FREEPORT-MCMORAN

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CABC Quarterly Meeting

MINING IN THE USA

May 11, 2018

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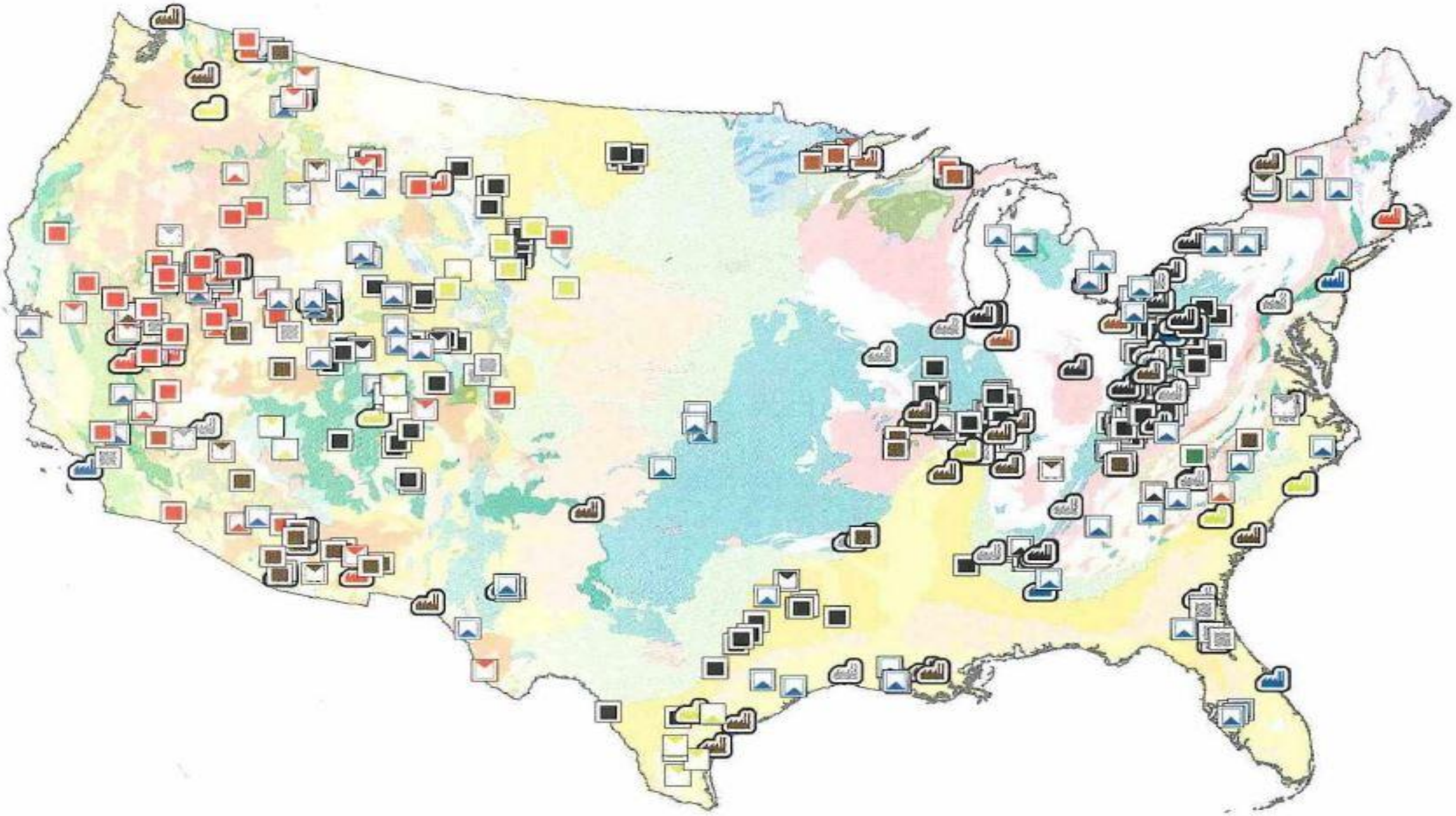

United States of America

- Base Metals
- Precious Metals
- Minor Metals
- Iron Ore
- Coal
- Uranium
- Industrial Minerals

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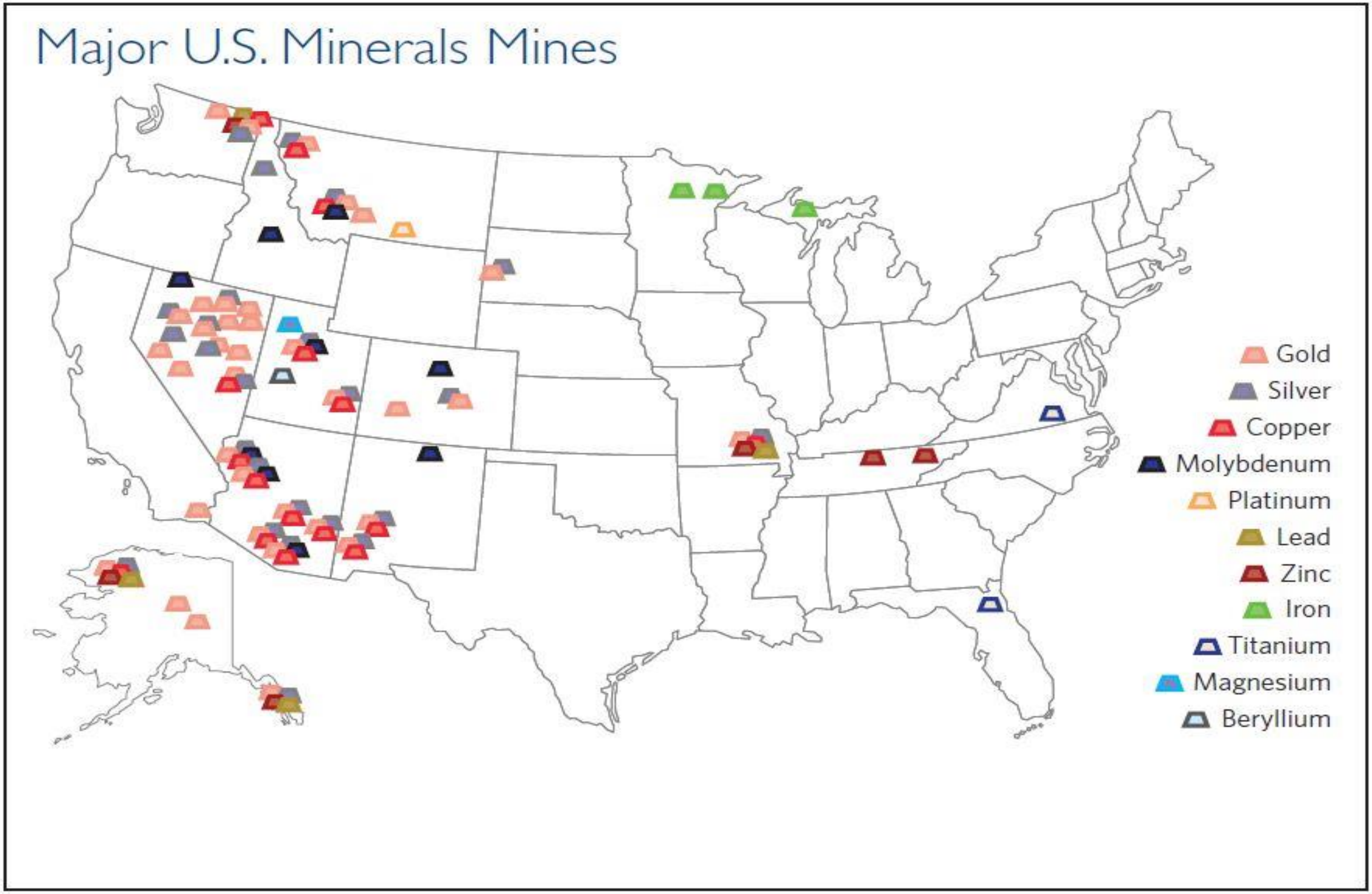
Major U.S. Mineral Mines



North American Mining Association Facts

Mineral Facts

- *Minerals* – The technologies that define innovation today all depend on a growing number of minerals. For example, computer chips were once made with a palette of 12 minerals. Today, as many as 60 different minerals or their constituent elements are used in fabricating the high-speed, high capacity integrated circuits that are crucial to this technology.
- *Jobs* – 1.2 million American jobs are supported by minerals mining. 419,000 people are directly employed, and 734,000 are indirectly employed.
- *Wages* – A job in U.S. metals mineral mining is one of the highest paying in the private sector with an average salary of over $88,000 a year (68 percent higher than the combined average for all industrial jobs) and often climbing above $100,000 for experienced workers.
- *Value* – $630 billion worth of processed mineral materials were used by sectors including construction, manufacturing and agriculture to add nearly $2.5 trillion to the U.S. economy.

North American Mining Association Facts

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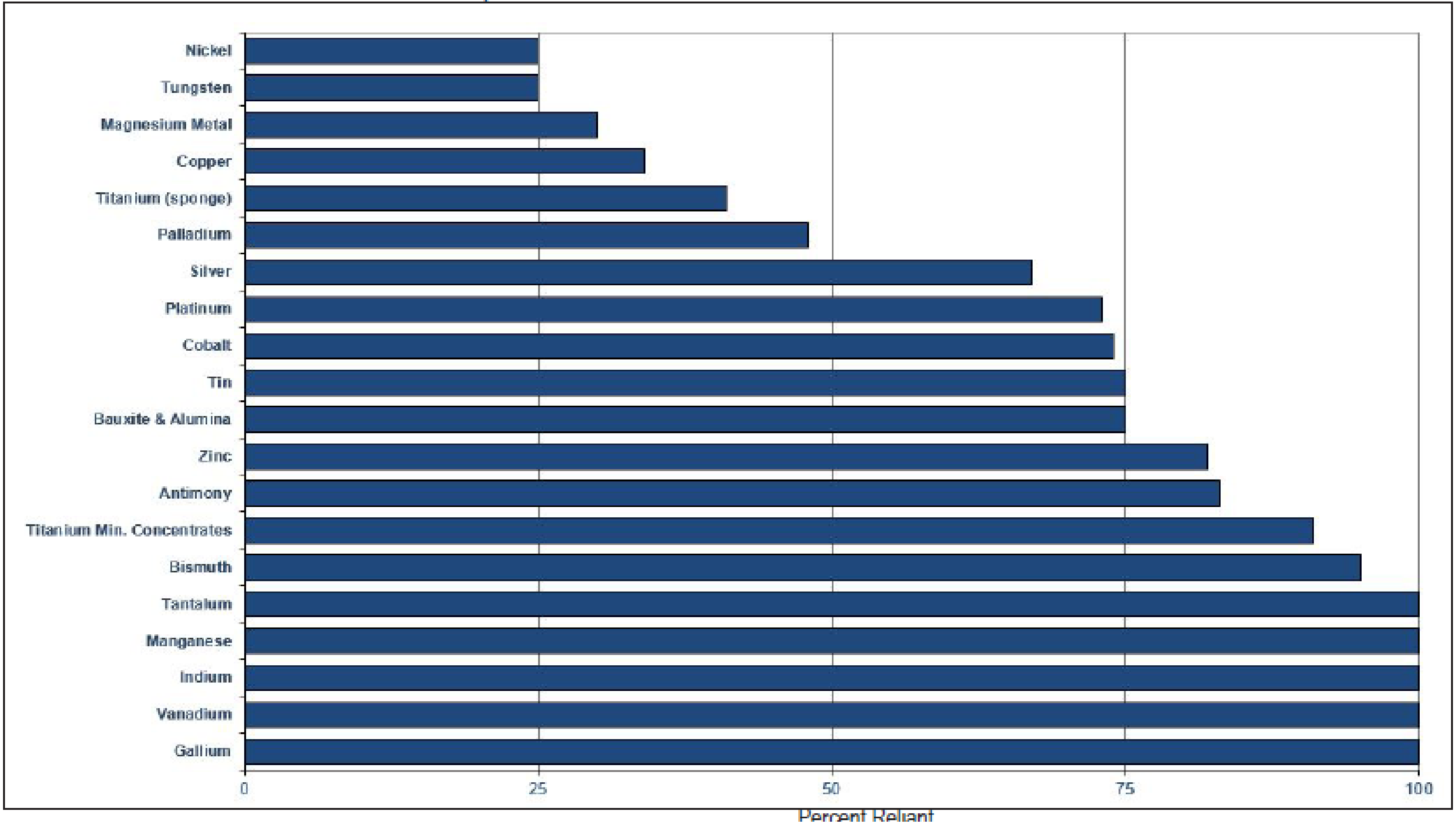
Despite the benefits provided by domestic minerals mining, the United States is not performing to its minerals potential. Though U.S. mines play an important role in meeting domestic demand, American manufacturers currently rely on foreign suppliers for more than half the minerals they use. Our ability to put our minerals to work is hindered by a costly and inefficient regulatory structure that thwarts investment and expansion.

U.S. Dependency on Imported Metals

Selected Critical Minerals U.S. Net Import Reliance, 2016



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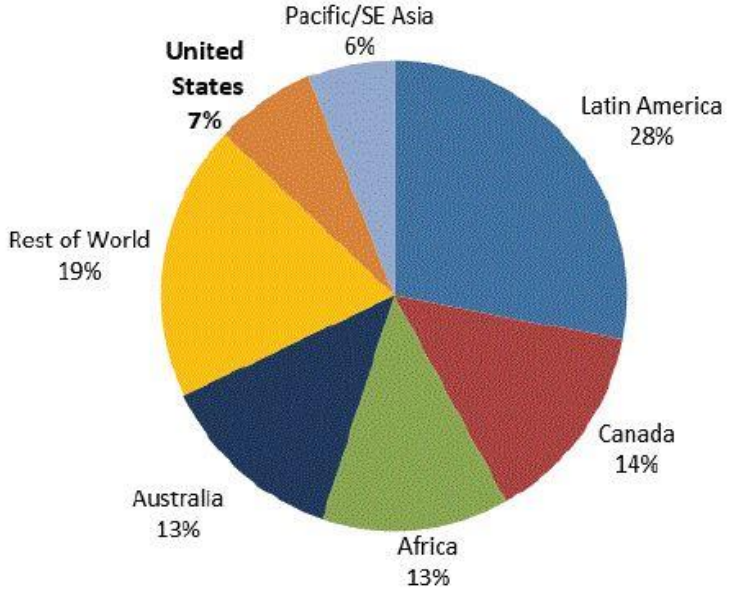
Exploration and Permitting Issues

Consider:

- The percentage of worldwide exploration spending commanded by the U.S. for metals mining has dropped from 20 percent of total investments in 1993 to only 7 percent today.
- The U.S. is 100 percent dependent on imports for 20 different minerals and more than 50 percent import dependent for an additional 30 mineral commodities.

These trends are unsustainable in a highly competitive world economy in which the demand for minerals continues to grow and supply stability is a growing concern. The United States needs the public policies that will unlock the full potential of our immense mineral endowment. Most importantly, we need to address the length, complexity and uncertainty of the permitting process that is driving investment from U.S. shores. A duplicative permitting process that takes five to ten years to navigate puts the U.S. last among top mining countries when ranked on mining permitting delays.

Declining U.S. Share of Worldwide Exploration Spending, 2016



Time from Discovery to Production

Source: CRU

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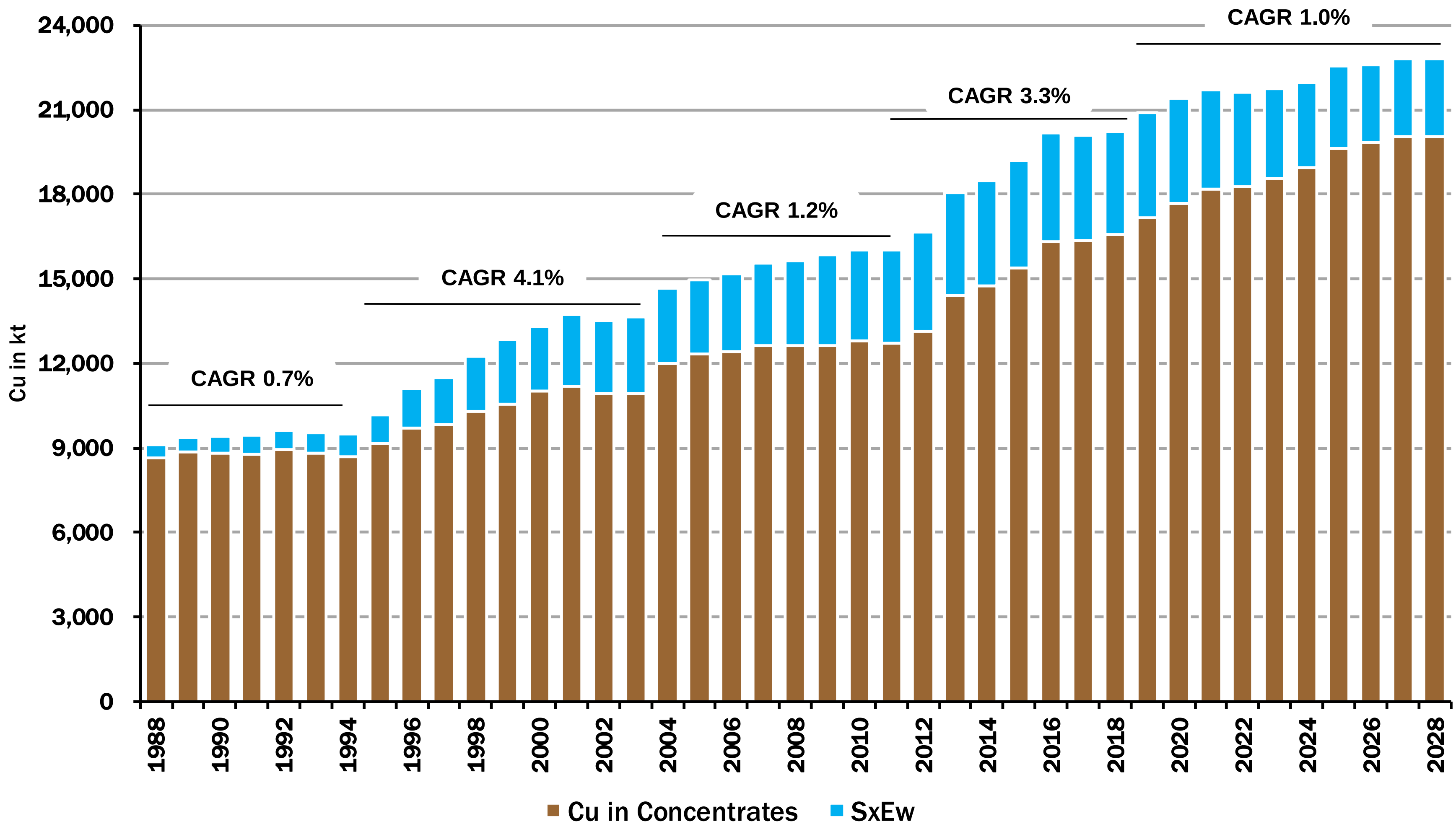
Global Mine Supply Growth Comes in Waves



Source: WoodMackenzie

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Freeport-McMoRan

MINING IN THE USA

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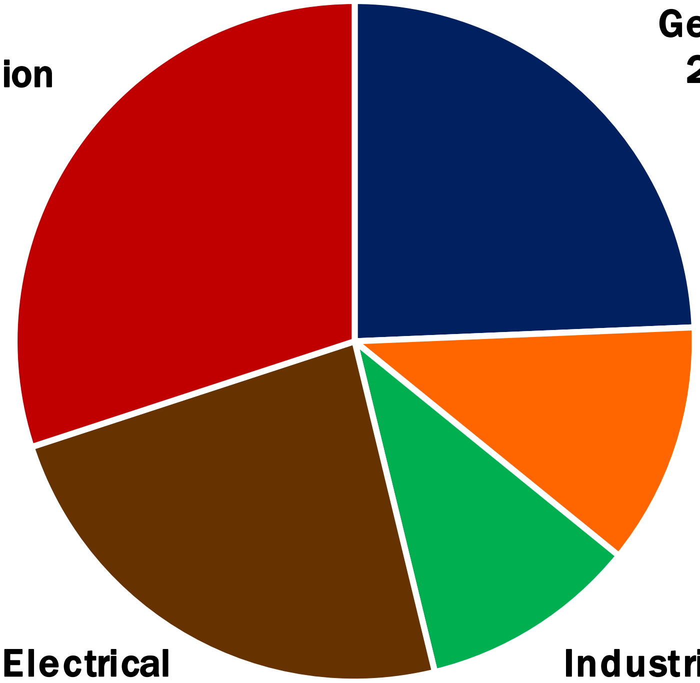
Global Market Segments



Sources: WoodMac 4Q17

World's Leading Copper Producers

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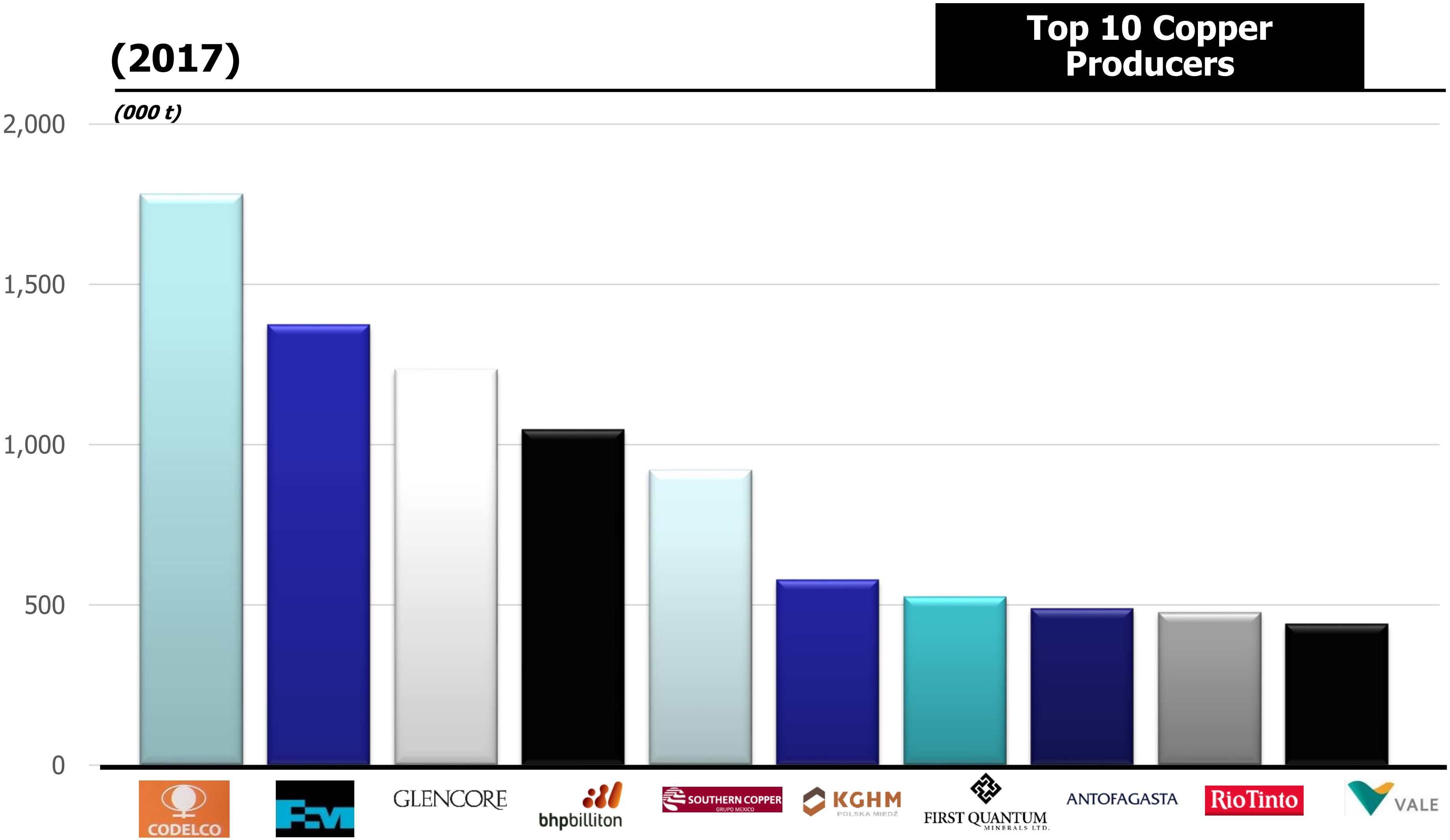

Source: Wood Mackenzie December 14, 2017.

2018 Copper Cost League
Top 25 Producers

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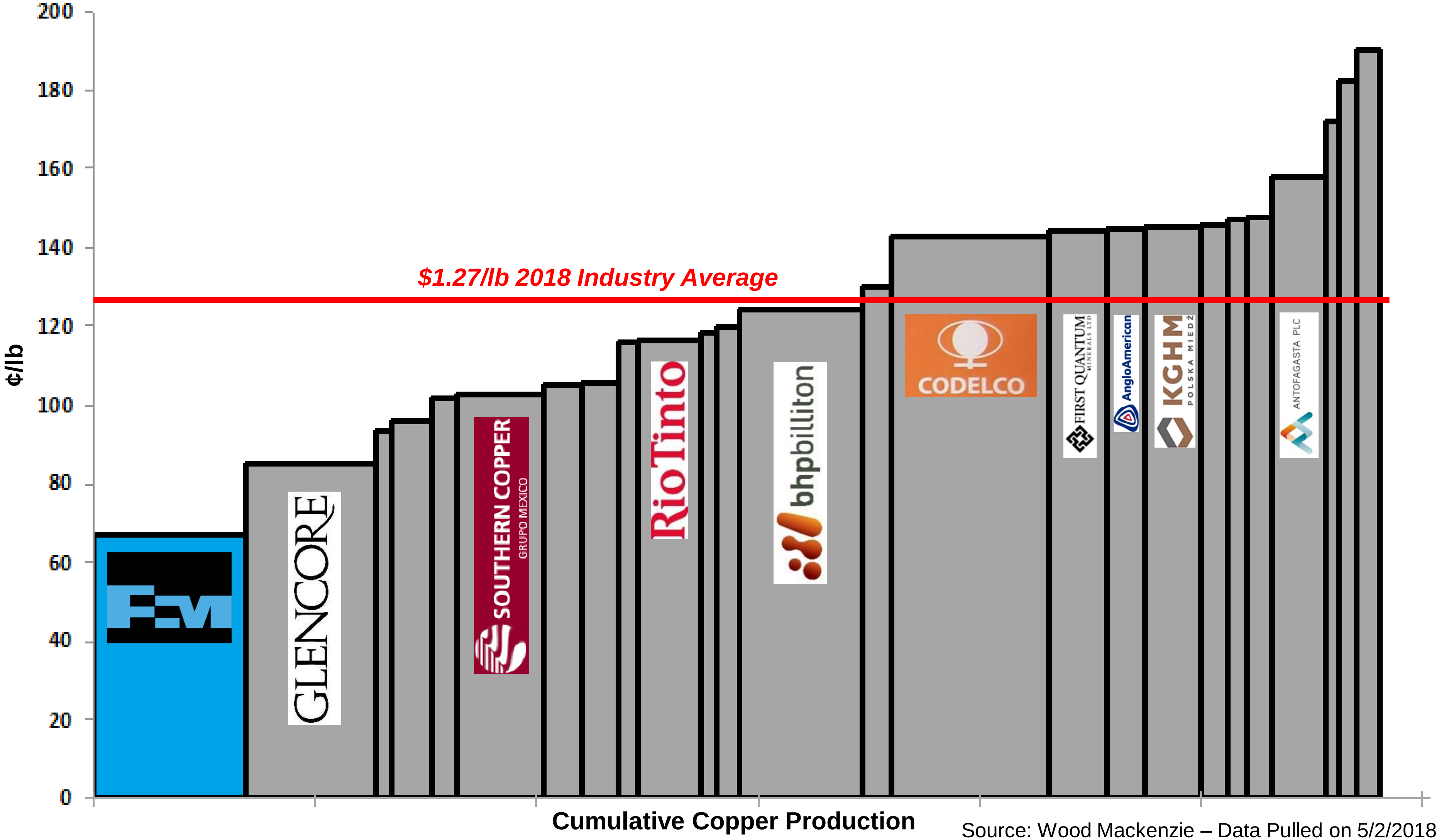

Source: Wood Mackenzie – Data Pulled on 5/2/2018

2018 Copper Distribution of Mine Production

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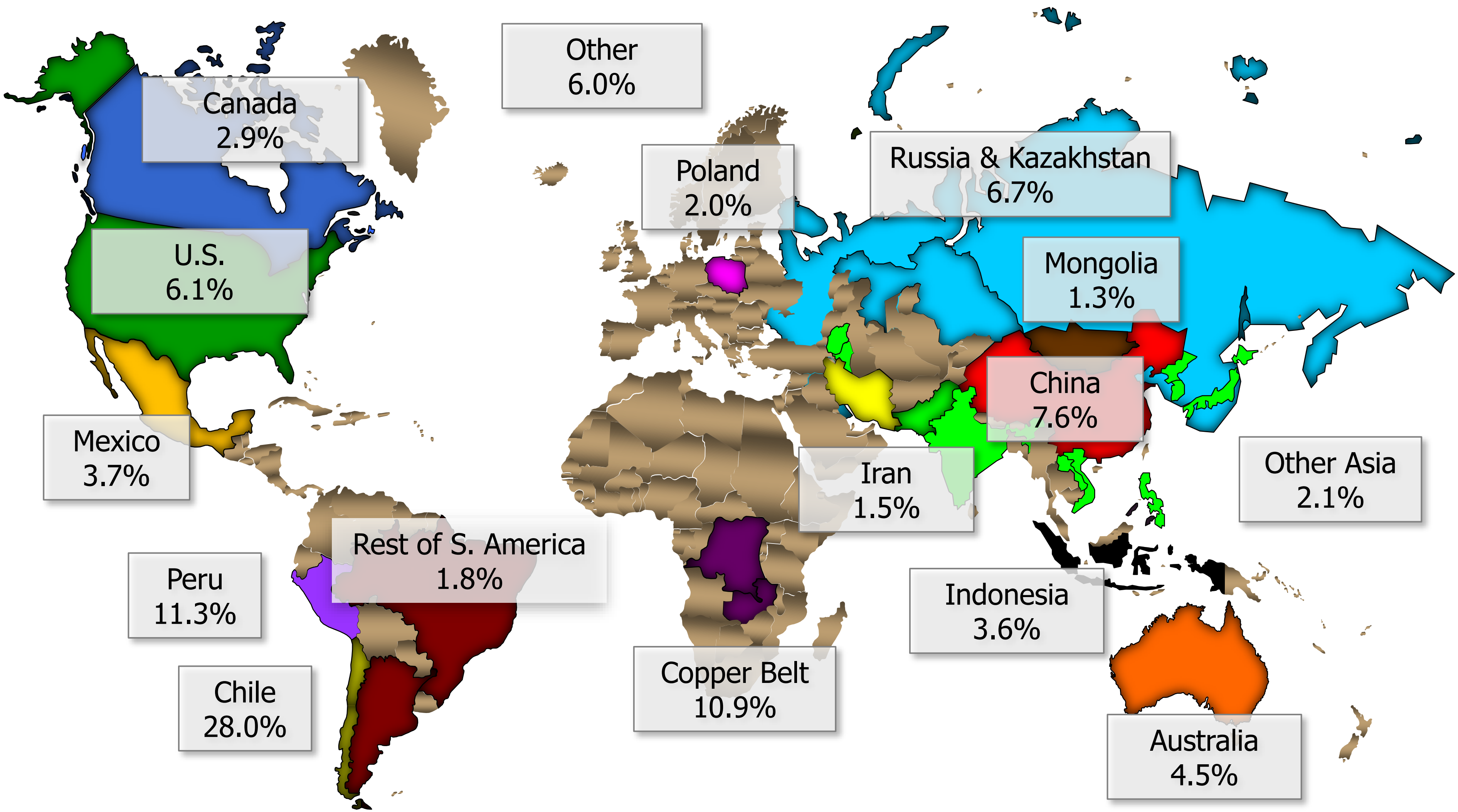

Source: WoodMac 1Q18

Freeport Mining Operations

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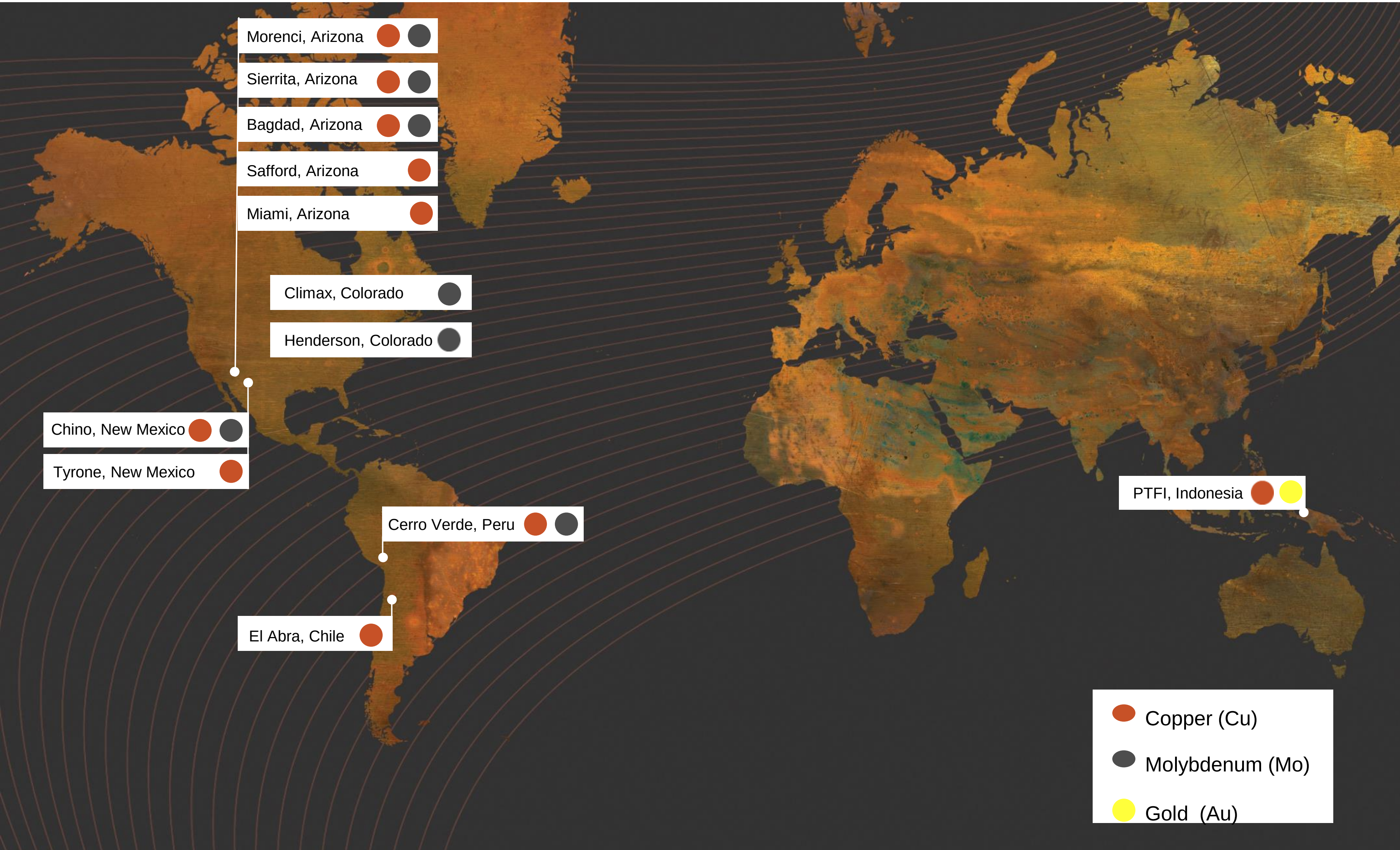

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Freeport-McM0Ran Workforce

EMPLOYEES
Approximately 30,000

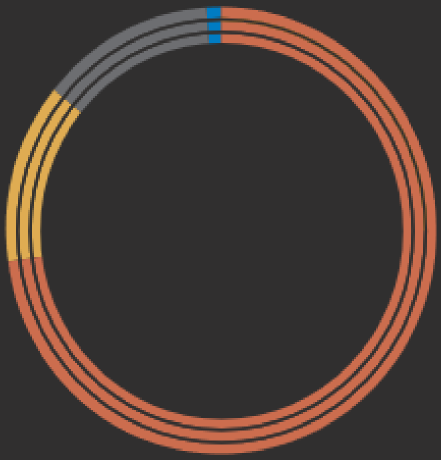
40% Indonesia

37% North America

18% South America

5% Europe/Other

CONTRACTORS
Approximately 29,100



73% Indonesia

13% North America

13% South America

1% Europe/Other

At year-end 2016

Workforce includes oil and gas assets

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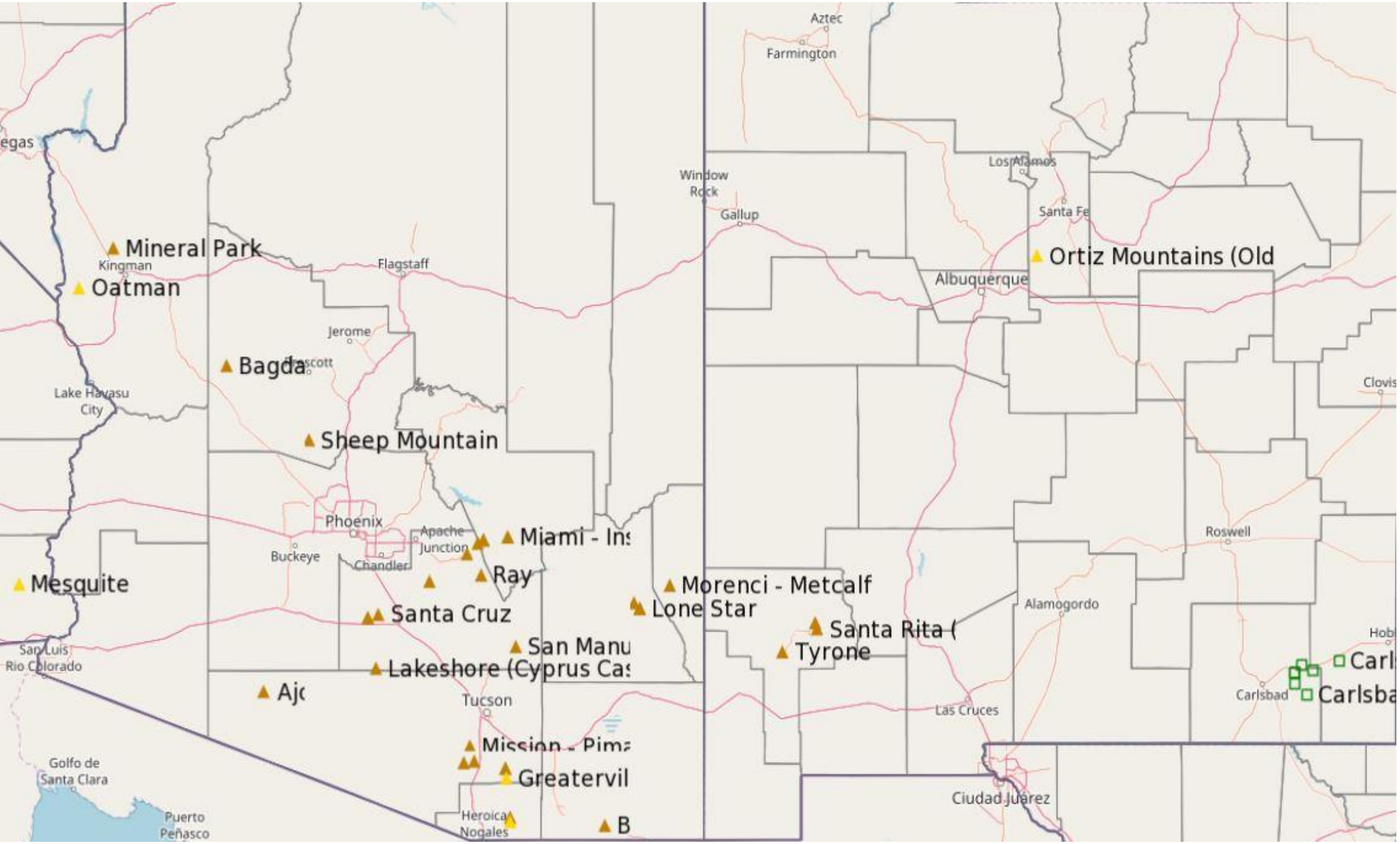
Arizona & New Mexico Mines



Americas Development Opportunities

U.S.

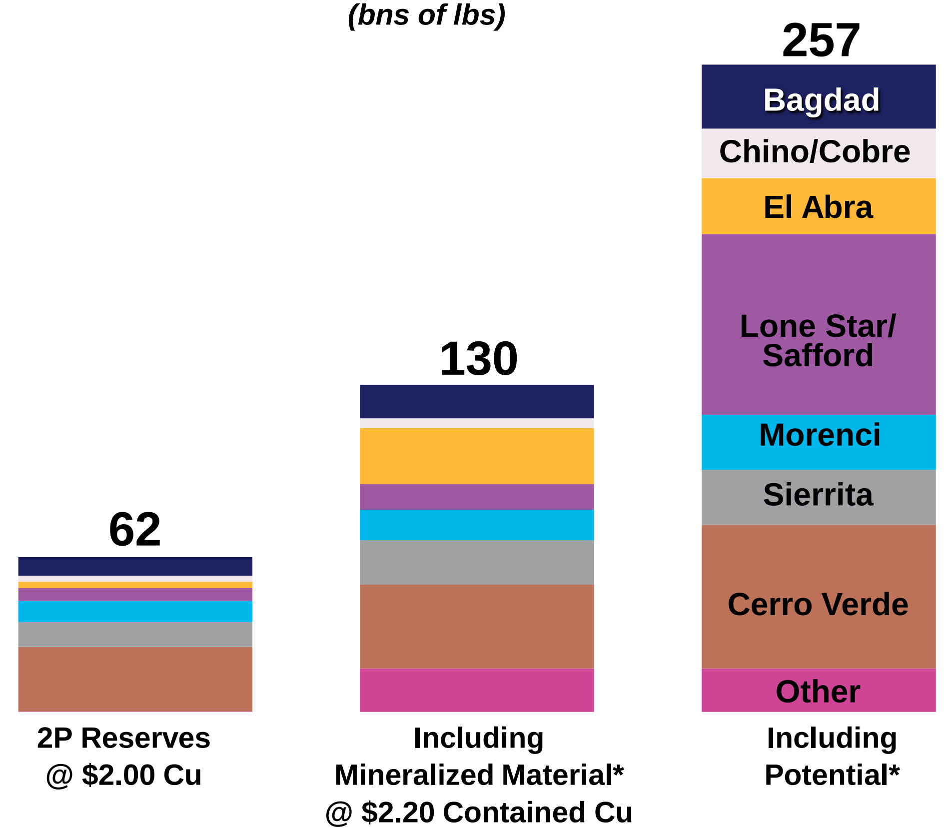
- **Large footprint with substantial undeveloped sulfide resources**
- **Significant existing infrastructure provides for Brownfield expansions**
- **District extensions include:**
  - Bagdad
  - Chino/Cobre
  - Lone Star/Safford
  - Morenci
  - Sierrita

South America

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

Future Development Subject to Market Conditions

(bns of lbs)

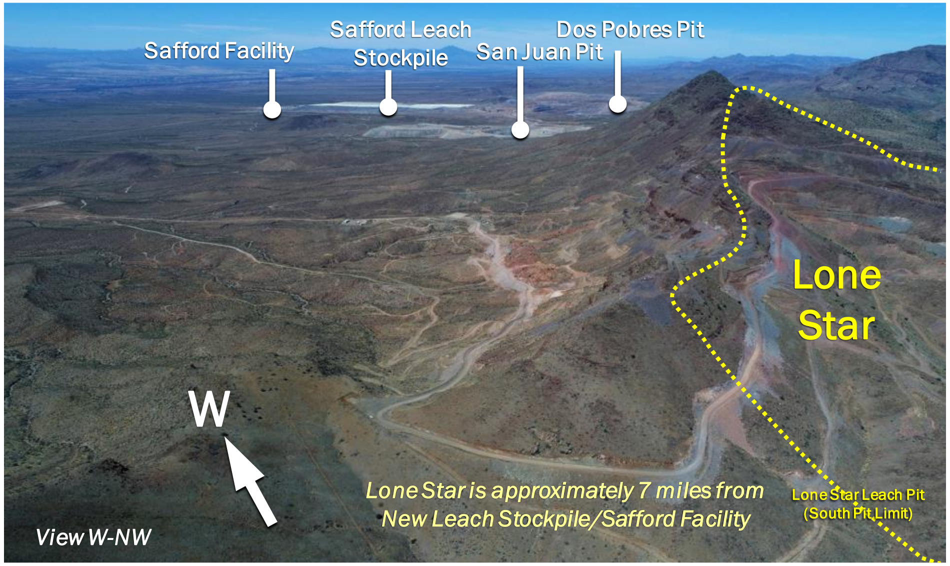


** Mineralized material and potential resources are not included in reserves and will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated mineralized material and potential resources will become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

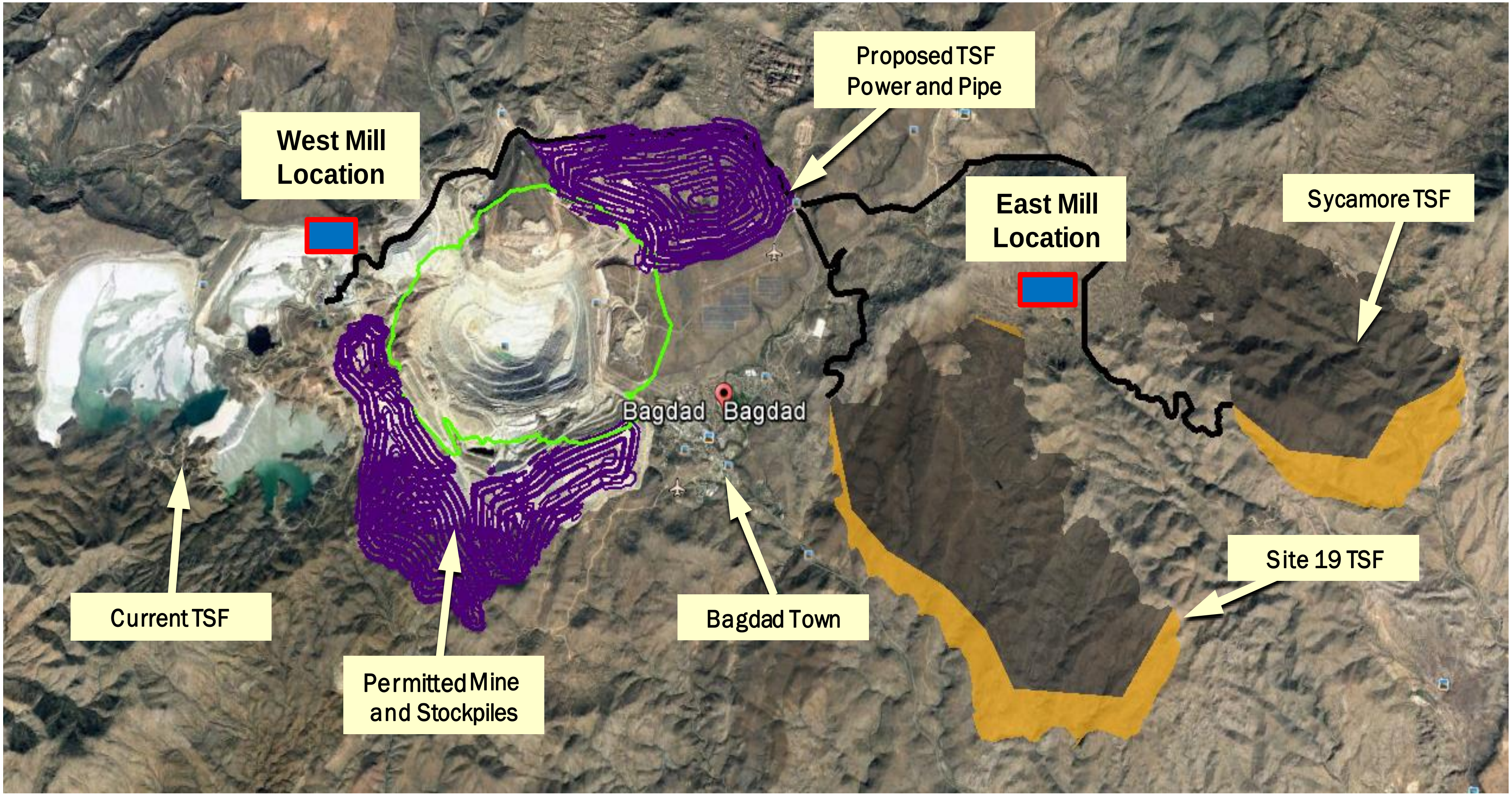
Lone Star Oxide Development Project

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

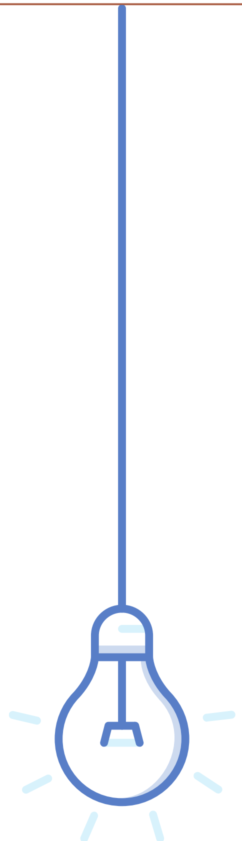
See Cautionary Statement.



Bagdad TSF and Mill Expansion Update



If you have…



- turned on a light
- entered a building
- driven in a car
- made a phone call
- used a computer
- visited a doctor
- and much more

… then copper is an important part of your life.