



Item 2.02. Results of Operations and Financial Condition.

Freeport-McMoRan Inc. ("FCX") issued a press release dated July 22, 2021, announcing its second-quarter and six-month financial and operating results. A copy of the press release is furnished hereto as Exhibit 99.1.

Item 7.01. Regulation FD Disclosure.

The slides to be presented in connection with FCX's previously announced second-quarter 2021 earnings conference call being webcast on the internet at 10:00 a.m. Eastern Time on July 22, 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 July 22, 2021, titled "Freeport-McMoRan Reports Second-Quarter and Six-Month 2021 Results."
<a href="#">99.2</a>	Slides presented in connection with FCX's second-quarter 2021 earnings conference call conducted via the internet on July 22, 2021.
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

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SIGNATURE

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

Freeport-McMoRan Inc.

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

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

Date: July 22, 2021



## Freeport-McMoRan Reports Second-Quarter and Six-Month 2021 Results

- *Strong financial results and cash flow generation*
- *Ramp-up of Grasberg underground mines advancing on schedule*
- *Favorable operational and market outlook*
- *Achieved balance sheet targets - positioned for increasing cash returns to shareholders and advancement of long-term organic growth in accordance with previously announced financial policy*

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- **Net income** attributable to common stock in second-quarter 2021 totaled \$1.08 billion, \$0.73 per share, and adjusted net income attributable to common stock totaled \$1.14 billion, or \$0.77 per share, after adjusting for net charges totaling \$56 million, \$0.04 per share.
  - **Consolidated sales** totaled 929 million pounds of copper, 305 thousand ounces of gold and 22 million pounds of molybdenum in second-quarter 2021. Consolidated sales for the year 2021 are expected to approximate 3.85 billion pounds of copper, 1.3 million ounces of gold and 86 million pounds of molybdenum, including 1.035 billion pounds of copper, 360 thousand ounces of gold and 21 million pounds of molybdenum in third-quarter 2021.
  - **Average realized prices** in second-quarter 2021 were \$4.34 per pound for copper, \$1,794 per ounce for gold and \$13.11 per pound for molybdenum.
  - **Average unit net cash costs** in second-quarter 2021 were \$1.48 per pound of copper (including nonrecurring labor-related charges at Cerro Verde of \$0.07 per pound of copper) and are expected to average \$1.35 per pound of copper for the year 2021.
  - **Operating cash flows** totaled \$2.4 billion (including \$0.5 billion of working capital and other sources) in second-quarter 2021 and \$3.5 billion (including \$0.2 billion of working capital and other sources) for the first six months of 2021. Based on current sales volume and cost estimates, and assuming average prices of \$4.25 per pound for copper, \$1,800 per ounce for gold and \$16.00 per pound for molybdenum for the second half of 2021, operating cash flows are expected to approximate \$7.5 billion (including \$0.4 billion of working capital and other sources) for the year 2021.
  - **Capital expenditures** totaled \$0.4 billion (including approximately \$0.3 billion for major projects) in second-quarter 2021 and \$0.8 billion (including approximately \$0.6 billion for major projects) for the first six months of 2021. Capital expenditures for the year 2021, excluding Indonesia smelter expenditures, are expected to approximate \$2.2 billion, including \$1.4 billion for major projects primarily associated with underground development activities in the Grasberg minerals district in Indonesia.
  - At June 30, 2021, **consolidated debt** totaled \$9.7 billion and **consolidated cash and cash equivalents** totaled \$6.3 billion, resulting in **net debt** of \$3.4 billion (refer to the supplemental schedule, "Net Debt," on page IX). FCX had no borrowings and \$3.5 billion available under its revolving credit facility at June 30, 2021.

PHOENIX, AZ, July 22, 2021 - Freeport-McMoRan Inc. (NYSE: FCX) reported second-quarter 2021 net income attributable to common stock of \$1.08 billion, \$0.73 per share, and adjusted net income attributable to common stock of \$1.14 billion, \$0.77 per share, after adjusting for net charges totaling \$56 million, \$0.04 per share, primarily associated with nonrecurring labor-related charges at Cerro Verde and for historical contested taxes and other matters at PT Freeport Indonesia (PT-FI). For additional information, refer to the supplemental schedule, "Adjusted Net Income (Loss)," on page VII.

Richard C. Adkerson, Chairman and Chief Executive Officer, said, "Our global team continues to execute our operating plans safely, efficiently and responsibly, providing strong cash flows and a solid foundation for future profitability and growth. During the first half of 2021, we reduced our net debt by \$2.7 billion and achieved our targeted net debt level, positioning us for increasing cash returns to shareholders and investments in future growth in accordance with our financial policy. As a leading responsible producer of copper, we are optimistic about the prospects for our business and our role in supporting a growing global economy and the transition to clean energy. We remain focused on building value for all stakeholders through solid management of our long-lived and high-quality portfolio of copper assets."

**SUMMARY FINANCIAL DATA**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(in millions, except per share amounts)			
Revenues <sup>a,b</sup>	\$ 5,748	\$ 3,054	\$ 10,598	\$ 5,852
Operating income (loss) <sup>a</sup>	\$ 2,067	\$ 321	\$ 3,599	\$ (152)
Net income (loss) attributable to common stock <sup>c,d</sup>	\$ 1,083	\$ 53	\$ 1,801	\$ (438)
Diluted net income (loss) per share of common stock	\$ 0.73	\$ 0.03	\$ 1.21	\$ (0.30)
Diluted weighted-average common shares outstanding	1,483	1,458	1,480	1,453
Operating cash flows <sup>a</sup>	\$ 2,395	\$ 491	\$ 3,470	\$ 453
Capital expenditures	\$ 433	\$ 527	\$ 803	\$ 1,137
At June 30:				
Cash and cash equivalents	\$ 6,313	\$ 1,465	\$ 6,313	\$ 1,465
Total debt, including current portion	\$ 9,695	\$ 9,914	\$ 9,695	\$ 9,914

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 \$173 million (\$66 million to net income attributable to common stock or \$0.05 per share) in second-quarter 2021, \$55 million (\$19 million to net income attributable to common stock or \$0.01 per share) in second-quarter 2020, \$169 million (\$65 million to net income attributable to common stock or \$0.04 per share) for the first six months of 2021 and \$(102) million (\$(43) million to net loss attributable to common stock or \$(0.03) per share) for the first six months of 2020. For further discussion, refer to the supplemental schedule, "Derivative Instruments," on page IX.

c. Includes net (charges) credits totaling \$(56) million (\$(0.04) per share) in second-quarter 2021, \$9 million (\$0.01 per share) in second-quarter 2020, \$(94) million (\$(0.06) per share) for the first six months of 2021 and \$(247) million (\$(0.17) per share) for the first six months of 2020 that are described in the supplemental schedule, "Adjusted Net Income (Loss)," 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 \$523 million in second-quarter 2021, \$22 million in second-quarter 2020, \$187 million for the first six months of 2021 and \$141 million for the first six months of 2020.

SUMMARY OPERATING DATA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>Copper</b> (millions of recoverable pounds)				
Production	913	767	1,823	1,498
Sales, excluding purchases	929	759	1,754	1,488
Average realized price per pound	\$ 4.34	\$ 2.55 <sup>a</sup>	\$ 4.25	\$ 2.53 <sup>a</sup>
Site production and delivery costs per pound <sup>b</sup>	\$ 2.02 <sup>c</sup>	\$ 1.82 <sup>d</sup>	\$ 1.94 <sup>c</sup>	\$ 2.00 <sup>d</sup>
Unit net cash costs per pound <sup>b</sup>	\$ 1.48	\$ 1.47	\$ 1.44	\$ 1.68
<b>Gold</b> (thousands of recoverable ounces)				
Production	305	191	602	347
Sales	305	184	563	328
Average realized price per ounce	\$ 1,794	\$ 1,749	\$ 1,785	\$ 1,709
<b>Molybdenum</b> (millions of recoverable pounds)				
Production	20	19	40	38
Sales, excluding purchases	22	18	43	39
Average realized price per pound	\$ 13.11	\$ 10.53	\$ 12.38	\$ 10.84

- a. Includes reductions to average realized prices of \$0.03 per pound of copper in second-quarter 2020 and \$0.02 per pound of copper for the first six months of 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. 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.
- c. Includes \$0.07 per pound of copper in second-quarter 2021 and \$0.04 per pound of copper for the first six months of 2021 associated with nonrecurring labor-related charges at Cerro Verde for agreements reached with 57 percent of its hourly employees. Refer to the supplemental schedule, "Adjusted Net Income (Loss)," on page VII.
- d. Excludes charges totaling \$0.20 per pound of copper in second-quarter 2020 and \$0.12 per pound of copper for the first six months of 2020, primarily associated with idle facility and contract cancellations costs related to the COVID-19 pandemic and employee separation costs associated with the April 2020 revised operating plans. Refer to the supplemental schedule, "Adjusted Net Income (Loss)," on page VII.

Responsible Production

**2020 Annual Report on Sustainability.** In April 2021, FCX published its 2020 Annual Report on Sustainability, which is available on FCX's website at fcx.com. FCX has a long history of environmental, social and governance (ESG) programs and is continuously striving to improve and respond to evolving stakeholder expectations. This report marked FCX's 20th year of reporting on its sustainability progress and FCX's first year reporting in alignment with the Sustainability Accounting Standards Board Metals & Mining framework. FCX is committed to building upon its achievements in sustainability and seeks to contribute positively to society by supplying the world with responsibly produced copper.

**The Copper Mark.** In June 2021, FCX commenced the Copper Mark assessment process at five additional operating sites, including Bagdad, Chino, Tyrone, Safford and Sierrita. Each of these sites will complete an external assurance process to assess conformance with the Copper Mark's 32 ESG requirements, with a goal of being awarded the Copper Mark. The Copper Mark is a robust assurance framework that demonstrates the copper industry's responsible production practices and contribution to the United Nations Sustainable Development Goals. To date, FCX has six sites that have achieved the Copper Mark (the Morenci operations, Miami smelter and mine, and El Paso refinery in North America; Cerro Verde and El Abra mines in South America; and Atlantic Copper smelter and refinery in Spain). FCX has future plans to validate all of its copper producing sites with the Copper Mark requirements.

**Ongoing COVID-19 Management.** FCX continues its vigilant operating protocols at each of its operating sites to contain and mitigate the risk of spread of COVID-19. FCX's protocols have been effective in mitigating and preventing a major outbreak of COVID-19 at its operating sites. FCX is continuing to monitor, assess and update its COVID-19 related response and is providing assistance to employees in obtaining vaccinations.

**Consolidated Sales Volumes**

Second-quarter 2021 **copper** sales of 929 million pounds and **gold** sales of 305 thousand ounces were approximately 5 percent and 8 percent lower, respectively, than the April 2021 estimates of 975 million pounds of copper and 330 thousand ounces of gold, primarily reflecting the timing of shipments from Indonesia.

Second-quarter 2021 copper sales were 22 percent higher and gold sales were 66 percent higher than second-quarter 2020 sales of 759 million pounds of copper and 184 thousand ounces of gold, primarily reflecting continued progress of the ramp-up of underground mining at PT-FI and increased operating rates at Cerro Verde.

Second-quarter 2021 **molybdenum** sales of 22 million pounds approximated the April 2021 estimate. Second-quarter 2021 molybdenum sales were higher than second-quarter 2020 sales of 18 million pounds of molybdenum, primarily reflecting increased demand and timing of shipments.

Consolidated sales volumes for the year 2021 are expected to approximate 3.85 billion pounds of copper, 1.3 million ounces of gold and 86 million pounds of molybdenum, including 1.035 billion pounds of copper, 360 thousand ounces of gold and 21 million pounds of molybdenum in third-quarter 2021. Projected sales volumes are dependent on operational performance, continued progress of the ramp-up of underground mining at PT-FI, impacts and duration of the COVID-19 pandemic, weather-related conditions, 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 \$1.48 per pound of copper in second-quarter 2021, were higher than the April 2021 estimate of \$1.42 per pound, primarily because of nonrecurring labor-related charges at Cerro Verde (\$0.07 per pound of copper) for agreements reached with 57 percent of its hourly employees (including early agreement of a new four-year collective labor agreement (CLA) with one of its three unions). Consolidated average unit net cash costs in second-quarter 2021 approximated the second-quarter 2020 average of \$1.47 per pound.

Assuming average prices of \$1,800 per ounce of gold and \$16.00 per pound of molybdenum for the second half of 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 \$1.35 per pound of copper for the year 2021. The impact of price changes during the second half of 2021 on consolidated unit net cash costs for the year 2021 would approximate \$0.02 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 achieve strong execution of operating plans. FCX successfully completed the initial development of the Lone Star copper leach project in the second half of 2020 and achieved design capacity approximating 200 million pounds annually. Current operations are exceeding the initial design. FCX continues to advance opportunities to increase Lone Star operating rates and is evaluating a potential additional incremental oxide expansion to increase volumes to over 300 million pounds of copper per year. The oxide project advances the opportunity for development of the large-scale sulfide resources at Lone Star.

FCX has substantial resources in the United States (U.S.), primarily associated with existing mining operations. Evaluation of project options for future growth are under way. In addition to Lone Star, FCX is actively advancing studies to add new capacity at its long-lived Bagdad operation in northwest Arizona.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>Copper</b> (millions of recoverable pounds)				
Production	360	368	713	714
Sales, excluding purchases	389	368	697	723
Average realized price per pound	\$ 4.42	\$ 2.42 <sup>a</sup>	\$ 4.19	\$ 2.50 <sup>a</sup>
<b>Molybdenum</b> (millions of recoverable pounds)				
Production <sup>b</sup>	9	9	17	17
<b>Unit net cash costs per pound of copper<sup>c</sup></b>				
Site production and delivery, excluding adjustments	\$ 2.14	\$ 1.85 <sup>d</sup>	\$ 2.09	\$ 2.00 <sup>d</sup>
By-product credits	(0.25)	(0.17)	(0.27)	(0.19)
Treatment charges	0.08	0.10	0.09	0.10
Unit net cash costs	\$ 1.97	\$ 1.78	\$ 1.91	\$ 1.91

a. Includes reductions to average realized prices of \$0.06 per pound of copper in second-quarter 2020 and \$0.03 per pound of copper for the first six months of 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 \$0.06 per pound of copper in second-quarter 2020 and \$0.03 per pound of copper for the first six months of 2020, primarily associated with idle facility and contract cancellations 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 North America of 389 million pounds in second-quarter 2021 were higher than second-quarter 2020 copper sales volumes of 368 million pounds, primarily reflecting timing of shipments. North America copper sales are estimated to approximate 1.47 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 \$1.97 per pound of copper in second-quarter 2021 were higher than second-quarter 2020 unit net cash costs of \$1.78 per pound, primarily reflecting costs associated with higher mining and milling rates and higher maintenance and input costs, partly offset by higher by-product credits.

Average unit net cash costs (net of by-product credits) for the North America copper mines are expected to approximate \$1.91 per pound of copper for the year 2021, based on achievement of current sales volume and cost estimates and assuming an average molybdenum price of \$16.00 per pound for the second half of 2021. North America's average unit net cash costs for the year 2021 would change by approximately \$0.02 per pound for each \$2 per pound change in the average price of molybdenum for the second half of 2021.

**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 second-quarter 2021, milling rates at Cerro Verde's concentrator facilities were slightly above forecast and averaged 374,100 metric tons of ore per day. Cerro Verde expects milling rates to return to pre-COVID-19 pandemic levels of approximately 400,000 metric tons of ore per day in 2022.

El Abra is implementing plans to increase operating rates to pre-COVID-19 pandemic levels, subject to ongoing monitoring of public health conditions in Chile. Stacking rates at El Abra averaged 94,200 metric tons per

day in second-quarter 2021, approximately 25 percent higher than second-quarter 2020. Increased stacking rates are expected to result in incremental annual production of approximately 70 million pounds of copper beginning in mid-2022, compared with 2020 levels. A new leach pad is under construction to accommodate planned stacking rates for the next several years.

FCX continues to evaluate a large-scale expansion at El Abra to process additional sulfide material and to achieve higher copper recoveries. El Abra's large sulfide resource could potentially support a major mill project similar to facilities constructed at Cerro Verde in 2015. Technical and economic studies continue to be evaluated to determine the optimal scope and timing for the sulfide project. FCX is monitoring potential changes in government fiscal matters in Chile and will defer major investment decisions pending clarity on these matters.

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

	Three Months Ended		Six Months Ended	
	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>Copper</b> (millions of recoverable pounds)				
Production	245	218	504	463
Sales	230	219	489	466
Average realized price per pound	\$ 4.31	\$ 2.67	\$ 4.28	\$ 2.57
<b>Molybdenum</b> (millions of recoverable pounds)				
Production <sup>a</sup>	4	4	9	8
<b>Unit net cash costs per pound of copper<sup>b</sup></b>				
Site production and delivery, excluding adjustments	\$ 2.48 <sup>c</sup>	\$ 1.64 <sup>d</sup>	\$ 2.23 <sup>c</sup>	\$ 1.84 <sup>d</sup>
By-product credits	(0.31)	(0.11)	(0.26)	(0.14)
Treatment charges	0.13	0.15	0.13	0.15
Royalty on metals	0.01	—	0.01	—
Unit net cash costs	\$ 2.31	\$ 1.68	\$ 2.11	\$ 1.85

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. Includes \$0.30 per pound of copper in second-quarter 2021 and \$0.14 per pound of copper for the first six months of 2021 associated with nonrecurring labor-related charges at Cerro Verde for agreements reached with 57 percent of its hourly employees. Refer to the supplemental schedule, "Adjusted Net Income (Loss)," on page VII.

d. Excludes charges totaling \$0.30 per pound of copper in second-quarter 2020 and \$0.18 per pound of copper for the first six months of 2020, 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 230 million pounds in second-quarter 2021 were higher than second-quarter 2020 copper sales volumes of 219 million pounds, primarily reflecting higher milling rates at Cerro Verde, partly offset by timing of shipments.

Copper sales from South America mining are expected to approximate 1.05 billion pounds for the year 2021, slightly higher than the year 2020.

Average unit net cash costs (net of by-product credits) for South America mining of \$2.31 per pound of copper in second-quarter 2021 were higher than second-quarter 2020 unit net cash costs of \$1.68 per pound, primarily reflecting increased mining and milling activities at Cerro Verde, partly offset by higher volumes. Second-quarter 2021 also includes nonrecurring labor-related charges at Cerro Verde (\$0.30 per pound of copper) for agreements reached with 57 percent of its hourly employees (including early agreement of a new four-year CLA with one of its three unions). Negotiations for new CLAs for Cerro Verde's remaining hourly employees are still ongoing. The current CLA is scheduled to expire on August 31, 2021.

Average unit net cash costs (net of by-product credits) for South America mining are expected to approximate \$2.02 per pound of copper for the year 2021, based on current sales volume and cost estimates and assuming an average price of \$16.00 per pound of molybdenum for the second half of 2021.

**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.

PT-FI continues to operate with protocols designed to protect the health and safety of its workforce during the COVID-19 pandemic. During second-quarter 2021, PT-FI began to administer vaccines to its workforce and expects this program to accelerate through the second half of 2021. Following an increase in COVID-19 cases in Indonesia, PT-FI has recently reinstated heightened protocols and travel restrictions to protect the health of its workforce and the surrounding community.

**Operating and Development Activities.** The ramp-up of underground production at the Grasberg minerals district in Indonesia continues to advance on schedule. Second-quarter 2021 highlights include:

- Production approximated 78 percent of the projected ultimate annualized level and is expected to reach 100 percent by year-end 2021.
- A total of 41 new drawbells were constructed at the Grasberg Block Cave and Deep Mill Level Zone (DMLZ) underground mines, bringing cumulative open drawbells to over 460.
- Combined average production from the Grasberg Block Cave and DMLZ underground mines approximated 118,300 metric tons of ore per day. During second-quarter 2021, Grasberg Block Cave achieved a daily record of 107,000 metric tons of ore per day.

The successful completion of this ramp up is expected to enable PT-FI to generate average annual production of 1.55 billion pounds of copper and 1.6 million ounces of gold for the next several years at an attractive unit net cash cost, providing significant margins and cash flows. PT-FI expects production for the year 2021 to approximate 1.3 billion pounds of copper and 1.3 million ounces of gold, nearly double 2020 levels.

PT-FI's estimated annual capital spending on underground mine development projects is expected to average approximately \$0.9 billion per year for 2021 and 2022, net of scheduled contributions from PT Indonesia Asahan Aluminium (Persero) (PT Inalum, also known as MIND ID). 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 2021 and 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.** In connection with PT-FI's 2018 agreement with the Indonesia government associated with the extension of its long-term mining rights, PT-FI committed to construct new domestic smelting capacity totaling 2 million metric tons of concentrate per year by December 2023. Prior to the COVID-19 pandemic, PT-FI selected a site for a greenfield smelter in East Java and initiated ground preparation and commenced engineering and commercial negotiations.

During 2020, PT-FI notified the Indonesia government of schedule delays resulting from the COVID-19 pandemic and continues to review with the government a revised schedule for the project.

To fulfill its obligation for new domestic smelter capacity in Indonesia, PT-FI is planning the following:

- Expansion of annual capacity at PT Smelting (PT-FI's 39.5-percent owned copper smelter and refinery in Gresik, Indonesia) by 300,000 metric tons of concentrate, a 30 percent increase. PT-FI is advancing agreements with the majority owner of PT Smelting to implement the expansion plans with a target completion date of year-end 2023. PT-FI would fund the cost of the expansion, estimated to approximate \$250 million, and increase its ownership in PT Smelting to a majority ownership interest.
- Construction of a new greenfield smelter in Gresik, Indonesia with a capacity to process approximately 1.7 million metric tons of concentrate per year. In July 2021, PT-FI awarded a construction contract to Chiyoda with an estimated cost of \$2.8 billion. The smelter construction is expected to be completed as soon as feasible in 2024, which is dependent on no further pandemic-related disruptions.

- Construction of a precious metals refinery to process gold and silver from PT Smelting and the new greenfield smelter in Gresik, at an estimated cost of \$250 million.

PT-FI has recently entered into a \$1 billion, five-year, unsecured bank credit facility to advance these projects. Additional debt financing is being planned to fund the projects with the cost of all such debt shared 49 percent by FCX and 51 percent by PT Inalum.

Construction of the new smelter capacity would result in the elimination of export duties, providing an offset to the economic cost associated with the smelter development.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>Copper</b> (millions of recoverable pounds)				
Production	308	181	606	321
Sales	310	172	568	299
Average realized price per pound	\$ 4.27	\$ 2.67	\$ 4.29	\$ 2.54
<b>Gold</b> (thousands of recoverable ounces)				
Production	303	189	597	341
Sales	302	180	558	319
Average realized price per ounce	\$ 1,795	\$ 1,748	\$ 1,785	\$ 1,709
<b>Unit net cash costs per pound of copper<sup>a</sup></b>				
Site production and delivery, excluding adjustments	\$ 1.54	\$ 2.00 <sup>b</sup>	\$ 1.51	\$ 2.29 <sup>b</sup>
Gold and silver credits	(1.93)	(1.95)	(1.86)	(1.91)
Treatment charges	0.24	0.27	0.24	0.28
Export duties	0.14	0.09	0.13	0.07
Royalty on metals	0.26	0.15	0.25	0.15
Unit net cash costs	\$ 0.25	\$ 0.56	\$ 0.27	\$ 0.88

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 of \$0.03 per pound of copper in second-quarter 2020 and \$0.01 per pound of copper for the first six months of 2020.

PT-FI's consolidated sales of 310 million pounds of copper and 302 thousand ounces of gold in second-quarter 2021 were higher than second-quarter 2020 consolidated sales of 172 million pounds of copper and 180 thousand ounces of gold, primarily reflecting the ramp-up of underground mining at PT-FI. Consolidated sales volumes from PT-FI are expected to approximate 1.33 billion pounds of copper and 1.3 million ounces of gold for the year 2021, compared with 0.8 billion pounds of copper and 0.8 million ounces of gold for the year 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 (including gold and silver credits) of \$0.25 per pound of copper in second-quarter 2021, were lower than unit net cash costs of \$0.56 per pound in second-quarter 2020, primarily reflecting higher sales volumes.

Assuming an average gold price of \$1,800 per ounce for the second half of 2021 and achievement of current sales volume and cost estimates, unit net cash costs (including gold and silver credits) for PT-FI are expected to approximate \$0.19 per pound of copper for the year 2021. PT-FI's average unit net cash costs for the year 2021 would change by approximately \$0.06 per pound for each \$100 per ounce change in the average price of gold for the second half of 2021.

**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 7 million pounds of molybdenum in second-quarter 2021 was slightly higher than production of 6 million pounds of molybdenum in second-quarter 2020. 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 \$8.14 per pound of molybdenum in second-quarter 2021 were lower than average unit net cash costs of \$8.97 per pound in second-quarter 2020, primarily reflecting higher volumes. Based on current sales volume and cost estimates, average unit net cash costs for the Molybdenum mines are expected to approximate \$9.65 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 \$60 million. FCX has long-lived reserves and a significant resource position in its existing portfolio.

#### CASH FLOWS, CASH AND DEBT

**Operating Cash Flows.** FCX generated operating cash flows of \$2.4 billion (including \$0.5 billion of working capital and other sources) in second-quarter 2021 and \$3.5 billion (including \$0.2 billion of working capital and other sources) for the first six months of 2021.

Based on current sales volume and cost estimates, and assuming average prices of \$4.25 per pound of copper, \$1,800 per ounce of gold and \$16.00 per pound of molybdenum for the second half of 2021, FCX's consolidated operating cash flows are estimated to approximate \$7.5 billion (including \$0.4 billion of working capital and other sources) for the year 2021. The impact of price changes for the second half of 2021 on operating cash flows would approximate \$200 million for each \$0.10 per pound change in the average price of copper, \$50 million for each \$100 per ounce change in the average price of gold and \$55 million for each \$2 per pound change in the average price of molybdenum.

**Capital Expenditures.** Capital expenditures totaled \$0.4 billion in second-quarter 2021 (including approximately \$0.3 billion for major projects) and \$0.8 billion for the first six months of 2021 (including approximately \$0.6 billion for major projects). Capital expenditures are expected to approximate \$2.2 billion for the year 2021, including \$1.4 billion for major projects primarily associated with underground development activities in the Grasberg minerals district and exclude Indonesia smelter expenditures, which are currently expected to approximate \$0.3 billion during the second half of 2021 and will be funded through PT-FI's \$1 billion unsecured bank credit facility.

**Cash.** Following is a summary of the U.S. and international components of consolidated cash and cash equivalents available to the parent company, net of noncontrolling interests' share, taxes and other costs at June 30, 2021 (in billions):

Cash at domestic companies	\$	4.1
Cash at international operations		2.2
Total consolidated cash and cash equivalents		6.3
Noncontrolling interests' share		(0.8)
Cash, net of noncontrolling interests' share	\$	5.5
Withholding taxes		(0.1)
<b>Net cash available</b>	<b>\$</b>	<b>5.4</b>

**Debt.** Following is a summary of total debt and the weighted-average interest rates at June 30, 2021 (in millions, except percentages):

		<b>Weighted-Average Interest Rate</b>
Senior Notes	\$ 9,143	4.8%
Cerro Verde Term Loan	524	2.0%
Other	28	2.4%
<b>Total debt</b>	<b>\$ 9,695</b>	<b>4.6%</b>

At June 30, 2021, FCX had no borrowings, \$8 million in letters of credit issued and \$3.5 billion available under its revolving credit facility. FCX's 3.55% Senior Notes are due March 2022 (\$524 million principal amount), the Cerro Verde Term Loan matures in June 2022, and FCX has no other senior note maturities until March 2023.

On July 19, 2021, PT-FI entered into \$1 billion, five-year, unsecured bank credit facility (consisting of a \$667 million term loan and a \$333 million revolving credit facility). Amounts may be drawn under the term loan within the first three years. The loans mature in July 2026 and bear interest at the London Interbank Offered Rate plus a margin of 1.875% or 2.125%, as defined in the agreement.

#### FINANCIAL POLICY

In February 2021, FCX's Board of Directors (Board) adopted a new financial policy for the allocation of cash flows aligned with FCX's strategic objectives of maintaining a strong balance sheet, increasing cash returns to shareholders and advancing opportunities for future growth. The policy includes a base dividend of \$0.30 per share per year and a performance-based payout framework to be implemented following achievement of a net debt target in the range of \$3 billion to \$4 billion, excluding project debt for additional smelting capacity in Indonesia. Under the performance-based payout framework, up to 50 percent of available cash flows generated after planned capital spending and distributions to noncontrolling interests would be allocated to shareholder returns and the balance to debt reduction and investments in value enhancing growth projects.

Available cash flows for performance-based payout distributions in excess of the base dividend will be assessed by the Board at least annually. With the recent achievement of FCX's net debt target, FCX expects the Board to consider the amount of additional cash returns to shareholders following its 2021 annual results.

On June 23, 2021, FCX declared a quarterly cash dividend of \$0.075 per share on its common stock, which will be paid on August 2, 2021, to shareholders of record as of July 15, 2021. The declaration of dividends is at the discretion of the Board and will depend upon FCX's financial results, cash requirements, future prospects and other factors deemed relevant by the Board.

#### WEBCAST INFORMATION

A conference call with securities analysts to discuss FCX's second-quarter 2021 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 "fxc.com." A replay of the webcast will be available through Friday, August 20, 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 fxc.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 new domestic smelting capacity in Indonesia totaling 2 million metric tons of concentrate per year by December 2023; expectations regarding negotiations with hourly employees at Cerro Verde including completion of new CLAs; 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; descriptions of our objectives, strategies, plans, goals or targets, including our net debt target; and future returns to shareholders, including 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.

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, 2022; 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 new domestic smelting capacity 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 and costs; 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, 2020, filed with the U.S. Securities and Exchange Commission (SEC).

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

This press release also contains financial measures such as net debt, adjusted net income (loss) 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 June 30,			
	2021	2020	2021	2020
	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>	156	185	172	185
Bagdad (100%)	39	59	47	56
Safford (100%)	64	42	67	38
Sierrita (100%)	53	48	55	46
Miami (100%)	3	4	4	4
Chino (100%)	33	18	31	27
Tyrone (100%)	12	11	13	12
Other (100%)	—	1	—	—
<b>Total North America</b>	<b>360</b>	<b>368</b>	<b>389</b>	<b>368</b>
<b>South America</b>				
Cerro Verde (53.56%)	206	178	189	179
El Abra (51%)	39	40	41	40
<b>Total South America</b>	<b>245</b>	<b>218</b>	<b>230</b>	<b>219</b>
<b>Indonesia</b>				
Grasberg (48.76%) <sup>b</sup>	308	181	310	172
<b>Total</b>	<b>913</b>	<b>767</b>	<b>929</b> <sup>c</sup>	<b>759</b> <sup>c</sup>
Less noncontrolling interests	173	136	166	135
<b>Net</b>	<b>740</b>	<b>631</b>	<b>763</b>	<b>624</b>
Average realized price per pound			\$ 4.34	\$ 2.55 <sup>d</sup>
<b>GOLD</b> (thousands of recoverable ounces)				
<i>(FCX's net interest in %)</i>				
<b>North America (100%)</b>				
North America (100%)	2	2	3	4
Indonesia (48.76%) <sup>b</sup>	303	189	302	180
<b>Consolidated</b>	<b>305</b>	<b>191</b>	<b>305</b>	<b>184</b>
Less noncontrolling interests	56	35	56	34
<b>Net</b>	<b>249</b>	<b>156</b>	<b>249</b>	<b>150</b>
Average realized price per ounce			\$ 1,794	\$ 1,749
<b>MOLYBDENUM</b> (millions of recoverable pounds)				
<i>(FCX's net interest in %)</i>				
<b>Henderson (100%)</b>				
Henderson (100%)	2	3	N/A	N/A
<b>Climax (100%)</b>				
Climax (100%)	5	3	N/A	N/A
<b>North America copper mines (100%)<sup>a</sup></b>				
North America copper mines (100%) <sup>a</sup>	9	9	N/A	N/A
<b>Cerro Verde (53.56%)</b>				
Cerro Verde (53.56%)	4	4	N/A	N/A
<b>Consolidated</b>	<b>20</b>	<b>19</b>	<b>22</b>	<b>18</b>
Less noncontrolling interests	2	2	2	2
<b>Net</b>	<b>18</b>	<b>17</b>	<b>20</b>	<b>16</b>
Average realized price per pound			\$ 13.11	\$ 10.53

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 68 million pounds in second-quarter 2021 and 71 million pounds in second-quarter 2020.

d. Includes a reduction to the average realized price of \$0.03 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. There are no remaining forward sales contracts.

**Freeport-McMoRan Inc.**  
**SELECTED OPERATING DATA**

	Six Months Ended June 30,			
	2021	2020	2021	2020
	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>	310	358	312	363
Bagdad (100%)	83	105	89	104
Safford (100%)	128	71	118	66
Sierrita (100%)	102	89	97	87
Miami (100%)	7	8	7	8
Chino (100%)	58	60	50	71
Tyrone (100%)	25	22	24	23
Other (100%)	—	1	—	1
<b>Total North America</b>	<b>713</b>	<b>714</b>	<b>697</b>	<b>723</b>
<b>South America</b>				
Cerro Verde (53.56%)	423	381	404	385
El Abra (51%)	81	82	85	81
<b>Total South America</b>	<b>504</b>	<b>463</b>	<b>489</b>	<b>466</b>
<b>Indonesia</b>				
Grasberg (48.76%) <sup>b</sup>	606	321	568	299
<b>Total</b>	<b>1,823</b>	<b>1,498</b>	<b>1,754</b> <sup>c</sup>	<b>1,488</b> <sup>c</sup>
Less noncontrolling interests	350	277	336	275
<b>Net</b>	<b>1,473</b>	<b>1,221</b>	<b>1,418</b>	<b>1,213</b>
Average realized price per pound			\$ 4.25	\$ 2.53 <sup>d</sup>
<b>GOLD</b> (thousands of recoverable ounces)				
<i>(FCX's net interest in %)</i>				
North America (100%)	5	6	5	9
Indonesia (48.76%) <sup>b</sup>	597	341	558	319
<b>Consolidated</b>	<b>602</b>	<b>347</b>	<b>563</b>	<b>328</b>
Less noncontrolling interests	111	64	104	60
<b>Net</b>	<b>491</b>	<b>283</b>	<b>459</b>	<b>268</b>
Average realized price per ounce			\$ 1.785	\$ 1.709
<b>MOLYBDENUM</b> (millions of recoverable pounds)				
<i>(FCX's net interest in %)</i>				
Henderson (100%)	5	5	N/A	N/A
Climax (100%)	9	8	N/A	N/A
North America copper mines (100%) <sup>a</sup>	17	17	N/A	N/A
Cerro Verde (53.56%)	9	8	N/A	N/A
<b>Consolidated</b>	<b>40</b>	<b>38</b>	<b>43</b>	<b>39</b>
Less noncontrolling interests	4	4	5	5
<b>Net</b>	<b>36</b>	<b>34</b>	<b>38</b>	<b>34</b>
Average realized price per pound			\$ 12.38	\$ 10.84

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 121 million pounds for the first six months of 2021 and 159 million pounds for the first six months of 2020.

d. Includes a reduction to the average realized price of \$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. There are no remaining forward sales contracts.

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

	Three Months Ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
<b>100% North America Copper Mines</b>				
<i>Leach Operations</i>				
Leach ore placed in stockpiles (metric tons per day)	688,000	744,000	696,500	736,100
Average copper ore grade (percent)	0.30	0.28	0.29	0.28
Copper production (millions of recoverable pounds)	265	265	527	500
<i>Mill Operations</i>				
Ore milled (metric tons per day)	264,700	286,200	266,300	309,800
Average ore grades (percent):				
Copper	0.36	0.37	0.37	0.34
Molybdenum	0.03	0.02	0.03	0.02
Copper recovery rate (percent)	82.4	84.6	80.5	85.8
Production (millions of recoverable pounds):				
Copper	155	176	306	354
Molybdenum	9	9	17	17
<b>100% South America Mining</b>				
<i>Leach Operations</i>				
Leach ore placed in stockpiles (metric tons per day)	190,200	141,900	172,100	162,200
Average copper ore grade (percent)	0.33	0.33	0.34	0.35
Copper production (millions of recoverable pounds)	65	62	126	125
<i>Mill Operations</i>				
Ore milled (metric tons per day)	374,100	251,800 <sup>a</sup>	382,100	300,700 <sup>a</sup>
Average ore grades (percent):				
Copper	0.29	0.39	0.30	0.36
Molybdenum	0.01	0.01	0.01	0.01
Copper recovery rate (percent)	85.2	83.9	86.4	80.8
Production (millions of recoverable pounds):				
Copper	179	156	377	338
Molybdenum	4	4	9	8
<b>100% Indonesia Mining</b>				
Ore extracted and milled (metric tons per day):				
Grasberg Block Cave underground mine <sup>b</sup>	64,400	27,200	58,100	23,100
Deep Mill Level Zone underground mine <sup>b</sup>	53,900	27,600	50,300	23,100
Deep Ore Zone underground mine	10,800	21,600	14,700	20,900
Big Gossan underground mine	8,200	5,900	7,500	6,300
Grasberg open pit	—	—	—	3,600 <sup>c</sup>
Other	5,700	(400)	3,000	—
Total	143,000	81,900	133,600	77,000
Average ore grades:				
Copper (percent)	1.28	1.27	1.34	1.21
Gold (grams per metric ton)	1.00	1.04	1.03	1.02
Recovery rates (percent):				
Copper	88.8	91.7	90.0	91.7
Gold	75.9	78.3	77.4	77.6
Production (recoverable):				
Copper (millions of pounds)	308	181	606	321
Gold (thousands of ounces)	303	189	597	341
<b>100% Molybdenum Mines</b>				
Ore milled (metric tons per day)	22,200	23,500	20,500	25,200
Average molybdenum ore grade (percent)	0.19	0.16	0.19	0.16
Molybdenum production (millions of recoverable pounds)	7	6	14	13

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

b. Includes ore from development activities that result in metal production.

c. Represents ore from the Grasberg open-pit stockpiles.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(In Millions, Except Per Share Amounts)			
Revenues <sup>a</sup>	\$ 5,748	\$ 3,054	\$ 10,598	\$ 5,852
Cost of sales:				
Production and delivery <sup>b</sup>	3,067 <sup>c</sup>	2,394 <sup>d,e</sup>	5,853 <sup>c</sup>	4,939 <sup>d,e</sup>
Depreciation, depletion and amortization	483	358 <sup>g</sup>	902	699 <sup>g</sup>
Metals inventory adjustments	—	(139)	1	83
Total cost of sales	3,550	2,613	6,756	5,721
Selling, general and administrative expenses	87	91 <sup>e</sup>	187	201 <sup>e</sup>
Mining exploration and research expenses	14	18 <sup>e</sup>	21	34 <sup>e</sup>
Environmental obligations and shutdown costs	33	11	38	37
Net (gain) loss on sales of assets	(3)	—	(3)	11
Total costs and expenses	3,681	2,733	6,999	6,004
Operating income (loss)	2,067	321	3,599	(152)
Interest expense, net <sup>f</sup>	(148)	(115)	(293)	(242)
Net loss on early extinguishment of debt	—	(9)	—	(41)
Other income, net <sup>h</sup>	9	20	20	40
Income (loss) before income taxes and equity in affiliated companies' net earnings	1,928	217	3,326	(395)
Provision for income taxes <sup>g</sup>	(603)	(96)	(1,046)	(36)
Equity in affiliated companies' net earnings	6	3	4	6
Net income (loss)	1,331	124	2,284	(425)
Net income attributable to noncontrolling interests	(248)	(71)	(483)	(13)
Net income (loss) attributable to common stockholders <sup>h</sup>	<u>\$ 1,083</u>	<u>\$ 53</u>	<u>\$ 1,801</u>	<u>\$ (438)</u>
Diluted net income (loss) per share attributable to common stock	<u>\$ 0.73</u>	<u>\$ 0.03</u>	<u>\$ 1.21</u>	<u>\$ (0.30)</u>
Diluted weighted-average common shares outstanding	<u>1,483</u>	<u>1,458</u>	<u>1,480</u>	<u>1,453</u>
Dividends declared per share of common stock	<u>\$ 0.075</u>	<u>\$ —</u>	<u>\$ 0.15</u>	<u>\$ —</u>

- a. Includes adjustments to provisionally priced concentrate and cathode sales. For a summary of adjustments to provisionally priced copper sales, refer to the supplemental schedule, "Derivative Instruments," on page IX.
- b. Includes PT-FI charges and other net (charges) credits totaling \$(22) million in second-quarter 2021, \$16 million in second-quarter 2020, \$(67) million for the first six months of 2021 and less than \$1 million for the first six months of 2020, which are summarized in the supplemental schedule, "Adjusted Net Income (Loss)," on page VII.
- c. Includes nonrecurring labor-related charges totaling \$69 million at Cerro Verde for agreements reached with 57 percent of its hourly employees.
- d. Includes COVID-19 related charges totaling \$114 million in second-quarter 2020 and \$142 million for the first six months of 2020, primarily associated with idle facility, contract cancellation and other charges, which are summarized in the supplemental schedule, "Adjusted Net Income (Loss)," on page VII.
- e. Includes charges totaling \$82 million associated with an employee separation program, which are summarized in the supplemental schedule, "Adjusted Net Income (Loss)," on page VII.
- f. Consolidated interest costs (before capitalization) totaled \$165 million in second-quarter 2021, \$159 million in second-quarter 2020, \$325 million for the first six months of 2021 and \$330 million for the first six months of 2020.
- g. For a summary of FCX's income taxes, refer to the supplemental schedule, "Income Taxes," on page VIII.
- h. FCX defers recognizing profits on intercompany sales until final sales to third parties occur. For a summary of net impacts from changes in these deferrals, refer to the supplemental schedule, "Deferred Profits," on page X.

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

	June 30, 2021	December 31, 2020
(In Millions)		
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 6,313	\$ 3,657
Trade accounts receivable	1,100	892
Income and other tax receivables	578	520
<b>Inventories:</b>		
Materials and supplies, net	1,616	1,594
Mill and leach stockpiles	1,006	1,014
Product	1,596	1,285
Other current assets	390	341
Total current assets	12,599	9,303
Property, plant, equipment and mine development costs, net	29,836	29,818
Long-term mill and leach stockpiles	1,473	1,463
Other assets	1,528	1,560
<b>Total assets</b>	<b>\$ 45,436</b>	<b>\$ 42,144</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 3,106	\$ 2,708
Current portion of debt	1,057	34
Accrued income taxes	919	324
Current portion of environmental and asset retirement obligations	334	351
Dividends payable	111	—
Total current liabilities	5,527	3,417
Long-term debt, less current portion	8,638	9,677
Deferred income taxes	4,486	4,408
Environmental and asset retirement obligations, less current portion	3,721	3,705
Other liabilities	2,129	2,269
Total liabilities	24,501	23,476
<b>Equity:</b>		
<b>Stockholders' equity:</b>		
Common stock	160	159
Capital in excess of par value	26,084	26,037
Accumulated deficit	(9,880)	(11,681)
Accumulated other comprehensive loss	(576)	(583)
Common stock held in treasury	(3,777)	(3,758)
Total stockholders' equity	12,011	10,174
Noncontrolling interests <sup>a</sup>	8,924	8,494
<b>Total equity</b>	<b>20,935</b>	<b>18,668</b>
<b>Total liabilities and equity</b>	<b>\$ 45,436</b>	<b>\$ 42,144</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)**

	Six Months Ended	
	June 30,	
	2021	2020
	(In Millions)	
Cash flow from operating activities:		
Net income (loss)	\$ 2,284	\$ (425)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	902	699
Metals inventory adjustments	1	83
Net (gain) loss on sales of assets	(3)	11
Stock-based compensation	56	43
Net charges for environmental and asset retirement obligations, including accretion	94	112
Payments for environmental and asset retirement obligations	(110)	(119)
Net charges for defined pension and postretirement plans	1	45
Pension plan contributions	(42)	(29)
Net loss on early extinguishment of debt	—	41
Deferred income taxes	79	(28)
Charges for Cerro Verde royalty dispute	9	15
Payments for Cerro Verde royalty dispute	(65)	(90)
Other, net	77	(46)
Changes in working capital and other:		
Accounts receivable	(279)	83
Inventories	(299)	168
Other current assets	(12)	(4)
Accounts payable and accrued liabilities	272	(73)
Accrued income taxes and timing of other tax payments	505	(33)
Net cash provided by operating activities	<u>3,470</u>	<u>453</u>
Cash flow from investing activities:		
Capital expenditures:		
North America copper mines	(95)	(332)
South America	(47)	(125)
Indonesia	(624)	(634)
Molybdenum mines	(3)	(11)
Other	(34)	(35)
Proceeds from sales of assets	16	116 <sup>a</sup>
Acquisition of minority interest in PT Smelting	(33)	—
Other, net	(13)	(5)
Net cash used in investing activities	<u>(833)</u>	<u>(1,026)</u>
Cash flow from financing activities:		
Proceeds from debt	160	1,585
Repayments of debt	(179)	(1,527)
Cash dividends and distributions paid:		
Common stock	(111)	(73)
Noncontrolling interests	(93)	—
Contributions from noncontrolling interests	88	74
Proceeds from exercised stock options	184	1
Payments for withholding of employee taxes related to stock-based awards	(19)	(5)
Debt financing costs and other, net	(1)	(31)
Net cash provided by financing activities	<u>29</u>	<u>24</u>
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	2,666	(549)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of year	3,903	2,278
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period <sup>b</sup>	<u>\$ 6,569</u>	<u>\$ 1,729</u>

a. Includes \$60 million in contingent consideration associated with the 2016 sale of TF Holdings Limited because the average cobalt price exceeded \$20 per pound during the 24-month period ending December 31, 2019. Also includes the collection of \$45 million related to the sale of the Timok exploration assets in Serbia that were sold in late 2019.

b. Includes restricted cash and restricted cash equivalents of \$256 million at June 30, 2021, and \$264 million at June 30, 2020.

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

Adjusted net income (loss) 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 (loss) follows, which may not be comparable to similarly titled measures reported by other companies (in millions, except per share amounts).

	Three Months Ended June 30,					
	2021			2020		
	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>\$ 1,083</b>	<b>\$ 0.73</b>	<b>N/A</b>	<b>\$ 53</b>	<b>\$ 0.03</b>
Cerro Verde labor agreement	\$ (69)	\$ (22)	\$ (0.01)	\$ —	\$ —	\$ —
PT-FI charges	(32) <sup>b</sup>	(28)	(0.02)	—	—	—
Metals inventory adjustments	—	—	—	139	101	0.07
COVID-19 related costs	—	—	—	(114) <sup>c</sup>	(71)	(0.05)
Employee separation program	—	—	—	(82) <sup>d</sup>	(73)	(0.05)
Other net credits	10 <sup>e</sup>	10	0.01	16 <sup>f</sup>	10	0.01
Net adjustments to environmental obligations and related litigation reserves	(20)	(20)	(0.01)	(1)	(1)	—
Net gain on sales of assets	3	3	—	—	—	—
Net loss on early extinguishment of debt	—	—	—	(9)	(9)	(0.01)
Net tax credits <sup>g</sup>	N/A	—	—	N/A	53	0.04
	<b>\$ (107)<sup>h</sup></b>	<b>\$ (56)<sup>h</sup></b>	<b>\$ (0.04)<sup>h</sup></b>	<b>\$ (52)<sup>h</sup></b>	<b>\$ 9<sup>h</sup></b>	<b>\$ 0.01</b>
<b>Adjusted net income attributable to common stock</b>	<b>N/A</b>	<b>\$ 1,139</b>	<b>\$ 0.77</b>	<b>N/A</b>	<b>\$ 44</b>	<b>\$ 0.03<sup>h</sup></b>

	Six Months Ended June 30,					
	2021			2020		
	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>\$ 1,801</b>	<b>\$ 1.21</b>	<b>N/A</b>	<b>\$ (438)</b>	<b>\$ (0.30)</b>
Cerro Verde labor agreement	\$ (69)	\$ (22)	\$ (0.01)	\$ —	\$ —	\$ —
PT-FI charges	(54) <sup>b</sup>	(48)	(0.03)	—	—	—
Metals inventory adjustments	(1)	(1)	—	(83)	(81)	(0.06)
COVID-19 related costs	—	—	—	(142) <sup>c</sup>	(80)	(0.06)
Employee separation program	—	—	—	(82) <sup>d</sup>	(73)	(0.05)
Other net (charges) credits	(13) <sup>e</sup>	(10)	(0.01)	—	2	—
Net adjustments to environmental obligations and related litigation reserves	(17)	(17)	(0.01)	(15)	(15)	(0.01)
Net gain (loss) on sales of assets	3	3	—	(11)	(11)	(0.01)
Net loss on early extinguishment of debt	—	—	—	(41)	(41)	(0.03)
Net tax credits <sup>g</sup>	N/A	—	—	N/A	52	0.04
	<b>\$ (151)</b>	<b>\$ (94)<sup>h</sup></b>	<b>\$ (0.06)</b>	<b>\$ (375)<sup>h</sup></b>	<b>\$ (247)</b>	<b>\$ (0.17)<sup>h</sup></b>
<b>Adjusted net income (loss) attributable to common stock</b>	<b>N/A</b>	<b>\$ 1,895</b>	<b>\$ 1.28<sup>h</sup></b>	<b>N/A</b>	<b>\$ (191)</b>	<b>\$ (0.13)</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 contested matters at PT-FI (including historical tax audits and an administrative fine levied by the Indonesia government) and asset impairments, which were recorded to production and delivery (\$17 million in second-quarter 2021 and \$30 million for the first six months of 2021), interest expense, net (\$4 million in second-quarter 2021 and \$8 million for the first six months of 2021) and other income, net (\$11 million in second-quarter 2021 and \$16 million for the first six months of 2021).

c. Includes charges recorded to production and delivery (\$93 million in second-quarter 2020 and \$113 million for the first six months of 2020) and to depreciation, depletion and amortization (\$21 million in second-quarter 2020 and \$29 million for the first six months of 2020) associated with idle facility costs, contract cancellation and other charges directly related to the COVID-19 pandemic.

d. The second quarter and first six months of 2020 include employee separation costs recorded to production and delivery (\$60 million), selling, general and administrative (\$15 million), and mining exploration and research (\$7 million).

e. Second-quarter 2021 includes credits recorded to production and delivery (\$10 million) associated with asset retirement obligation adjustments. The first six months of 2021 also include other net charges recorded to production and delivery (\$23 million), primarily associated with employee separation charges, international tax matters and asset retirement obligation adjustments.

f. Includes other net credits totaling \$1 million to production and delivery, \$1 million to interest expense, net and \$14 million to other income, net.

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

h. Does not foot because of rounding.

**Freeport-McMoRan Inc.**  
**INCOME TAXES**

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

	Three Months Ended June 30,			2020		
	2021					
	Income (Loss) <sup>a</sup>	Effective Tax Rate	Income Tax (Provision) Benefit	Income (Loss) <sup>a</sup>	Effective Tax Rate	Income Tax (Provision) Benefit
U.S. <sup>b</sup>	\$ 558	1%	\$ (3) <sup>c</sup>	\$ (130)	42%	\$ 54 <sup>d</sup>
South America	430	38%	(162)	145	31%	(45)
Indonesia	1,002	40%	(404)	188	42%	(79)
Eliminations and other	(62)	N/A	1	14	N/A	(5)
Rate adjustment <sup>e</sup>	—	N/A	(35)	—	N/A	(21)
Continuing operations	<u>\$ 1,928</u>	31% <sup>f</sup>	<u>\$ (603)</u>	<u>\$ 217</u>	44% <sup>f,h</sup>	<u>\$ (96)</u>

	Six Months Ended June 30,			2020		
	2021					
	Income (Loss) <sup>a</sup>	Effective Tax Rate	Income Tax (Provision) Benefit	Income (Loss) <sup>a</sup>	Effective Tax Rate	Income Tax (Provision) Benefit
U.S. <sup>b</sup>	\$ 743	—%	\$ (3) <sup>c</sup>	\$ (581)	10%	\$ 58 <sup>d</sup>
South America	923	39%	(356)	(57)	58%	33
Indonesia	1,759	41%	(719)	169	54%	(91) <sup>g</sup>
Eliminations and other	(99)	N/A	5	74	N/A	(16)
Rate adjustment <sup>e</sup>	—	N/A	27	—	N/A	(20)
Continuing operations	<u>\$ 3,326</u>	31% <sup>f</sup>	<u>\$ (1,046)</u>	<u>\$ (395)</u>	(9)% <sup>f,h</sup>	<u>\$ (36)</u>

a. Represents income (loss) 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. Includes valuation allowance release on prior year unbenefited net operating losses.

d. The second quarter and first six months of 2020 include a tax credit of \$53 million associated with the reversal of a year-end 2019 tax charge related to the sale of FCX's interest in the lower zone of the Timok exploration project in Serbia. The first six months of 2020 also includes a tax credit of \$6 million associated with the removal of a valuation allowance on deferred tax assets.

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

f. FCX's consolidated effective income tax rate is a function of the combined effective tax rates for the jurisdictions in which it operates.

g. Includes a tax charge of \$8 million (\$7 million net of noncontrolling interest) associated with an unfavorable 2012 Indonesia Supreme Court ruling.

h. FCX's U.S. jurisdiction generated net losses for the 2020 periods that did not result in a realized tax benefit; applicable accounting rules required FCX to adjust its estimated annual effective tax rate to exclude the impact of U.S. net losses.

Assuming achievement of current sales volume and cost estimates and average prices of \$4.25 per pound for copper, \$1,800 per ounce for gold and \$16.00 per pound for molybdenum for the second half of 2021, FCX estimates its consolidated effective tax rate for the year 2021 would approximate 31 percent. Changes in projected sales volumes and average prices during 2021 would incur tax impacts at estimated effective rates of 40 percent for Peru, 38 percent for Indonesia and 0 percent for the U.S.

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

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

	As of June 30, 2021		As of December 31, 2020	
Current portion of debt	\$	1,057	\$	34
Long-term debt, less current portion		8,638		9,677
Consolidated debt		9,695		9,711
Less: consolidated cash and cash equivalents		6,313		3,657
<b>Net debt</b>	<b>\$</b>	<b>3,382</b>	<b>\$</b>	<b>6,054</b>

**DERIVATIVE INSTRUMENTS**

For the six months ended June 30, 2021, FCX's mined copper was sold 59 percent in concentrate, 21 percent as cathode and 20 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 \$4.40 per pound during second-quarter 2021 and settled at \$4.26 per pound on June 30, 2021. 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 \$4.34 per pound in second-quarter 2021.

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 June 30,					
	2021			2020		
	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total
Revenues	\$ 173	\$ (55)	\$ 118	\$ 55	\$ 107	\$ 162
Net income attributable to common stock	\$ 66	\$ (25)	\$ 41	\$ 19	\$ 43	\$ 62
Net income per share of common stock	\$ 0.05	\$ (0.02)	\$ 0.03	\$ 0.01	\$ 0.03	\$ 0.04

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

b. Reflects adjustments to provisionally priced copper sales during the second quarters 2021 and 2020.

	Six Months Ended June 30,					
	2021			2020		
	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total	Prior Period <sup>a</sup>	Current Period <sup>b</sup>	Total
Revenues	\$ 169	\$ 156	\$ 325	\$ (102)	\$ 26	\$ (76)
Net income attributable to common stock	\$ 65	\$ 55	\$ 120	\$ (43)	\$ 6	\$ (37)
Net income per share of common stock	\$ 0.04	\$ 0.04	\$ 0.08	\$ (0.03)	\$ —	\$ (0.03)

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

b. Reflects adjustments to provisionally priced copper sales for the first six months of 2021 and 2020.

At June 30, 2021, FCX had provisionally priced copper sales at its copper mining operations totaling 368 million pounds of copper (net of intercompany sales and noncontrolling interests) recorded at an average price of \$4.25 per pound, subject to final pricing over the next several months. FCX estimates that each \$0.05 change in the price realized from the quarter-end provisional price would have an approximate \$12 million effect on 2021 net income attributable to common stock. The LME copper price settled at \$4.21 per pound on July 21, 2021.

#### DEFERRED PROFITS

FCX defers recognizing profits on sales from its mining operations to Atlantic Copper and on 39.5 percent of PT-FI's sales to PT Smelting (PT-FI's 39.5 percent-owned Indonesia smelting unit) until final sales to third parties occur. Changes in these deferrals attributable to variability in intercompany volumes resulted in net (reductions) additions to operating income (loss) totaling \$(99) million (\$(81) million to net income attributable to common stock) in second-quarter 2021 and \$(17) million (\$(6) million to net income attributable to common stock) in second-quarter 2020, \$(185) million (\$(145) million to net income attributable to common stock) for the first six months of 2021 and \$(6) million (\$(1) million to net loss attributable to common stock) for the first six months of 2020. 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 \$207 million at June 30, 2021. 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. FCX currently estimates that approximately 40 percent of the net deferred profit balance will be recognized as income in the second half of 2021.

#### BUSINESS SEGMENTS

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

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

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

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

(In millions)

	North America Copper Mines			South America Mining			Indonesia Mining	Molybdenum Mines	Rod & Refining	Atlantic Copper Smelting & Refining	Corporate, Other & Eliminations	FCX Total
	Morenci	Other	Total	Cerro Verde	Other	Total						
<b>Three Months Ended June 30, 2021</b>												
Revenues:												
Unaffiliated customers	\$ 57	\$ 55	\$ 112	\$ 825	\$ 188	\$ 1,013	\$ 1,753 <sup>a</sup>	\$ —	\$ 1,689	\$ 794	\$ 387 <sup>b</sup>	\$ 5,748
Intersegment	721	1,021	1,742	120	—	120	56	89	6	—	(2,013)	—
Production and delivery	351	574	925	494 <sup>c</sup>	106	600	528	56	1,691	775	(1,508) <sup>d</sup>	3,067
Depreciation, depletion and amortization	40	61	101	82	12	94	247	17	1	8	15	483
Selling, general and administrative expenses	1	—	1	2	—	2	27	—	—	5	52	87
Mining exploration and research expenses	—	—	—	—	—	—	—	—	—	—	14	14
Environmental obligations and shutdown costs	1	—	1	—	—	—	—	—	—	—	32	33
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(3)	(3)
Operating income (loss)	385	441	826	367	70	437	1,007	16	3	6	(228)	2,067
Interest expense, net	—	—	—	12	—	12	6	—	—	2	128	148
Provision for income taxes	—	—	—	145	17	162	404	—	—	—	37	603
Total assets at June 30, 2021	2,635	5,288	7,923	8,795	1,795	10,590	18,461	1,740	271	1,117	5,334	45,436
Capital expenditures	22	47	69	23	3	26	314	2	—	7	15	433

**Three Months Ended June 30, 2020**

Revenues:												
Unaffiliated customers	\$ 20	\$ 16	\$ 36	\$ 471	\$ 106	\$ 577	\$ 683 <sup>a</sup>	\$ —	\$ 1,106	\$ 464	\$ 188 <sup>b</sup>	\$ 3,054
Intersegment	447	505	952 <sup>e</sup>	52	—	52	35	58	8	2	(1,107)	—
Production and delivery	348	439	787	334	104	438	378	61	1,138	446	(854)	2,394
Depreciation, depletion and amortization	43	46	89	88	14	102	124	15	6	7	15	358
Metals inventory adjustments	—	(89)	(89)	—	(57)	(57)	—	1	1	—	5	(139)
Selling, general and administrative expenses	—	1	1	1	—	1	28	—	—	5	56	91
Mining exploration and research expenses	—	1	1	—	—	—	—	—	—	—	17	18
Environmental obligations and shutdown costs	—	—	—	—	—	—	—	—	—	—	11	11
Operating income (loss)	76	123	199	100	45	145	188	(19)	(31)	8	(169)	321
Interest expense, net	1	—	1	20	—	20	1	—	—	1	92	115
Provision for (benefit from) income taxes	—	—	—	29	16	45	78	—	—	1	(28)	96
Total assets at June 30, 2020	2,697	5,198	7,895	8,515	1,631	10,146	16,848	1,777	259	726	2,579	40,230
Capital expenditures	27	121	148	31	20	51	308	4	2	5	9	527

a. Includes PT-FI's sales to PT Smelting totaling \$756 million in second-quarter 2021 and \$433 million in second-quarter 2020.

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

c. Includes nonrecurring charges totaling \$69 million associated with labor-related charges at Cerro Verde for agreements reached with 57 percent of its hourly employees.

d. Includes charges associated with the major maintenance turnaround at the Miami smelter totaling \$19 million.

e. Includes hedging losses totaling \$24 million 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.

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

(In millions)

	North America Copper Mines			South America Mining			Indonesia Mining	Molybdenum Mines	Rod & Refining	Atlantic Copper Smelting & Refining	Corporate, Other & Eliminations	FCX Total
	Morenci	Other	Total	Cerro Verde	Other	Total						
<b>Six months ended June 30, 2021</b>												
Revenues:												
Unaffiliated customers	\$ 61	\$ 83	\$ 144	\$ 1,742	\$ 363	\$ 2,105	\$ 3,136 <sup>a</sup>	\$ —	\$ 2,998	\$ 1,481	\$ 734 <sup>b</sup>	\$ 10,598
Intersegment	1,285	1,763	3,048	165	—	165	108	159	13	—	(3,493)	—
Production and delivery	620	1,054	1,674	930 <sup>c</sup>	209	1,139	983	113	3,007	1,448	(2,511) <sup>d</sup>	5,853
Depreciation, depletion and amortization	74	107	181	171	24	195	446	32	2	15	31	902
Metals inventory adjustments	—	—	—	—	—	—	—	1	—	—	—	1
Selling, general and administrative expenses	1	1	2	4	—	4	53	—	—	12	116	187
Mining exploration and research expenses	—	—	—	—	—	—	—	—	—	—	21	21
Environmental obligations and shutdown costs	1	—	1	—	—	—	—	—	—	—	37	38
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(3)	(3)
Operating income (loss)	650	684	1,334	802	130	932	1,762	13	2	6	(450)	3,599
Interest expense, net	—	—	—	25	—	25	7	—	—	3	258	293
Provision for (benefit from) income taxes	—	—	—	318	38	356	719	—	—	—	(29)	1,046
Capital expenditures	32	63	95	43	4	47	624	3	1	13	20	803
<b>Six months ended June 30, 2020</b>												
Revenues:												
Unaffiliated customers	\$ 22	\$ 23	\$ 45	\$ 847	\$ 204	\$ 1,051	\$ 1,128 <sup>a</sup>	\$ —	\$ 2,221	\$ 893	\$ 514 <sup>b</sup>	\$ 5,852
Intersegment	889	1,039	1,928 <sup>e</sup>	90	—	90	35	129	16	13	(2,211)	—
Production and delivery	697	950	1,647	758	214	972	721	127	2,257	857	(1,642)	4,939
Depreciation, depletion and amortization	87	94	181	181	29	210	225	31	8	14	30	699
Metals inventory adjustments	4	52	56	—	3	3	—	5	1	—	18	83
Selling, general and administrative expenses	1	1	2	3	—	3	56	—	—	10	130	201
Mining exploration and research expenses	—	2	2	—	—	—	—	—	—	—	32	34
Environmental obligations and shutdown costs	—	—	—	—	—	—	—	—	1	—	36	37
Net loss on sales of assets	—	—	—	—	—	—	—	—	—	—	11	11
Operating income (loss)	122	(37)	85	(5)	(42)	(47)	161	(34)	(30)	25	(312)	(152)
Interest expense, net	2	—	2	48	—	48	2	—	—	4	186	242
(Benefit from) provision for income taxes	—	—	—	(23)	(10)	(33)	90	—	—	1	(22)	36
Capital expenditures	71	261	332	90	35	125	634	11	4	11	20	1,137

a. Includes PT-FI's sales to PT Smelting totaling \$1.5 billion for the first six months of 2021 and \$813 million for the first six months of 2020.

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

c. Includes nonrecurring charges totaling \$69 million associated with labor-related charges at Cerro Verde for agreements reached with 57 percent of its hourly employees.

d. Includes charges associated with the major maintenance turnaround at the Miami Smelter totaling \$87 million.

e. Includes hedging losses totaling \$24 million 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.

**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 (loss) 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 (loss) 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 June 30, 2021

(In millions)

	By-Product Method	Co-Product Method			Total
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	
Revenues, excluding adjustments	\$ 1,717	\$ 1,717	\$ 97	\$ 32	\$ 1,846
Site production and delivery, before net noncash and other costs shown below	833	789	56	18	863
By-product credits	(99)	—	—	—	—
Treatment charges	31	29	—	2	31
Net cash costs	765	818	56	20	894
Depreciation, depletion and amortization (DD&A)	102	95	5	2	102
Noncash and other costs, net	31	30	1	—	31
Total costs	898	943	62	22	1,027
Other revenue adjustments, primarily for pricing on prior period open sales	8	8	—	—	8
Gross profit	\$ 827	\$ 782	\$ 35	\$ 10	\$ 827
Copper sales (millions of recoverable pounds)	389	389			
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>			9		
Gross profit per pound of copper/molybdenum:					
Revenues, excluding adjustments	\$ 4.42	\$ 4.42	\$ 11.75		
Site production and delivery, before net noncash and other costs shown below	2.14	2.03	6.86		
By-product credits	(0.25)	—	—		
Treatment charges	0.08	0.07	—		
Unit net cash costs	1.97	2.10	6.86		
DD&A	0.26	0.25	0.55		
Noncash and other costs, net	0.08	0.08	0.06		
Total unit costs	2.31	2.43	7.47		
Other revenue adjustments, primarily for pricing on prior period open sales	0.02	0.02	—		
Gross profit per pound	\$ 2.13	\$ 2.01	\$ 4.28		
Reconciliation to Amounts Reported					
	Revenues	Production and Delivery	DD&A		
Totals presented above	\$ 1,846	\$ 863	\$ 102		
Treatment charges	(12)	19	—		
Noncash and other costs, net	—	31	—		
Other revenue adjustments, primarily for pricing on prior period open sales	8	—	—		
Eliminations and other	12	12	(1)		
North America copper mines	1,854	925	101		
Other mining <sup>c</sup>	5,520	3,650	367		
Corporate, other & eliminations	(1,626)	(1,508)	15		
As reported in FCX's consolidated financial statements	\$ 5,748	\$ 3,067	\$ 483		

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 June 30, 2020

(In millions)

	By-Product Method	Co-Product Method			
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	Total
Revenues, excluding adjustments	\$ 888 <sup>c</sup>	\$ 888	\$ 71	\$ 18	\$ 977
Site production and delivery, before net noncash and other costs shown below	678	636	57	10	703
By-product credits	(64)	—	—	—	—
Treatment charges	37	36	—	1	37
Net cash costs	651	672	57	11	740
DD&A	88	82	5	1	88
Metals inventory adjustments	(89)	(89)	—	—	(89)
Noncash and other costs, net	36 <sup>d</sup>	34	1	1	36
Total costs	686	699	63	13	775
Other revenue adjustments, primarily for pricing on prior period open sales	6	6	—	—	6
Gross profit	\$ 208	\$ 195	\$ 8	\$ 5	\$ 208
Copper sales (millions of recoverable pounds)	368	368			
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>			9		
Gross profit per pound of copper/molybdenum:					
Revenues, excluding adjustments	\$ 2.42 <sup>c</sup>	\$ 2.42	\$ 8.33		
Site production and delivery, before net noncash and other costs shown below	1.85	1.73	6.76		
By-product credits	(0.17)	—	—		
Treatment charges	0.10	0.10	—		
Unit net cash costs	1.78	1.83	6.76		
DD&A	0.24	0.22	0.55		
Metals inventory adjustments	(0.24)	(0.24)	—		
Noncash and other costs, net	0.09 <sup>d</sup>	0.09	0.08		
Total unit costs	1.87	1.90	7.39		
Other revenue adjustments, primarily for pricing on prior period open sales	0.02	0.02	—		
Gross profit per pound	\$ 0.57	\$ 0.54	\$ 0.94		

**Reconciliation to Amounts Reported**

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 977	\$ 703	\$ 88	\$ (89)
Treatment charges	(2)	35	—	—
Noncash and other costs, net	—	36	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	6	—	—	—
Eliminations and other	7	13	1	—
North America copper mines	988	787	89	(89)
Other mining <sup>e</sup>	2,985	2,461	254	(55)
Corporate, other & eliminations	(919)	(854)	15	5
As reported in FCX's consolidated financial statements	\$ 3,054	\$ 2,394	\$ 358	\$ (139)

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 (\$0.06 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 \$22 million (\$0.06 per pound of copper) primarily associated with the April 2020 revised operating plans (including employee separation costs) and the COVID-19 pandemic.

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

Six months ended June 30, 2021

(In millions)	By-Product Method	Co-Product Method			Total
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	
Revenues, excluding adjustments	\$ 2,919	\$ 2,919	185	67	3,171
Site production and delivery, before net noncash and other costs shown below	1,459	1,369	113	40	1,522
By-product credits	(189)	—	—	—	—
Treatment charges	63	60	—	3	63
Net cash costs	1,333	1,429	113	43	1,585
DD&A	181	169	8	4	181
Noncash and other costs, net	73	71	1	1	73
Total costs	1,587	1,669	122	48	1,839
Other revenue adjustments, primarily for pricing on prior period open sales	7	7	—	—	7
Gross profit	\$ 1,339	\$ 1,257	\$ 63	\$ 19	\$ 1,339
Copper sales (millions of recoverable pounds)	697	697			
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>			17		
Gross profit per pound of copper/molybdenum:					
Revenues, excluding adjustments	\$ 4.19	\$ 4.19	\$ 11.12		
Site production and delivery, before net noncash and other costs shown below	2.09	1.96	6.76		
By-product credits	(0.27)	—	—		
Treatment charges	0.09	0.09	—		
Unit net cash costs	1.91	2.05	6.76		
DD&A	0.26	0.24	0.51		
Noncash and other costs, net	0.11	0.11	0.06		
Total unit costs	2.28	2.40	7.33		
Other revenue adjustments, primarily for pricing on prior period open sales	0.01	0.01	—		
Gross profit per pound	\$ 1.92	\$ 1.80	\$ 3.79		
Reconciliation to Amounts Reported					
	Revenues	Production and Delivery	DD&A		
Totals presented above	\$ 3,171	\$ 1,522	\$ 181		
Treatment charges	(17)	46	—		
Noncash and other costs, net	—	73	—		
Other revenue adjustments, primarily for pricing on prior period open sales	7	—	—		
Eliminations and other	31	33	—		
North America copper mines	3,192	1,674	181		
Other mining <sup>c</sup>	10,165	6,690	690		
Corporate, other & eliminations	(2,759)	(2,511)	31		
As reported in FCX's consolidated financial statements	\$ 10,598	\$ 5,853	\$ 902		

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**

Six months ended June 30, 2020

(In millions)	By-Product Method	Co-Product Method			Total
		Copper	Molybdenum <sup>a</sup>	Other <sup>b</sup>	
Revenues, excluding adjustments	\$ 1,799 <sup>c</sup>	\$ 1,799	147	44	1,990
Site production and delivery, before net noncash and other costs shown below	1,439	1,333	128	28	1,489
By-product credits	(141)	—	—	—	—
Treatment charges	76	73	—	3	76
Net cash costs	1,374	1,406	128	31	1,565
DD&A	180	166	10	4	180
Metals inventory adjustments	56	54	—	2	56
Noncash and other costs, net	69 <sup>d</sup>	65	2	2	69
Total costs	1,679	1,691	140	39	1,870
Other revenue adjustments, primarily for pricing on prior period open sales	(22)	(22)	—	—	(22)
Gross profit	\$ 98	\$ 86	\$ 7	\$ 5	\$ 98

Copper sales (millions of recoverable pounds)	722	722			
Molybdenum sales (millions of recoverable pounds) <sup>e</sup>			17		

Gross profit per pound of copper/molybdenum:

Revenues, excluding adjustments	\$ 2.50 <sup>c</sup>	\$ 2.50	\$ 8.99		
Site production and delivery, before net noncash and other costs shown below	2.00	1.85	7.81		
By-product credits	(0.19)	—	—		
Treatment charges	0.10	0.10	—		
Unit net cash costs	1.91	1.95	7.81		
DD&A	0.25	0.23	0.64		
Metals inventory adjustments	0.08	0.07	—		
Noncash and other costs, net	0.09 <sup>d</sup>	0.09	0.15		
Total unit costs	2.33	2.34	8.60		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.03)	(0.03)	—		
Gross profit per pound	\$ 0.14	\$ 0.13	\$ 0.39		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 1,990	\$ 1,489	\$ 180	\$ 56
Treatment charges	(10)	66	—	—
Noncash and other costs, net	—	69	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	(22)	—	—	—
Eliminations and other	15	23	1	—
North America copper mines	1,973	1,647	181	56
Other mining <sup>e</sup>	5,576	4,934	488	9
Corporate, other & eliminations	(1,697)	(1,642)	30	18
As reported in FCX's consolidated financial statements	\$ 5,852	\$ 4,939	\$ 699	\$ 83

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 (\$0.03 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 \$22 million (\$0.03 per pound of copper) primarily associated with the April 2020 revised operating plans (including employee separation costs) and the COVID-19 pandemic.

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)**

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

Three Months Ended June 30, 2021

(In millions)

	By-Product Method	Co-Product Method		
		Copper	Other <sup>a</sup>	Total
Revenues, excluding adjustments	\$ 995	\$ 995	\$ 82	\$ 1,077
Site production and delivery, before net noncash and other costs shown below	573 <sup>b</sup>	531	52	583
By-product credits	(72)	—	—	—
Treatment charges	29	29	—	29
Royalty on metals	2	2	—	2
Net cash costs	532	562	52	614
DD&A	94	86	8	94
Noncash and other costs, net	18	17	1	18
Total costs	644	665	61	726
Other revenue adjustments, primarily for pricing on prior period open sales	88	88	—	88
Gross profit	\$ 439	\$ 418	\$ 21	\$ 439
Copper sales (millions of recoverable pounds)	230	230		
Gross profit per pound of copper:				
Revenues, excluding adjustments	\$ 4.31	\$ 4.31		
Site production and delivery, before net noncash and other costs shown below	2.48 <sup>b</sup>	2.30		
By-product credits	(0.31)	—		
Treatment charges	0.13	0.13		
Royalty on metals	0.01	0.01		
Unit net cash costs	2.31	2.44		
DD&A	0.40	0.37		
Noncash and other costs, net	0.08	0.07		
Total unit costs	2.79	2.88		
Other revenue adjustments, primarily for pricing on prior period open sales	0.38	0.38		
Gross profit per pound	\$ 1.90	\$ 1.81		

**Reconciliation to Amounts Reported**

	Revenues	Production and Delivery	DD&A
Totals presented above	\$ 1,077	\$ 583	\$ 94
Treatment charges	(29)	—	—
Royalty on metals	(2)	—	—
Noncash and other costs, net	—	18	—
Other revenue adjustments, primarily for pricing on prior period open sales	88	—	—
Eliminations and other	(1)	(1)	—
South America mining	1,133	600	94
Other mining <sup>c</sup>	6,241	3,975	374
Corporate, other & eliminations	(1,626)	(1,508)	15
As reported in FCX's consolidated financial statements	\$ 5,748	\$ 3,067	\$ 483

a. Includes silver sales of 0.8 million ounces (\$27.33 per ounce average realized price). Also reflects sales of molybdenum produced by Cerro Verde to FCX's molybdenum sales company at market-based pricing.

b. Includes nonrecurring charges totaling \$69 million (\$0.30 per pound of copper) associated with labor related charges at Cerro Verde for agreements reached with 57 percent of its hourly employees.

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 June 30, 2020

(In millions)

	By-Product Method	Co-Product Method		
		Copper	Other <sup>a</sup>	Total
Revenues, excluding adjustments	\$ 586	\$ 586	\$ 32	\$ 618
Site production and delivery, before net noncash and other costs shown below	360	343	24	367
By-product credits	(25)	—	—	—
Treatment charges	32	32	—	32
Royalty on metals	1	1	—	1
Net cash costs	368	376	24	400
DD&A	103	98	5	103
Metals inventory adjustments	(57)	(57)	—	(57)
Noncash and other costs, net	71 <sup>b</sup>	67	4	71
Total costs	485	484	33	517
Other revenue adjustments, primarily for pricing on prior period open sales	44	44	—	44
Gross profit (loss)	\$ 145	\$ 146	\$ (1)	\$ 145
Copper sales (millions of recoverable pounds)	219	219		
Gross profit per pound of copper:				
Revenues, excluding adjustments	\$ 2.67	\$ 2.67		
Site production and delivery, before net noncash and other costs shown below	1.64	1.57		
By-product credits	(0.11)	—		
Treatment charges	0.15	0.15		
Royalty on metals	—	—		
Unit net cash costs	1.68	1.72		
DD&A	0.47	0.44		
Metals inventory adjustments	(0.26)	(0.26)		
Noncash and other costs, net	0.32 <sup>b</sup>	0.30		
Total unit costs	2.21	2.20		
Other revenue adjustments, primarily for pricing on prior period open sales	0.20	0.20		
Gross profit per pound	\$ 0.66	\$ 0.67		

**Reconciliation to Amounts Reported**

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 618	\$ 367	\$ 103	\$ (57)
Treatment charges	(32)	—	—	—
Royalty on metals	(1)	—	—	—
Noncash and other costs, net	—	71	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	44	—	—	—
Eliminations and other	—	—	(1)	—
South America mining	629	438	102	(57)
Other mining <sup>c</sup>	3,344	2,810	241	(87)
Corporate, other & eliminations	(919)	(854)	15	5
As reported in FCX's consolidated financial statements	\$ 3,054	\$ 2,394	\$ 358	\$ (139)

a. Includes silver sales of 0.6 million ounces (\$14.55 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 \$66 million (\$0.30 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

For the 12 months ended June 30, 2021

	By-Product Method		Co-Product Method		Total	
			Copper	Other <sup>a</sup>		
Revenues, excluding adjustments	\$	2,093	\$	2,093	\$	2,240
Costs of production and delivery, before net noncash and other costs shown below		1,092		1,022		1,113
By-product credits		(126)		—		—
Treatment charges		64		64		64
Royalty on metals		4		4		4
Net cash costs		1,034		1,090		1,181
DD&A		195		181		195
Uncash and other costs, net		28		26		28
Total costs		1,257		1,297		1,404
Other revenue adjustments, primarily for pricing on prior period open sales		99		99		99
Gross profit	\$	935	\$	895	\$	935

Copper sales (millions of recoverable pounds) 489 489

Gross profit per pound of copper:

Revenues, excluding adjustments	\$	4.28	\$	4.28
Costs of production and delivery, before net noncash and other costs shown below		2.23		2.09
By-product credits		(0.26)		—
Treatment charges		0.13		0.13
Royalty on metals		0.01		0.01
Unit net cash costs		2.11		2.23
DD&A		0.40		0.37
Uncash and other costs, net		0.06		0.05
Total unit costs		2.57		2.65
Other revenue adjustments, primarily for pricing on prior period open sales		0.20		0.20
Gross profit per pound	\$	1.91	\$	1.83

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A			
Amounts presented above	\$	2,240	\$	1,113	\$	195
Treatment charges		(64)		—		—
Royalty on metals		(4)		—		—
Uncash and other costs, net		—		28		—
Other revenue adjustments, primarily for pricing on prior period open sales		99		—		—
Eliminations and other		(1)		(2)		—
South America mining		2,270		1,139		195
Other mining <sup>b</sup>		11,087		7,225		676
Corporate, other & eliminations		(2,759)		(2,511)		31
As reported in FCX's consolidated financial statements	\$	10,598	\$	5,853	\$	902

a. Includes silver sales of 1.7 million ounces (\$26.67 per ounce average realized price). Also reflects sales of molybdenum produced by Cerro Verde to FCX's molybdenum sales company at market-based pricing.

b. Includes nonrecurring charges totaling \$69 million (\$0.14 per pound of copper) associated with labor related charges at Cerro Verde for agreements reached with 57 percent of its hourly employees.

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

Six months ended June 30, 2020

(In millions)	By-Product Method	Co-Product Method		
		Copper	Other <sup>a</sup>	Total
Revenues, excluding adjustments	\$ 1,199	\$ 1,199	\$ 86	\$ 1,285
Site production and delivery, before net noncash and other costs shown below	853	800	73	873
By-product credits	(66)	—	—	—
Treatment charges	72	72	—	72
Royalty on metals	2	2	—	2
Net cash costs	861	874	73	947
DD&A	210	195	15	210
Metals inventory adjustments	3	3	—	3
Noncash and other costs, net	100 <sup>b</sup>	95	5	100
Total costs	1,174	1,167	93	1,260
Other revenue adjustments, primarily for pricing on prior period open sales	(70)	(70)	—	(70)
Gross loss	\$ (45)	\$ (38)	\$ (7)	\$ (45)
Copper sales (millions of recoverable pounds)	466	466		
Gross loss per pound of copper:				
Revenues, excluding adjustments	\$ 2.57	\$ 2.57		
Site production and delivery, before net noncash and other costs shown below	1.84	1.72		
By-product credits	(0.14)	—		
Treatment charges	0.15	0.15		
Royalty on metals	—	—		
Unit net cash costs	1.85	1.87		
DD&A	0.45	0.42		
Metals inventory adjustments	0.01	0.01		
Noncash and other costs, net	0.21 <sup>b</sup>	0.20		
Total unit costs	2.52	2.50		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.15)	(0.15)		
Gross loss per pound	\$ (0.10)	\$ (0.08)		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
Totals presented above	\$ 1,285	\$ 873	\$ 210	\$ 3
Treatment charges	(72)	—	—	—
Royalty on metals	(2)	—	—	—
Noncash and other costs, net	—	100	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	(70)	—	—	—
Eliminations and other	—	(1)	—	—
South America mining	1,141	972	210	3
Other mining <sup>c</sup>	6,408	5,609	459	62
Corporate, other & eliminations	(1,697)	(1,642)	30	18
As reported in FCX's consolidated financial statements	\$ 5,852	\$ 4,939	\$ 699	\$ 83

a. Includes silver sales of 1.5 million ounces (\$16.37 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 \$86 million (\$0.18 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)**

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

Three Months Ended June 30, 2021

(In millions)

	By-Product	Co-Product Method			Total
	Method	Copper	Gold	Silver <sup>a</sup>	
Revenues, excluding adjustments	\$ 1,323	\$ 1,323	\$ 543	\$ 37	\$ 1,903
Site production and delivery, before net noncash and other credits shown below	476	331	136	9	476
Gold and silver credits	(597)	—	—	—	—
Treatment charges	74	52	21	2	75
Export duties	44	30	13	1	44
Royalty on metals	80	59	20	1	80
Net cash costs	77	472	190	13	675
DD&A	247	172	70	5	247
Noncash and other costs, net	11	8	3	—	11
Total costs	335	652	263	18	933
Other revenue adjustments, primarily for pricing on prior period open sales	87	87	16	2	105
PT Smelting intercompany loss	(41)	(28)	(12)	(1)	(41)
Gross profit	\$ 1,034	\$ 730	\$ 284	\$ 20	\$ 1,034
Copper sales (millions of recoverable pounds)	310	310			
Gold sales (thousands of recoverable ounces)			302		
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	\$ 4.27	\$ 4.27	\$ 1.795		
Site production and delivery, before net noncash and other credits shown below	1.54	1.07	449		
Gold and silver credits	(1.93)	—	—		
Treatment charges	0.24	0.16	70		
Export duties	0.14	0.10	42		
Royalty on metals	0.26	0.19	66		
Unit net cash costs	0.25	1.52	627		
DD&A	0.79	0.55	232		
Noncash and other costs, net	0.04	0.03	11		
Total unit costs	1.08	2.10	870		
Other revenue adjustments, primarily for pricing on prior period open sales	0.28	0.28	53		
PT Smelting intercompany loss	(0.13)	(0.09)	(39)		
Gross profit per pound/ounce	\$ 3.34	\$ 2.36	\$ 939		
Reconciliation to Amounts Reported					
	Revenues	Production and Delivery	DD&A		
Totals presented above	\$ 1,903	\$ 476	\$ 247		
Treatment charges	(75)	—	—		
Export duties	(44)	—	—		
Royalty on metals	(80)	—	—		
Noncash and other costs, net	—	11	—		
Other revenue adjustments, primarily for pricing on prior period open sales	105	—	—		
PT Smelting intercompany loss	—	41	—		
Indonesia mining	1,809	528	247		
Other mining <sup>b</sup>	5,565	4,047	221		
Corporate, other & eliminations	(1,626)	(1,508)	15		
As reported in FCX's consolidated financial statements	\$ 5,748	\$ 3,067	\$ 483		

a. Includes silver sales of 1.4 million ounces (\$26.08 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 June 30, 2020

(In millions)

	By-Product	Co-Product Method			
	Method	Copper	Gold	Silver <sup>a</sup>	Total
Revenues, excluding adjustments	\$ 458	\$ 458	\$ 315	\$ 13	\$ 786
Site production and delivery, before net noncash and other costs shown below	345	201	138	6	345
Gold and silver credits	(336)	—	—	—	—
Treatment charges	47	27	19	1	47
Export duties	16	10	6	—	16
Royalty on metals	25	13	12	—	25
Net cash costs	97	251	175	7	433
DD&A	124	72	50	2	124
Noncash and other costs, net	8 <sup>b</sup>	5	3	—	8
Total costs	229	328	228	9	565
Other revenue adjustments, primarily for pricing on prior period open sales	12	12	7	1	20
PT Smelting intercompany loss	(25)	(15)	(10)	—	(25)
Gross profit	\$ 218	\$ 127	\$ 84	\$ 5	\$ 218
Copper sales (millions of recoverable pounds)	172	172			
Gold sales (thousands of recoverable ounces)			180		
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	\$ 2.67	\$ 2.67	\$ 1.748		
Site production and delivery, before net noncash and other costs shown below	2.00	1.17	766		
Gold and silver credits	(1.95)	—	—		
Treatment charges	0.27	0.16	105		
Export duties	0.09	0.05	35		
Royalty on metals	0.15	0.08	65		
Unit net cash costs	0.56	1.46	971		
DD&A	0.72	0.42	276		
Noncash and other costs, net	0.05 <sup>b</sup>	0.03	17		
Total unit costs	1.33	1.91	1,264		
Other revenue adjustments, primarily for pricing on prior period open sales	0.07	0.07	41		
PT Smelting intercompany loss	(0.15)	(0.09)	(57)		
Gross profit per pound/ounce	\$ 1.28	\$ 0.74	\$ 468		
<i>Reconciliation to Amounts Reported</i>					
	Revenues	Production and Delivery	DD&A		
Totals presented above	\$ 786	\$ 345	\$ 124		
Treatment charges	(47)	—	—		
Export duties	(16)	—	—		
Royalty on metals	(25)	—	—		
Noncash and other costs, net	—	8	—		
Other revenue adjustments, primarily for pricing on prior period open sales	20	—	—		
PT Smelting intercompany loss	—	25	—		
Indonesia mining	718	378	124		
Other mining <sup>c</sup>	3,255	2,870	219		
Corporate, other & eliminations	(919)	(854)	15		
As reported in FCX's consolidated financial statements	\$ 3,054	\$ 2,394	\$ 358		

a. Includes silver sales of 0.8 million ounces (\$17.09 per ounce average realized price).

b. Includes COVID-19 related costs totaling \$4 million (\$0.03 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**

Six months ended June 30, 2021

(In millions)	By-Product Method	Co-Product Method				Total
		Copper	Gold	Silver <sup>a</sup>		
Revenues, excluding adjustments	\$ 2,435	\$ 2,435	\$ 995	\$ 68	\$ 3,498	
Site production and delivery, before net noncash and other credits shown below	859	598	244	17	859	
Gold and silver credits	(1,059)	—	—	—	—	
Treatment charges	140	97	40	3	140	
Export duties	73	51	21	1	73	
Royalty on metals	140	100	38	2	140	
Net cash costs	153	846	343	23	1,212	
DD&A	446	310	127	9	446	
Noncash and other costs, net	3 <sup>b</sup>	2	1	—	3	
Total costs	602	1,158	471	32	1,661	
Other revenue adjustments, primarily for pricing on prior period open sales	72	72	(4)	—	68	
PT Smelting intercompany loss	(90)	(63)	(25)	(2)	(90)	
Gross profit	\$ 1,815	\$ 1,286	\$ 495	\$ 34	\$ 1,815	
Copper sales (millions of recoverable pounds)	568	568				
Gold sales (thousands of recoverable ounces)			558			
Gross profit per pound of copper/per ounce of gold:						
Revenues, excluding adjustments	\$ 4.29	\$ 4.29	\$ 1.785			
Site production and delivery, before net noncash and other credits shown below	1.51	1.05	439			
Gold and silver credits	(1.86)	—	—			
Treatment charges	0.24	0.17	71			
Export duties	0.13	0.09	37			
Royalty on metals	0.25	0.18	68			
Unit net cash costs	0.27	1.49	615			
DD&A	0.78	0.55	228			
Noncash and other costs, net	0.01 <sup>b</sup>	—	1			
Total unit costs	1.06	2.04	844			
Other revenue adjustments, primarily for pricing on prior period open sales	0.12	0.12	(8)			
PT Smelting intercompany loss	(0.16)	(0.11)	(46)			
Gross profit per pound/ounce	\$ 3.19	\$ 2.26	\$ 887			
<i>Reconciliation to Amounts Reported</i>						
	Revenues	Production and Delivery	DD&A			
Totals presented above	\$ 3,498	\$ 859	\$ 446			
Treatment charges	(140)	—	—			
Export duties	(73)	—	—			
Royalty on metals	(140)	—	—			
Noncash and other costs, net	31	34	—			
Other revenue adjustments, primarily for pricing on prior period open sales	68	—	—			
PT Smelting intercompany loss	—	90	—			
Indonesia mining	3,244	983	446			
Other mining <sup>c</sup>	10,113	7,381	425			
Corporate, other & eliminations	(2,759)	(2,511)	31			
As reported in FCX's consolidated financial statements	\$ 10,598	\$ 5,853	\$ 902			

a. Includes silver sales of 2.6 million ounces (\$26.05 per ounce average realized price).

b. Includes credits of \$31 million (\$0.05 per pound of copper) associated with adjustments to prior year treatment and refining charges and charges of \$16 million (\$0.03 per pound of copper) associated with a potential settlement of an administrative fine levied by the Indonesia government.

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

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

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

Six months ended June 30, 2020

(In millions)	By-Product Method	Co-Product Method			Total
		Copper	Gold	Silver <sup>a</sup>	
Revenues, excluding adjustments	\$ 760	\$ 760	\$ 545	\$ 22	\$ 1,327
Site production and delivery, before net noncash and other costs shown below	686	393	282	11	686
Gold and silver credits	(572)	—	—	—	—
Treatment charges	85	49	35	1	85
Export duties	20	11	8	1	20
Royalty on metals	44	25	19	—	44
Net cash costs	263	478	344	13	835
DD&A	225	129	92	4	225
Noncash and other costs, net	35 <sup>b</sup>	20	14	1	35
Total costs	523	627	450	18	1,095
Other revenue adjustments, primarily for pricing on prior period open sales	(20)	(20)	5	—	(15)
Gross profit	\$ 217	\$ 113	\$ 100	\$ 4	\$ 217
Copper sales (millions of recoverable pounds)	299	299			
Gold sales (thousands of recoverable ounces)			319		
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	\$ 2.54	\$ 2.54	\$ 1.709		
Site production and delivery, before net noncash and other costs shown below	2.29	1.31	884		
Gold and silver credits	(1.91)	—	—		
Treatment charges	0.28	0.17	110		
Export duties	0.07	0.04	25		
Royalty on metals	0.15	0.08	58		
Unit net cash costs	0.88	1.60	1,077		
DD&A	0.75	0.43	289		
Noncash and other costs, net	0.12 <sup>b</sup>	0.06	45		
Total unit costs	1.75	2.09	1,411		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.07)	(0.07)	14		
Gross profit per pound/ounce	\$ 0.72	\$ 0.38	\$ 312		
<i>Reconciliation to Amounts Reported</i>					
	Revenues	Production and Delivery	DD&A		
Totals presented above	\$ 1,327	\$ 686	\$ 225		
Treatment charges	(85)	—	—		
Export duties	(20)	—	—		
Royalty on metals	(44)	—	—		
Noncash and other costs, net	—	35	—		
Other revenue adjustments, primarily for pricing on prior period open sales	(15)	—	—		
Indonesia mining	1,163	721	225		
Other mining <sup>c</sup>	6,386	5,860	444		
Corporate, other & eliminations	(1,697)	(1,642)	30		
As reported in FCX's consolidated financial statements	\$ 5,852	\$ 4,939	\$ 699		

a. Includes silver sales of 1.3 million ounces (\$16.30 per ounce average realized price).

b. Includes COVID-19 related costs totaling \$4 million (\$0.01 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)**

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

(In millions)	Three Months Ended June 30,	
	2021	2020
Revenues, excluding adjustments <sup>a</sup>	\$ 95	\$ 63
Site production and delivery, before net noncash and other costs shown below	54	53
Treatment charges and other	6	5
Net cash costs	60	58
DD&A	17	15
Metals inventory adjustments	—	1
Noncash and other costs, net	2	8 <sup>b</sup>
Total costs	79	82
Gross profit (loss)	\$ 16	\$ (19)
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>	7	6
Gross profit (loss) per pound of molybdenum:		
Revenues, excluding adjustments <sup>a</sup>	\$ 12.77	\$ 9.69
Site production and delivery, before net noncash and other costs shown below	7.29	8.12
Treatment charges and other	0.85	0.85
Unit net cash costs	8.14	8.97
DD&A	2.29	2.29
Metals inventory adjustments	—	0.16
Noncash and other costs, net	0.30	1.34 <sup>b</sup>
Total unit costs	10.73	12.76
Gross profit (loss) per pound	\$ 2.04	\$ (3.07)

**Reconciliation to Amounts Reported**

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments
<b>Three Months Ended June 30, 2021</b>				
Totals presented above	\$ 95	\$ 54	\$ 17	\$ —
Treatment charges and other	(6)	—	—	—
Noncash and other costs, net	—	2	—	—
Molybdenum mines	89	56	17	—
Other mining <sup>c</sup>	7,285	4,519	451	—
Corporate, other & eliminations	(1,626)	(1,508)	15	—
As reported in FCX's consolidated financial statements	\$ 5,748	\$ 3,067	\$ 483	\$ —
<b>Three Months Ended June 30, 2020</b>				
Totals presented above	\$ 63	\$ 53	\$ 15	\$ 1
Treatment charges and other	(5)	—	—	—
Noncash and other costs, net	—	8	—	—
Molybdenum mines	58	61	15	1
Other mining <sup>c</sup>	3,915	3,187	328	(145)
Corporate, other & eliminations	(919)	(854)	15	5
As reported in FCX's consolidated financial statements	\$ 3,054	\$ 2,394	\$ 358	\$ (139)

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 \$6 million (\$1.00 per pound of molybdenum) primarily associated with the April 2020 revised operating plans (including employee separation costs) and contract cancellation costs related to the COVID-19 pandemic.

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.

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

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

(In millions)	Six months ended June 30,	
	2021	2020
Revenues, excluding adjustments <sup>a</sup>	\$ 171	\$ 140
Site production and delivery, before net noncash and other costs shown below	108	117
Treatment charges and other	12	11
Net cash costs	120	128
DD&A	32	31
Metals inventory adjustments	1	5
Noncash and other costs, net	5	10 <sup>b</sup>
Total costs	158	174
Gross profit (loss)	\$ 13	\$ (34)
Molybdenum sales (millions of recoverable pounds) <sup>a</sup>	14	13
Gross profit (loss) per pound of molybdenum:		
Revenues, excluding adjustments <sup>a</sup>	\$ 12.12	\$ 10.36
Site production and delivery, before net noncash and other costs shown below	7.68	8.67
Treatment charges and other	0.85	0.85
Unit net cash costs	8.53	9.52
DD&A	2.27	2.29
Metals inventory adjustments	0.06	0.35
Noncash and other costs, net	0.36	0.79 <sup>b</sup>
Total unit costs	11.22	12.95
Gross profit (loss) per pound	\$ 0.90	\$ (2.59)

**Reconciliation to Amounts Reported**

	Revenues	Production and Delivery	DD&A	Metals Inventory Adjustments	
<b>Six months ended June 30, 2021</b>					
Totals presented above	\$ 171	\$ 108	\$ 32	\$ 1	
Treatment charges and other	(12)	—	—	—	
Noncash and other costs, net	—	5	—	—	
Molybdenum mines	159	113	32	1	
Other mining <sup>c</sup>	13,198	8,251	839	—	
Corporate, other & eliminations	(2,759)	(2,511)	31	—	
As reported in FCX's consolidated financial statements	\$ 10,598	\$ 5,853	\$ 902	\$ 1	
<b>Six months ended June 30, 2020</b>					
Totals presented above	\$ 140	\$ 117	\$ 31	\$ 5	
Treatment charges and other	(11)	—	—	—	
Noncash and other costs, net	—	10	—	—	
Molybdenum mines	129	127	31	5	
Other mining <sup>c</sup>	7,420	6,454	638	60	
Corporate, other & eliminations	(1,697)	(1,642)	30	18	
As reported in FCX's consolidated financial statements	\$ 5,852	\$ 4,939	\$ 699	\$ 83	

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 \$6 million (\$0.48 per pound of molybdenum) primarily associated with the April 2020 revised operating plans (including employee separation costs) and contract cancellation costs related to the COVID-19 pandemic.

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 2<sup>nd</sup> Quarter 2021 Results

July 22, 2021



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**FREPORT**  
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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 new domestic smelting capacity in Indonesia totaling 2 million metric tons of concentrate per year by December 2023; expectations regarding negotiations with hourly employees at Cerro Verde including completion of new CLAs; 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; descriptions of our objectives, strategies, plans, goals or targets, including our net debt target; and future returns to shareholders, including 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.

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, 2022; 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 new domestic smelting capacity 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 and costs; 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, 2020, filed with the U.S. Securities and Exchange Commission (SEC).

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

This presentation also includes forward-looking statements regarding 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.

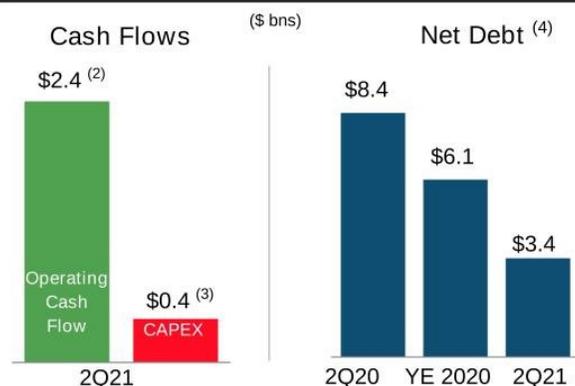
This presentation also contains financial measures such as unit net cash costs per pound of copper, net debt and adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), which are not recognized under U.S. generally accepted accounting principles. As required by SEC Regulation G, FCX's calculation and reconciliation of unit net cash costs per pound of copper and net debt to amounts reported in FCX's consolidated financial statements are in the supplemental schedules of FCX's 2Q21 press release, which is available on FCX's website, "fcx.com." A reconciliation of adjusted EBITDA to amounts reported in FCX's consolidated financial statements is included on slide 35.



# 2Q21 Highlights

- Prioritizing health and safety; COVID vaccination programs
- Ramp-up of Grasberg underground mines advancing on schedule
  - 20% increase in ore production rates from 1Q21
  - Annualized metals sales expected to reach post ramp-up targets by YE 2021e
- Strong financial results and cash flow generation
  - Reduced net debt by \$2.7 billion in 1H21
- Achieved targeted net debt level
  - Positioned for increasing cash returns to shareholders and investments in future organic growth
- Advancing studies to add new capacity
- Favorable market outlook

Key Stats	Actual
Copper Sales (mm lbs)	929
Copper Realization (\$/lb)	\$4.34
Gold Sales (k ozs)	305
Unit Net Cash Costs (\$/lb)	\$1.48 <sup>(1)</sup>



(1) Includes 7c/lb associated with nonrecurring labor-related charges at Cerro Verde for agreements reached with 57% of its hourly employees.  
 (2) Includes working capital sources of \$0.5 bn.  
 (3) Includes \$0.3 bn for major projects.  
 (4) Net debt equals consolidated debt less consolidated cash and cash equivalents.  
 See Cautionary Statement. e = estimate.

# The Copper Mark

## Recognition for Responsible Production

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- New assurance framework developed to demonstrate the copper industry's responsible production practices and contribution to the United Nations Sustainable Development Goals
- Producers participating in the Copper Mark are committed to adhering to internationally recognized responsible operating practices
- Framework covers 32 issue areas across 5 ESG categories formalized in the Responsible Minerals Initiative's Risk Readiness Assessment
- The Copper Mark is currently evaluating extension to by-product metals
- Requires third-party assurance of site performance and independent Copper Mark validation every 3 years
- FCX is committed to achieving the Copper Mark at all of its copper producing sites



### Copper Mark Status by Site:

Awarded	Letter of Commitment	Planned
Morenci (AZ)	Bagdad (AZ)	PT-FI (Indonesia)
Miami Smelter (AZ)	Chino (AZ)	
El Paso Refinery (TX)	Tyrone (NM)	
El Abra (Chile)	Safford (AZ)	
Cerro Verde (Peru)	Sierrita (AZ)	
Atlantic Copper (Spain)		

See Cautionary Statement.



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COPPER

# Copper – Metal of the Future

## Critical to Global Decarbonization

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Intensity of Use Is Increasing with Decarbonization



More than 70% of the world's copper is used in applications that deliver electricity.

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

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

Copper consumption associated with electric vehicles and renewable energy technologies is expected to grow rapidly over the next several years.

Freeport is strategically positioned as a leading copper producer

Source: International Copper Association  
See Cautionary Statement.

# Compelling Investment Case For Copper & Freeport

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## Rising Demand



## Supply Scarcity

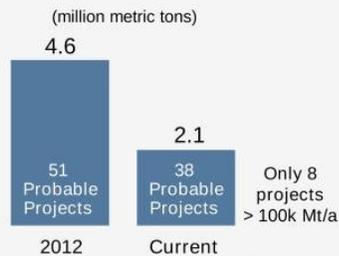
## Structural Deficits/ Premium Value

- Global Growth Accelerating
- New Demand Drivers for Clean Energy



See Cautionary Statement.

- Permitting
- Geology
- Longer Lead Times
- Pipeline is Thin



**Project Approval Rate Has  
Been Slow in Recent Years**

Source: Wood Mackenzie, December 2012 and June 2021

- Responsible Producer of Scale
- Strong Cash Flows
- Embedded Growth Options
- Long-lived Reserves
- Attractive Capital Allocation Framework

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# Growing Margins & Cash Flow



➤ Volume Growth

	<u>2021e v. 2020</u>	<u>2022e v 2021e</u>
Copper	~20%	~15%
Gold	~55%	~20%

➤ Efficient Cost Structure

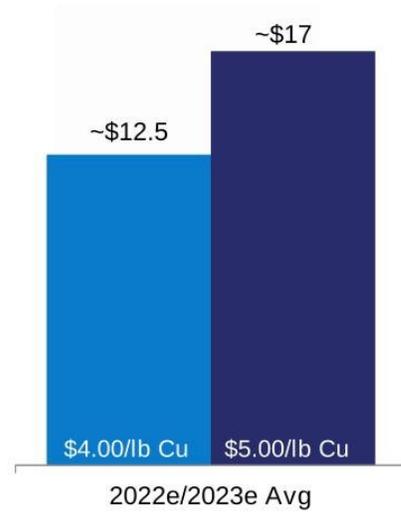
➤ Expanding Margins

➤ Additional Embedded Growth Options in Portfolio

➤ Laser Focused on Execution



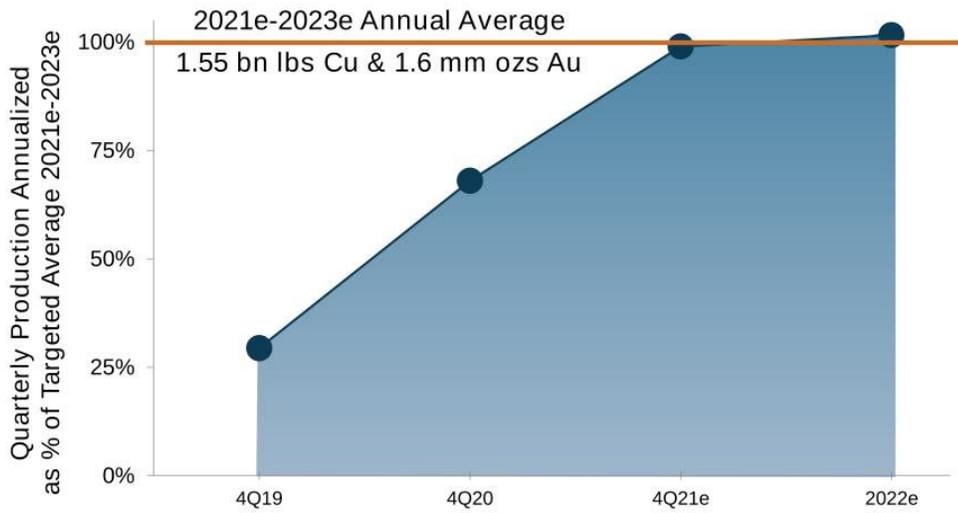
Annual EBITDA Estimates <sup>(1)</sup> (\$ in billions)



(1) Based on July 2021 sales estimates, \$1,800/oz Au and \$16/lb molybdenum.  
 2021e EBITDA approximates \$10.9 bn assuming \$4.25/lb Cu, \$1,800/oz Au and \$16/lb molybdenum for 2H21e.  
 Note: EBITDA equals operating income plus depreciation, depletion and amortization.  
 e = estimate. See Cautionary Statement

# Grasberg Underground Advancing on Schedule

- 2Q21 annualized metal sales reached 78% of post ramp-up targets
- Expected to reach 100% by YE 2021e



Note: Includes production from Grasberg Block Cave, DMLZ, DOZ and Big Gossan  
e = estimate. See Cautionary Statement.



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

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## NORTH AMERICA

- Bagdad Expansion
  - Current ~80-year reserve life
  - Reviewing +100K st/d mill expansion with +200 mm 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
- Leach Technology Advancements

## 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
- Leach Technology Advancements

## EUROPE

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

## INDONESIA

- Kucing Liar - Grasberg Minerals 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.

# Lone Star Oxide Project Continues to Expand with Long-Term Sulfide Potential

## Oxide Project Expands

### Original Project, 2017

- 75K t/d stacking rate
- ~200mm lbs Cu/year at full rates

### Current Plan

- 95K t/d stacking rate
- ~285mm lbs Cu/year at full rates

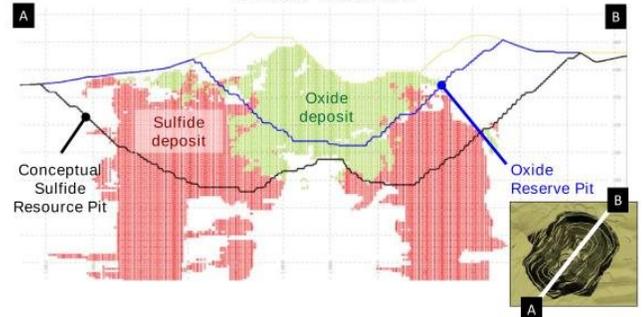
### Near-Term Potential

- 105/110K t/d stacking rate
- ~330 mm lbs Cu/year at full rates
- Small investment for tankhouse capacity & additional mining equipment

## Long-Term Sulfide Potential

- Oxide project advances opportunity for development of potentially massive sulfide resource (mill project)
- Potential 50+ bn lb Cu resource\*

### Lone Star Resource Cross-Section



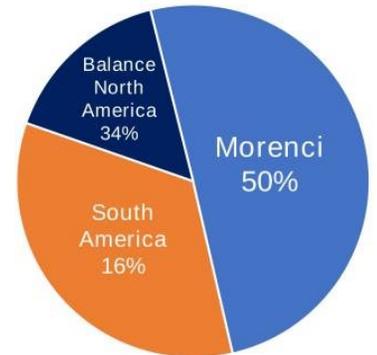
\* Potential resources are not included in reserves and will not qualify as reserves until comprehensive engineering studies establish legal and economic feasibility. Accordingly, no assurance can be given that the potential resources will become proven and probable reserves. See Cautionary Statement.

# Advancing New Leach Technologies Taking Leach to the Next Level

- Industry leader with long history of leach production
- Internal and external initiatives to advance sulfide leaching technologies and to drive continuous recovery improvement
  - Data analytics providing new insights to drive additional value
  - Focused on traditional ores & ores that have been typically considered difficult to leach, like chalcopyrite
  - Leveraging both R&D & in-field trials at existing leach stockpiles & future opportunities to recover Cu from below mill cut-off grade material
  - Success would enable utilization of latent tank house capacity with limited capital investment
  - Low carbon footprint

## Copper in Leach Stockpiles Unrecoverable by Traditional Leach Methods

38 bn lbs Contained\*



\* Copper that is currently not included in reserves or mineralized material.

See Cautionary Statement.

# “Charging Ahead”

Responsibly. Reliably. Relentlessly.

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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

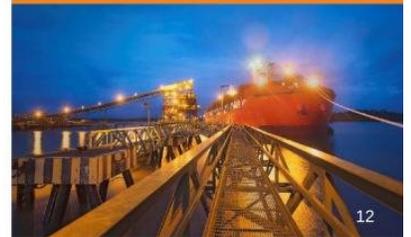
Industry leading track record for major project execution in complex jurisdictions

## »» 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



See Cautionary Statement.

# “Charging Ahead” As One Freeport

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**CHARGING AHEAD**

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# Financial Review & Outlook

**FREEMPORT**  
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# 2Q 2021 Operations Update

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## NORTH AMERICA

Cu Sales: 389 mm lbs



## SOUTH AMERICA

Cu Sales: 230 mm lbs



## INDONESIA

Cu Sales: 310 mm lbs  
Au Sales: 302 k ozs



### ➤ Lone Star - Arizona

- Achieved design capacity of ~200 mm lbs per annum
- Opportunities to increase to > 300 mm lbs per annum
- Bringing forward leach pad options to enhance opportunities
- Long-term development options include large-scale sulfide resources

### ➤ Bagdad - Arizona

- Advancing studies to add new capacity

### ➤ Morenci - Arizona

- Restarting mill capacity idled in 2020
- 60% increase in mill throughput by 2Q22e

### ➤ Cerro Verde - Peru

- Mill avg: 374k mt/d, slightly above forecast
- Plan to return to pre-COVID-19 levels of ~400k mt/d in 2022e
- Completed new agreements with 57% of Cerro Verde hourly employees
- Negotiating with remaining hourly employees

### ➤ El Abra - Chile

- Stacking rate avg: 94k mt/d, slightly above forecast
- Adding incremental copper production: 70 mm lbs per annum\* beginning in mid-2022e
- New leach pad under construction
- Monitoring potential changes in government fiscal matters in Chile and will defer major investment decisions pending future clarity

### ➤ Grasberg – Indonesia

- Underground ramp-up
  - 41 new drawbells added; over 460 total
  - Second crusher installed at Grasberg Block Cave
  - DMLZ/Grasberg Block Cave Operating Rates
    - ▶ Avg: ~118k mt/d; 20% above 1Q21 rates
  - Grasberg Block Cave achieved a daily record of 107k t/d
- Mill projects
  - 3<sup>rd</sup> SAG mill installation in progress (2023 completion)
  - Advancing new mill recovery project

e = estimate. See Cautionary Statement.

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

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# Indonesian Smelter Update

- PT-FI committed in 2018 IUPK to construct 2 mm tpy in-country processing facility of Cu concentrate by December 2023
  - Project has been delayed by COVID-19
- Advancing commercial arrangements for 30% expansion of existing smelter (PT Smelting)
  - Target completion date of YE 2023
  - Estimated cost: ~\$250 mm
- Awarded construction contract to Chiyoda for greenfield smelter and related refinery in East Java near PT Smelting
  - Annual capacity 1.7 mm tpy of concentrate
  - To be completed as soon as feasible in 2024\*
  - Target price: ~\$2.8 bn\*\*
- Precious metal refinery (PMR) to process slimes from PT Smelting and new greenfield smelter
  - Estimated cost: ~\$250 mm
- Capital costs shared 51%/49% (PT Inalum/FCX)
- PT-FI entered into a \$1 bn five-year unsecured bank credit facility to advance these projects
- Future smelter spend to be debt financed by PT-FI
- Annual debt service cost expected to be essentially offset by phase out of export duty

\* Dependent on no further pandemic-related disruptions  
 \*\* Excludes capitalized interest, owner's costs and commissioning  
 e = estimate. See Cautionary Statement.

## Preliminary Estimate of Spending on Greenfield Smelter and PMR



NOTE: Capital spending on the smelter will be debt financed (economics shared 49% by FCX) and will not be deducted from cash available for returns to shareholders.

## Annual Debt Service Cost Expected to be Essentially Offset by Phase Out of Export Duty



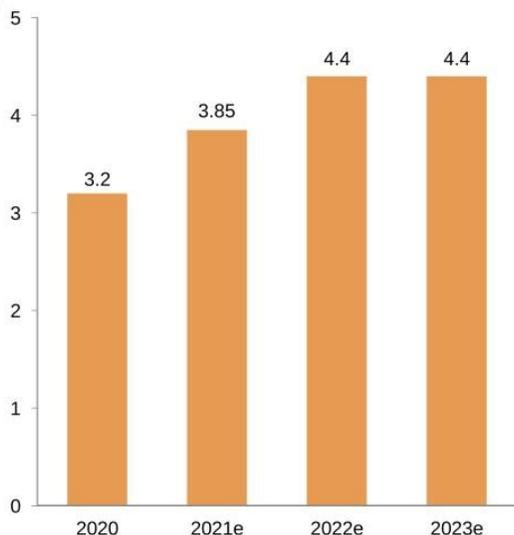
(1) Assumes debt service over life of project  
 (2) Assumes prices of \$4.00/lb copper and \$1,700/oz gold

# Annual Sales Profile

July 2021 Estimate



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



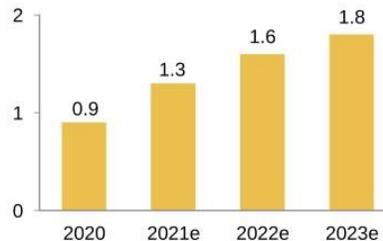
(1) Consolidated copper sales include 608 mm lbs in 2020, 740 mm lbs in 2021e, 860 mm lbs in 2022e and 1,460 mm lbs in 2023e for noncontrolling interests; excludes purchased copper.

(2) Consolidated gold sales include 158k ozs in 2020, 245k ozs in 2021e, 300k ozs in 2022e and 800k ozs in 2023e for noncontrolling interests.

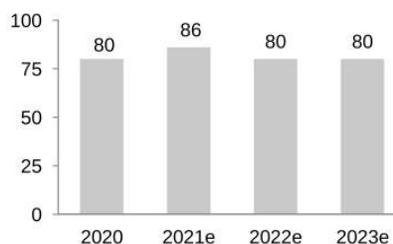
e = estimate. See Cautionary Statement.



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



## Molybdenum Sales (million lbs)

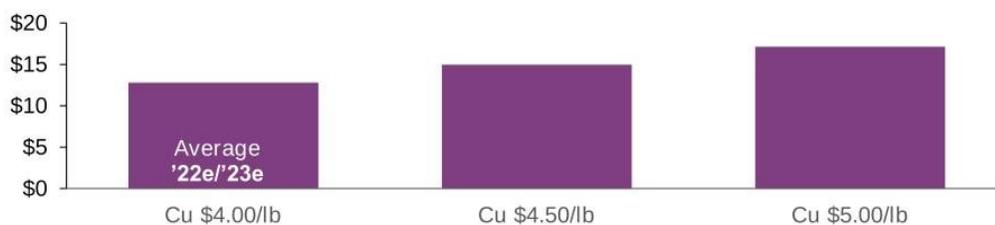


# EBITDA and Cash Flow at Various Copper Prices

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



**EBITDA** | (\$1,800/oz gold, \$16/lb molybdenum)



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

**EBITDA**

Copper	+/- \$0.10/lb	\$435
Molybdenum	+/- \$1.00/lb	\$ 80
Gold	+/- \$50/oz	\$ 80
Currencies <sup>(1)</sup>	+/- 10%	\$200
Diesel	+/- 10%	\$ 60



**Operating cash flow** | Excludes working capital changes (\$1,800/oz gold, \$16/lb molybdenum)



**Operating Cash Flow**

Copper	+/- \$0.10/lb	\$330
Molybdenum	+/- \$1.00/lb	\$ 70
Gold	+/- \$50/oz	\$ 55
Currencies <sup>(1)</sup>	+/- 10%	\$140
Diesel	+/- 10%	\$ 45

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

(1) U.S. Dollar Exchange Rates: 716 Chilean peso, 14,300 Indonesian rupiah, \$0.77 Australian dollar, \$1.22 Euro, 3.90 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.

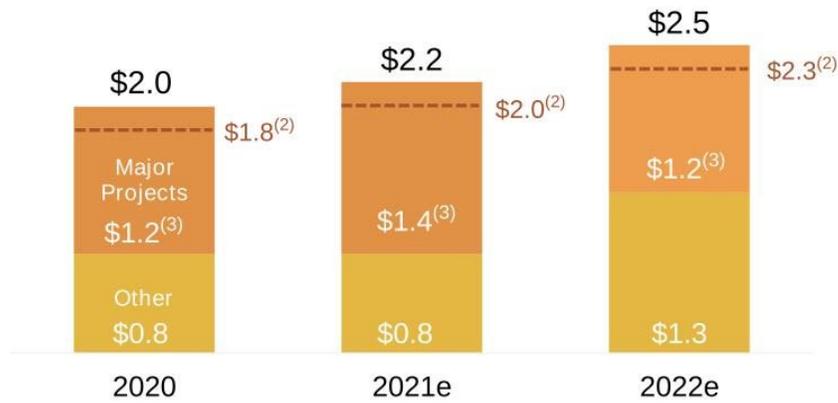
# Consolidated Capital Expenditures

## Estimates Excluding Indonesian Smelter CAPEX <sup>(1)</sup>

(\$ in bns)



Net of Scheduled Contributions



(1) See slide 16; smelter investments expected to be funded by PT-FI with debt financing.

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

(3) Major projects include CAPEX associated with Grasberg underground development and supporting mill and power capital costs (\$1.0 bn in 2020, \$1.2 bn in 2021e, and \$1.0 bn in 2022e) and Lone Star (\$0.2 bn in 2020 and \$0.1 bn in 2022e); also includes discretionary growth spending at PT-FI for mill recovery project (\$0.1 bn in 2022e).

NOTE: Amounts include capitalized interest.

e= estimate. See Cautionary Statement.

# Strong Financial Performance

Driven by Growing Volumes and Pricing

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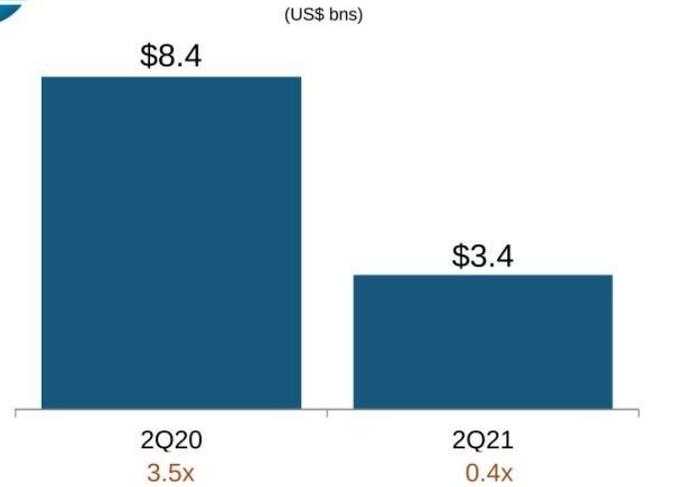
Financial Policy Provides Framework for Cash Returns to Shareholders, Investments & Balance Sheet Management



Net Debt / Adjusted EBITDA\*\*



## Net Debt \*



\* Net debt equals consolidated debt less consolidated cash and cash equivalents.  
\*\* Trailing 12-months  
See Cautionary Statement.



- Policy aligned with strategic objectives of maintaining a strong balance sheet, increasing cash returns to shareholders and advancing opportunities for future growth
- Annual base dividend of \$0.30/share, paid quarterly
- Performance-Based Payout Policy
- After net debt target of \$3 bn - \$4 bn is achieved (excluding smelter debt), up to 50% of Free Cash Flow\* for shareholder returns
  - Determine at least annually taking into account market conditions, operational/financial outlook, future investments, etc.
- With recent achievement of net debt target, expect Board to consider the amount of additional cash returns to shareholders following 2021 annual results



\* Available cash flows generated after planned capital spending and distributions to noncontrolling interests  
See Cautionary Statement



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»» Portfolio of High-Quality  
Copper / Gold Assets with  
Embedded Growth Options

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

»» Copper Supported by Positive  
Long-Term Fundamentals

»» Growing Production  
and Cash Flow Profile

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# Reference Slides

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# Our COVID-19 Response

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Prioritizing the Health & Well-Being of Our Workforce



Supporting Our Communities



Serving Our Customers



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

Providing monetary and in-kind contributions of medical supplies and 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**

# Financial Highlights

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Sales Data	2Q21	1H21
<b>Copper</b>		
Consolidated Volumes (mm lbs)	929	1,754
Average Realization (per lb)	\$ 4.34	\$ 4.25
Site Production & Delivery Costs (per lb) <sup>(1)</sup>	\$ 2.02	\$ 1.94
Unit Net Cash Costs (per lb) <sup>(1)</sup>	\$ 1.48	\$ 1.44
<b>Gold</b>		
Consolidated Volumes (000's ozs)	305	563
Average Realization (per oz)	\$1,794	\$1,785
<b>Molybdenum</b>		
Consolidated Volumes (mm lbs)	22	43
Average Realization (per lb)	\$13.11	\$12.38

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

Revenues	\$ 5.7	\$ 10.6
Net Income Attributable to Common Stock	\$ 1.1	\$ 1.8
Diluted Net Income Per Share	\$ 0.73	\$ 1.21
Operating Cash Flows <sup>(2)</sup>	\$ 2.4	\$ 3.5
Capital Expenditures	\$ 0.4	\$ 0.8
Total Debt	\$ 9.7	\$ 9.7
Consolidated Cash and Cash Equivalents	\$ 6.3	\$ 6.3

(1) Includes 7c/lb of copper in 2Q21 and 4c/lb of copper in 1H21 associated with nonrecurring labor-related charges at Cerro Verde for agreements reached with 57% of its hourly employees.

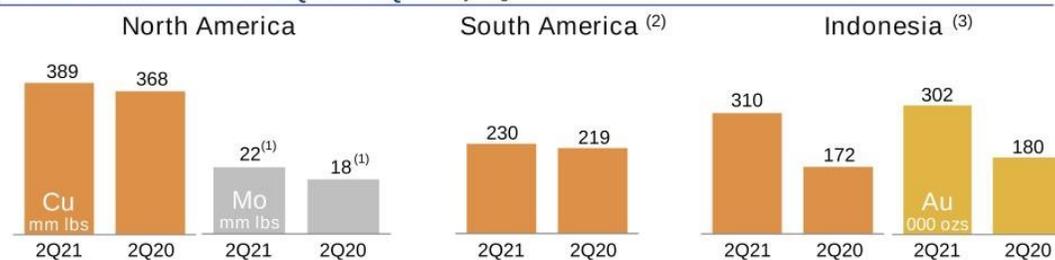
(2) Includes working capital sources of \$0.5 bn for 2Q21 and \$0.2 bn for 1H21.



# 2Q21 Mining Operating Summary

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## Sales From Mines for 2Q21 & 2Q20 by Region



2Q21 Unit Production Costs (per lb of Cu)	North America	South America	Indonesia	Consolidated
<b>Cash Unit Costs</b>				
Site Production & Delivery	\$2.14	\$2.48 <sup>(4)</sup>	\$1.54	\$2.02 <sup>(4)</sup>
By-product Credits	(0.25)	(0.31)	(1.93)	(0.82)
Treatment Charges	0.08	0.13	0.24	0.14
Royalties & Export Duties	-	0.01	0.40	0.14
<b>Unit Net Cash Costs</b>	<b>\$1.97</b>	<b>\$2.31<sup>(4)</sup></b>	<b>\$0.25</b>	<b>\$1.48<sup>(4)</sup></b>

(1) Includes 4 mm lbs in 2Q21 and 2Q20 from South America.

(2) Silver sales totaled 0.8 mm ozs in 2Q21 and 0.6 mm ozs in 2Q20.

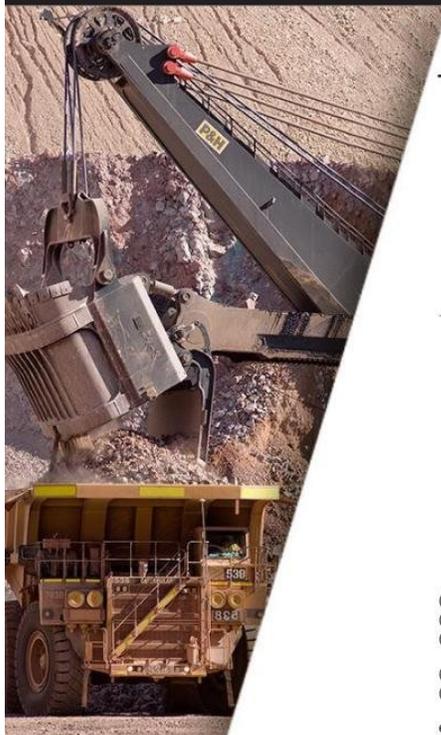
(3) Silver sales totaled 1.4 mm ozs in 2Q21 and 0.8 mm ozs in 2Q20.

(4) South America includes 30c/lb and Consolidated includes 7c/lb associated with nonrecurring labor-related charges at Cerro Verde for agreements reached with 57% of its hourly employees.

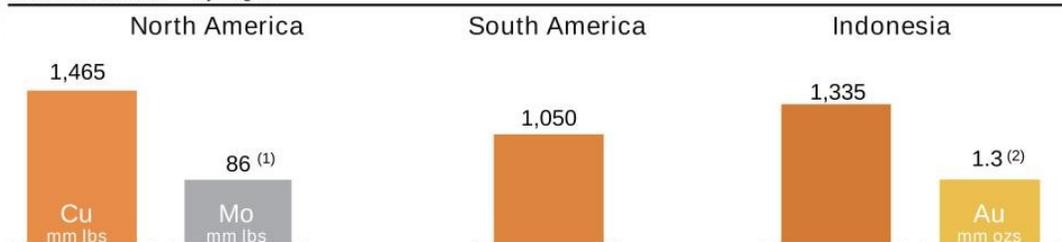
NOTE: For a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales reported in FCX's consolidated financial statements, refer to "Product Revenues and Production Costs" in the supplemental schedules of FCX's 2Q21 press release, which is available on FCX's website.

# 2021e Operational Data

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## 2021e Sales by Region



## 2021e Unit Net Cash Costs<sup>(3)</sup> (per lb of Cu)

	North America	South America	Indonesia	Consolidated
Site Production & Delivery, excl. adjs. <sup>(4)</sup>	\$2.17	\$2.19 <sup>(5)</sup>	\$1.42	\$1.91 <sup>(5)</sup>
By-product Credits	(0.35)	(0.31)	(1.86)	(0.86)
Treatment Charges	0.09	0.13	0.24	0.16
Royalties & Export Duties	-	0.01	0.39	0.14
<b>Unit Net Cash Costs</b>	<b>\$1.91</b>	<b>\$2.02<sup>(5)</sup></b>	<b>\$0.19</b>	<b>\$1.35<sup>(5)</sup></b>

(1) Includes molybdenum produced in South America.

(2) Includes gold produced in North America.

(3) Estimates assume average prices of \$1,800/oz for gold and \$16/lb for molybdenum for 2H21e. Quarterly unit costs will vary significantly with quarterly metal sales volumes.

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

(5) South America includes 7c/lb and Consolidated includes 2c/lb associated with nonrecurring labor-related charges at Cerro Verde for agreements reached with 57% of its hourly employees.

e = estimate. See Cautionary Statement.

# 2021e Outlook

Sales Outlook	Unit Net Cash Cost of Copper	Operating Cash Flows <sup>(3)</sup>	Capital Expenditures
<ul style="list-style-type: none"> <li>➤ Copper: 3.85 billion lbs</li> <li>➤ Gold: 1.3 million ozs</li> <li>➤ Molybdenum: 86 million lbs</li> </ul>	<ul style="list-style-type: none"> <li>➤ Site prod. &amp; delivery                             <ul style="list-style-type: none"> <li>➤ 2021e: \$1.91/lb <sup>(1)</sup></li> <li>➤ 3Q21e: \$1.95/lb</li> </ul> </li> <li>➤ After by-product credits <sup>(2)</sup> <ul style="list-style-type: none"> <li>➤ 2021e: \$1.35/lb <sup>(1)</sup></li> <li>➤ 3Q21e: \$1.33/lb</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ ~\$7.5 billion @ \$4.25/lb copper for 2H21e</li> <li>➤ Each 10¢/lb change in copper in 2H21e = \$200 million</li> </ul>	<ul style="list-style-type: none"> <li>➤ \$2.2 billion <sup>(4)</sup> <ul style="list-style-type: none"> <li>➤ \$1.4 billion for major projects</li> <li>➤ \$0.8 billion for other mining</li> </ul> </li> </ul>

(1) Includes 2¢/lb associated with nonrecurring labor-related charges at Cerro Verde for agreements reached with 57% of its hourly employees.

(2) Assumes average prices of \$1,800/oz gold and \$16/lb molybdenum in 2H21e.

(3) Includes \$0.4 bn of working capital and other sources. Assumes average prices of \$1,800/oz gold and \$16/lb molybdenum in 2H21e; each \$100/oz change in gold would have an approximate \$50 mm impact and each \$2/lb change in molybdenum would have an approximate \$55 mm impact.

(4) PT Inalum scheduled contributions in 2021e approximate \$0.2 bn; excludes Indonesia smelter expenditures.

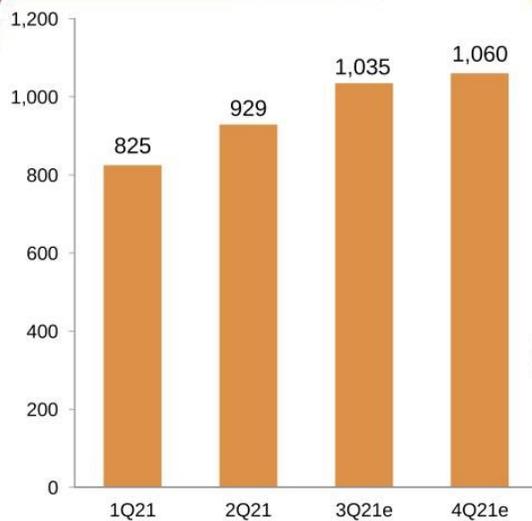
e = estimate. See Cautionary Statement.



# 2021e Quarterly Sales



## Copper Sales (million lbs)

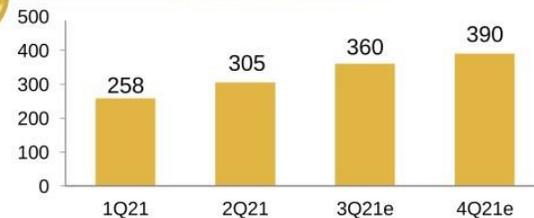


Note: Consolidated copper sales include 170 mm lbs in 1Q21, 166 mm lbs in 2Q21, 198 mm lbs in 3Q21e and 206 mm lbs in 4Q21e for noncontrolling interests; excludes purchased copper.

e = estimate. See Cautionary Statement.



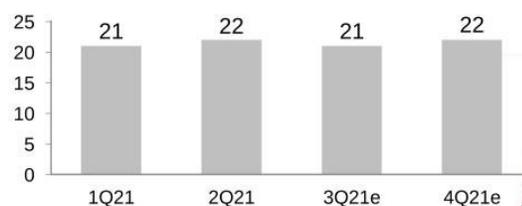
## Gold Sales (thousand ozs)



Note: Consolidated gold sales include 48k ozs in 1Q21, 56k ozs in 2Q21, 67k ozs in 3Q21e and 74k ozs in 4Q21e for noncontrolling interests.



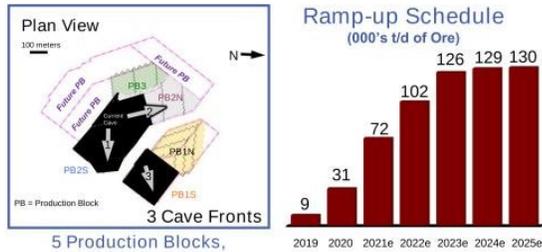
## Molybdenum Sales (million lbs)



# Grasberg - World Class Block Cave Design

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

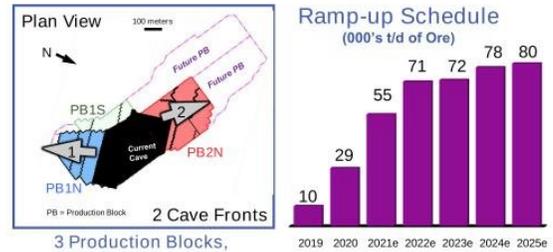
### Grasberg Block Cave



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

### 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

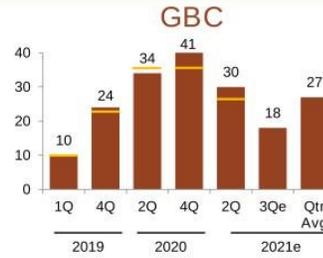
(1) Access to higher ore grades expected in early years of production.  
e = estimate. See Cautionary Statement.

# Project Update

## Grasberg Transition Remains on Track

Deep MLZ (DMLZ) & Grasberg Block Cave (GBC) averaged 118,300 t/d in 2Q21: 20% above 1Q21 rates

### Drawbelling

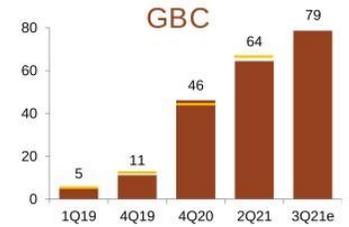
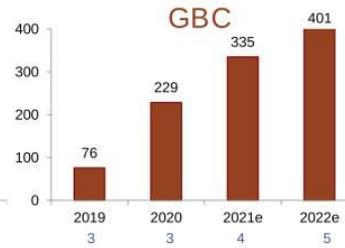


### Ore Extraction (000 t/d)



2021e Exit Rate: 60

### Open drawbells provide scale – cumulative blasted

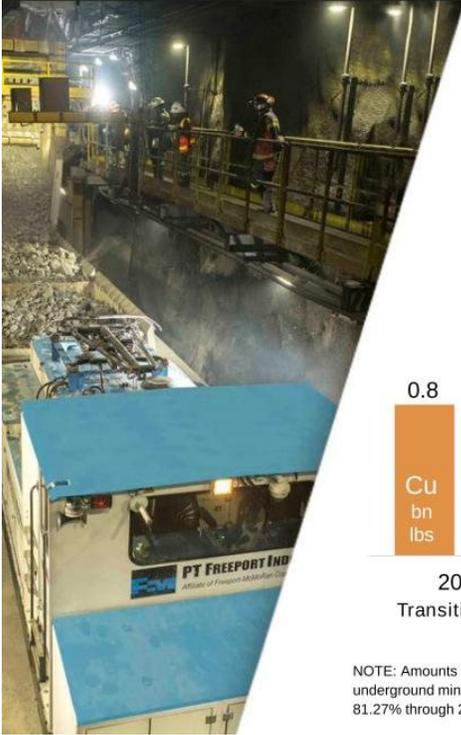


2021e Exit Rate: 95

e = estimate. See Cautionary Statement.

# PT-FI Mine Plan

## Metal Sales, 2020 – 2025e

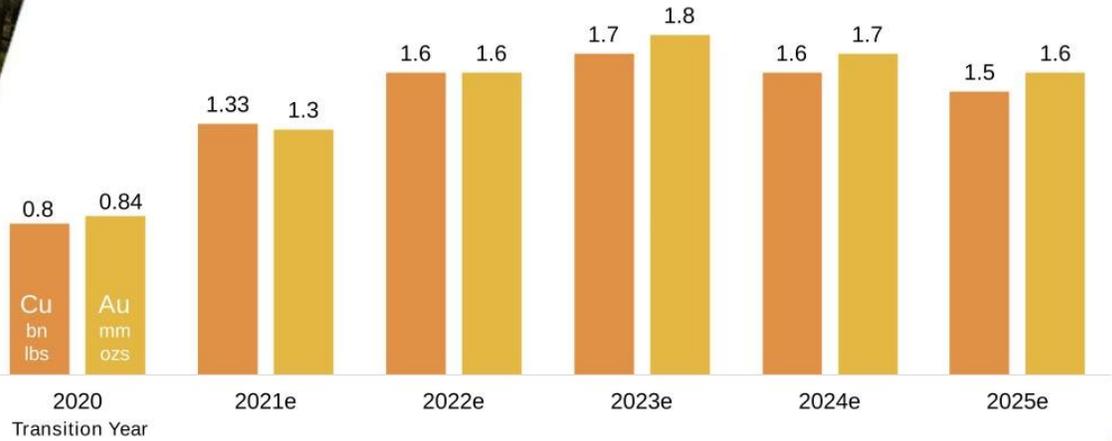


### Copper 2021e – 2025e

Total: 7.7 billion lbs copper  
Annual Average: 1.55 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 operational performance, continued progress of the ramp-up of underground mining at PT-FI, impacts and duration of the COVID-19 pandemic, timing of shipments, and other factors. FCX's economic interest in PT-FI approximates 81.27% through 2022 and 48.76% thereafter. See Cautionary Statement. e = estimate.

# FCX Debt Maturities as of 6/30/21



(US\$ bns)



# 2Q21 Copper Realization & 3Q21e Guidance

2Q21 LME Average Copper Price	\$4.40/lb
3-Mo. Fwd Price for Copper at the End of June	\$4.25/lb
FCX 2Q21 Consolidated Copper Price Realization	\$4.34lb <sup>(1)</sup> (Generally, 50/50 weight of qtrly avg and 3-mo forward price at end of period)
FCX 2Q21 Prior Period Open Lb Adj. (aka Provisional Price Adj.)	Revenue/EBITDA: \$173 mm Net income: \$66 mm Earnings/share: \$0.05
3Q21e Open Pound Guidance	<ul style="list-style-type: none"> <li>➤ Open lbs priced at \$4.25/lb on 6/30/21</li> <li>➤ Each \$0.05 change in avg copper price in 3Q21 = \$12 mm impact to 2021e net income</li> <li>➤ LME copper settled at \$4.21/lb on 7/21/21</li> </ul>

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

# Adjusted EBITDA Reconciliation

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(\$ in mm)	12 mos ended	
	2Q21	6/30/2021
Net income attributable to common stock	\$1,083	\$2,838
Interest expense, net	148	649
Income tax provision	603	1,954
Depreciation, depletion and amortization	483	1,731
Metals inventory adjustments	-	14
Net gain on sales of assets	(3)	(487)
Accretion and stock-based compensation	35	197
Other net charges <sup>(1)</sup>	96	312
Loss on early extinguishment of debt	-	60
Other income, net	(9)	(39)
Net income attributable to noncontrolling interests	248	736
Equity in affiliated companies' net earnings	(6)	(10)
<b>FCX Adjusted EBITDA <sup>(2)</sup></b>	<b><u>\$2,678</u></b>	<b><u>\$7,955</u></b>

(1) Other net charges primarily include \$69 mm associated with non-recurring labor-related charges at Cerro Verde, net adjustments to environmental obligations and related litigation reserves (\$20 mm for 2Q21 and \$(17) mm for the 12 months ended 6/30/21) and asset impairments (\$14 mm for 2Q21 and \$39 mm for the 12 months ended 6/30/21). The 12 months ended 6/30/21 also include charges of \$132 mm for a taic-related litigation accrual, \$40 mm for costs directly associated with the pandemic and revised operating plans, including employee separation costs, and \$37 mm associated with contested taxes and other matters at PT-FI.

(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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