fourth-quarter 2020 approximated fourth-quarter 2019. Refer to summary operating data on page 3

for FCX's consolidated molybdenum sales and average realized prices, which includes sales of molybdenum produced at the Molybdenum mines and from FCX's North America and South America copper mines.

Average unit net cash costs for the Molybdenum mines of \$9.23 per pound of molybdenum in fourth-quarter 2020 were lower than average unit net cash costs of \$14.20 per pound in fourth-quarter 2019, primarily reflecting lower mining and input costs associated with the April 2020 revised operating plans. Based on current sales volume and cost estimates, average unit net cash costs for the Molybdenum mines are expected to approximate \$9.80 per pound of molybdenum for the year 2021.

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 generally 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 in North America and South America. Exploration expenditures for the year 2021 are expected to approximate \$34 million, consistent with the year 2020. FCX has long-lived reserves and a significant resource position in its existing portfolio.

**PRELIMINARY ESTIMATED RECOVERABLE PROVEN AND PROBABLE MINERAL RESERVES**

FCX has significant reserves, resources and future development opportunities within its portfolio of mining assets. FCX's preliminary estimated consolidated recoverable proven and probable reserves from its mines at December 31, 2020, include 113.2 billion pounds of copper, 28.9 million ounces of gold and 3.71 billion pounds of molybdenum, which were determined using metal price assumptions of \$2.50 per pound for copper, \$1,200 per ounce for gold and \$10.00 per pound for molybdenum. The preliminary estimated recoverable proven and probable mining reserves presented in the table below represent the estimated metal quantities from which FCX expects to be paid after application of estimated metallurgical recovery rates and smelter recovery rates, where applicable. Recoverable reserve volumes are those which FCX estimates can be economically and legally extracted or produced at the time of the reserve determination.

Preliminary Estimated Recoverable Proven and Probable Mineral Reserves at December 31, 2020				
	Copper (billion pounds)	Gold (million ounces)	Molybdenum (billion pounds)	
North America	47.1	0.6	3.01	
South America	32.7	—	0.70	
Indonesia	33.4	28.3	—	
<b>Consolidated basis<sup>a</sup></b>	<b>113.2</b>	<b>28.9</b>	<b>3.71</b>	
<b>Net equity interest<sup>b</sup></b>	<b>81.8</b>	<b>15.5</b>	<b>3.39</b>	

a. Consolidated reserves represent estimated metal quantities after reduction for FCX's joint venture partner interest at the Morenci mine in North America. Excluded from the table above are FCX's estimated recoverable proven and probable reserves of 362 million ounces of silver, which were determined using \$15 per ounce.

b. Net equity interest reserves represent estimated consolidated metal quantities further reduced for noncontrolling interest ownership. FCX's net equity interest for estimated metal quantities in Indonesia reflects 81.27 percent through 2022 and 48.76 percent from 2023 through 2041. Excluded from the table above are FCX's estimated net recoverable proven and probable reserves of 247 million ounces of silver.

The following table summarizes changes in FCX's preliminary estimated consolidated recoverable proven and probable copper, gold and molybdenum reserves during 2020:

	Copper (billion pounds)	Gold (million ounces)	Molybdenum (billion pounds)
Reserves at December 31, 2019	116.0	29.6	3.58
Net additions	0.4	0.2	0.21
Production	(3.2)	(0.9)	(0.08)
Reserves at December 31, 2020	113.2	28.9	3.71

In addition to the preliminary estimated consolidated recoverable proven and probable reserves, FCX's preliminary estimated mineralized material at December 31, 2020, which was assessed using \$3.00 per pound for copper, totaled 120 billion pounds of incremental contained copper. FCX continues to pursue opportunities to convert this material into reserves, future production volumes and cash flow.

#### CASH FLOWS, CASH AND DEBT

**Operating Cash Flows.** FCX generated operating cash flows of \$1.3 billion (including \$0.3 billion from working capital and other sources) in fourth-quarter 2020 and \$3.0 billion (including \$0.7 billion from working capital and other sources) for the year 2020.

Based on current sales volume and cost estimates, and assuming average prices of \$3.50 per pound of copper, \$1,850 per ounce of gold and \$9.00 per pound of molybdenum, FCX's consolidated operating cash flows are estimated to approximate \$5.5 billion (including \$0.4 billion from working capital and other sources) for the year 2021. The impact of price changes during 2021 on operating cash flows would approximate \$380 million for each \$0.10 per pound change in the average price of copper, \$120 million for each \$100 per ounce change in the average price of gold and \$80 million for each \$2 per pound change in the average price of molybdenum.

**Capital Expenditures.** Capital expenditures totaled \$0.4 billion in fourth-quarter 2020 (including approximately \$0.3 billion primarily associated with underground development activities in the Grasberg minerals district) and \$2.0 billion for the year 2020 (including approximately \$1.2 billion primarily associated with underground development activities in the Grasberg minerals district and the now completed Lone Star copper leach project).

Capital expenditures are expected to approximate \$2.3 billion for the year 2021, including \$1.4 billion for major projects primarily associated with underground development activities in the Grasberg minerals district.

**Asset Sale.** On December 11, 2020, FCX completed the sale of its interests in the Kisanfu undeveloped exploration project in the DRC for \$550 million (after-tax net cash proceeds totaled \$415 million). An after-tax gain of \$350 million was recorded in fourth-quarter 2020.

**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 December 31, 2020 (in billions):

Cash at domestic companies	\$ 2.9
Cash at international operations	0.8
Total consolidated cash and cash equivalents	3.7
Noncontrolling interests' share	(0.4)
Cash, net of noncontrolling interests' share	\$ 3.3
Withholding taxes	— <sup>a</sup>
<b>Net cash available</b>	<b>\$ 3.3</b>

a. Rounds to less than \$0.1 billion.

*Debt.* Following is a summary of total debt and the weighted-average interest rates at December 31, 2020 (in millions, except percentages).

		<b>Weighted-Average Interest Rate</b>
Senior Notes	\$ 9,139	4.8%
Cerro Verde credit facility	523	2.0%
Other	49	1.5%
<b>Total debt</b>	<b>\$ 9,711</b>	<b>4.6%</b>

In December 2020, Cerro Verde prepaid \$305 million of its credit facility that was scheduled to mature in December 2021 and recorded a \$1 million loss on early extinguishment of debt. The remaining balance matures in June 2022.

At December 31, 2020, FCX had no borrowings, \$10 million in letters of credit issued and \$3.5 billion available under its revolving credit facility. FCX has no senior note maturities until 2022.

#### FINANCIAL POLICY

FCX's financial policy will continue to prioritize liquidity and balance sheet management during this period of global economic uncertainty associated with the ongoing COVID-19 pandemic. With continued strong financial performance and successful execution of FCX's operating plans, management expects to recommend to the Board of Directors (Board) the resumption of common stock dividends during 2021 and anticipates an ongoing ability to increase cash returns to shareholders in the future. The declaration and payment of future dividends is at the discretion of the Board and will be assessed on an ongoing basis, taking into account FCX's financial results, cash requirements, future prospects, global economic conditions, and other factors deemed relevant by the Board.

#### WEBCAST INFORMATION

A conference call with securities analysts to discuss FCX's fourth-quarter and year-ended 2020 results is scheduled for today at 10:00 a.m. Eastern Time. The conference call will be broadcast on the Internet along with slides. Interested parties may listen to the conference call live and view the slides by accessing "fcx.com." A replay of the webcast will be available through Friday, February 26, 2021.

#### 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 ore grades and milling rates; business outlook; production and sales volumes; unit net cash costs; cash flows; capital expenditures; liquidity; operating costs; operating plans; FCX's financial policy; FCX's expectations regarding PT-FI's ramp-up of underground mining activities and future cash flows through 2022; PT-FI's development, financing, construction and completion of a new smelter in Indonesia and possible expansion of the smelter at PT Smelting; FCX's commitments to deliver responsibly produced copper, including plans to implement and validate all of its operating sites under specific frameworks; improvements in operating procedures and technology; exploration efforts and results; development and production activities, rates and costs; tax rates; export quotas and duties; the impact of copper, gold and molybdenum price changes; the impact of deferred intercompany profits on earnings; mineralization and reserve estimates; execution of the settlement agreements associated with the Louisiana coastal erosion cases and talc-related litigation; and future dividend payments, share purchases and sales. The words "anticipates," "may," "can," "plans," "believes," "estimates," "expects," "projects," "targets," "intends," "likely," "will," "should," "could," "to be," "potential," "assumptions," "guidance," "future" and any similar expressions are intended to identify those assertions as forward-looking statements. The declaration of future dividends is at the discretion of the Board and will depend on FCX's financial results, cash requirements, future prospects, global economic conditions, and other factors deemed relevant by the Board. In accordance with the June 2020 amendment to the revolving credit facility, FCX is currently restricted from declaring or paying common stock dividends through December 31.



2021, unless FCX, at its option, reverts to the previous covenant requirements, which would also eliminate the restriction on the declaration or payment of common stock dividends.

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, changes in the credit ratings of FCX; changes in FCX's cash requirements, financial position, financing plans or investment plans; changes in general market, economic, tax, regulatory or industry conditions; the duration and scope of and uncertainties associated with the COVID-19 pandemic, and the impact thereof on commodity prices, FCX's business and the global economy and any related actions taken by governments and businesses; FCX's ability to contain and mitigate the risk of spread or major outbreak of COVID-19 at its operating sites, including at PT-FI's remote operating site in Papua; supply of and demand for, and prices of, copper, gold and molybdenum; mine sequencing; changes in mine plans or operational modifications, delays, deferrals or cancellations; production rates; timing of shipments; results of feasibility studies; potential inventory adjustments; potential impairment of long-lived mining assets; the potential effects of violence in Indonesia generally and in the province of Papua; the Indonesia government's extension of PT-FI's export license after March 15, 2021; risks associated with underground mining; satisfaction of requirements in accordance with PT-FI's special mining license to extend mining rights from 2031 through 2041; the Indonesia government's approval of a deferred schedule for completion of the new smelter in Indonesia; expected results from improvements in operating procedures and technology, including innovation initiatives; industry risks; regulatory changes; political and social risks; labor relations, including labor-related work stoppages; weather- and climate-related risks; environmental risks; litigation results; cybersecurity incidents; changes in general market, economic and industry conditions; financial condition of FCX's customers, suppliers, vendors, partners and affiliates, particularly during weak economic conditions and extended periods of volatile commodity prices; reductions in liquidity and access to capital; 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, 2019, and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020, June 30, 2020, and September 30, 2020, each filed with the U.S. Securities and Exchange Commission (SEC), as updated by FCX's subsequent filings with the SEC.

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

This press release also includes forward-looking statements regarding mineralized material not included in proven and probable mineral reserves. Mineralized material is a mineralized body that has been delineated by appropriately spaced drilling and/or underground sampling to support the estimated tonnage and average metal grades. Such a deposit cannot qualify as recoverable proven and probable reserves until legal and economic feasibility are confirmed based upon a comprehensive evaluation of development costs, unit costs, grades, recoveries and other material factors. Accordingly, no assurance can be given that the estimated mineralized material not included in reserves will become proven and probable reserves.

This press release also contains certain financial measures such as 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 December 31,			
	2020	2019	2020	2019
	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>	162	182	158	181
Bagdad (100%)	53	48	50	50
Safford (100%)	48	26	43	26
Sierrita (100%)	40	43	40	41
Miami (100%)	4	4	3	4
Chino (100%)	16	46	15	44
Tyrone (100%)	12	11	11	11
Other (100%)	—	1	—	1
<b>Total North America</b>	<b>335</b>	<b>361</b>	<b>320</b>	<b>358</b>
<b>South America</b>				
Cerro Verde (53.56%)	221	269	226	289
El Abra (51%)	42	51	34	56
<b>Total South America</b>	<b>263</b>	<b>320</b>	<b>260</b>	<b>345</b>
<b>Indonesia</b>				
Grasberg (48.76%) <sup>b</sup>	266	146	286	203
<b>Total</b>	<b>864</b>	<b>827</b>	<b>866</b> <sup>c</sup>	<b>906</b> <sup>c</sup>
Less noncontrolling interests	173	178	175	199
<b>Net</b>	<b>691</b>	<b>649</b>	<b>691</b>	<b>707</b>
Average realized price per pound			\$ 3.40	\$ 2.74
<b>GOLD</b> (thousands of recoverable ounces)				
<i>(FCX's net interest in %)</i>				
North America (100%)	2	5	—	3
Indonesia (48.76%) <sup>b</sup>	271	218	293	314
<b>Consolidated</b>	<b>273</b>	<b>223</b>	<b>293</b>	<b>317</b>
Less noncontrolling interests	51	41	55	58
<b>Net</b>	<b>222</b>	<b>182</b>	<b>238</b>	<b>259</b>
Average realized price per ounce			\$ 1,870	\$ 1,491
<b>MOLYBDENUM</b> (millions of recoverable pounds)				
<i>(FCX's net interest in %)</i>				
Henderson (100%)	2	2	N/A	N/A
Climax (100%)	3	3	N/A	N/A
North America copper mines (100%) <sup>a</sup>	9	8	N/A	N/A
Cerro Verde (53.56%)	5	8	N/A	N/A
<b>Consolidated</b>	<b>19</b>	<b>21</b>	<b>21</b>	<b>22</b>
Less noncontrolling interests	3	3	2	3
<b>Net</b>	<b>16</b>	<b>18</b>	<b>19</b>	<b>19</b>
Average realized price per pound			\$ 9.96	\$ 11.65

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 75 million pounds in fourth-quarter 2020 and 69 million pounds in fourth-quarter 2019.

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

	Years Ended December 31,			
	2020	2019	2020	2019
	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>	707	730	711	717
Bagdad (100%)	216	218	213	218
Safford (100%)	161	110	150	111
Sierrita (100%)	178	160	177	157
Miami (100%)	17	15	16	15
Chino (100%)	92	175	108	174
Tyrone (100%)	45	48	45	49
Other (100%)	2	1	2	1
<b>Total North America</b>	<b>1,418</b>	<b>1,457</b>	<b>1,422</b>	<b>1,442</b>
<b>South America</b>				
Cerro Verde (53.56%)	820	1,003	825	1,002
El Abra (51%)	159	180	151	181
<b>Total South America</b>	<b>979</b>	<b>1,183</b>	<b>976</b>	<b>1,183</b>
<b>Indonesia</b>				
Grasberg (48.76%) <sup>b</sup>	809	607	804	667
<b>Total</b>	<b>3,206</b>	<b>3,247</b>	<b>3,202</b> <sup>c</sup>	<b>3,292</b> <sup>c</sup>
Less noncontrolling interests	610	668	608	679
<b>Net</b>	<b>2,596</b>	<b>2,579</b>	<b>2,594</b>	<b>2,613</b>
Average realized price per pound			\$ 2.95	\$ 2.73
<b>GOLD</b> (thousands of recoverable ounces)				
<i>(FCX's net interest in %)</i>				
<b>North America (100%)</b>				
North America (100%)	9	19	13	18
Indonesia (48.76%) <sup>p</sup>	848	863	842	973
<b>Consolidated</b>	<b>857</b>	<b>882</b>	<b>855</b>	<b>991</b>
Less noncontrolling interests	159	162	158	182
<b>Net</b>	<b>698</b>	<b>720</b>	<b>697</b>	<b>809</b>
Average realized price per ounce			\$ 1,832	\$ 1,415
<b>MOLYBDENUM</b> (millions of recoverable pounds)				
<i>(FCX's net interest in %)</i>				
<b>Henderson (100%)</b>				
Henderson (100%)	10	12	N/A	N/A
<b>Climax (100%)</b>				
Climax (100%)	14	17	N/A	N/A
<b>North America (100%)<sup>a</sup></b>				
North America (100%) <sup>a</sup>	33	32	N/A	N/A
<b>Cerro Verde (53.56%)</b>				
Cerro Verde (53.56%)	19	29	N/A	N/A
<b>Consolidated</b>	<b>76</b>	<b>90</b>	<b>80</b>	<b>90</b>
Less noncontrolling interests	9	13	10	13
<b>Net</b>	<b>67</b>	<b>77</b>	<b>70</b>	<b>77</b>
Average realized price per pound			\$ 10.20	\$ 12.61

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 290 million pounds for the year 2020 and 379 million pounds for the year 2019.

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

	Three Months Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
<b>100% North America Copper Mines</b>				
<i>Leach Operations</i>				
Leach ore placed in stockpiles (metric tons per day)	732,700	743,700	714,300	750,900
Average copper ore grade (percent)	0.26	0.24	0.27	0.23
Copper production (millions of recoverable pounds)	261	252	1,047	993
<i>Mill Operations</i>				
Ore milled (metric tons per day)	244,700	330,700	279,700	326,100
Average ore grades (percent):				
Copper	0.37	0.33	0.35	0.34
Molybdenum	0.03	0.02	0.02	0.02
Copper recovery rate (percent)	79.8	84.2	84.1	87.0
Production (millions of recoverable pounds):				
Copper	138	179	647	748
Molybdenum	8	9	34	34
<b>100% South America Mining</b>				
<i>Leach Operations</i>				
Leach ore placed in stockpiles (metric tons per day)	144,400	208,000	160,300	205,900
Average copper ore grade (percent)	0.35	0.38	0.35	0.37
Copper production (millions of recoverable pounds)	61	76	241	268
<i>Mill Operations</i>				
Ore milled (metric tons per day)	373,200	396,800	331,600 <sup>a</sup>	393,100
Average ore grades (percent):				
Copper	0.32	0.38	0.34	0.36
Molybdenum	0.01	0.02	0.01	0.02
Copper recovery rate (percent)	86.6	83.6	84.3	83.5
Production (millions of recoverable pounds):				
Copper	202	245	738	916
Molybdenum	5	8	19	29
<b>100% Indonesia Mining</b>				
<i>Ore extracted and milled (metric tons per day):</i>				
Grasberg Block Cave underground mine <sup>b</sup>	46,100	11,200	30,800	8,600
Deep Mill Level Zone underground mine <sup>b</sup>	38,800	14,900	28,600	9,800
Deep Ore Zone underground mine <sup>b</sup>	20,900	26,100	20,900	25,500
Big Gossan underground mine <sup>b</sup>	8,000	6,500	7,000	6,100
Grasberg open pit <sup>c</sup>	—	14,500	400	60,100
Total	<u>109,300</u> <sup>d</sup>	<u>73,200</u>	<u>87,700</u>	<u>110,100</u>
Average ore grades:				
Copper (percent)	1.38	1.16	1.32	0.84
Gold (grams per metric ton)	1.12	1.31	1.10	0.93
Recovery rates (percent):				
Copper	91.6	91.0	91.9	88.4
Gold	77.7	79.5	78.1	75.0
Production (recoverable):				
Copper (millions of pounds)	266	146	809	607
Gold (thousands of ounces)	271	218	848	863
<b>100% Molybdenum Mines</b>				
Ore milled (metric tons per day)	16,100	21,500	20,700	30,100
Average molybdenum ore grade (percent)	0.19	0.13	0.17	0.14
Molybdenum production (millions of recoverable pounds)	5	5	24	29

a. Cerro Verde mill operations were negatively impacted by COVID-19 restrictions.

b. Reflects ore extracted, including ore from development activities that result in metal production.

c. Includes ore from the Grasberg open-pit stockpile.

d. Does not foot because of changes in stockpile ore.

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

	Three Months Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
	(In Millions, Except Per Share Amounts)			
Revenues <sup>a</sup>	\$ 4,495	\$ 3,911	\$ 14,198 <sup>b</sup>	\$ 14,402 <sup>c</sup>
Cost of sales:				
Production and delivery	2,627 <sup>b</sup>	2,935	10,031 <sup>b,d</sup>	11,534 <sup>c</sup>
Depreciation, depletion and amortization	435	391	1,528 <sup>d</sup>	1,412
Metals inventory adjustments	4	79	96	179
Total cost of sales	3,066	3,405	11,655	13,125
Selling, general and administrative expenses	97	94	370 <sup>d</sup>	394
Mining exploration and research expenses	8	21	50 <sup>d</sup>	104
Environmental obligations and shutdown costs	101 <sup>e</sup>	20	159 <sup>e</sup>	105
Net gain on sales of assets <sup>f</sup>	(486)	(404)	(473)	(417)
Total costs and expenses	2,786	3,136	11,761	13,311
Operating income	1,709	775	2,437	1,091
Interest expense, net <sup>g</sup>	(236) <sup>b</sup>	(219) <sup>c</sup>	(598) <sup>b</sup>	(620) <sup>c</sup>
Net loss on early extinguishment of debt	(1)	—	(101)	(27)
Other (expenses) income, net	(3) <sup>b</sup>	(190) <sup>c</sup>	59 <sup>b</sup>	(138) <sup>c</sup>
Income from continuing operations before income taxes and equity in affiliated companies' net earnings	1,469	366	1,797	306
Provision for income taxes <sup>h</sup>	(611)	(329)	(944)	(510)
Equity in affiliated companies' net earnings	—	5	12	12
Net income (loss) from continuing operations	858	42	865	(192)
Net gain from discontinued operations	—	1	—	3
Net income (loss)	858	43	865	(189)
Net income attributable to noncontrolling interests	(150)	(34)	(266)	(50)
Net income (loss) attributable to common stockholders <sup>i</sup>	\$ 708	\$ 9	\$ 599	\$ (239)
Diluted net income (loss) per share attributable to common stock:				
Continuing operations	\$ 0.48	\$ —	\$ 0.41	\$ (0.17)
Discontinued operations	—	—	—	—
	\$ 0.48	\$ —	\$ 0.41	\$ (0.17)
Diluted weighted-average common shares outstanding:	1,469	1,457	1,461	1,451
Dividends declared per share of common stock	\$ —	\$ 0.05	\$ —	\$ 0.20

- 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 net charges primarily associated with international tax matters and other net charges, which are summarized in footnote c of the quarter-to-date table and footnote e of the year-to-date table in the supplemental schedule, "Adjusted Net Income," beginning on page VII.
- c. Includes PT-FI net charges, which are summarized in footnote b of the quarter-to-date table and footnote c of the year-to-date table in the supplemental schedule, "Adjusted Net Income," beginning on page VII.
- d. Includes charges related to the COVID-19 pandemic totaling \$129 million and charges associated with the April 2020 revised operating plans (including employee separation costs) totaling \$129 million, which are summarized in the supplemental schedule, "Adjusted Net Income," beginning on page VII.
- e. The fourth-quarter and year 2020 include a charge associated with talc litigation, partly offset by net favorable environmental reserve adjustments which are summarized in the supplemental schedule, "Adjusted Net Income," beginning on page VII.
- f. The fourth-quarter and year 2020 primarily include \$486 million associated with the sale of the Kisanfu exploration project. The fourth-quarter and year 2019 primarily include \$343 million associated with the sale of FCX's interest in the lower zone of the Timok exploration project in Serbia and \$59 million associated with the sale of FCX's cobalt refinery in Kokkola, Finland, and related cobalt cathode precursor business.
- g. Consolidated interest costs (before capitalization) totaled \$255 million in fourth-quarter 2020, \$261 million in fourth-quarter 2019, \$745 million for the year 2020 and \$769 million for the year 2019. Includes adjustments to interest costs primarily associated with international tax matters totaling \$85 million in fourth-quarter 2020, \$90 million for the year 2020, and \$94 million for both the fourth-quarter and year 2019.
- h. For a summary of FCX's provision for income taxes, refer to the supplemental schedule, "Income Taxes," on page VIII.
- i. 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)**

	December 31,	
	2020	2019
(In Millions)		
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,657	\$ 2,020
Trade accounts receivable	892	741
Income and other tax receivables	520	426
<b>Inventories:</b>		
Materials and supplies, net	1,594	1,649
Mill and leach stockpiles	1,014	1,143
Product	1,285	1,281
Other current assets	341	655
<b>Total current assets</b>	<b>9,303</b>	<b>7,915</b>
Property, plant, equipment and mine development costs, net	29,818	29,584
Long-term mill and leach stockpiles	1,463	1,425
Other assets	1,560	1,885
<b>Total assets</b>	<b>\$ 42,144</b>	<b>\$ 40,809</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 2,708	\$ 2,576
Current portion of environmental and asset retirement obligations	351	436
Accrued income taxes	324	119
Current portion of debt	34	5
Dividends payable	—	73
<b>Total current liabilities</b>	<b>3,417</b>	<b>3,209</b>
Long-term debt, less current portion	9,677	9,821
Deferred income taxes	4,408	4,210
Environmental and asset retirement obligations, less current portion	3,705	3,630
Other liabilities	2,269	2,491
<b>Total liabilities</b>	<b>23,476</b>	<b>23,361</b>
<b>Equity:</b>		
<b>Stockholders' equity:</b>		
Common stock	159	158
Capital in excess of par value	26,036	25,830
Accumulated deficit	(11,680)	(12,280)
Accumulated other comprehensive loss	(583)	(676)
Common stock held in treasury	(3,758)	(3,734)
<b>Total stockholders' equity</b>	<b>10,174</b>	<b>9,298</b>
Noncontrolling interests <sup>a</sup>	8,494	8,150
<b>Total equity</b>	<b>18,668</b>	<b>17,448</b>
<b>Total liabilities and equity</b>	<b>\$ 42,144</b>	<b>\$ 40,809</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)

	Years Ended December 31,	
	2020	2019
(In Millions)		
Cash flow from operating activities:		
Net income (loss)	\$ 865	\$ (189)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	1,528	1,412
Metals inventory adjustments	96	179
Net gain on sales of assets	(473)	(417)
Stock-based compensation	99	63
Net charges for environmental and asset retirement obligations, including accretion	181	221
Payments for environmental and asset retirement obligations	(216)	(244)
Charge for talc-related litigation	130	—
Net charges for defined pension and postretirement plans	65	108
Pension plan contributions	(121)	(75)
Net loss on early extinguishment of debt	101	27
Deferred income taxes	181	29
Dividends received from PT Smelting	3	40
(Credits) charges for PT-FI surface water tax and environmental matters	(19)	30
Payments for PT-FI surface water tax, withholding tax and environmental matters	(14)	(67)
Charges for Cerro Verde royalty dispute	32	65
Payments for Cerro Verde royalty dispute	(139)	(187)
Other, net	53	138
Changes in working capital and other:		
Accounts receivable	132	119
Inventories	42	259
Other current assets	(27)	60
Accounts payable and accrued liabilities	132	(60)
Accrued income taxes and timing of other tax payments	386	(29)
Net cash provided by operating activities	<u>3,017</u>	<u>1,482</u>
Cash flow from investing activities:		
Capital expenditures:		
North America copper mines	(428)	(877)
South America	(183)	(256)
Indonesia	(1,266)	(1,369)
Molybdenum mines	(19)	(19)
Other	(65)	(131)
Proceeds from sales of:		
Kisanfu exploration project	550	—
Timok exploration project and a portion of Freeport Cobalt	—	452
Other assets	154 <sup>a</sup>	109 <sup>b</sup>
Other, net	(7)	(12)
Net cash used in investing activities	<u>(1,264)</u>	<u>(2,103)</u>
Cash flow from financing activities:		
Proceeds from debt	3,531	1,879
Repayments of debt	(3,724)	(3,197)
Cash dividends and distributions paid:		
Common stock	(73)	(291)
Noncontrolling interests	—	(82)
Contributions from noncontrolling interests	156	165
Debt financing costs and other, net	(18)	(30)
Net cash used in financing activities	<u>(128)</u>	<u>(1,556)</u>
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	1,625	(2,177)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of year	2,278	4,455
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of year <sup>c</sup>	<u>\$ 3,903</u>	<u>\$ 2,278</u>

a. Primarily includes \$60 million in contingent consideration associated with the 2016 sale of TF Holdings Limited, the collection of \$45 million related to the 2019 sale of the Timok exploration assets in Serbia, and \$31 million associated with the 2020 sale of royalty assets.

b. Includes \$50 million in contingent consideration associated with the 2016 sale of onshore California oil and gas properties.

c. Includes restricted cash and restricted cash equivalents of \$246 million at December 31, 2020, and \$258 million at December 31, 2019.

**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 (loss) 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 December 31,					
	2020			2019		
	Pre-tax	After-tax <sup>a</sup>	Per Share	Pre-tax	After-tax <sup>a</sup>	Per Share
<b>Net income attributable to common stock</b>	<b>N/A</b>	<b>\$ 708</b>	<b>\$ 0.48</b>	<b>N/A</b>	<b>\$ 9</b>	<b>\$ —</b>
PT-FI charges <sup>b</sup>	\$ (58)	\$ (57)	\$ (0.04)	\$ (266)	\$ (283)	\$ (0.20)
Metals inventory adjustments	(4)	(4)	—	(79)	(77)	(0.05)
Other net charges	(90) <sup>c</sup>	(48)	(0.03)	(33)	(12)	(0.01)
Net adjustments to environmental obligations and related litigation reserves	(91) <sup>d</sup>	(91)	(0.06)	(5)	(5)	—
Net gain on sales of assets	486	350	0.24	404	326	0.22
Net loss on early extinguishment of debt	(1)	—	—	—	—	—
Net tax (charges) credits <sup>e</sup>	N/A	(8)	(0.01)	N/A	29	0.02
Gain on discontinued operations	—	—	—	1	1	—
	<u>\$ 242</u>	<u>\$ 142</u>	<u>\$ 0.10</u>	<u>\$ 21</u> <sup>f</sup>	<u>\$ (22)</u> <sup>f</sup>	<u>\$ (0.02)</u>
<b>Adjusted net income attributable to common stock</b>	<b>N/A</b>	<b>\$ 566</b>	<b>\$ 0.39</b> <sup>f</sup>	<b>N/A</b>	<b>\$ 31</b>	<b>\$ 0.02</b>

- a. Reflects impact to FCX net income attributable to common stock (i.e., net of any taxes and noncontrolling interests).
- b. Reflects charges associated with PT-FI's historical contested tax audits (\$50 million in fourth-quarter 2020 and \$234 million in fourth-quarter 2019) and currency exchange adjustments to value added tax receivables (\$8 million in fourth-quarter 2020 and \$32 million in fourth-quarter 2019). These charges were recorded in interest expense, net (\$35 million in fourth-quarter 2020 and \$78 million in fourth-quarter 2019) and other expenses, net (\$23 million in fourth-quarter 2020 and \$188 million in fourth-quarter 2019).
- c. Reflects net charges primarily associated with international tax matters, asset impairments and asset retirement obligation (ARO) adjustments. These net (charges) credits are recorded in production and delivery (\$41 million) and interest expense (\$50 million) and other expenses, net (\$1 million).
- d. Includes charges primarily associated with a framework for the resolution of all current and future potential talc-related litigation (\$130 million), partly offset by net favorable adjustments to environmental reserves (\$39 million).
- e. Refer to "Income Taxes" below for further discussion of net tax (charges) credits.
- f. Does not foot because of rounding.

	Years Ended December 31,					
	2020			2019		
	Pre-tax	After-tax <sup>a</sup>	Per Share	Pre-tax	After-tax <sup>a</sup>	Per Share
<b>Net (income) loss attributable to common stock</b>	<b>N/A</b>	<b>\$ 599</b>	<b>\$ 0.41</b>	<b>N/A</b>	<b>\$ (239)</b>	<b>\$ (0.17)</b>
PT-FI charges	\$ (65) <sup>b</sup>	\$ (47)	\$ (0.03)	\$ (460) <sup>c</sup>	\$ (379)	\$ (0.26)
COVID-19 related costs	(129) <sup>d</sup>	(60)	(0.04)	—	—	—
Revised operating plans	(129) <sup>d</sup>	(118)	(0.08)	—	—	—
Metals inventory adjustments	(96)	(94)	(0.06)	(179)	(144)	(0.10)
Other net charges	(62) <sup>e</sup>	(24)	(0.02)	(75) <sup>f</sup>	(33)	(0.02)
Net adjustments to environmental obligations and related litigation reserves	(113) <sup>g</sup>	(113)	(0.08)	(68) <sup>h</sup>	(68)	(0.05)
Net gain on sales of assets	473	337	0.23	417	339	0.23
Net loss on early extinguishment of debt	(101)	(100)	(0.07)	(27)	(26)	(0.02)
Net tax credits <sup>i</sup>	N/A	27	0.02	N/A	34	0.02
Gain on discontinued operations	—	—	—	3	3	—
	<u>\$ (223)</u> <sup>j</sup>	<u>\$ (191)</u> <sup>j</sup>	<u>\$ (0.13)</u>	<u>\$ (390)</u> <sup>j</sup>	<u>\$ (275)</u> <sup>j</sup>	<u>\$ (0.19)</u> <sup>j</sup>
<b>Adjusted net income attributable to common stock</b>	<b>N/A</b>	<b>\$ 790</b>	<b>\$ 0.54</b>	<b>N/A</b>	<b>\$ 36</b>	<b>\$ 0.02</b>

- a. Reflects impact to FCX net income (loss) attributable to common stock (i.e., net of any taxes and noncontrolling interests).
- b. Reflects charges associated with PT-FI's historical contested tax audits (\$50 million) and currency exchange adjustments to value added tax receivables (\$15 million). These charges were recorded in interest expense, net (\$35 million) and other expenses, net (\$30 million).

**Freeport-McMoRan Inc.**  
**ADJUSTED NET INCOME (continued)**

- c. Reflects charges associated with (i) historical contested tax audits (\$156 million in other expenses, net and \$78 million in interest expense, net), (ii) a currency exchange adjustment to value added tax receivables at PT-FI (\$32 million in other expenses, net), (iii) an adjustment to the settlement of the historical surface water tax matters with the local regional tax authority in Papua, Indonesia (\$28 million in production and delivery costs), and (iv) an unfavorable Indonesia Supreme Court ruling related to PT-FI export duties (\$166 million in revenues).
- d. Primarily includes charges associated with (i) idle facility costs (Cerro Verde), contract cancellation and other charges directly related to the COVID-19 pandemic and (ii) the April 2020 revised operating plans (including employee separation costs) recorded in production and delivery (\$202 million) and in depreciation, depletion and amortization (\$32 million), selling, general and administrative (\$16 million), and mining exploration and research (\$8 million).
- e. Reflects net charges primarily associated with international tax matters and asset impairments, partly offset by net credits primarily associated with the sale of royalty assets. These net (charges) credits were recorded in revenues (\$7 million), production and delivery (\$48 million), interest expense (\$55 million) and in other expenses, net (\$48 million).
- f. Includes net charges (credits) primarily associated with weather-related issues at El Abra, asset impairments, oil and gas inventory adjustments and adjustments to deferred profit sharing, partly offset by net credits for ARO adjustments and a refund related to prior year fees (amounts are included in production and delivery costs (\$66 million), interest expense (\$16 million) and selling, general and administrative expenses (\$7 million).
- g. Includes charges primarily associated with a framework for the resolution of all current and future potential talc-related litigation (\$132 million), partly offset by net favorable adjustments to environmental reserves (\$19 million).
- h. Includes a charge to production and delivery costs totaling \$15 million related to Louisiana coastal erosion litigation.
- i. Refer to "Income Taxes" below for further discussion of net tax credits.
- j. Does not foot because of rounding.

**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 December 31,					
	2020			2019		
	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>	\$ 3	(133)%	\$ 4	\$ 107	24%	\$ (26) <sup>c,d</sup>
South America	317	51%	(163) <sup>e</sup>	162	57%	(92)
Indonesia	723	40%	(290)	205	42%	(87)
Gain on sale of Kisanfu	486	N/A	(135)	—	N/A	—
PT-FI historical contested tax disputes	(44)	(32)%	(14)	(201)	(39)%	(78)
PT-FI export duty matter	—	N/A	—	—	N/A	(11)
Cerro Verde royalty dispute	—	N/A	—	(16)	N/A	2
Eliminations and other	(16)	N/A	4	109	N/A	(24)
Rate adjustment <sup>f</sup>	—	N/A	(17)	—	N/A	(13)
Continuing operations	<u>\$ 1,469</u>	42%	<u>\$ (611)</u>	<u>\$ 366</u>	90%	<u>\$ (329)</u>

	Year Ended December 31,					
	2020			2019		
	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>	\$ (532)	11%	\$ 60 <sup>g</sup>	\$ (277)	N/A	\$ — <sup>c,d</sup>
South America	486	51%	(239) <sup>e</sup>	497	48%	(241)
Indonesia	1,342	45%	(608) <sup>h</sup>	340	44%	(149) <sup>i</sup>
Gain on sale of Kisanfu	486	N/A	(135)	—	N/A	—
PT-FI historical contested tax disputes	(44)	5%	2	(201)	(39)%	(78)
PT-FI export duty matter	—	N/A	—	(155)	31%	48
Adjustment to deferred taxes	—	N/A	—	—	N/A	(49) <sup>j</sup>
Cerro Verde royalty dispute	—	N/A	—	(16)	N/A	2
Eliminations and other	79	N/A	(24)	118	N/A	(43)
Continuing operations	<u>\$ 1,797</u>	53% <sup>k</sup>	<u>\$ (944)</u>	<u>\$ 306</u>	167%	<u>\$ (510)</u>

**Freeport-McMoRan Inc.**  
**Income Taxes (continued)**

- a. Represents income from continuing operations before income taxes and equity in affiliated companies' net earnings.
- 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. The fourth quarter and year 2019 include a tax credit of \$29 million associated with adjustments to the calculation of transition tax related to U.S. tax reform. The year 2019 also includes tax credits of \$24 million, associated with state law changes and the settlement of state income tax examinations.
- d. The fourth quarter and year 2019 include a tax charge of \$53 million associated with the sale of FCX's interest in the lower zone of the Timok exploration project in Serbia.
- e. The fourth-quarter and year 2020 include tax charges at Cerro Verde of \$15 million (\$8 million net of noncontrolling interest) primarily associated with adjustments to profit sharing for prior years.
- f. In accordance with applicable accounting rules, FCX adjusts its interim provision for income taxes equal to its consolidated tax rate.
- g. The year 2020 includes tax credits of \$53 million associated with the reversal of the tax charge discussed in footnote d above and \$6 million associated with the removal of a valuation allowance on deferred tax assets.
- h. The year 2020 includes tax charges of \$21 million (\$17 million net of noncontrolling interests) associated with establishing a tax reserve related to the treatment of prior year contractor support costs and \$8 million (\$7 million net of noncontrolling interest) associated with an unfavorable 2012 Indonesia Supreme Court ruling.
- i. The year 2019 includes a tax charge of \$5 million (\$4 million net of noncontrolling interest) primarily for non-deductible penalties related to PT-FI's surface water tax settlement.
- j. The year 2019 includes net tax charges totaling \$49 million (\$15 million net of noncontrolling interests) primarily to adjust deferred taxes on historical balance sheet items in accordance with tax accounting principles.
- k. FCX's consolidated effective income tax rate is a function of the combined effective tax rates for the jurisdictions in which FCX operates, excluding the U.S. jurisdiction.

Assuming achievement of current sales volume and cost estimates and average prices of \$3.50 per pound for copper, \$1,850 per ounce for gold and \$9.00 per pound for molybdenum, FCX estimates its consolidated effective tax rate for the year 2021 would approximate 35 percent. Changes in projected sales volumes and average prices during 2021 would incur tax impacts at estimated effective rates of 38 percent for Indonesia, 39 percent for Peru and 0 percent for the U.S.

Variations in the relative proportions of jurisdictional income result in fluctuations to FCX's consolidated effective income tax rate. Because of FCX's U.S. tax position, it does not record a financial statement impact for income or losses generated in the U.S.

**DERIVATIVE INSTRUMENTS**

For the year 2020, FCX's mined copper was sold 51 percent in concentrate, 28 percent as cathode and 21 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 \$3.25 per pound during fourth-quarter 2020 and settled at \$3.51 per pound on December 31, 2020. 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 \$3.40 per pound in fourth-quarter 2020.

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 December 31,					
	2020			2019		
	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total
Revenues	\$ 113	\$ 129	\$ 242	\$ 33	\$ 58	\$ 91
Net income attributable to common stock	\$ 41	\$ 50	\$ 91	\$ 14	\$ 24	\$ 38
Net income per share of common stock	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.01	\$ 0.02	\$ 0.03

a. Reflects adjustments to provisionally priced copper sales at September 30, 2020 and 2019.

b. Reflects adjustments to provisionally priced copper sales during the fourth quarters of 2020 and 2019.

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

	Years Ended December 31,					
	2020			2019		
	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total
Revenues	\$ (102)	\$ 361	\$ 259	\$ 58	\$ (24)	\$ 34
Net income attributable to common stock	\$ (42)	\$ 134	\$ 92	\$ 24	\$ (16)	\$ 8
Net income per share of common stock	\$ (0.03)	\$ 0.09	\$ 0.06	\$ 0.02	\$ (0.01)	\$ 0.01

a. Reflects adjustments to provisionally priced copper sales at December 31, 2019 and 2018.

b. Reflects adjustments to provisionally priced copper sales for the years 2020 and 2019.

At December 31, 2020, FCX had provisionally priced copper sales at its copper mining operations totaling 320 million pounds of copper (net of intercompany sales and noncontrolling interests) recorded at an average price of \$3.52 per pound, subject to final pricing over the next several months. FCX estimates that each \$0.05 change in the price realized from the December 31, 2020, provisional price would have an approximate \$10 million effect on 2021 net income attributable to common stock. The LME copper price settled at \$3.62 per pound on January 25, 2021.

**DEFERRED PROFITS**

FCX defers recognizing profits on sales from its mining operations to Atlantic Copper and on 25 percent of PT-FI's sales to PT Smelting (PT-FI's 25 percent-owned 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 \$20 million (\$20 million to net income attributable to common stock) in fourth-quarter 2020, \$1 million (\$2 million to net income attributable to common stock) in fourth-quarter 2019, \$(7) million (\$1 million to net income attributable to common stock) for the year 2020 and \$(22) million \$(18) million to net loss attributable to common stock) for the year 2019. 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 \$54 million at December 31, 2020. Quarterly variations in ore grades, the timing of intercompany shipments and changes in product prices will result in variability in FCX's net deferred profits and quarterly earnings.

**BUSINESS SEGMENTS**

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

At year-end 2020, Bagdad did not meet the quantitative thresholds of a reportable segment. As a result, FCX revised its segment disclosure for the years ended December 31, 2019, to conform with the current year presentation.

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

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

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

(In millions)

	North America Copper Mines			South America Mining			Indonesia Mining	Molybdenum Mines	Rod & Refining	Atlantic Copper Smelting & Refining	Corporate, Other & Eliminations	FCX Total
	Morenci	Other Mines	Total	Cerro Verde	Other Mines	Total						
<b>Three Months Ended December 31, 2020</b>												
Revenues:												
Unaffiliated customers	\$ 3	\$ 13	\$ 16	\$ 803	\$ 119	\$ 922	\$ 1,383 <sup>a</sup>	\$ —	\$ 1,290	\$ 591	\$ 293 <sup>b</sup>	\$ 4,495
Intersegment	542	596	1,138	86	—	86	42	51	9	1	(1,327)	—
Production and delivery	264	421	685	447	82	529	476	52	1,290	583	(988)	2,627
Depreciation, depletion and amortization	37	46	83	94	12	106	205	13	2	7	19	435
Metals inventory adjustments	—	—	—	—	—	—	—	2	—	—	2	4
Selling, general and administrative expenses	—	1	1	1	—	1	27	—	—	6	62	97
Mining exploration and research expenses	—	—	—	—	—	—	—	—	—	—	8	8
Environmental obligations and shutdown costs	—	2	2	—	—	—	—	—	—	—	99	101
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(486)	(486)
Operating income (loss)	244	139	383	347	25	372	717	(16)	7	(4)	250	1,709
Interest expense, net	—	—	—	70	—	70	37	—	—	2	127	236
Provision for income taxes	—	—	—	156	7	163	304	—	—	1	143	611
Total assets at December 31, 2020	2,574	5,163	7,737	8,474	1,678	10,152	17,169	1,760	211	877	4,238	42,144
Capital expenditures	10	20	30	25	2	27	307	5	1	12	6	388
<b>Three Months Ended December 31, 2019</b>												
Revenues:												
Unaffiliated customers	\$ 54	\$ 41	\$ 95	\$ 783	\$ 156	\$ 939	\$ 937 <sup>a</sup>	\$ —	\$ 1,054	\$ 509	\$ 377 <sup>b</sup>	\$ 3,911
Intersegment	453	544	997	51	—	51	1	54	8	—	(1,111)	—
Production and delivery	356	500	856	541	137	678	546	65	1,060	483	(753)	2,935
Depreciation, depletion and amortization	43	45	88	112	20	132	125	12	2	7	25	391
Metals inventory adjustments	—	(9)	(9)	—	—	—	5	49	—	—	34	79
Selling, general and administrative expenses	—	—	—	2	—	2	34	—	—	5	53	94
Mining exploration and research expenses	—	1	1	—	—	—	—	—	—	—	20	21
Environmental obligations and shutdown costs	1	—	1	—	—	—	—	—	—	—	19	20
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(404)	(404)
Operating income (loss)	107	48	155	179	(1)	178	228	(72)	—	14	272	775
Interest expense, net	1	—	1	35	—	35	80	—	—	5	98	219
Provision for (benefit from) income taxes	—	—	—	91	(1)	90	176	—	—	3	60	329
Total assets at December 31, 2019	2,880	5,109	7,989	8,612	1,676	10,288	16,485	1,798	193	761	3,295	40,809
Capital expenditures	59	177	236	72	8	80	377	8	2	16	16	735

a. Includes PT-FI's sales to PT Smelting totaling \$441 million in fourth-quarter 2020 and \$540 million in fourth-quarter 2019.

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

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

(In millions)

	North America Copper Mines			South America Mining			Indonesia Mining	Molybdenum Mines	Rod & Refining	Atlantic Copper Smelting & Refining	Corporate, Other & Eliminations	FCX Total
	Morenci	Other Mines	Total	Cerro Verde	Other Mines	Total						
<b>Year Ended December 31, 2020</b>												
Revenues:												
Unaffiliated customers	\$ 29	\$ 48	\$ 77	\$ 2,282	\$ 431	\$ 2,713	\$ 3,534 <sup>a</sup>	\$ —	\$ 4,781	\$ 2,020	\$ 1,073 <sup>b</sup>	\$ 14,198
Intersegment	2,015	2,272	4,287	242	—	242	80	222	33	17	(4,881)	—
Production and delivery	1,269	1,831	3,100	1,599	379	1,978	1,606	230	4,819	1,962	(3,664)	10,031
Depreciation, depletion and amortization	166	189	355	367	54	421	580	57	16	29	70	1,528
Metals inventory adjustments	4	48	52	—	3	3	—	10	3	—	28	96
Selling, general and administrative expenses	2	2	4	6	—	6	108	—	—	21	231	370
Mining exploration and research expenses	—	2	2	—	—	—	—	—	—	—	48	50
Environmental obligations and shutdown costs	—	(1)	(1)	—	—	—	—	—	1	—	159	159
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(473)	(473)
Operating income (loss)	603	249	852	552	(5)	547	1,320	(75)	(25)	25	(207)	2,437
Interest expense, net	2	—	2	139	—	139	39	—	—	6	412	598
Provision for income taxes	—	—	—	238	1	239	606	—	—	2	97	944
Capital expenditures	102	326	428	141	42	183	1,266	19	6	29	30	1,961
<b>Year Ended December 31, 2019</b>												
Revenues:												
Unaffiliated customers	\$ 143	\$ 224	\$ 367	\$ 2,576	\$ 499	\$ 3,075	\$ 2,713 <sup>a</sup>	\$ —	\$ 4,457	\$ 2,063	\$ 1,727 <sup>b</sup>	\$ 14,402
Intersegment	1,864	2,155	4,019	313	—	313	58	344	26	5	(4,765)	—
Production and delivery	1,376	1,943	3,319	1,852	474	2,326	2,055	299	4,475	1,971	(2,911)	11,534
Depreciation, depletion and amortization	171	178	349	406	68	474	406	62	9	28	84	1,412
Metals inventory adjustments	1	29	30	2	—	2	5	50	—	—	92	179
Selling, general and administrative expenses	2	2	4	8	—	8	125	—	—	20	237	394
Mining exploration and research expenses	—	2	2	—	—	—	—	—	—	—	102	104
Environmental obligations and shutdown costs	1	—	1	—	—	—	—	—	—	—	104	105
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(417)	(417)
Operating income (loss)	456	225	681	621	(43)	578	180	(67)	(1)	49	(329)	1,091
Interest expense, net	3	1	4	114	—	114	82	—	—	22	398	620
Provision for (benefit from) income taxes	—	—	—	250	(11)	239	167	—	—	5	99	510
Capital expenditures	231	646	877	232	24	256	1,369	19	5	34	92	2,652

a. Includes PT-FI's sales to PT Smelting totaling \$1.8 billion for the year 2020 and \$1.9 billion for the year 2019.

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

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

Unit net cash costs 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, 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. 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 December 31, 2020

(In millions)	By-Product Method	Co-Product Method			Total
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	
Revenues, excluding adjustments	\$ 1,056	\$ 1,056	\$ 70	\$ 10	\$ 1,136
Site production and delivery, before net noncash and other costs shown below	594	566	50	—	616
By-product credits	(58)	—	—	—	—
Treatment charges (credits)	30	31	—	(1)	30
Net cash costs (credits)	566	597	50	(1)	646
Depreciation, depletion and amortization (DD&A)	83	79	4	—	83
Noncash and other costs (credits), net	32	33	—	(1)	32
Total costs (credits)	681	709	54	(2)	761
Other revenue adjustments, primarily for pricing on prior period open sales	12	12	—	—	12
Gross profit	\$ 387	\$ 359	\$ 16	\$ 12	\$ 387
Copper sales (millions of recoverable pounds)	320	320			
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>			9		
Gross profit per pound of copper/molybdenum:					
Revenues, excluding adjustments	\$ 3.29	\$ 3.29	\$ 8.77		
Site production and delivery, before net noncash and other costs shown below	1.85	1.76	6.20		
By-product credits	(0.18)	—	—		
Treatment charges	0.09	0.10	—		
Unit net cash costs	1.76	1.86	6.20		
DD&A	0.26	0.25	0.52		
Noncash and other costs, net	0.10	0.10	0.01		
Total unit costs	2.12	2.21	6.73		
Other revenue adjustments, primarily for pricing on prior period open sales	0.04	0.04	—		
Gross profit per pound	\$ 1.21	\$ 1.12	\$ 2.04		

*Reconciliation to Amounts Reported*

	Revenues	Production and Delivery	DD&A
Totals presented above	\$ 1,136	\$ 616	\$ 83
Treatment charges	(2)	28	—
Noncash and other costs, net	—	32	—
Other revenue adjustments, primarily for pricing on prior period open sales	12	—	—
Eliminations and other	8	9	—
North America copper mines	1,154	685	83
Other mining <sup>c</sup>	4,375	2,930	333
Corporate, other & eliminations	(1,034)	(988)	19
As reported in FCX's consolidated financial statements	\$ 4,495	\$ 2,627	\$ 435

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

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

c. Represents the combined total for FCX's other mining operations as presented in the supplemental schedule, "Business Segments," beginning on page 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 December 31, 2019

(In millions)	By-Product Method	Co-Product Method			Total
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	
Revenues, excluding adjustments	\$ 976	\$ 976	\$ 86	\$ 21	\$ 1,083
Site production and delivery, before net noncash and other costs shown below	741	681	74	14	769
By-product credits	(79)	—	—	—	—
Treatment charges	41	40	—	1	41
Net cash costs	703	721	74	15	810
DD&A	87	80	5	2	87
Metals inventory adjustments	(9)	(9)	—	—	(9)
Noncash and other costs, net	46	43	2	1	46
Total costs	827	835	81	18	934
Other revenue adjustments, primarily for pricing on prior period open sales	11	11	—	—	11
Gross profit	\$ 160	\$ 152	\$ 5	\$ 3	\$ 160

Copper sales (millions of recoverable pounds)	357	357			
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>			8		

Gross profit per pound of copper/molybdenum:

Revenues, excluding adjustments	\$ 2.73	\$ 2.73	\$ 10.07
Site production and delivery, before net noncash and other costs shown below	2.07	1.90	8.57
By-product credits	(0.22)	—	—
Treatment charges	0.11	0.11	—
Unit net cash costs	1.96	2.01	8.57
DD&A	0.24	0.23	0.62
Metals inventory adjustments	(0.03)	(0.03)	—
Noncash and other costs, net	0.14	0.13	0.26
Total unit costs	2.31	2.34	9.45
Other revenue adjustments, primarily for pricing on prior period open sales	0.03	0.03	—
Gross profit per pound	\$ 0.45	\$ 0.42	\$ 0.62

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 1,083	\$ 769	\$ 87	\$ (9)
Treatment charges	(12)	29	—	—
Noncash and other costs, net	—	46	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	11	—	—	—
Eliminations and other	10	12	1	—
North America copper mines	1,092	856	88	(9)
Other mining <sup>c</sup>	3,553	2,832	278	54
Corporate, other & eliminations	(734)	(753)	25	34
As reported in FCX's consolidated financial statements	\$ 3,911	\$ 2,935	\$ 391	\$ 79

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

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

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

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

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

Year Ended December 31, 2020

(In millions)	By-Product Method	Co-Product Method			Total
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	
Revenues, excluding adjustments	\$ 4,005 <sup>c</sup>	\$ 4,005	\$ 281	\$ 83	\$ 4,369
Site production and delivery, before net noncash and other costs shown below	2,700	2,529	223	44	2,796
By-product credits	(268)	—	—	—	—
Treatment charges	139	136	—	3	139
Net cash costs	2,571	2,665	223	47	2,935
DD&A	355	330	18	7	355
Metals inventory adjustments	52	49	—	3	52
Noncash and other costs, net	138 <sup>d</sup>	133	3	2	138
Total costs	3,116	3,177	244	59	3,480
Other revenue adjustments, primarily for pricing on prior period open sales	(22)	(22)	—	—	(22)
Gross profit	\$ 867	\$ 806	\$ 37	\$ 24	\$ 867
Copper sales (millions of recoverable pounds)	1,420	1,420			
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>			33		
Gross profit per pound of copper/molybdenum:					
Revenues, excluding adjustments	\$ 2.82 <sup>c</sup>	\$ 2.82	\$ 8.62		
Site production and delivery, before net noncash and other costs shown below	1.90	1.78	6.84		
By-product credits	(0.19)	—	—		
Treatment charges	0.10	0.10	—		
Unit net cash costs	1.81	1.88	6.84		
DD&A	0.25	0.23	0.56		
Metals inventory adjustments	0.03	0.03	—		
Noncash and other costs, net	0.10 <sup>d</sup>	0.10	0.09		
Total unit costs	2.19	2.24	7.49		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.02)	(0.02)	—		
Gross profit per pound	\$ 0.61	\$ 0.56	\$ 1.13		
<i>Reconciliation to Amounts Reported</i>					
	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments	
Totals presented above	\$ 4,369	\$ 2,796	\$ 355	\$ 52	
Treatment charges	(15)	124	—	—	
Noncash and other costs, net	—	138	—	—	
Other revenue adjustments, primarily for pricing on prior period open sales	(22)	—	—	—	
Eliminations and other	32	42	—	—	
North America copper mines	4,364	3,100	355	52	
Other mining <sup>e</sup>	13,642	10,595	1,103	16	
Corporate, other & eliminations	(3,808)	(3,664)	70	28	
As reported in FCX's consolidated financial statements	\$ 14,198	\$ 10,031	\$ 1,528	\$ 96	

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 reductions to revenues and average realized prices totaling \$24 million (\$0.02 per pound of copper) related to forward sales contracts covering 150 million pounds of copper sales for May and June 2020 at a fixed price of \$2.34 per pound.

d. Includes charges totaling \$32 million (\$0.02 per pound of copper) primarily associated with the April 2020 revised operating plans (including employee separation costs) and the COVID-19 pandemic (including health and safety costs).

e. 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**

Year Ended December 31, 2019

(In millions)

	By-Product Method	Co-Product Method			Total
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	
Revenues, excluding adjustments	\$ 3,950	\$ 3,950	\$ 370	\$ 84	\$ 4,404
Site production and delivery, before net noncash and other costs shown below	2,957	2,711	299	53	3,063
By-product credits	(348)	—	—	—	—
Treatment charges	161	155	—	6	161
Net cash costs	2,770	2,866	299	59	3,224
DD&A	348	318	23	7	348
Metals inventory adjustments	30	30	—	—	30
Noncash and other costs, net	110	98	9	3	110
Total costs	3,258	3,312	331	69	3,712
Other revenue adjustments, primarily for pricing on prior period open sales	4	4	—	—	4
Gross profit	\$ 696	\$ 642	\$ 39	\$ 15	\$ 696

Copper sales (millions of recoverable pounds)	1,441	1,441			
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>			32		

Gross profit per pound of copper/molybdenum:

	Copper	Molybdenum	Other
Revenues, excluding adjustments	\$ 2.74	\$ 2.74	\$ 11.51
Site production and delivery, before net noncash and other costs shown below	2.05	1.88	9.29
By-product credits	(0.24)	—	—
Treatment charges	0.11	0.11	—
Unit net cash costs	1.92	1.99	9.29
DD&A	0.24	0.21	0.72
Metals inventory adjustments	0.02	0.02	—
Noncash and other costs, net	0.08	0.07	0.29
Total unit costs	2.26	2.29	10.30
Other revenue adjustments, primarily for pricing on prior period open sales	—	—	—
Gross profit per pound	\$ 0.48	\$ 0.45	\$ 1.21

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 4,404	\$ 3,063	\$ 348	\$ 30
Treatment charges	(60)	101	—	—
Noncash and other costs, net	—	110	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	4	—	—	—
Eliminations and other	38	45	1	—
North America copper mines	4,386	3,319	349	30
Other mining <sup>c</sup>	13,054	11,126	979	57
Corporate, other & eliminations	(3,038)	(2,911)	84	92
As reported in FCX's consolidated financial statements	\$ 14,402	\$ 11,534	\$ 1,412	\$ 179

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

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

c. Represents the combined total for FCX's other mining operations as presented in the supplemental schedule, "Business Segments," beginning on page 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 December 31, 2020

(In millions)	By-Product Method	Co-Product Method		
		Copper	Other <sup>a</sup>	Total
Revenues, excluding adjustments	\$ 905	\$ 905	\$ 69	\$ 974
Site production and delivery, before net noncash and other costs shown below	503	470	46	516
By-product credits	(56)	—	—	—
Treatment charges	41	41	—	41
Royalty on metals	2	2	—	2
Net cash costs	490	513	46	559
DD&A	106	98	8	106
Noncash and other costs, net	13	12	1	13
Total costs	609	623	55	678
Other revenue adjustments, primarily for pricing on prior period open sales	78	78	—	78
Gross profit	\$ 374	\$ 360	\$ 14	\$ 374

Copper sales (millions of recoverable pounds)

	260	260		
--	-----	-----	--	--

Gross profit per pound of copper:

Revenues, excluding adjustments	\$ 3.48	\$ 3.48		
Site production and delivery, before net noncash and other costs shown below	1.93	1.80		
By-product credits	(0.22)	—		
Treatment charges	0.16	0.16		
Royalty on metals	0.01	0.01		
Unit net cash costs	1.88	1.97		
DD&A	0.41	0.37		
Noncash and other costs, net	0.05	0.05		
Total unit costs	2.34	2.39		
Other revenue adjustments, primarily for pricing on prior period open sales	0.30	0.30		
Gross profit per pound	\$ 1.44	\$ 1.39		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	\$ 974	\$ 516	\$ 106
Treatment charges	(41)	—	—
Royalty on metals	(2)	—	—
Noncash and other costs, net	—	13	—
Other revenue adjustments, primarily for pricing on prior period open sales	78	—	—
Eliminations and other	(1)	—	—
South America mining	1,008	529	106
Other mining <sup>b</sup>	4,521	3,086	310
Corporate, other & eliminations	(1,034)	(988)	19
As reported in FCX's consolidated financial statements	\$ 4,495	\$ 2,627	\$ 435

a. Includes silver sales of 0.9 million ounces (\$27.87 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 December 31, 2019

(In millions)	By-Product Method	Co-Product Method		
		Copper	Other <sup>a</sup>	Total
Revenues, excluding adjustments	\$ 954	\$ 954	\$ 74	\$ 1,028
Site production and delivery, before net noncash and other costs shown below	638	596	55	651
By-product credits	(61)	—	—	—
Treatment charges	60	60	—	60
Royalty on metals	2	2	—	2
Net cash costs	639	658	55	713
DD&A	132	122	10	132
Noncash and other costs, net	26	24	2	26
Total costs	797	804	67	871
Other revenue adjustments, primarily for pricing on prior period open sales	23	23	—	23
Gross profit	\$ 180	\$ 173	\$ 7	\$ 180
Copper sales (millions of recoverable pounds)	345	345		
Gross profit per pound of copper:				
Revenues, excluding adjustments	\$ 2.76	\$ 2.76		
Site production and delivery, before net noncash and other costs shown below	1.85	1.72		
By-product credits	(0.18)	—		
Treatment charges	0.17	0.17		
Royalty on metals	0.01	0.01		
Unit net cash costs	1.85	1.90		
DD&A	0.38	0.36		
Noncash and other costs, net	0.08	0.07		
Total unit costs	2.31	2.33		
Other revenue adjustments, primarily for pricing on prior period open sales	0.07	0.07		
Gross profit per pound	\$ 0.52	\$ 0.50		

**Reconciliation to Amounts Reported**

	Revenues	Production and Delivery	DD&A
Totals presented above	\$ 1,028	\$ 651	\$ 132
Treatment charges	(60)	—	—
Royalty on metals	(2)	—	—
Noncash and other costs, net	—	26	—
Other revenue adjustments, primarily for pricing on prior period open sales	23	—	—
Eliminations and other	1	1	—
South America mining	990	678	132
Other mining <sup>b</sup>	3,655	3,010	234
Corporate, other & eliminations	(734)	(753)	25
As reported in FCX's consolidated financial statements	\$ 3,911	\$ 2,935	\$ 391

a. Includes silver sales of 1.3 million ounces (\$18.42 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**

Year Ended December 31, 2020

(In millions)

	By-Product Method	Co-Product Method		
		Copper	Other <sup>a</sup>	Total
Revenues, excluding adjustments	\$ 2,976	\$ 2,976	\$ 209	\$ 3,185
Site production and delivery, before net noncash and other costs shown below	1,816	1,701	158	1,859
By-product credits	(166)	—	—	—
Treatment charges	152	152	—	152
Royalty on metals	6	6	—	6
Net cash costs	1,808	1,859	158	2,017
DD&A	421	391	30	421
Metals inventory adjustments	3	3	—	3
Noncash and other costs, net	122 <sup>b</sup>	115	7	122
Total costs	2,354	2,368	195	2,563
Other revenue adjustments, primarily for pricing on prior period open sales	(70)	(70)	—	(70)
Gross profit	\$ 552	\$ 538	\$ 14	\$ 552
Copper sales (millions of recoverable pounds)	976	976		
Gross profit per pound of copper:				
Revenues, excluding adjustments	\$ 3.05	\$ 3.05		
Site production and delivery, before net noncash and other costs shown below	1.86	1.74		
By-product credits	(0.17)	—		
Treatment charges	0.15	0.15		
Royalty on metals	0.01	0.01		
Unit net cash costs	1.85	1.90		
DD&A	0.43	0.41		
Metals inventory adjustments	—	—		
Noncash and other costs, net	0.13 <sup>b</sup>	0.12		
Total unit costs	2.41	2.43		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.07)	(0.07)		
Gross profit per pound	\$ 0.57	\$ 0.55		

**Reconciliation to Amounts Reported**

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 3,185	\$ 1,859	\$ 421	\$ 3
Treatment charges	(152)	—	—	—
Royalty on metals	(6)	—	—	—
Noncash and other costs, net	—	122	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	(70)	—	—	—
Eliminations and other	(2)	(3)	—	—
South America mining	2,955	1,978	421	3
Other mining <sup>c</sup>	15,051	11,717	1,037	65
Corporate, other & eliminations	(3,808)	(3,664)	70	28
As reported in FCX's consolidated financial statements	\$ 14,198	\$ 10,031	\$ 1,528	\$ 96

a. Includes silver sales of 3.4 million ounces (\$21.86 per ounce average realized price). Also reflects sales of molybdenum produced by Cerro Verde to FCX's molybdenum sales company at market-based pricing.

b. Includes charges totaling \$91 million (\$0.09 per pound of copper) primarily associated with idle facility (Cerro Verde) and contract cancellation costs related to the COVID-19 pandemic, and employee separation costs associated with the April 2020 revised operating plans.

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**

Year Ended December 31, 2019

(In millions)

	By-Product Method	Co-Product Method		Total
		Copper	Other <sup>a</sup>	
Revenues, excluding adjustments	\$ 3,213	\$ 3,213	\$ 358	\$ 3,571
Site production and delivery, before net noncash and other costs shown below	2,185	1,991	245	2,236
By-product credits	(307)	—	—	—
Treatment charges	212	212	—	212
Royalty on metals	7	6	1	7
Net cash costs	2,097	2,209	246	2,455
DD&A	474	427	47	474
Metals inventory adjustments	2	2	—	2
Noncash and other costs, net	94	90	4	94
Total costs	2,667	2,728	297	3,025
Other revenue adjustments, primarily for pricing on prior period open sales	37	37	—	37
Gross profit	\$ 583	\$ 522	\$ 61	\$ 583
Copper sales (millions of recoverable pounds)	1,183	1,183		
Gross profit per pound of copper:				
Revenues, excluding adjustments	\$ 2.71	\$ 2.71		
Site production and delivery, before net noncash and other costs shown below	1.85	1.68		
By-product credits	(0.27)	—		
Treatment charges	0.18	0.18		
Royalty on metals	0.01	0.01		
Unit net cash costs	1.77	1.87		
DD&A	0.40	0.36		
Metals inventory adjustments	—	—		
Noncash and other costs, net	0.08	0.07		
Total unit costs	2.25	2.30		
Other revenue adjustments, primarily for pricing on prior period open sales	0.03	0.03		
Gross profit per pound	\$ 0.49	\$ 0.44		

**Reconciliation to Amounts Reported**

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 3,571	\$ 2,236	\$ 474	\$ 2
Treatment charges	(212)	—	—	—
Royalty on metals	(7)	—	—	—
Noncash and other costs, net	—	94	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	37	—	—	—
Eliminations and other	(1)	(4)	—	—
South America mining	3,388	2,326	474	2
Other mining <sup>b</sup>	14,052	12,119	854	85
Corporate, other & eliminations	(3,038)	(2,911)	84	92
As reported in FCX's consolidated financial statements	\$ 14,402	\$ 11,534	\$ 1,412	\$ 179

a. Includes silver sales of 4.7 million ounces (\$16.57 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)**

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

Three Months Ended December 31, 2020  
(In millions)

	By-Product Method	Co-Product Method			Total
		Copper	Gold	Silver <sup>a</sup>	
Revenues, excluding adjustments	\$ 990	\$ 990	\$ 550	\$ 33	\$ 1,573
Site production and delivery, before net noncash and other costs shown below	446	281	156	9	446
Gold and silver credits	(584)	—	—	—	—
Treatment charges	76	48	26	2	76
Export duties	49	31	17	1	49
Royalty on metals	64	39	24	1	64
Net cash costs	51	399	223	13	635
DD&A	205	129	72	4	205
Noncash and other costs, net	35	22	12	1	35
Total costs	291	550	307	18	875
Other revenue adjustments, primarily for pricing on prior period open sales	38	38	1	—	39
PT Smelting intercompany profit	7	5	2	—	7
Gross profit	\$ 744	\$ 483	\$ 246	\$ 15	\$ 744
Copper sales (millions of recoverable pounds)	286	286			
Gold sales (thousands of recoverable ounces)			293		
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	\$ 3.47	\$ 3.47	\$ 1.870		
Site production and delivery, before net noncash and other costs shown below	1.57	0.99	531		
Gold and silver credits	(2.05)	—	—		
Treatment charges	0.27	0.16	90		
Export duties	0.17	0.11	59		
Royalty on metals	0.22	0.14	79		
Unit net cash costs	0.18	1.40	759		
DD&A	0.72	0.45	243		
Noncash and other costs, net	0.12	0.08	41		
Total unit costs	1.02	1.93	1,043		
Other revenue adjustments, primarily for pricing on prior period open sales	0.13	0.13	2		
PT Smelting intercompany profit	0.03	0.02	8		
Gross profit per pound/ounce	\$ 2.61	\$ 1.69	\$ 837		
Reconciliation to Amounts Reported					
	Revenues	Production and Delivery	DD&A		
Totals presented above	\$ 1,573	\$ 446	\$ 205		
Treatment charges	(76)	—	—		
Export duties	(49)	—	—		
Royalty on metals	(64)	—	—		
Noncash and other costs, net	2	37	—		
Other revenue adjustments, primarily for pricing on prior period open sales	39	—	—		
PT Smelting intercompany profit	—	(7)	—		
Indonesia mining	1,425	476	205		
Other mining <sup>b</sup>	4,104	3,139	211		
Corporate, other & eliminations	(1,034)	(988)	19		
As reported in FCX's consolidated financial statements	\$ 4,495	\$ 2,627	\$ 435		

a. Includes silver sales of 1.3 million ounces (\$25.01 per ounce average realized price).

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

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

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

Three Months Ended December 31, 2019

(In millions)	By-Product Method	Co-Product Method				Total
		Copper	Gold	Silver <sup>a</sup>		
Revenues, excluding adjustments	\$ 556	\$ 556	\$ 468	\$ 14	\$ 1,038	
Site production and delivery, before net noncash and other costs shown below	545	292	246	7	545	
Gold and silver credits	(482)	—	—	—	—	
Treatment charges	46	25	20	1	46	
Export duties	21	11	10	—	21	
Royalty on metals	39	18	21	—	39	
Net cash costs	169	346	297	8	651	
DD&A	125	67	56	2	125	
Metals inventory adjustments	5	5	—	—	5	
Noncash and other costs, net	6	1	5	—	6	
Total costs	305	419	358	10	787	
Other revenue adjustments, primarily for pricing on prior period open sales	6	6	—	—	6	
PT Smelting intercompany profit	5	3	2	—	5	
Gross profit	\$ 262	\$ 146	\$ 112	\$ 4	\$ 262	
Copper sales (millions of recoverable pounds)	203	203				
Gold sales (thousands of recoverable ounces)			314			
Gross profit per pound of copper/per ounce of gold:						
Revenues, excluding adjustments	\$ 2.75	\$ 2.75	\$ 1.491			
Site production and delivery, before net noncash and other costs shown below	2.69	1.44	783			
Gold and silver credits	(2.38)	—	—			
Treatment charges	0.23	0.12	66			
Export duties	0.11	0.06	31			
Royalty on metals	0.19	0.09	66			
Unit net cash costs	0.84	1.71	946			
DD&A	0.62	0.33	179			
Metals inventory adjustments	0.03	0.03	—			
Noncash and other costs, net	0.03	—	16			
Total unit costs	1.52	2.07	1,141			
Other revenue adjustments, primarily for pricing on prior period open sales	0.03	0.03	(1)			
PT Smelting intercompany profit	0.03	0.01	8			
Gross profit per pound/ounce	\$ 1.29	\$ 0.72	\$ 357			
Reconciliation to Amounts Reported						
	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments		
Totals presented above	\$ 1,038	\$ 545	\$ 125	\$ 5		
Treatment charges	(46)	—	—	—		
Export duties	(21)	—	—	—		
Royalty on metals	(39)	—	—	—		
Noncash and other costs, net	—	6	—	—		
Other revenue adjustments, primarily for pricing on prior period open sales	6	—	—	—		
PT Smelting intercompany profit	—	(5)	—	—		
Indonesia mining	938	546	125	5		
Other mining <sup>b</sup>	3,707	3,142	241	40		
Corporate, other & eliminations	(734)	(753)	25	34		
As reported in FCX's consolidated financial statements	\$ 3,911	\$ 2,935	\$ 391	\$ 79		

a. Includes silver sales of 0.8 million ounces (\$17.20 per ounce average realized price).

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

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

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

Year Ended December 31, 2020  
(In millions)

	By-Product Method	Co-Product Method			Total
		Copper	Gold	Silver <sup>a</sup>	
Revenues, excluding adjustments	\$ 2,475	\$ 2,475	\$ 1,545	\$ 81	\$ 4,101
Site production and delivery, before net noncash and other costs shown below	1,508	910	568	30	1,508
Gold and silver credits	(1,630)	—	—	—	—
Treatment charges	219	132	83	4	219
Export duties	93	56	35	2	93
Royalty on metals	153	90	60	3	153
Net cash costs	343	1,188	746	39	1,973
DD&A	580	350	219	11	580
Noncash and other costs, net	93	56	35	2	93
Total costs	1,016	1,594	1,000	52	2,646
Other revenue adjustments, primarily for pricing on prior period open sales	(20)	(20)	4	—	(16)
PT Smelting intercompany loss	(11)	(7)	(4)	—	(11)
Gross profit	\$ 1,428	\$ 854	\$ 545	\$ 29	\$ 1,428
Copper sales (millions of recoverable pounds)	804	804			
Gold sales (thousands of recoverable ounces)			842		
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	\$ 3.08	\$ 3.08	\$ 1.832		
Site production and delivery, before net noncash and other costs shown below	1.88	1.13	674		
Gold and silver credits	(2.03)	—	—		
Treatment charges	0.27	0.17	98		
Export duties	0.12	0.07	41		
Royalty on metals	0.19	0.11	72		
Unit net cash costs	0.43	1.48	885		
DD&A	0.72	0.43	259		
Noncash and other costs, net	0.11	0.07	41		
Total unit costs	1.26	1.98	1,185		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.03)	(0.03)	5		
PT Smelting intercompany loss	(0.01)	(0.01)	(5)		
Gross profit per pound/ounce	\$ 1.78	\$ 1.06	\$ 647		
<b>Reconciliation to Amounts Reported</b>					
	Revenues	Production and Delivery	DD&A		
Totals presented above	\$ 4,101	\$ 1,508	\$ 580		
Treatment charges	(219)	—	—		
Export duties	(93)	—	—		
Royalty on metals	(153)	—	—		
Noncash and other costs, net	(6)	87	—		
Other revenue adjustments, primarily for pricing on prior period open sales	(16)	—	—		
PT Smelting intercompany loss	—	11	—		
Indonesia mining	3,614	1,606	580		
Other mining	14,392	12,089	878		
Corporate, other & eliminations	(3,808)	(3,664)	70		
As reported in FCX's consolidated financial statements	\$ 14,198	\$ 10,031	\$ 1,528		

a. Includes silver sales of 3.6 million ounces (\$22.40 per ounce average realized price).

b. Includes COVID-19 related costs (including one-time incremental employee benefits and health and safety costs) of \$14 million (\$0.02 per pound of copper).

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**

Year Ended December 31, 2019

(In millions)

	By-Product Method		Co-Product Method			Total				
			Copper	Gold	Silver <sup>a</sup>					
Revenues, excluding adjustments	\$	1,814	\$	1,814	\$	1,378	\$	40	\$	3,232
Site production and delivery, before net noncash and other costs shown below		1,938		1,088		826		24		1,938
Gold and silver credits		(1,419)		—		—		—		—
Treatment charges		171		96		73		2		171
Export duties		56		31		24		1		56
Royalty on metals		107		58		48		1		107
Net cash costs		853		1,273		971		28		2,272
DD&A		406		228		173		5		406
Metals inventory adjustments		5		5		—		—		5
Noncash and other costs, net		246	<sup>b</sup>	136		107		3		246
Total costs		1,510		1,642		1,251		36		2,929
Other revenue adjustments, primarily for pricing on prior period open sales		18		18		1		—		19
PT Smelting intercompany loss		(17)		(10)		(7)		—		(17)
Gross profit	\$	305	\$	180	\$	121	\$	4	\$	305
Copper sales (millions of recoverable pounds)		667		667						
Gold sales (thousands of recoverable ounces)						973				
Gross profit per pound of copper/per ounce of gold:										
Revenues, excluding adjustments	\$	2.72	\$	2.72	\$	1.416				
Site production and delivery, before net noncash and other costs shown below		2.91		1.63		849				
Gold and silver credits		(2.13)		—		—				
Treatment charges		0.26		0.14		75				
Export duties		0.08		0.05		25				
Royalty on metals		0.16		0.09		49				
Unit net cash costs		1.28		1.91		998				
DD&A		0.61		0.34		178				
Metals inventory adjustments		0.01		0.01		—				
Noncash and other costs, net		0.37	<sup>b</sup>	0.20		110				
Total unit costs		2.27		2.46		1,286				
Other revenue adjustments, primarily for pricing on prior period open sales		0.03		0.03		2				
PT Smelting intercompany loss		(0.02)		(0.02)		(8)				
Gross profit per pound/ounce	\$	0.46	\$	0.27	\$	124				
Reconciliation to Amounts Reported										
		Revenues		Production and Delivery		DD&A		Metals Inventory Adjustments		
Totals presented above	\$	3,232	\$	1,938	\$	406	\$	5		
Treatment charges		(171)		—		—		—		
Export duties		(56)		—		—		—		
Royalty on metals		(107)		—		—		—		
Noncash and other costs, net		(146)		100		—		—		
Other revenue adjustments, primarily for pricing on prior period open sales		19		—		—		—		
PT Smelting intercompany loss		—		17		—		—		
Indonesia mining		2,771		2,055		406		5		
Other mining <sup>c</sup>		14,669		12,390		922		82		
Corporate, other & eliminations		(3,038)		(2,911)		84		92		
As reported in FCX's consolidated financial statements	\$	14,402	\$	11,534	\$	1,412	\$	179		

a. Includes silver sales of 2.5 million ounces (\$16.15 per ounce average realized price).

b. Includes charges in revenues totaling \$166 million (\$0.25 per pound of copper) primarily associated with an unfavorable Indonesia Supreme Court ruling related to certain disputed PT-FI export duties, partly offset by adjustments to prior year treatment charges totaling \$20 million (\$0.03 per pound of copper). Also includes charges of \$28 million (\$0.04 per pound of copper) associated with adjustments to the settlement of the historical surface water tax disputes with the local regional tax authority in Papua, Indonesia.

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 December 31,	
	2020	2019
Revenues, excluding adjustments <sup>a</sup>	\$ 56	\$ 58
Site production and delivery, before net noncash and other costs shown below	47	64
Treatment charges and other	5	4
Net cash costs	52	68
DD&A	13	12
Metals inventory adjustments	2	49
Noncash and other costs, net	5	1
Total costs	72	130
Gross loss	\$ (16)	\$ (72)
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>	5	5
Gross loss per pound of molybdenum:		
Revenues, excluding adjustments <sup>a</sup>	\$ 10.01	\$ 12.03
Site production and delivery, before net noncash and other costs shown below	8.38	13.33
Treatment charges and other	0.85	0.87
Unit net cash costs	9.23	14.20
DD&A	2.43	2.42
Metals inventory adjustments	0.35	10.04
Noncash and other costs, net	0.84	0.30
Total unit costs	12.85	26.96
Gross loss per pound	\$ (2.84)	\$ (14.93)

*Reconciliation to Amounts Reported*

Three Months Ended December 31, 2020	Production and Delivery			Metals Inventory Adjustments
	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 56	\$ 47	\$ 13	\$ 2
Treatment charges and other	(5)	—	—	—
Noncash and other costs, net	—	5	—	—
Molybdenum mines	51	52	13	2
Other mining <sup>b</sup>	5,478	3,563	403	—
Corporate, other & eliminations	(1,034)	(988)	19	2
As reported in FCX's consolidated financial statements	\$ 4,495	\$ 2,627	\$ 435	\$ 4
Three Months Ended December 31, 2019				
Totals presented above	\$ 58	\$ 64	\$ 12	\$ 49
Treatment charges and other	(4)	—	—	—
Noncash and other costs, net	—	1	—	—
Molybdenum mines	54	65	12	49
Other mining <sup>b</sup>	4,591	3,623	354	(4)
Corporate, other & eliminations	(734)	(753)	25	34
As reported in FCX's consolidated financial statements	\$ 3,911	\$ 2,935	\$ 391	\$ 79

- 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)	Years Ended December 31,	
	2020	2019
Revenues, excluding adjustments <sup>a</sup>	\$ 243	\$ 369
Site production and delivery, before net noncash and other costs shown below	211	293
Treatment charges and other	21	25
Net cash costs	232	318
DD&A	57	62
Metals inventory adjustments	10	50
Noncash and other costs, net	19 <sup>b</sup>	6
Total costs	318	436
Gross loss	\$ (75)	\$ (67)
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>	24	29
Gross loss per pound of molybdenum:		
Revenues, excluding adjustments <sup>a</sup>	\$ 9.94	\$ 12.51
Site production and delivery, before net noncash and other costs shown below	8.65	9.95
Treatment charges and other	0.85	0.85
Unit net cash costs	9.50	10.80
DD&A	2.34	2.11
Metals inventory adjustments	0.42	1.69
Noncash and other costs, net	0.75 <sup>b</sup>	0.20
Total unit costs	13.01	14.80
Gross loss per pound	\$ (3.07)	\$ (2.29)

**Reconciliation to Amounts Reported**

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
<b>Year Ended December 31, 2020</b>				
Totals presented above	\$ 243	\$ 211	\$ 57	\$ 10
Treatment charges and other	(21)	—	—	—
Noncash and other costs, net	—	19	—	—
Molybdenum mines	222	230	57	10
Other mining <sup>c</sup>	17,784	13,465	1,401	58
Corporate, other & eliminations	(3,808)	(3,664)	70	28
As reported in FCX's consolidated financial statements	\$ 14,198	\$ 10,031	\$ 1,528	\$ 96
<b>Year Ended December 31, 2019</b>				
Totals presented above	\$ 369	\$ 293	\$ 62	\$ 50
Treatment charges and other	(25)	—	—	—
Noncash and other costs, net	—	6	—	—
Molybdenum mines	344	299	62	50
Other mining <sup>c</sup>	17,096	14,146	1,266	37
Corporate, other & eliminations	(3,038)	(2,911)	84	92
As reported in FCX's consolidated financial statements	\$ 14,402	\$ 11,534	\$ 1,412	\$ 179

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. Includes charges totaling \$7 million (\$0.29 per pound of molybdenum) primarily associated with contract cancellation costs related to the COVID-19 pandemic and employee separation costs associated with April 2020 revised operating plans.

c. 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.

**CHARGING AHEAD**

RESPONSIBLY. RELIABLY. RELENTLESSLY.

# FCX Conference Call 4<sup>th</sup> Quarter 2020 Results

January 26, 2021



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**FREEMPORT**  
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# Cautionary Statement

## Regarding Forward-Looking Statements

**FREPORT**  
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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 ore grades and milling rates; business outlook; production and sales volumes; unit net cash costs; cash flows; capital expenditures; liquidity; operating costs; operating plans; FCX's financial policy; FCX's expectations regarding PT-FI's ramp-up of underground mining activities and future cash flows through 2022; PT-FI's development, financing, construction and completion of a new smelter in Indonesia and possible expansion of the smelter at PT Smelting; FCX's commitments to deliver responsibly produced copper, including plans to implement and validate all of its operating sites under specific frameworks; improvements in operating procedures and technology; exploration efforts and results; development and production activities, rates and costs; tax rates; export quotas and duties; the impact of copper, gold and molybdenum price changes; the impact of deferred intercompany profits on earnings; mineralization and reserve estimates, execution of the settlement agreements associated with the Louisiana coastal erosion cases and tail-related litigation; and future dividend payments, share purchases and sales. The words "anticipates," "may," "can," "plans," "believes," "estimates," "expects," "projects," "targets," "intends," "likely," "will," "should," "could," "to be," "potential," "assumptions," "guidance," "future" and any similar expressions are intended to identify those assertions as forward-looking statements. The declaration of future dividends is at the discretion of the Board of Directors (Board) and will depend on FCX's financial results, cash requirements, future prospects, global economic conditions, and other factors deemed relevant by the Board. In accordance with the June 2020 amendment to the revolving credit facility, FCX is currently restricted from declaring or paying common stock dividends through December 31, 2021, unless FCX, at its option, reverts to the previous covenant requirements, which would eliminate the restriction on the declaration or payment of common stock dividends.

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, changes in the credit ratings of FCX; changes in FCX's cash requirements, financial position, financing plans or investment plans; changes in general market, economic, tax, regulatory or industry conditions; the duration and scope of and uncertainties associated with the COVID-19 pandemic, and the impact thereof on commodity prices, FCX's business and the global economy and any related actions taken by governments and businesses; FCX's ability to contain and mitigate the risk of spread or major outbreak of COVID-19 at its operating sites, including at PT-FI's remote operating site in Papua; supply of and demand for, and prices of, copper, gold and molybdenum; mine sequencing; changes in mine plans or operational modifications, delays, deferrals or cancellations; production rates; timing of shipments; results of feasibility studies; potential inventory adjustments; potential impairment of long-lived mining assets; the potential effects of violence in Indonesia generally and in the province of Papua, the Indonesia government's extension of PT-FI's export license after March 15, 2021, risks associated with underground mining, satisfaction of requirements in accordance with PT-FI's special mining license to extend mining rights from 2031 through 2041; the Indonesia government's approval of a deferred schedule for completion of the new smelter in Indonesia, expected results from improvements in operating procedures and technology, including innovation initiatives; industry risks; regulatory changes; political and social risks; labor relations, including labor-related work stoppages; weather- and climate-related risks; environmental risks; litigation results; cybersecurity incidents; changes in general market, economic and industry conditions; financial condition of FCX's customers, suppliers, vendors, partners and affiliates, particularly during weak economic conditions and extended periods of volatile commodity prices; reductions in liquidity and access to capital; 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, 2019, and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020, June 30, 2020, and September 30, 2020, each filed with the U.S. Securities and Exchange Commission (SEC), as updated by FCX's subsequent filings with the SEC.

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

This presentation also includes forward-looking statements regarding mineralized material not included in proven and probable mineral reserves. Mineralized material is a mineralized body that has been delineated by appropriately spaced drilling and/or underground sampling to support the estimated tonnage and average metal grades. Such a deposit cannot qualify as recoverable proven and probable reserves until legal and economic feasibility are confirmed based upon a comprehensive evaluation of development costs, unit costs, grades, recoveries and other material factors. Significant additional drilling is required and no assurance can be given that the potential quantities of metal will be produced. Accordingly, no assurances can be given that estimated mineralized material not included in reserves will become proven and probable mineral reserves.

This presentation also contains certain 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. As required by SEC Regulation G, FCX's calculation and reconciliation of unit net cash costs per pound of copper to amounts reported in FCX's consolidated financial statements is in the supplemental schedules of FCX's 4Q20 press release, which is available on FCX's website, "fcx.com". Net debt equals consolidated debt less consolidated cash. A reconciliation of adjusted EBITDA to amounts reported in FCX's consolidated financial statements is included on slide 38.



# 2020 Highlights – Strong Execution

Freeport Team Demonstrated Strong Resilience in Managing the Uncertain Business Environment

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## COVID-19

- **Effective global response to COVID-19 pandemic**
  - Protected health of workforce / supported communities / served customers
  - Collaboration & engagement increased during COVID

## OPERATIONAL

- **Strong execution of operating plans**
- **Solid cost and capital management**
- **Significant milestones achieved**
  - Grasberg Underground reached 68% of annual targeted metal run rate
  - Lone Star copper leach project complete and ramp-up on track

## FINANCIAL

- **Strong cash flow generation**
- **Meaningful reduction in net debt<sup>(1)</sup>**
- **Attractive foundation for future growth**

<sup>(1)</sup> Net debt equals consolidated debt less consolidated cash. See Cautionary Statement.

# Seasoned & Motivated Team Met the Challenge

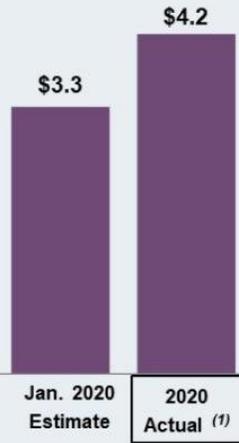
Excellent performance in a year of challenge - comparison to January 2020 guidance

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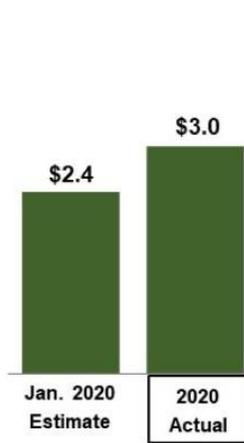
**Unit Net Cash Costs**  
~15% Lower  
(\$ per lb)



**Adjusted EBITDA**  
~27% Higher  
(\$ bns)



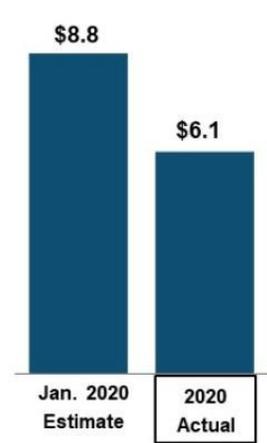
**Operating Cash Flow**  
~25% Higher  
(\$ bns)



**CAPEX**  
~29% Lower  
(\$ bns)



**Net Debt<sup>(2)</sup>**  
~ \$2.7 Bn Lower  
(\$ bns)



NOTE: January 2020 estimates based on copper and gold sales of 3.5 bn lbs and 0.8 mm ozs and average prices of \$2.85/lb copper, \$1,500/oz gold and \$10/lb molybdenum. 2020 actuals included copper and gold sales of 3.2 bn lbs and 0.86 mm ozs and realized prices of \$2.95/lb copper, \$1,832/oz gold and \$10/lb molybdenum.

(1) A reconciliation of 2020 adjusted EBITDA to amounts reported in FCX's consolidated financial statements is included on slide 38.

(2) Net debt equals consolidated debt less consolidated cash. See Cautionary Statement.

# ESG Achievements – 2020 Highlights

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- ✓ **Copper Mark** awarded at **Cerro Verde, El Abra, Atlantic Copper** (first in their respective countries) & **Miami**
- ✓ Ranked 2<sup>nd</sup> in North America in **Corporate Human Rights Benchmark Assessment** (1st among extractives in North America)
- ✓ Investments exceeded **\$100 million** in our global **communities**
- ✓ Strengthened **inclusion & diversity policy**; established new dedicated team and enhanced disclosures



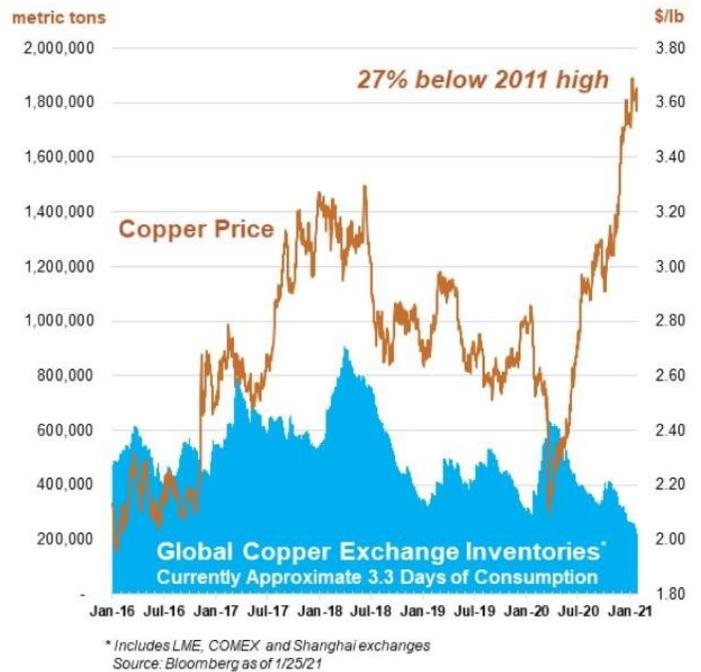
- ✓ Wildlife Habitat Council **re-certified** PT-FI biodiversity programs at the **Gold Tier**
- ✓ Reached **more than 100K women** in our women's empowerment programs, including our **DreamBuilder** Program
- ✓ Established **2030 climate target** and formalized climate strategy in inaugural report
- ✓ Leadership role in development of the new **Global Industry Standard on Tailings Management**
- ✓ Published **Water Report**





## Market Commentary

- Favorable fundamentals
- Chinese demand exceptionally strong
- Stimulus and pandemic recovery to support economic growth
- Policy driven decarbonization targets accelerating
- Supply is limited
  - Base supply aging
  - Limited number of in-progress and planned expansion projects
  - Significant expansion projects face challenges and lengthy time to execute



# Copper – “The” Metal for the Future

Copper Expected to Benefit from Acceleration in Decarbonization Initiatives

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## Copper Utilization Key to Global Decarbonization

### Electrical Vehicles (EV)

Up to **4x** more copper vs. internal combustion engines\*



### Renewables

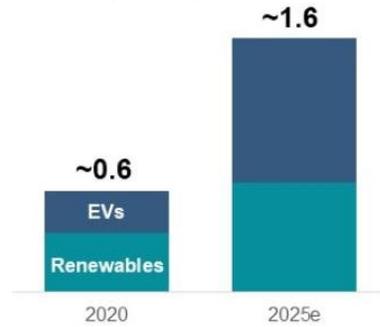
**4-5x** more copper vs. fossil fuel power generation\*



\* International Copper Association  
\*\* CRU; January 2021  
e=estimate. See Cautionary Statement.

## Copper Consumption Associated with EV/ Renewables Expected to More than Double over next 5 Years\*\*

(mm metric tons)



## EV/Renewable Demand Expected to Approximate Size of US Refined Copper Market in the Next 5 Years



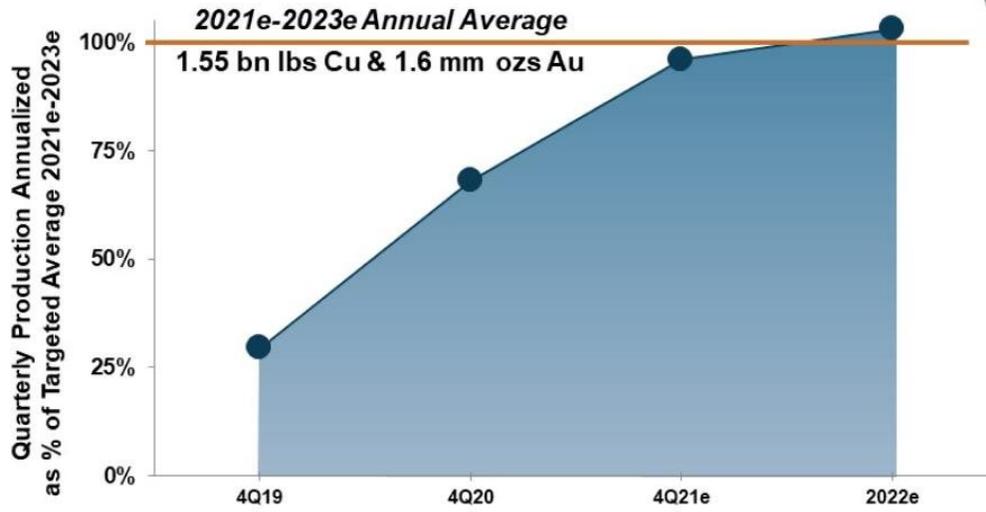
## Estimated Copper Consumption in 2025\*\*



**>70%** of the world's copper is used in applications that deliver electricity\*

# Grasberg Underground Ramp-up Accelerating

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Note: Includes production from Grasberg Block Cave, DMLZ, DOZ and Big Gossan

e = estimate. See Cautionary Statement.



## Various Options Being Evaluated



- **PT-FI committed in 2018 IUPK to construct new smelter by December 2023**
  - Development commenced for 1.7 mm metric ton per annum greenfield copper concentrate smelter near Gresik in East Java
  - Project has been delayed by COVID-19
- **Recent discussions to consider an alternative new smelter developed by a third-party**
- **Also advancing discussions for 30% expansion of existing smelter (PT Smelting)**

# 2021 Priorities – “Charging Ahead”

*Responsibly. Reliably. Relentlessly.*

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Ongoing cost and capital management; automation and innovation initiatives

Continue momentum of underground ramp-up at Grasberg

Deliver on Environmental, Social and Governance (ESG) commitments

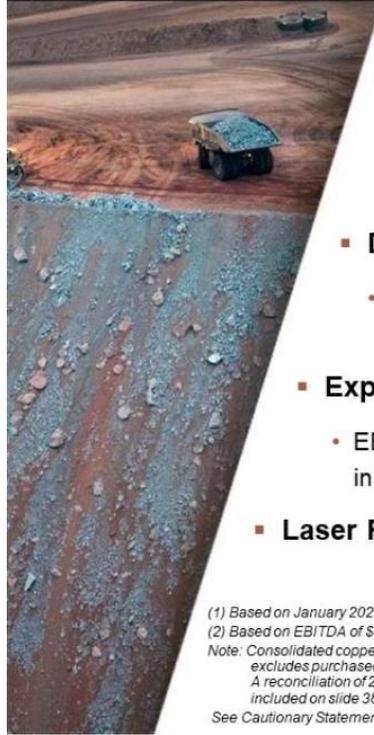
Initiate new financial policy to balance debt reduction, investments and shareholder returns

Advance evaluations for future organic growth

**PURSUING VALUE FOR ALL STAKEHOLDERS**

See Cautionary Statement.

# Expanding Margins & Cash Flow

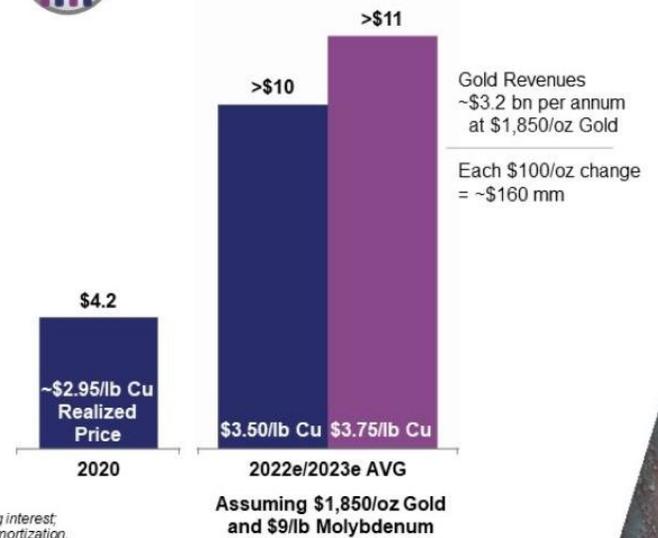


- **Volume Growth (2021e v. 2020)**
  - Copper ~20%
  - Gold +50%
- **Declining unit net cash costs**
  - 2021e expected to decline by ~16% to \$1.25/lb
- **Expanding Margins**
  - EBITDA/Cash Flows to nearly double <sup>(2)</sup> in 2021e compared to 2020
- **Laser Focused on Execution**



## Annual EBITDA Estimates <sup>(1)</sup>

(\$ in billions)



<sup>(1)</sup> Based on January 2021e sales estimates.

<sup>(2)</sup> Based on EBITDA of \$4.2 bn in 2020 and assumes ~\$8 bn in 2021e at \$3.50/lb copper.

Note: Consolidated copper sales include 608 mm lbs in 2020 and 732 mm lbs in 2021e for noncontrolling interest; excludes purchased copper. EBITDA equals operating income plus depreciation, depletion and amortization. A reconciliation of 2020 adjusted EBITDA to amounts reported in FCX's consolidated financial statements is included on slide 38.

See Cautionary Statement e = estimate.

# Long-Lived Reserve Base

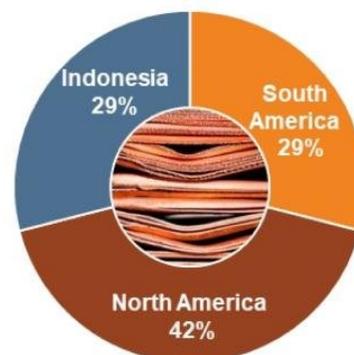
30+ year implied reserve life for copper, excluding mineralized material

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## Consolidated As of 12/31/2020

	Reserves <sup>(1)</sup> (recoverable)	Mineralized Material <sup>(2)</sup> (contained)
Copper (bn lbs)	113	120
Gold (mm ozs)	29	58
Molybdenum (bn lbs)	3.7	3.6

## Copper Reserves <sup>(1)</sup> By Region



(1) Estimate of recoverable proven and probable consolidated reserves using long-term average prices of \$2.50/lb for copper, \$1,200/oz for gold and \$10/lb for molybdenum; FCX's net equity interest of copper reserves totaled 82 bn lbs as of 12/31/2020.

(2) Estimate of consolidated mineralized material (contained copper) using a long-term average copper price of \$3.00/lb, gold price of \$1,200/oz and molybdenum price of \$12/lb. Mineralized material is not included in reserves and will not qualify as reserves until comprehensive engineering studies establish legal and economic feasibility. Accordingly, no assurance can be given that the estimated mineralized material will become proven and probable reserves.

See Cautionary Statement.



# Optionality in Project Pipeline

Disciplined approach to new investments

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## NORTH AMERICA

- **Bagdad Expansion**
  - Current ~80-year reserve life
  - Reviewing +100K st/d mill expansion with +0.2 bn lbs Cu per year
- **Lone Star**
  - Oxide project advances opportunity for development of potentially massive sulfide resource (mill project)
  - Potential 50+ bn lb Cu resource\*
- **Other U.S. brownfield projects**

## SOUTH AMERICA

- **El Abra Mill Project - Chile**
  - 17+ bn lb Cu resource
  - Reviewing potential 240K mt/d mill project with +0.7 bn lbs Cu per year
- **Ongoing optimization at Cerro Verde – Peru**

## EUROPE

- **CirCular Project – Spain**
  - ESG project (Circular Economy); recycle electronic material

## INDONESIA

- **Kucing Liar – Grasberg District**
  - Reserves: 6 bn lbs Cu & 6 mm ozs Au
  - Leverage existing infrastructure
  - 90K mt/d block cave; optimize value with focus on lower pyrite areas of deposit
  - Proceeding with studies, test work & drilling

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

# The Freeport Edge

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## Global Industry Leader

One of the world's largest publicly traded copper producers; **Seasoned and value-driven** global team; 30+ year reserve life with substantial additional resources

## Trusted Operator

**Strong reputation** and franchise in 4 countries; Synergistic operation of all assets

## World-Class Developer

Industry leading track record for **major project execution** in complex jurisdictions

## Block Cave Leader

Industry leading technical capabilities; Decades of **block caving experience**

## Responsible Producer

**Long-standing commitment** to all of our stakeholders including our employees, communities, host countries, customers and suppliers

**Attractive portfolio difficult to replicate**

**CHARGING AHEAD**

RESPONSIBLY. RELIABLY. RELENTLESSLY.

# Financial Review & Outlook

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# 4Q 2020 Operations Update

Continue to focus on strong execution

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## NORTH AMERICA

Cu Sales: 320 mm lbs



## SOUTH AMERICA

Cu Sales: 260 mm lbs



## INDONESIA

Cu Sales: 286 mm lbs  
Au Sales: 293 k ozs



### ▪ Lone Star - Arizona

- Production continues to ramp-up on schedule
- Remains on track to produce +200 mm lbs of cu during 2021e
- Plan to advance studies for potential expansions/long-term development options

### ▪ Chino - New Mexico

- In Jan 2021, restarted mining activities
- Reduced rate of ~100 mm lbs (~50% of capacity)

### ▪ Cerro Verde - Peru

- Mill avg: 373k mt/d (+22k mt/d higher than 3Q20)
- 2021e plan assumes 360k mt/d with potential to increase to 400k mt/d as COVID-19 restrictions are lifted

### ▪ El Abra - Chile

- Plans to increase operating rates during 2021e to pre-COVID-19 levels, subject to public health conditions in Chile
- Incremental copper production: 70 mm lbs per annum\* beginning in 2022e

### ▪ Grasberg Underground

- 4Q20 annualized metal sales reached 68% of post ramp-up targets; expected to approach 90% by mid-2021e
- 56 new drawbells added; over 370 cum.
- DMLZ/Grasberg Block Cave Operating Rates
  - 4Q Avg: ~85k t/d; 42% above 3Q rates
  - 4Q Exit Rate: 95k t/d

e = estimate. See Cautionary Statement.

\*~50% of increase is expected in 2021e with full rates to be achieved in 2022e

16

# 2021e Outlook

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Sales Outlook	Unit Net Cash Cost of Copper	Operating Cash Flows <sup>(2)</sup>	Capital Expenditures
<ul style="list-style-type: none"> <li>▪ <b>Copper:</b> 3.8 billion lbs</li> <li>▪ <b>Gold:</b> 1.3 million ozs</li> <li>▪ <b>Molybdenum:</b> 85 million lbs</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Site prod. &amp; delivery</b> <ul style="list-style-type: none"> <li>• 2021e: \$1.78/lb</li> <li>• 1Q21e: \$1.89/lb</li> </ul> </li> <li>▪ <b>After by-product credits <sup>(1)</sup></b> <ul style="list-style-type: none"> <li>• 2021e: \$1.25/lb</li> <li>• 1Q21e: \$1.37/lb</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>~\$5.5 billion @ \$3.50/lb copper for 2021e</b></li> <li>▪ <b>Each 10¢/lb change in copper in 2021e = \$380 million</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>\$2.3 billion <sup>(3)</sup></b> <ul style="list-style-type: none"> <li>• \$1.4 billion for <b>major projects</b></li> <li>• \$0.9 billion for <b>other mining</b></li> </ul> </li> </ul>

(1) Assumes average prices of \$1,850/oz gold and \$9/lb molybdenum in 2021e.

(2) Assumes average prices of \$1,850/oz gold and \$9/lb molybdenum in 2021e; each \$100/oz change in gold would have an approximate \$120 mm impact and each \$2/lb change in molybdenum would have an approximate \$80 mm impact.

(3) PT Inalum scheduled contributions in 2021e approximate \$0.2 bn; excludes capital expenditures for new smelter in Indonesia.  
e = estimate. See Cautionary Statement.



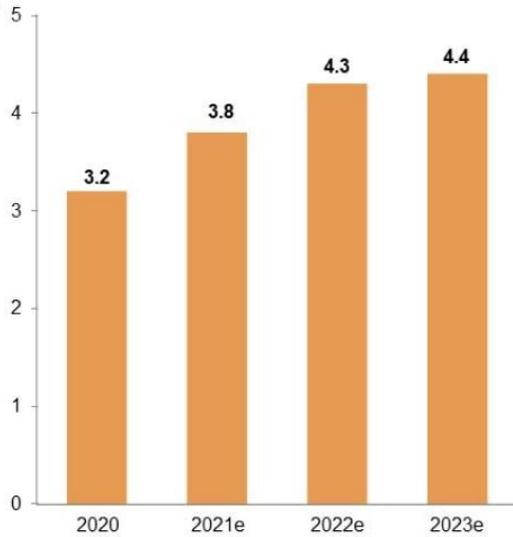
# Annual Sales Profile

January 2021 estimate

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## Copper Sales<sup>(1)</sup> (billion lbs)

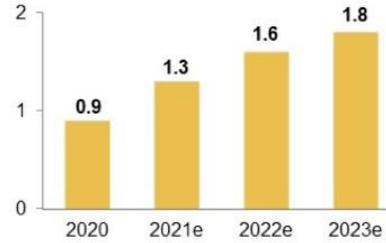


(1) Consolidated copper sales include 608 mm lbs in 2020, 732 mm lbs in 2021e and 860 mm lbs in 2022e and 1,460 mm lbs in 2023e for noncontrolling interest, excludes purchased copper.

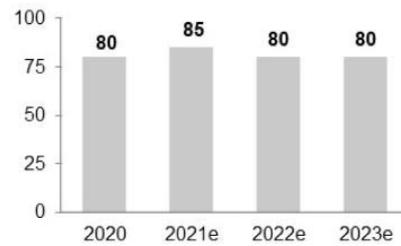
(2) Consolidated gold sales include 158k ozs in 2020, 248k ozs in 2021e and 300k ozs in 2022e and 810k ozs in 2023e for noncontrolling interest. e = estimate. See Cautionary Statement.



## Gold Sales<sup>(2)</sup> (million ozs)



## Molybdenum Sales (million lbs)

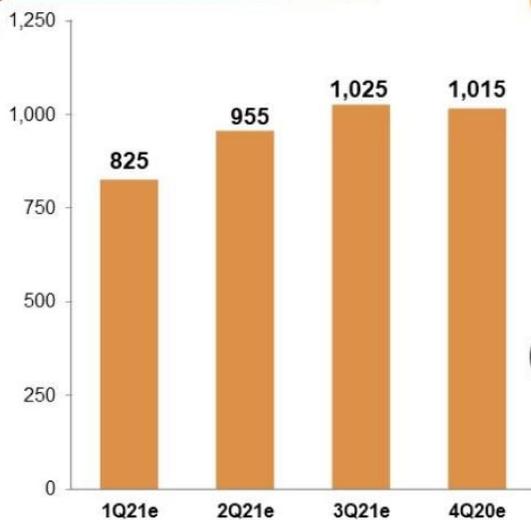


# 2021e Quarterly Sales

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## Copper Sales (millions lbs)

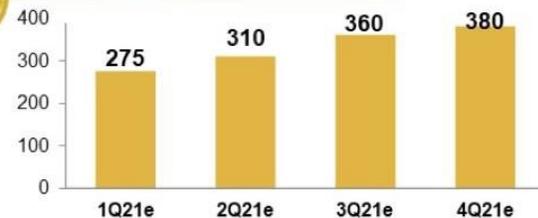


Note: Consolidated copper sales include approximately 162 mm lbs in 1Q21e, 175 mm lbs in 2Q21e, 195 mm lbs in 3Q21e and 200 mm lbs in 4Q21e for noncontrolling interests; excludes purchased copper.

e = estimate. See Cautionary Statement.



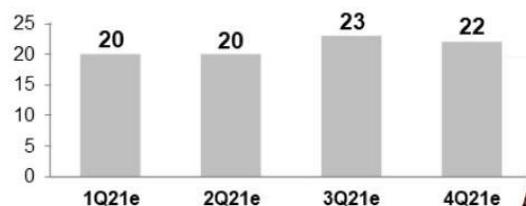
## Gold Sales (thousand ozs)



Note: Consolidated gold sales include approximately 52k ozs in 1Q21e, 58k ozs in 2Q21e, 67k ozs in 3Q21e and 71k ozs in 4Q21e for noncontrolling interests.



## Molybdenum Sales (million lbs)



# EBITDA and Cash Flow at Various Copper Prices

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



## EBITDA | (\$1,850/oz gold, \$9/lb molybdenum)



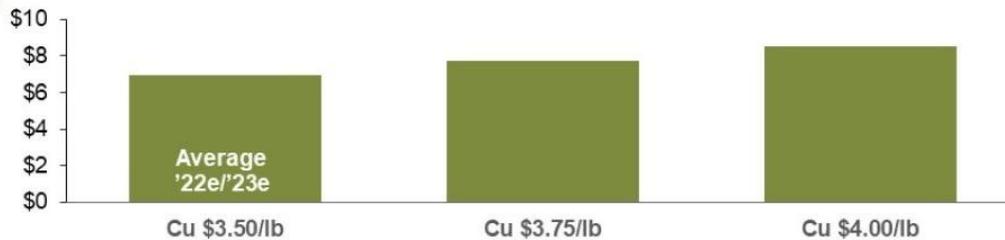
## Sensitivities Average '22e/'23e (US\$ in mms)

### EBITDA

Copper	+/- \$0.10/lb	\$425
Molybdenum	+/- \$1.00/lb	\$45
Gold	+/- \$50/oz	\$80
Currencies <sup>(1)</sup>	+/- 10%	\$185
Diesel	+/- 10%	\$45



## Operating cash flow | Excludes working capital changes (\$1,850/oz gold, \$9/lb molybdenum)



### Operating Cash Flow

Copper	+/- \$0.10/lb	\$325
Molybdenum	+/- \$1.00/lb	\$35
Gold	+/- \$50/oz	\$55
Currencies <sup>(1)</sup>	+/- 10%	\$135
Diesel	+/- 10%	\$30

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

(1) U.S. Dollar Exchange Rates: 743 Chilean peso, 14,100 Indonesian rupiah, \$0.74 Australian dollar, \$1.21 Euro, 3.57 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

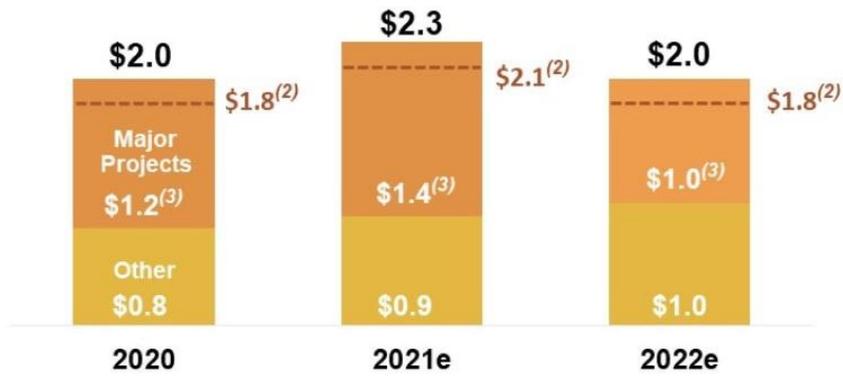
Estimates excluding potential Indonesian smelter CAPEX <sup>(1)</sup>

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(\$ in bns)



Net of Scheduled Contributions



<sup>(1)</sup> See page 9 regarding alternatives under consideration; smelter investments expected to be funded by PT-FI with debt financing.

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

<sup>(3)</sup> Major projects include CAPEX associated with Grasberg underground development and supporting mill and power capital costs (\$1.0 bn in 2020, \$1.3 bn in 2021e, and \$0.9 bn in 2022e) and Lone Star (\$0.2 bn in 2020).

NOTE: Amounts include capitalized interest.  
e= estimate. See Cautionary Statement.

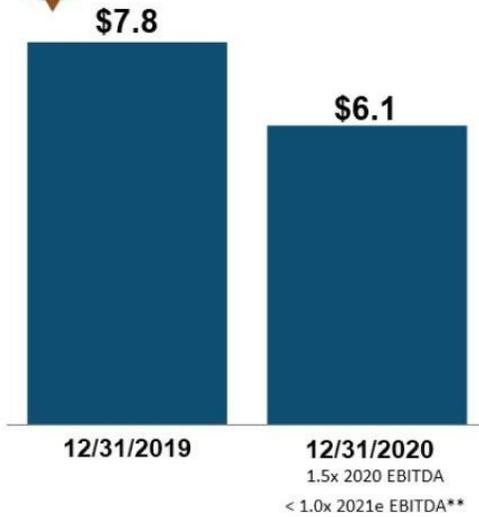
# Strong Financial Position & Liquidity

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## Net Debt\*

(US\$ bns)



## Liquidity

### Liquidity Position

as of 12/31/20

Consolidated Cash	\$3.7
Undrawn Credit Facility	\$3.5
<b>Total Liquidity</b>	<b>\$7.2</b>

\* Net debt equals consolidated debt less consolidated cash.

\*\* Based on \$3.50/lb copper, \$1,850/oz gold and \$9/lb moly for 2021e. e = estimate. See Cautionary Statement.



- Strong financial position and outlook for substantial cash flow generation
- Board to review resumption of common stock dividends in 2021
- Priorities include further debt reduction, shareholder returns and disciplined investments in value enhancing organic growth
- Considering policy to set a pay out target for use of available cash flow for shareholder returns



*NOTE: The declaration and payment of future dividends is at the discretion of the Board and will depend on FCX's financial results, cash requirements, future prospects, global economic conditions and other factors deemed relevant by the Board. See Cautionary Statement.*

World's Premier Publicly Traded Copper Producer

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### **Portfolio of High-Quality Copper / Gold Assets**

Difficult to Replicate

---

**Strong Track Record**  
and Commitment to Communities /  
Environmental Responsibility

---

**Technically Proficient**  
Proven Capabilities

**Experienced** Management Team

---

**Industry Leader**  
with Size, Scale and Durability

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**Copper Supported** by Positive  
Long-Term Fundamentals

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**Growing Production**  
and **Cash Flow** Profile

**CHARGING AHEAD**

RESPONSIBLY. RELIABLY. RELENTLESSLY.

# Reference Slides

**FREEMPORT**  
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# Our COVID-19 Response

**FREPORT**  
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**Prioritizing the Health & Well-Being of Our Workforce**



**Supporting Our Communities**



**Serving Our Customers**



Active & preventive management, through the implementation of global health guidelines, including testing, screening and tracking

Providing monetary and in-kind contributions of medical supplies & food in areas where we operate

As a leading supplier of copper to the global economy, FCX continues to meet the needs of its customers

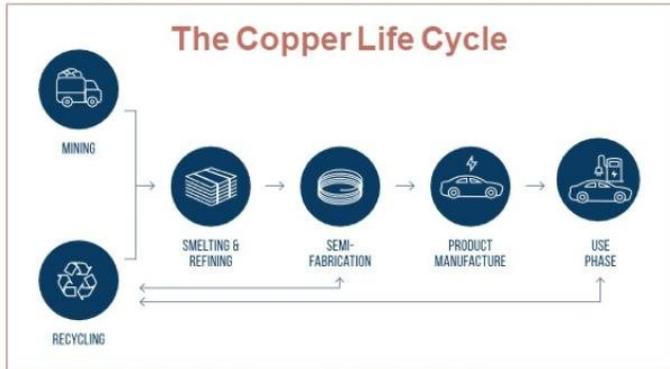
**WE ARE IN THIS TOGETHER**

# Responsible Value Chains

Dedicated to delivering responsibly produced copper to markets around the world

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- **Focused on advancing responsibility in our value chains by:**
  - 1) managing risks in our own supply chain;
  - 2) managing risks of our products and by-products in use; and
  - 3) understanding life cycle impacts of our products along the value chain
- **Recently published a Responsible Sourcing of Minerals Policy and inaugural OECD\* Step 5 Due Diligence Report**
- **FCX is committed to achieving the Copper Mark**
  - 4 sites awarded to date; application in process for 2 additional sites



\* The Organisation for Economic Co-operation and Development (OECD)

The Copper Mark is a new assurance framework developed to demonstrate the copper industry's responsible production practices

THE  
COPPER  
MARK

# Financial Highlights

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Sales Data	4Q20	2020
<b>Copper</b>		
Consolidated Volumes ( <i>mm lbs</i> )	866	3,202
Average Realization ( <i>per lb</i> )	\$3.40	\$2.95
Site Production & Delivery Costs ( <i>per lb</i> )	\$1.78	\$1.88 <sup>(1)</sup>
Unit Net Cash Costs ( <i>per lb</i> )	\$1.28	\$1.48
<b>Gold</b>		
Consolidated Volumes ( <i>000's ozs</i> )	293	855
Average Realization ( <i>per oz</i> )	\$1,870	\$1,832
<b>Molybdenum</b>		
Consolidated Volumes ( <i>mm lbs</i> )	21	80
Average Realization ( <i>per lb</i> )	\$9.96	\$10.20

## Financial Results (in billions, except per share amounts)

Revenues	\$4.5	\$14.2
Net Income Attributable to Common Stock	\$0.7	\$0.6
Diluted Net Income Per Share	\$0.48	\$0.41
Operating Cash Flows <sup>(2)</sup>	\$1.3	\$3.0
Capital Expenditures	\$0.4	\$2.0
Total Debt	\$9.7	\$9.7
Consolidated Cash	\$3.7	\$3.7

<sup>(1)</sup> Excludes charges totaling \$0.06/lb of copper associated with the COVID-19 pandemic and our April 2020 revised operating plans.

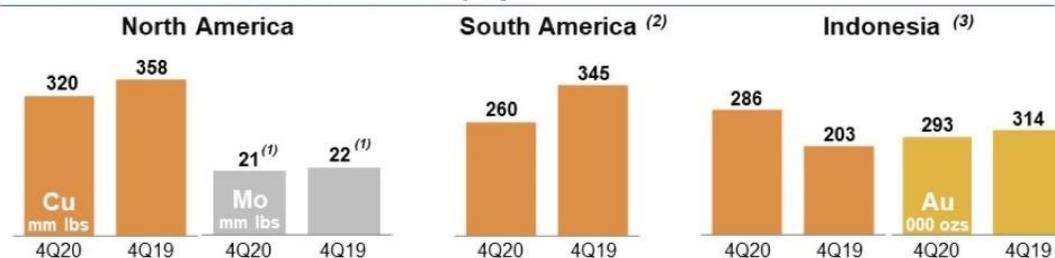
<sup>(2)</sup> Includes working capital sources of \$0.3 bn for 4Q20 and less than \$0.7 bn for 2020



# 4Q20 Mining Operating Summary

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## Sales From Mines for 4Q20 & 4Q19 *by Region*



4Q20 Unit Production Costs <i>(per lb of Cu)</i>	North America	South America	Indonesia	Consolidated
<b>Cash Unit Costs</b>				
Site Production & Delivery	\$1.85	\$1.93	\$1.57	\$1.78
By-product Credits	(0.18)	(0.22)	(2.05)	(0.80)
Treatment Charges	0.09	0.16	0.27	0.17
Royalties & Export Duties	-	0.01	0.39	0.13
<b>Unit Net Cash Costs</b>	<b>\$1.76</b>	<b>\$1.88</b>	<b>\$0.18</b>	<b>\$1.28</b>

(1) Includes 5 mm lbs in 4Q20 and 8 mm lbs in 4Q19 from South America.

(2) Silver sales totaled 0.9 mm ozs in 4Q20 and 1.3 mm ozs in 4Q19.

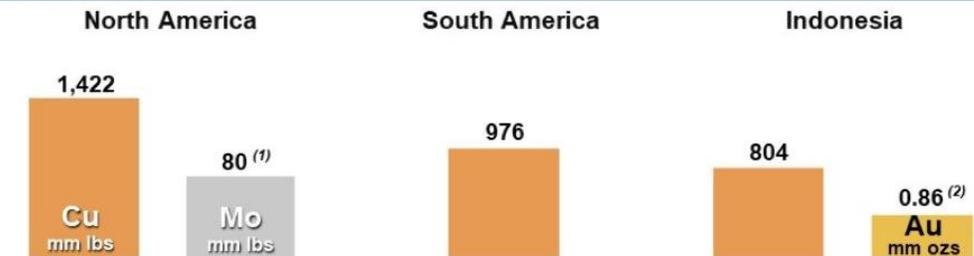
(3) Silver sales totaled 1.3 mm ozs in 4Q20 and 0.8 mm ozs in 4Q19.

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 4Q20 press release, which is available on FCX's website.

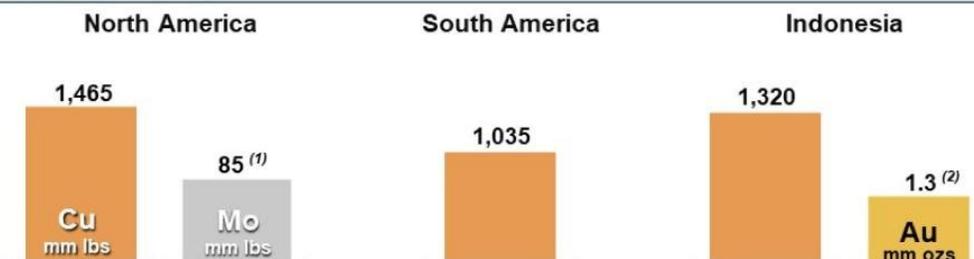
# 2020 and 2021e Sales by Region



## 2020 Sales *by Region*



## 2021e Sales *by Region*



(1) Includes molybdenum produced in South America.

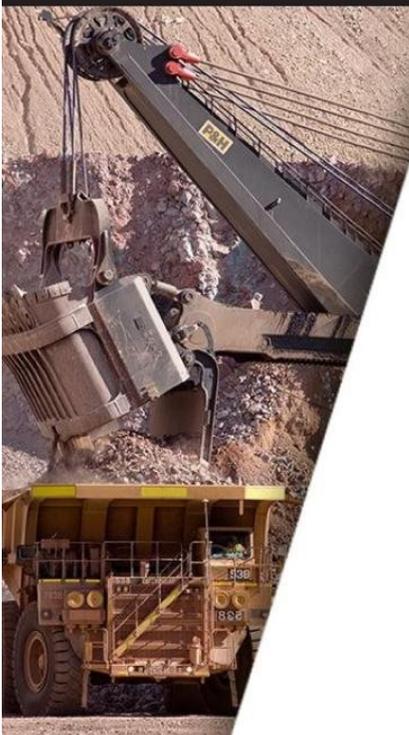
(2) Includes gold produced in North America.

Note: 'e' = estimate. See Cautionary Statement.

# 2020 and 2021e

## Unit Production Costs by Region

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2020 Unit Production Costs (per lb of Cu)	North America	South America	Indonesia	Consolidated
<b>Cash Unit Costs</b>				
Site Production & Delivery <sup>(1)</sup>	\$1.90	\$1.86	\$1.88	\$1.88 <sup>(2)</sup>
By-product Credits	(0.19)	(0.17)	(2.03)	(0.64)
Treatment Charges	0.10	0.15	0.27	0.16
Royalties & Export Duties	-	0.01	0.31	0.08
<b>Unit Net Cash Costs</b>	<b>\$1.81</b>	<b>\$1.85</b>	<b>\$0.43</b>	<b>\$1.48</b>

2021e Unit Production Costs (per lb of Cu)	North America	South America	Indonesia	Consolidated
<b>Cash Unit Costs <sup>(3)</sup></b>				
Site Production & Delivery <sup>(1)</sup>	\$2.01	\$1.96	\$1.40	\$1.78
By-product Credits	(0.25)	(0.19)	(1.93)	(0.81)
Treatment Charges	0.10	0.14	0.24	0.16
Royalties & Export Duties	-	0.01	0.35	0.12
<b>Unit Net Cash Costs</b>	<b>\$1.86</b>	<b>\$1.92</b>	<b>\$0.06</b>	<b>\$1.25</b>

<sup>(1)</sup> Production costs include profit sharing in South America and severance taxes in North America

<sup>(2)</sup> Excludes charges totaling \$0.06/lb of copper associated with the COVID-19 pandemic and our April 2020 revised operating plans.

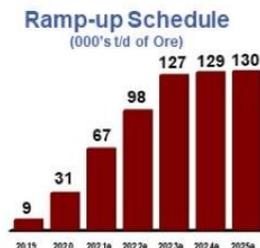
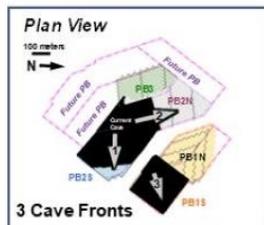
<sup>(3)</sup> Estimates assume average prices of \$3.50/lb for copper, \$1,850/oz for gold and \$9/lb for molybdenum for 2021e.

Quarterly unit costs will vary significantly with quarterly metal sales volumes.

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 4Q20 press release, which is available on FCX's website. e = estimate. See Cautionary Statement.

## Substantial Infrastructure in Place to Support Large-Scale Production

### Grasberg Block Cave



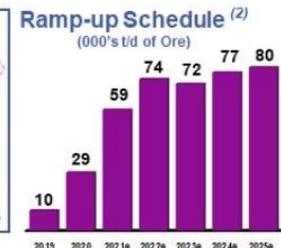
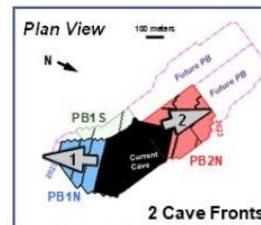
5 Production Blocks,  
3 Currently Active

- Continuation of Ore Mined in Open Pit (300 meters below)
- 874 mm t @ 1.08% Copper & 0.73 g/t Gold
- YE 2020 Reserves: 17 bn lbs Copper; 13 mm ozs Gold
- By 2023: 335,000 Sq Meter Footprint (over 80 acres)
- Life of Mine: 725,000 Sq Meter Footprint (180 acres)
- Fully Autonomous Underground Rail System
- Annual Production @ Avg. Reserve Grade<sup>(1)</sup>
  - 950 mm lbs Copper & 700,000 ozs Gold

(1) Access to higher ore grades expected in early years of production.

(2) DMLZ ramp-up adjustments in April 2020 plan reflect one-year deferral in SAG mill installation.  
e = estimate. See Cautionary Statement.

### DMLZ



3 Production Blocks,  
2 Currently Active

- Located Below DOZ Underground Block Cave Mine
- 1,500 meters below surface
- 439 mm t @ 0.89% Copper & 0.72 g/t Gold
- YE 2020 Reserves: 7 bn lbs Copper; 8 mm ozs Gold
- By 2022: 200,000 Sq Meter Footprint (~ 50 acres)
- Life of Mine: 450,000 Sq Meter Footprint (110 acres)
- Annual Production @ Avg. Reserve Grade<sup>(1)</sup>
  - 500 mm lbs Copper & 540,000 ozs Gold

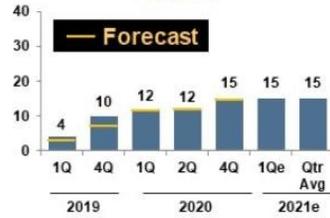
# Project Update

Grasberg Transition Remains on Track

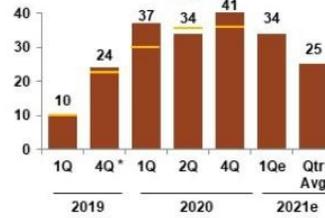
Deep MLZ (DMLZ) & Grasberg Block Cave (GBC) averaged 84,900 t/d in 4Q20: 42% above 3Q20 rates and 2% above October 2020 forecast

## Drawbelling

### DMLZ

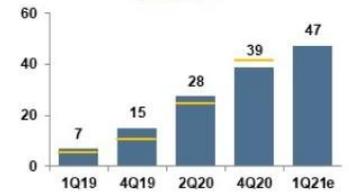


### GBC



## Ore Extraction (000 t/d)

### DMLZ



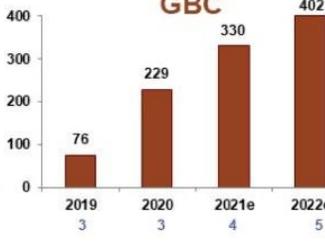
2021e Exit Rate: 72

## Open drawbells provide scale – cumulative blasted

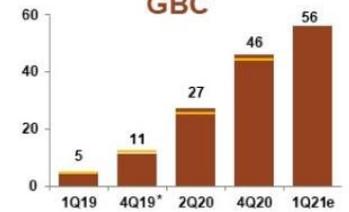
### DMLZ



### GBC



### GBC



2021e Exit Rate: 80

\* Includes planned 20-day outage for modification of ore flow system.  
e = estimate. See Cautionary Statement.

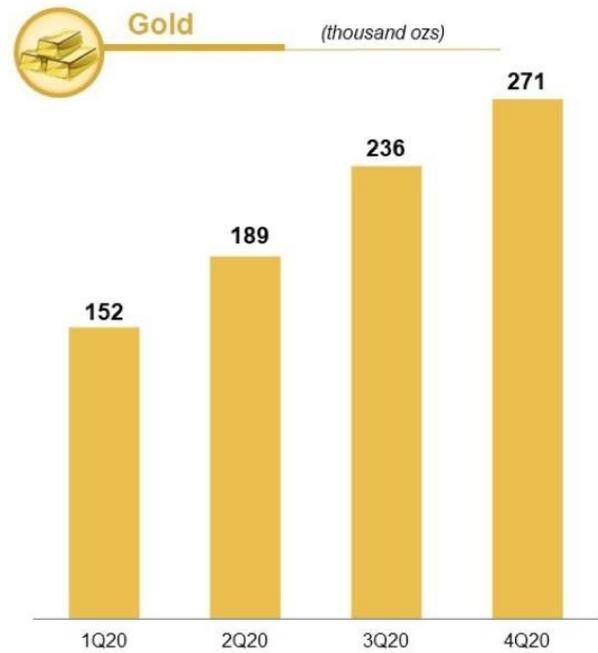
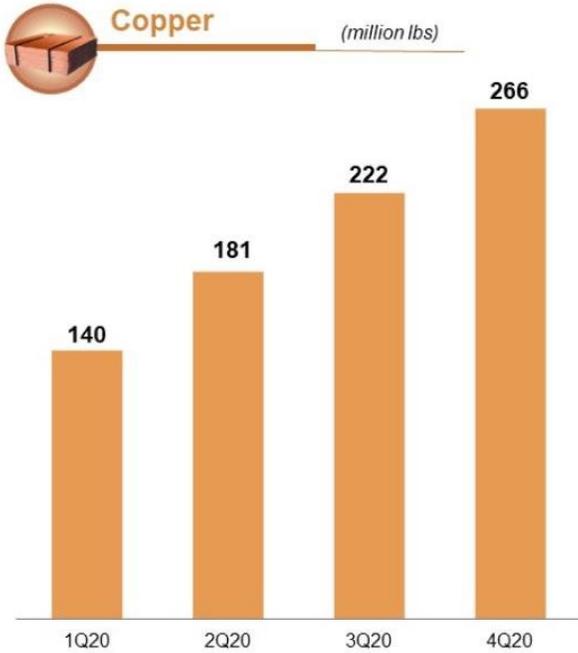


# PT-FI Underground Metal Ramp-up

## Production Rates

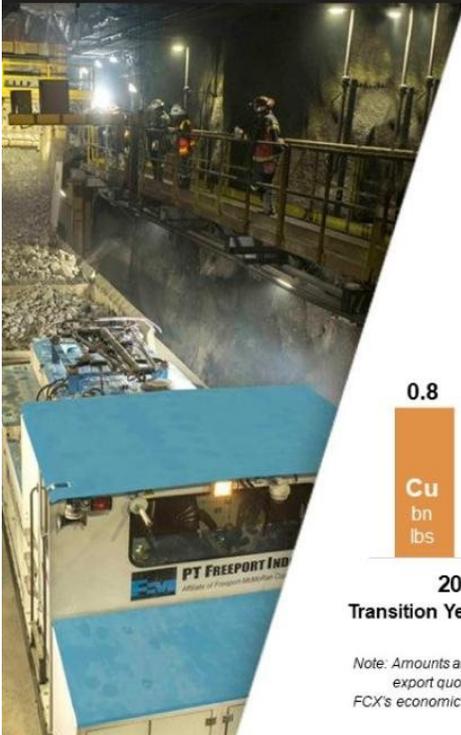
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Achieved ~68% of Annualized Metal Target of 1.55 bn lbs of Copper and 1.6 mm ozs of Gold per Annum in 4Q 2020



# PT-FI Mine Plan

## Metal Sales, 2020 – 2025e

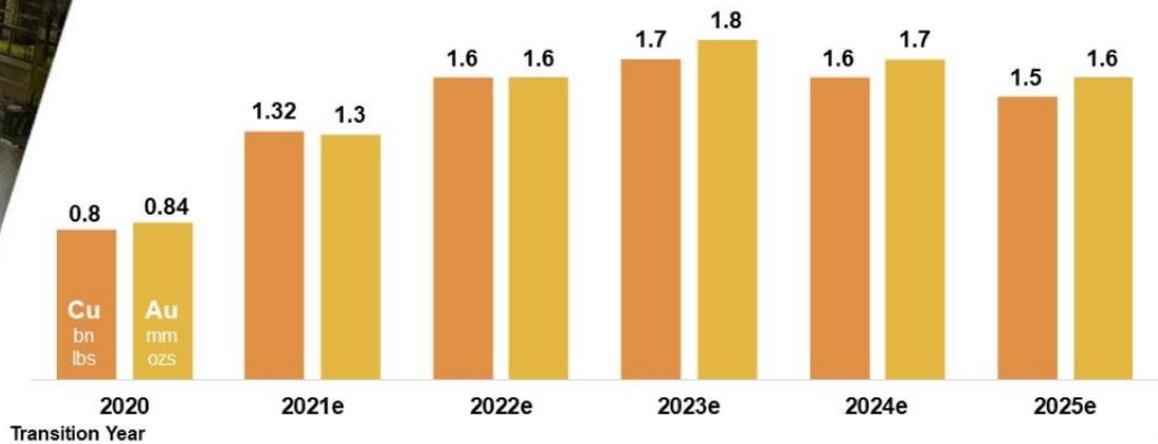


### Copper 2021e – 2025e

Total: 7.7 billion lbs copper  
Annual Average: 1.54 billion lbs

### Gold 2021e – 2025e

Total: 8.0 million ozs gold  
Annual Average: 1.6 million ozs

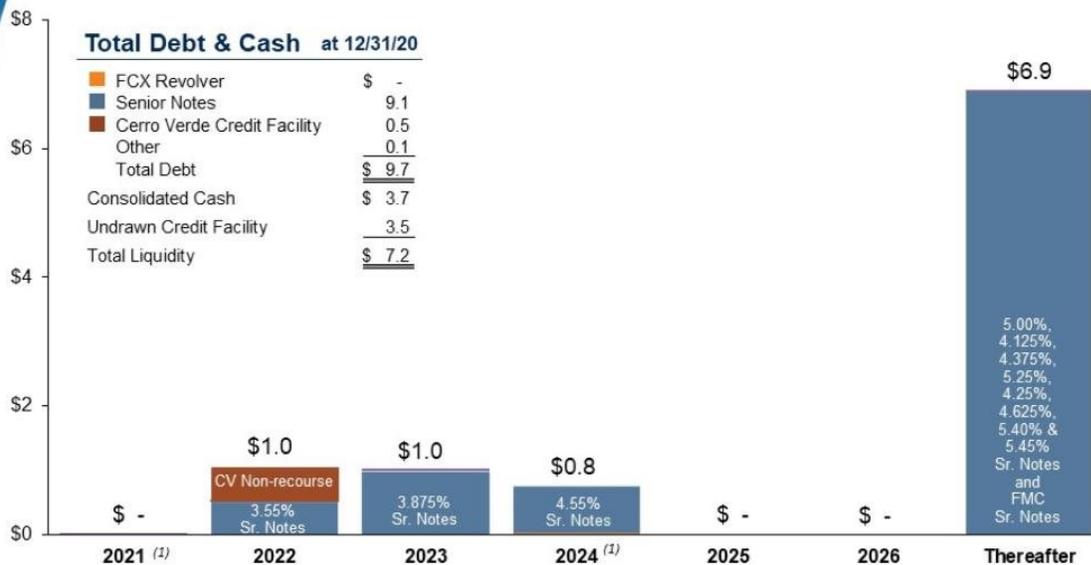


Note: Amounts are projections. Timing of annual sales will depend on a number of factors, including mine sequencing, operational performance, timing of shipments, export quotas, and other factors. See Cautionary Statement. e = estimate  
FCX's economic interest in PT-FI approximates 81.27% through 2022 and 48.76% thereafter.

# FCX Debt Maturities as of 12/31/20



(US\$ bns)



(1) 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 2024.

# 4Q20 Copper Realization & 1Q21e Guidance

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4Q20 LME Average Copper Price	\$3.25/lb
3-Mo. Fwd Price for Copper at the End of December	\$3.52/lb
FCX 4Q20 Consolidated Copper Price Realization	\$3.40/lb <sup>(1)</sup> (Generally, 50/50 weight of qtrly avg and 3-mo forward price at end of period)
FCX 4Q20 Prior Period Open Lb Adj. (aka Provisional Price Adj.)	Revenue/EBITDA: \$113 mm Net income: \$41 mm Earnings/share: \$0.03
1Q21e Open Pound Guidance	<ul style="list-style-type: none"> <li>▪ Open lbs priced at \$3.52/lb on 12/31/20</li> <li>▪ Each \$0.05 change in avg copper price in 1Q21 = \$10 mm impact to 2021e net income</li> <li>▪ LME copper settled at \$3.62/lb on 1/25/21</li> </ul>

(1) Note that when quarter end forward pricing is above the average quarterly spot price, FCX's consolidated quarterly copper realization can be expected to be above the quarterly average spot pricing. Conversely, the quarterly copper realization would be below the quarterly spot price average if quarter end forward curve pricing is below the quarterly average spot price. Quarterly copper realizations by region may vary from the consolidated average.  
e = estimate. See Cautionary Statement.

# Adjusted EBITDA Reconciliation

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(\$ in mm)	4Q20	YE 2020
Net income attributable to common stock	\$708	\$599
Interest expense, net	236	598
Income tax provision	611	944
Depreciation, depletion and amortization	435	1,528
Metals inventory adjustments	4	96
Net gain on sales of assets	(486)	(473)
Accretion and stock-based compensation	62	192
Other net charges <sup>(1)</sup>	132	395
Loss on early extinguishment of debt	1	101
Other expense (income), net	3	(59)
Net income attributable to noncontrolling interests	150	266
Equity in affiliated companies' net earnings	-	(12)
<b>FCX Adjusted EBITDA <sup>(2)</sup></b>	<b><u>\$1,856</u></b>	<b><u>\$4,175</u></b>

(1) Other net charges primarily include a talc-related litigation accrual, partly offset by net favorable adjustments to environmental obligations (\$91 mm for 4Q20 and \$113 mm for YE 2020) and costs directly associated with the COVID-19 pandemic and revised operating plans, including employee separation costs (\$226 mm for YE 2020). For further discussion of net charges, refer to "Adjusted Net Income" beginning on page VII in the supplemental schedules of FCX's 4Q20 press release, which is available on FCX's website.

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

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