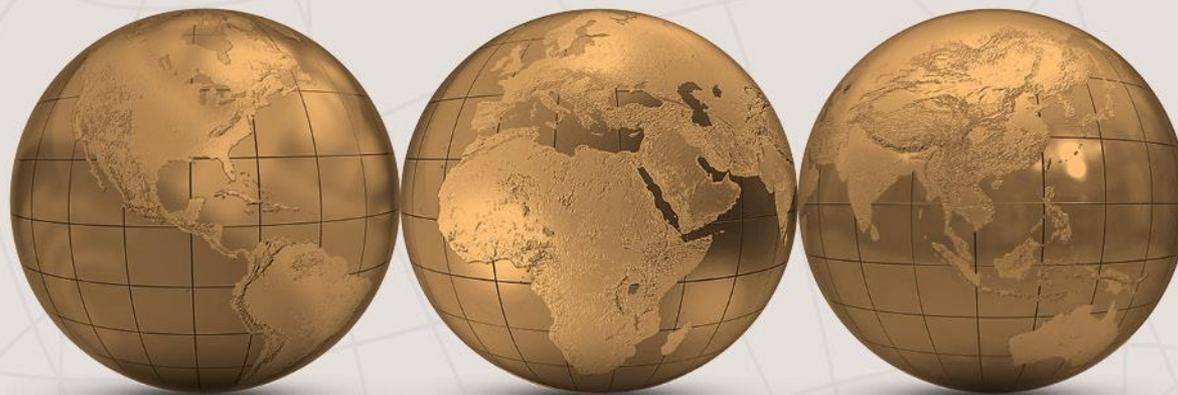


PROVING OUR  
**METTLE**



**COWEN**  
AND COMPANY

**Energy & Natural Resources  
Conference**

Tuesday, December 6 - Wednesday, December 7, 2016  
Le Parker Meridien, New York, NY

A blue-toned illustration of an oil pumpjack and a drilling rig in a snowy, forested landscape.

**Richard C. Adkerson**

**President & CEO**

**December 6, 2016**

A member of  
**ICMM**  
International Council  
on Mining & Metals

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

[fcx.com](http://fcx.com)

# Cautionary Statement Regarding Forward-Looking Statements



*This presentation contains forward-looking statements in which FCX discusses its potential future performance. Forward-looking statements are all statements other than statements of historical facts, such as projections or expectations relating to ore grades and milling rates, production and sales volumes, unit net cash costs, operating cash flows, capital expenditures, debt reduction initiatives, including FCX's ability to complete pending asset sales and the anticipated timing thereof, and to sell additional assets, exploration efforts and results, development and production activities and costs, liquidity, tax rates, the impact of copper, gold, molybdenum, cobalt, crude oil and natural gas price changes, the impact of deferred intercompany profits on earnings, reserve estimates, future dividend payments, and share purchases and sales. The words "anticipates," "may," "can," "plans," "believes," "estimates," "expects," "projects," "targets," "intends," "likely," "will," "should," "to be," "potential" and any similar expressions are intended to identify those assertions as forward-looking statements. Under its term loan and revolving credit facility, as amended, FCX is not permitted to pay dividends on common stock on or prior to March 31, 2017. The declaration of dividends is at the discretion of FCX's Board of Directors (Board), subject to restrictions under FCX's credit agreements, and will depend on FCX's financial results, cash requirements, future prospects, and other factors deemed relevant by the Board.*

*FCX cautions readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, 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 supply of and demand for, and prices of, copper, gold, molybdenum, cobalt, crude oil and natural gas, mine sequencing, production rates, drilling results, potential effects of cost and capital expenditure reductions and production curtailments on financial results and cash flow, the outcome of FCX's debt reduction initiatives, FCX's ability to secure regulatory approvals, satisfy closing conditions and consummate pending asset sales, potential additional oil and gas property impairment charges, potential inventory adjustments, potential impairment of long-lived mining assets, the outcome of ongoing discussions with the Indonesian government regarding PT Freeport Indonesia's (PT-FI) Contract of Work, the potential effects of violence in Indonesia generally and in the province of Papua, the resolution of administrative disputes in the Democratic Republic of Congo, industry risks, regulatory changes, political risks, labor relations, weather- and climate-related risks, environmental risks, litigation results 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, 2015, filed with the U.S. Securities and Exchange Commission (SEC), as updated by FCX's subsequent filings with the SEC. With respect to FCX's operations in Indonesia, such factors include whether PT-FI will be able to continue to export its copper concentrate directly and indirectly through PT Smelting (PT-FI's 25 percent-owned Indonesian smelting unit) after the January 12, 2017, effective date of regulations prohibiting exports of copper concentrate and anode slimes, including whether and when those regulations may be revised and whether any such revisions would impose additional conditions on PT-FI. PT-FI's inability to export copper concentrate itself and through PT Smelting for any extended period of time would lead to the suspension of all of FCX's production in Indonesia.*

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

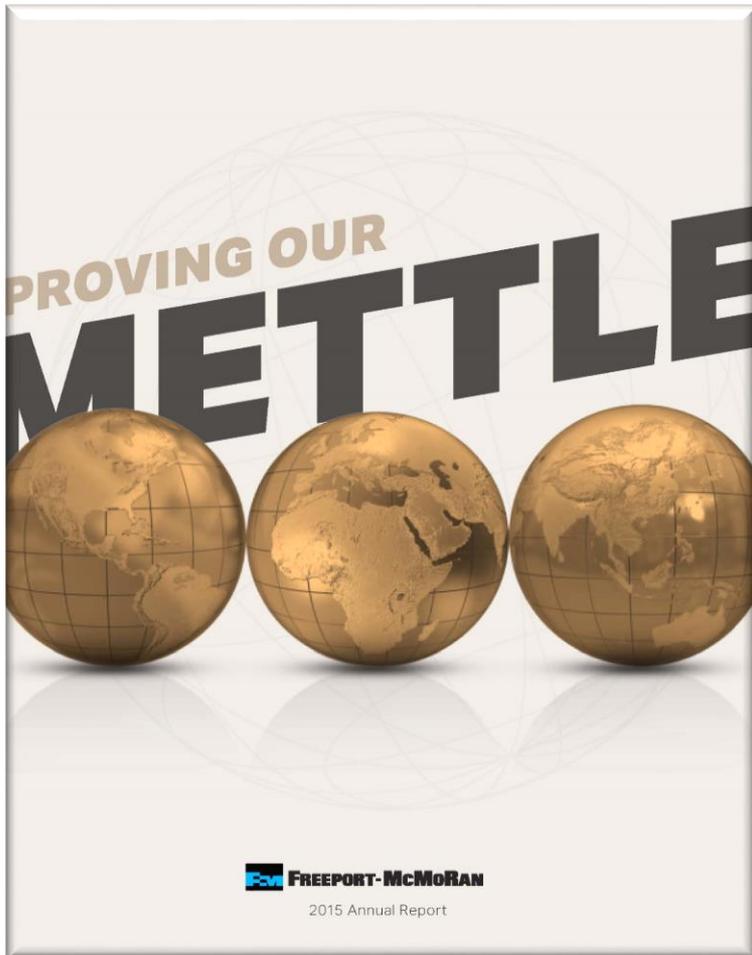
*This presentation also includes forward-looking statements regarding mineralized material and potential resources not included in proven and probable mineral reserves. The mineralized material and potential resources described in this presentation will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated mineralized material and potential resources not included in reserves will become proven and probable reserves.*

*This presentation also contains certain financial measures such as unit net cash costs per pound of copper and molybdenum, oil and gas realized revenues, cash production costs, cash operating margin and Adjusted EBITDA, 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 FCX's 3Q 2016 press release, which are available on FCX's website, "fxc.com."*



# “Proving Our Mettle”

**met·tle /'medl/ n:** 1. a person’s ability to cope well with difficulties or to face a demanding situation in a spirited and resilient way.



- **Executing Clearly Defined Strategy**
- **Maintaining Cost Focus and Capital Discipline**
- **Strengthening Balance Sheet**
- **Industry Leading Copper Position**
  - **Long-lived, Geographically Diverse**
  - **Attractive Long-Term Fundamentals**
  - **Significant Leverage to Copper Price**
- **Environmentally Responsible**
- **Experienced Team**



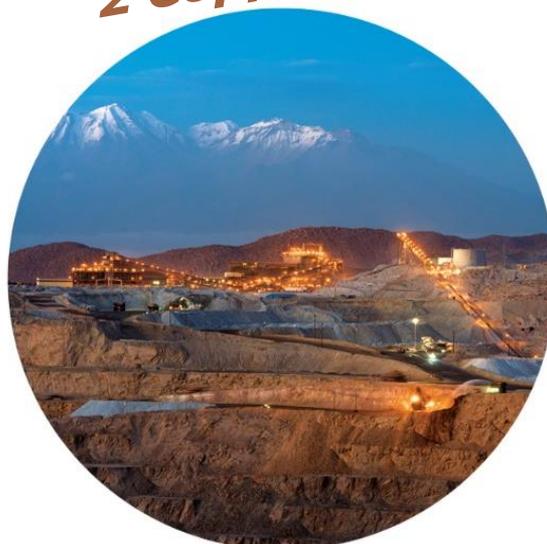
# World-Class Copper Portfolio

## Long-term Value in High Quality Asset Base

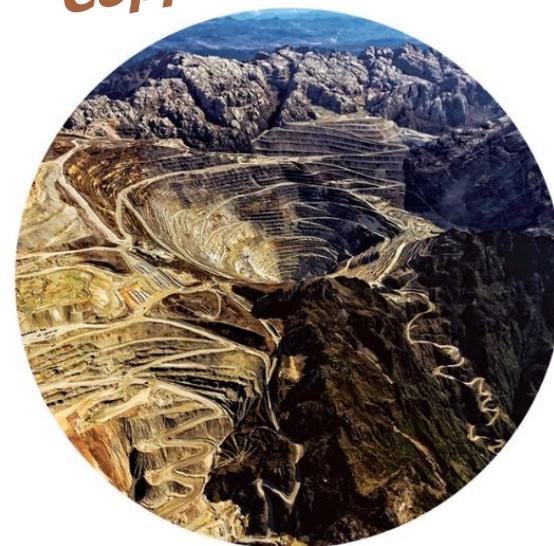
### North America 7 Copper Mines



### South America 2 Copper Mines



### Indonesia Copper/Gold Mine



**Cu Reserves: 32 bn lbs**  
**Mo Reserves: 2.4 bn lbs**  
**Mineralized Mat.: 46 bn lbs**  
**Implied Life: 37 yrs**  
**Copper Sales: 1.8 bn lbs**  
**Molybdenum Sales: 73 mm lbs**  
**2016e Unit Cost: \$1.41/lb**

**Cu Reserves: 31 bn lbs**  
**Mo Reserves: 0.7 bn lbs**  
**Mineralized Mat.: 24 bn lbs**  
**Implied Life: 38 yrs**  
**Copper Sales: 1.3 bn lbs**  
**2016e Unit Cost: \$1.42/lb**

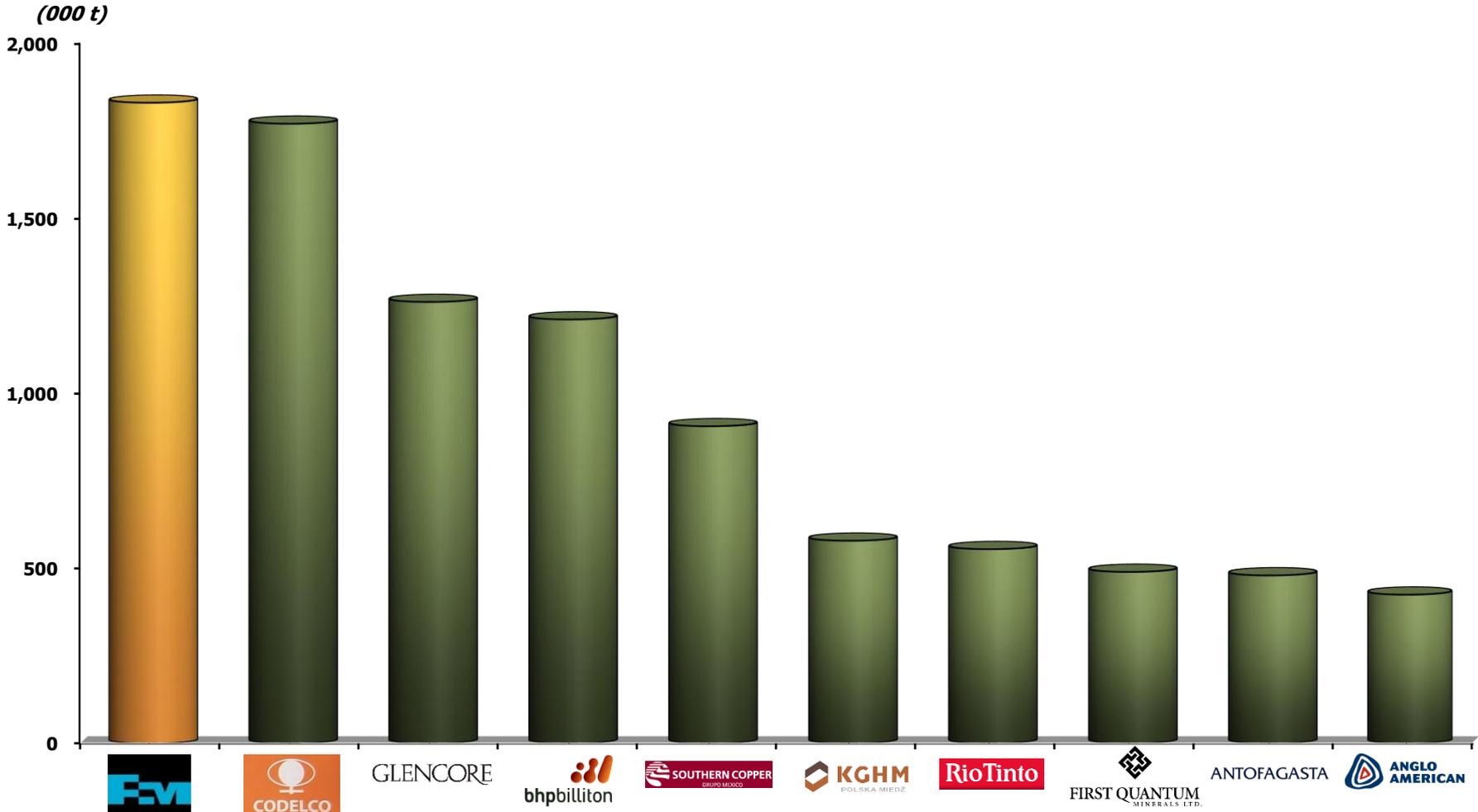
**Cu Reserves: 28 bn lbs**  
**Au Reserves: 27 mm ozs**  
**Mineralized Mat.: 21 bn lbs**  
**Implied Life: 25 yrs**  
**Copper Sales: 1.2 bn lbs**  
**Gold Sales: 1.3 mm ozs**  
**2016e Unit Cost: \$0.62/lb**

*NOTE: North America amounts include Cu operations: Morenci (72%), Sierrita, Bagdad, Tyrone, Safford, Miami and Chino; Primary Mo: Henderson and Climax; South America amounts include Cu operations: Cerro Verde and El Abra. Sales amounts based on 2016e. Implied life for Americas equals reserves plus mineralized material divided by 2016e sales; Implied life for Indonesia through 2041 CoW. Unit Cost estimates assume average prices of \$2.10/lb for copper, \$1,250/oz for gold and \$7/lb for molybdenum in 4Q16. e = estimate. See Cautionary Statement.*

# World's Leading Copper Producers



*Top 10 Copper Producers (2016)*



Source: Wood Mackenzie September 26, 2016. Rankings based on net equity ownership.

# Copper Market Commentary

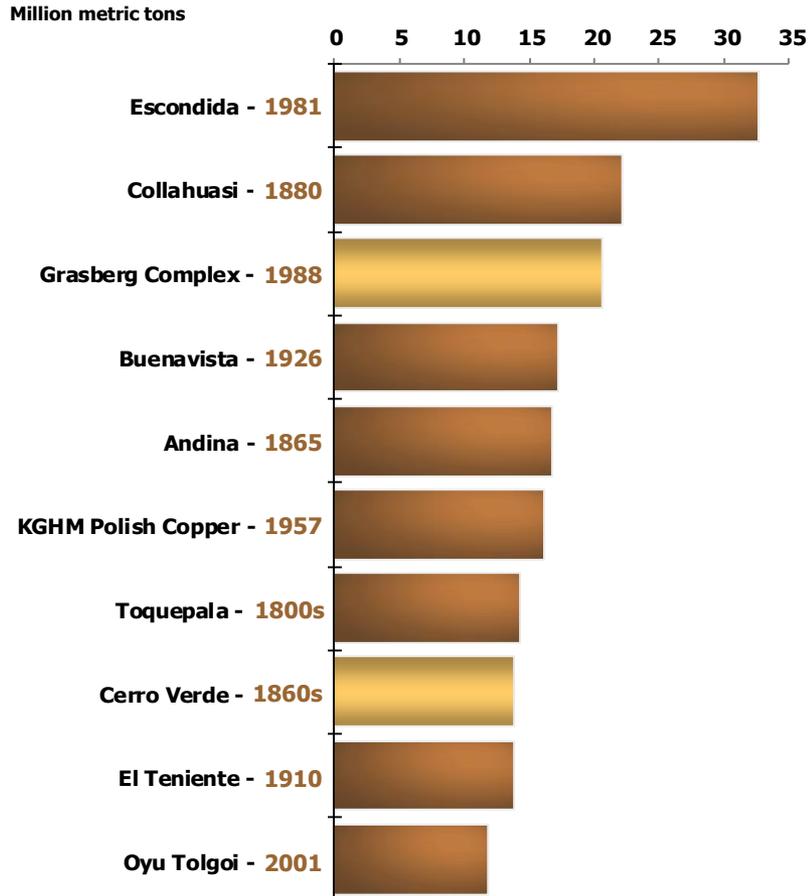


- **Significance of China and Global Economy on Demand**
- **Projected Surpluses Continue to be Lower Than Expected**
- **Recent Supply Growth Unsustainable**
- **Prolonged Period of Low Prices Will Impact Future Supplies**
- **Relatively Low Inventories**
- **Improved Market Sentiment Consistent with Long-term Fundamental Supply/Demand Outlook**

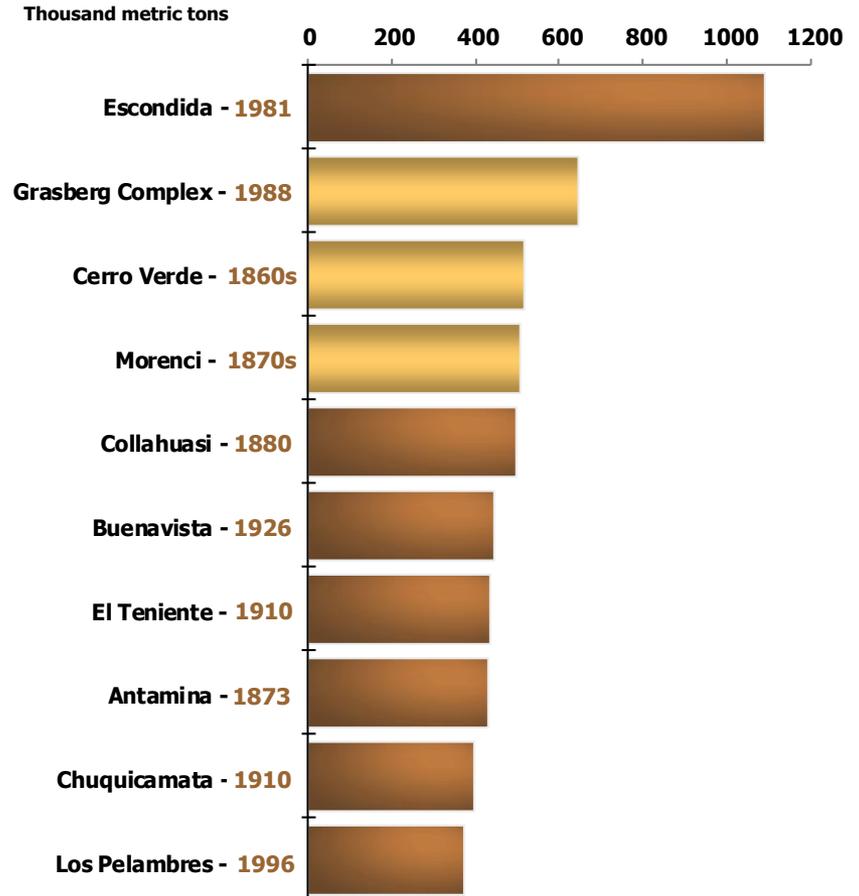


# World Class Copper Discoveries Are Extremely Rare

## Recoverable Copper Reserves



## 2016e Copper Production

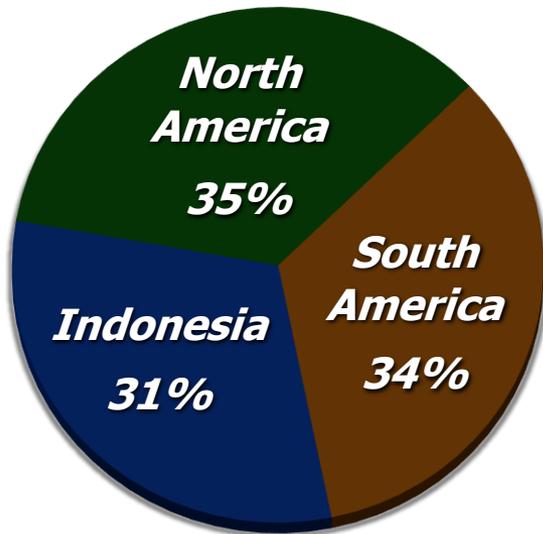


Source: Wood Mackenzie  
e=estimate



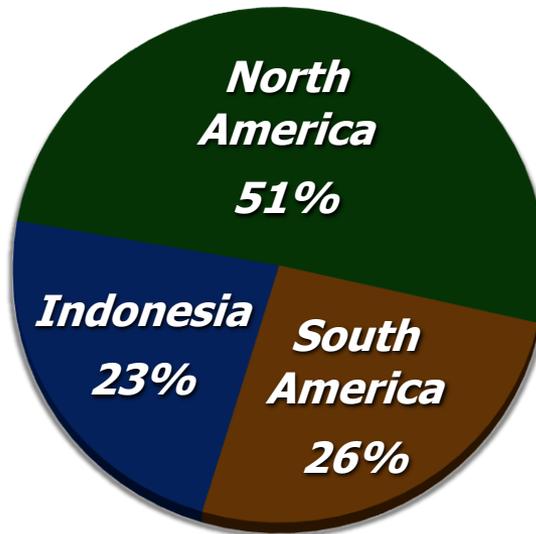
# FCX Reserves/Mineralized Material/Resources as of 12/31/15, Adjusted for 2016 Asset Sales

## 2P Reserves <sup>(1)</sup>



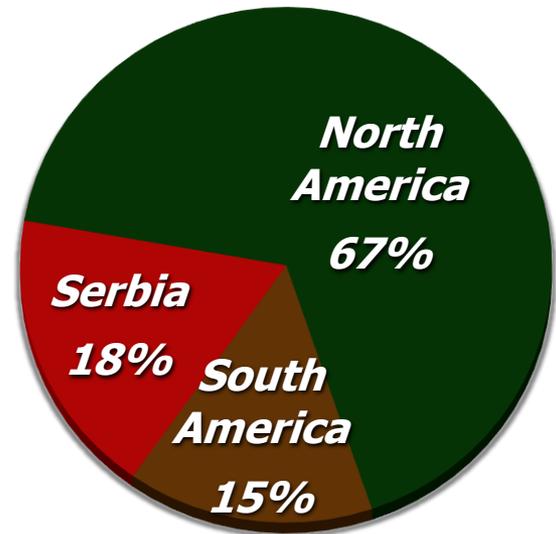
**90 Billion Lbs**

## Mineralized Material <sup>(2)</sup>



**91 Billion Lbs**

## Resources <sup>(3)</sup>



**155 Billion Lbs**

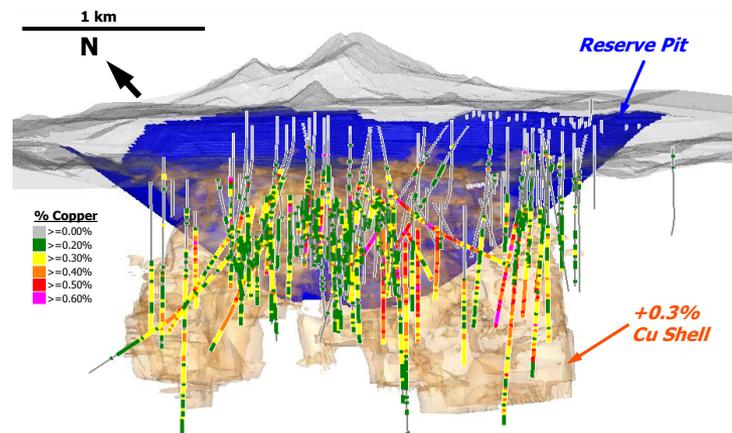
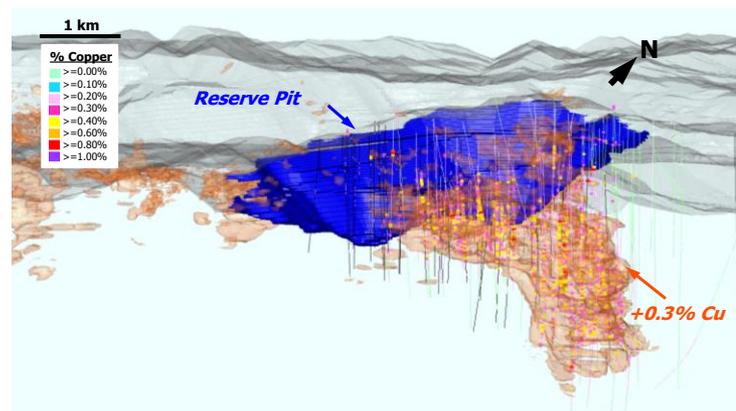
- (1) Preliminary estimate of recoverable proven and probable copper reserves using a long-term average copper price of \$2.00/lb; 73 billion pounds net to FCX's interest.
- (2) Preliminary estimate of consolidated contained copper resources using a long-term copper price of \$2.20/lb. **Mineralized Material is 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 will become proven and probable reserves. See Cautionary Statement.**
- (3) Our estimates of potential are based on geologically reasonable interpolation and extrapolation of more limited information than is used for Mineralized Material (measured and indicated) and requires higher Cu prices. Significant additional drilling is required and no assurance can be given that the potential quantities of metal will be produced.

# Large Development Project Inventory



## *Copper Sulfide Opportunities*

- **Bagdad**
- **Chino**
- **El Abra**
- **Lone Star/Safford**
- **Morenci**
- **Sierrita**



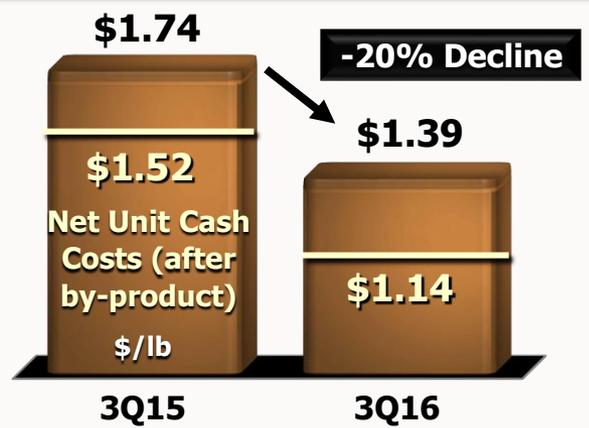
*Future development subject to market conditions*

# Tracking Our Achievements



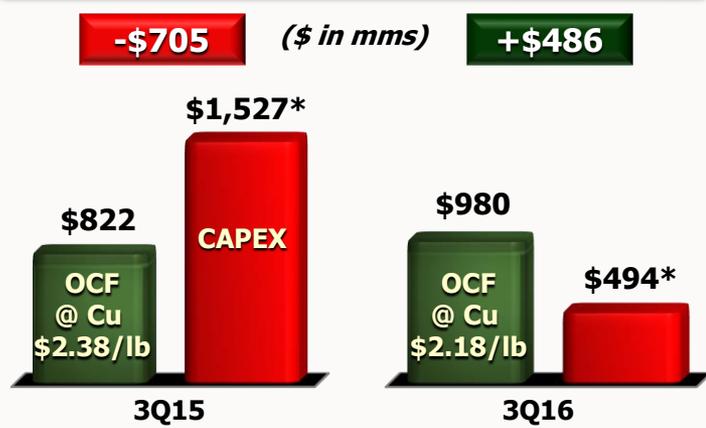
- **\$6.6 Billion in Announced Asset Sales**
  - \$5.2 Billion Expected to Close in 4Q16
  - No Additional Sales Required
  - Retention of High-Quality Copper Portfolio
- **Clear Path to Achievement of Debt Target**
- **Successful Execution of Cerro Verde Start-up and Cost & Capital Management Initiatives**
- **Completed \$1.5 Billion ATM Equity Offering**
- **Positioned for Free Cash Flow Generation**
- **Focused on Execution**

## Declining Unit Costs for Copper



Site Production & Delivery Cost Per Unit

## Free Cash Flow Trend

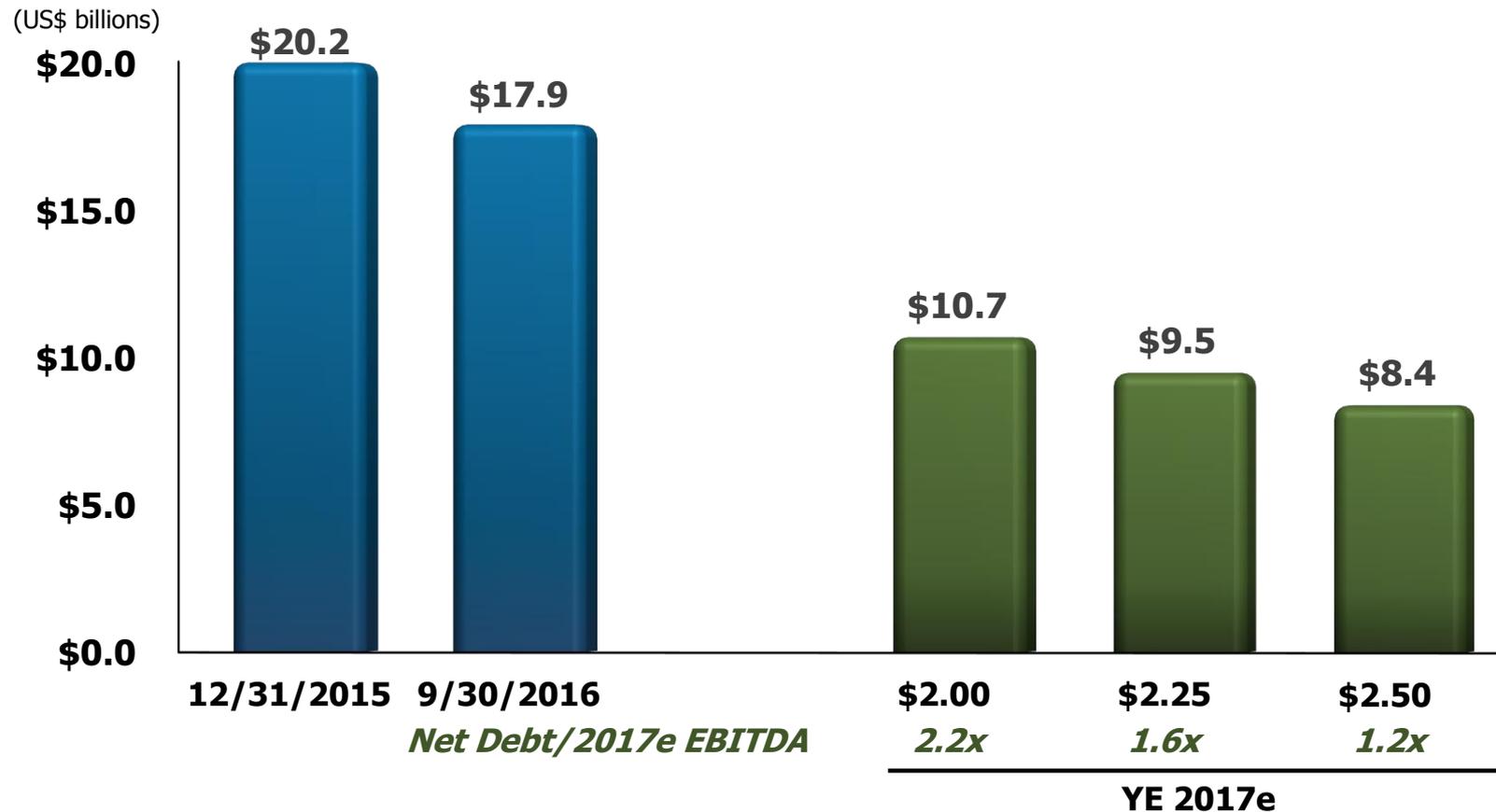


\* Includes \$672 mm in 3Q15 and \$160 mm in 3Q16 associated with O&G



# Restoring Balance Sheet Strength

*Year-End 2017e Net Debt at Varying Copper Prices <sup>(1)</sup>*



*(1) Includes asset sale proceeds from the Tenke, Deepwater GOM and Onshore CA transactions which are expected to close in 4Q2016, excess cash flows for 4Q2016e and 2017e and \$1.5 bn in gross proceeds (\$415 mm completed as of October 24, 2016) from ongoing ATM equity offering.*

*Note: Sensitivity assumes \$7/lb Molybdenum and \$1,250/oz Gold in 4Q16e and 2017e. EBITDA equals operating income plus depreciation, depletion and amortization. e = estimate. See Cautionary Statement.*



# Grasberg Operations & Regulatory Matters

## Operations

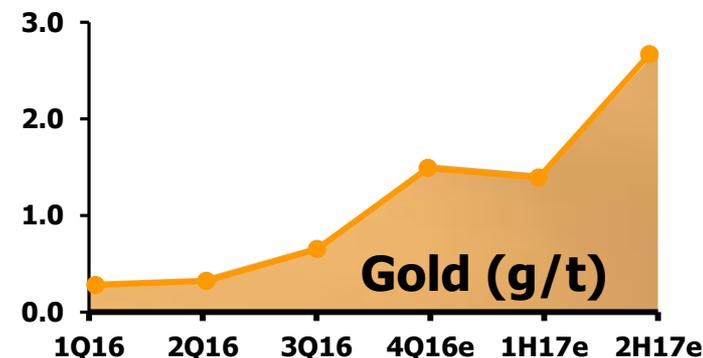
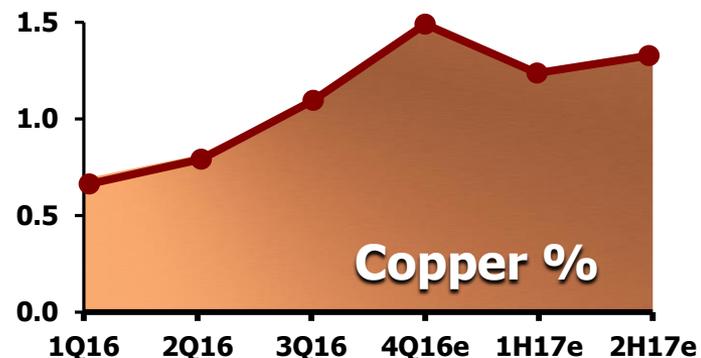
- **Lower 3Q16 Mining Rate in Open Pit**
  - July Estimate: 200K t/d
  - Actual: 171K t/d
- **10-day Work Stoppage in Late Sept. Continuing Labor Productivity Issues Affects Timing of Access to Higher Grade Ore.**
- **2016 Shortfall Substantially Recovered in 2017 and Fully Recovered by 1H18**

	<i>PT-FI's Share (bn lbs &amp; mm ozs)</i>					
	<u>July Est.</u>		<u>Oct. Est.</u>		<u>Variance</u>	
	Cu	Au	Cu	Au	Cu	Au
2H16e-2017e	2.28	3.87	2.25	3.65	(0.03)	(0.22)
2H16e-2018e	3.30	5.00	3.31	5.03	0.01	0.03

## Regulatory

- **Advancing Discussions on Two Key Issues**
  - Exports Post-January 12, 2017
  - Extension of Long-Term Operating Rights

## *Grasberg Open Pit Ore Grades*



*e = estimate. See Cautionary Statement.*



# Grasberg Minerals District

## PT-FI Share of Sales

	Copper (bns lbs)	Gold (mms ozs)
2016e	1.2	1.24
2017e	1.45	2.75
2018e	1.0	1.4
2019e –	1.2	1.5
2022e Avg.		

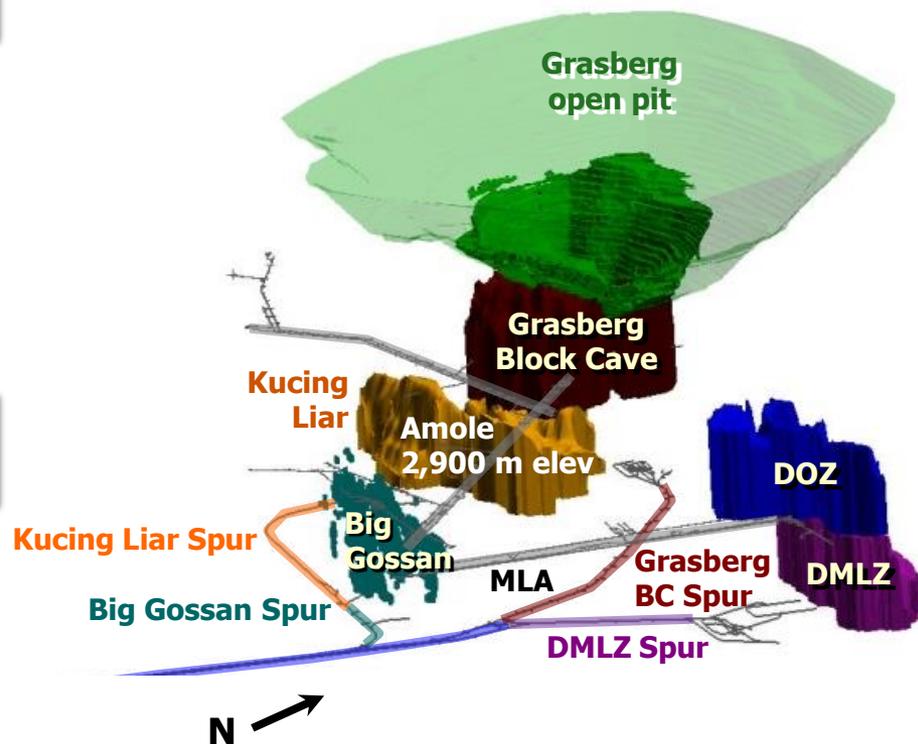
## DMLZ & Grasberg BC Reserves\*

(as of December 31, 2015)	DMLZ	Grasberg Block Cave
Tonnes (mm)	460	962
Copper Grade (%)	0.89	1.03
Gold Grade (g/t)	0.74	0.78
Copper (bn lbs)	7.9	18.4
Gold (mm ozs)	8.7	15.6
Start-up Year	2015	2018
Target (K t/d)	80	140-160
Ramp-up (years)	6	6

\* 100% Basis

NOTE: Ore grades in ramp-up of underground mines expected to be higher than life-of-mine average

e = estimate. See Cautionary Statement.

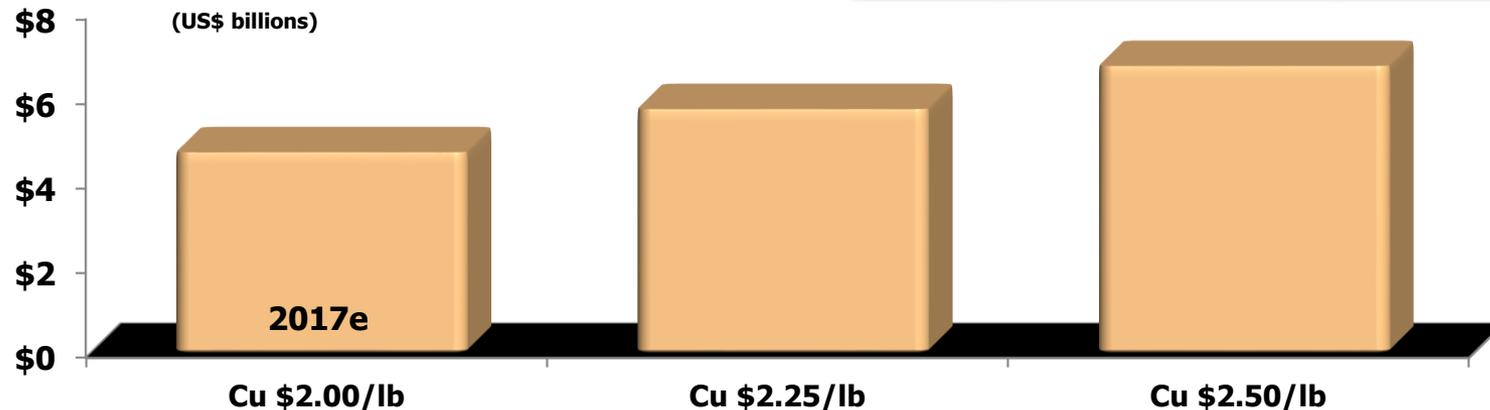




# 2017e EBITDA and Cash Flow at Various Copper Prices

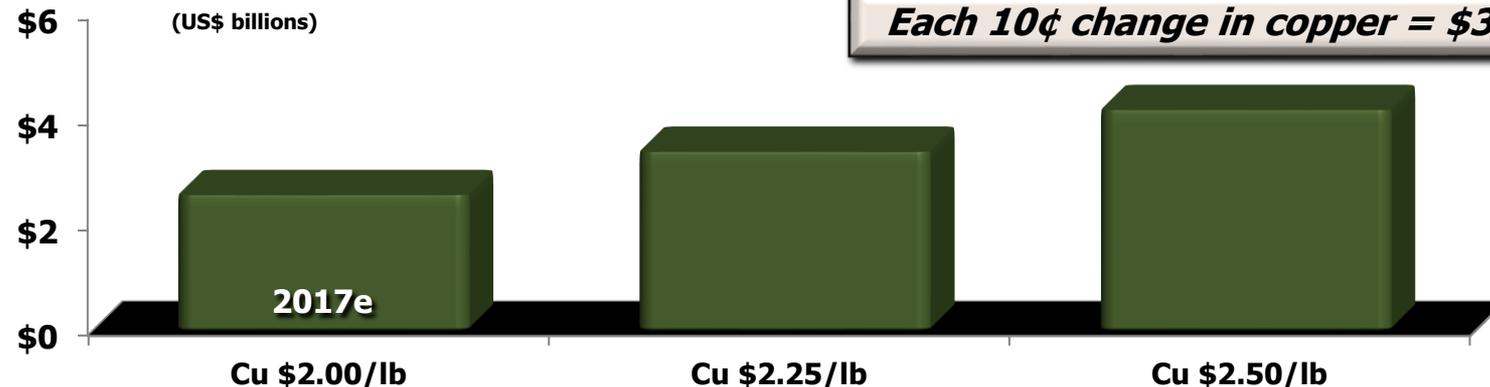
## EBITDA

(\$1,250/oz Gold, \$7/lb Molybdenum)\*



## Operating Cash Flow (excluding Working Capital changes)

(\$1,250/oz Gold, \$7/lb Molybdenum)\*



Note: For 2017e price sensitivities see slide 25. EBITDA equals operating income plus depreciation, depletion and amortization.

\* Average prices as noted for 2017e

e = estimate. See Cautionary Statement.

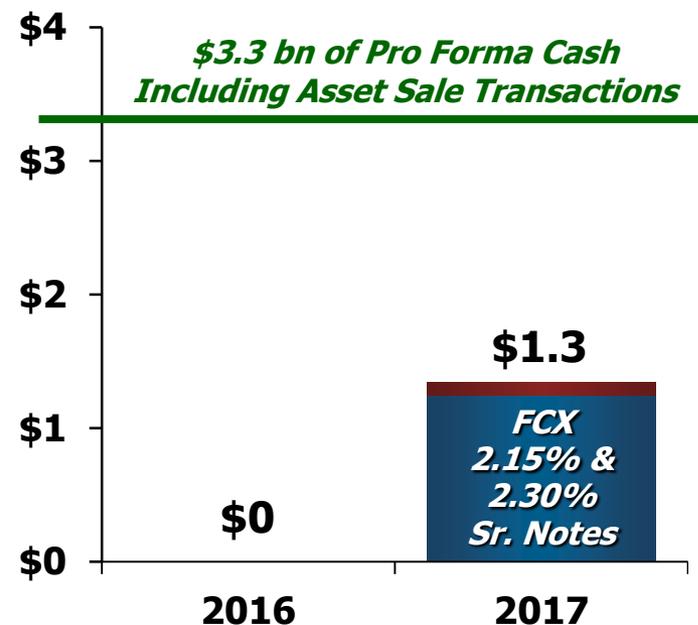


# Committed to Balance Sheet Management – Strong Track Record

(US\$ billions)

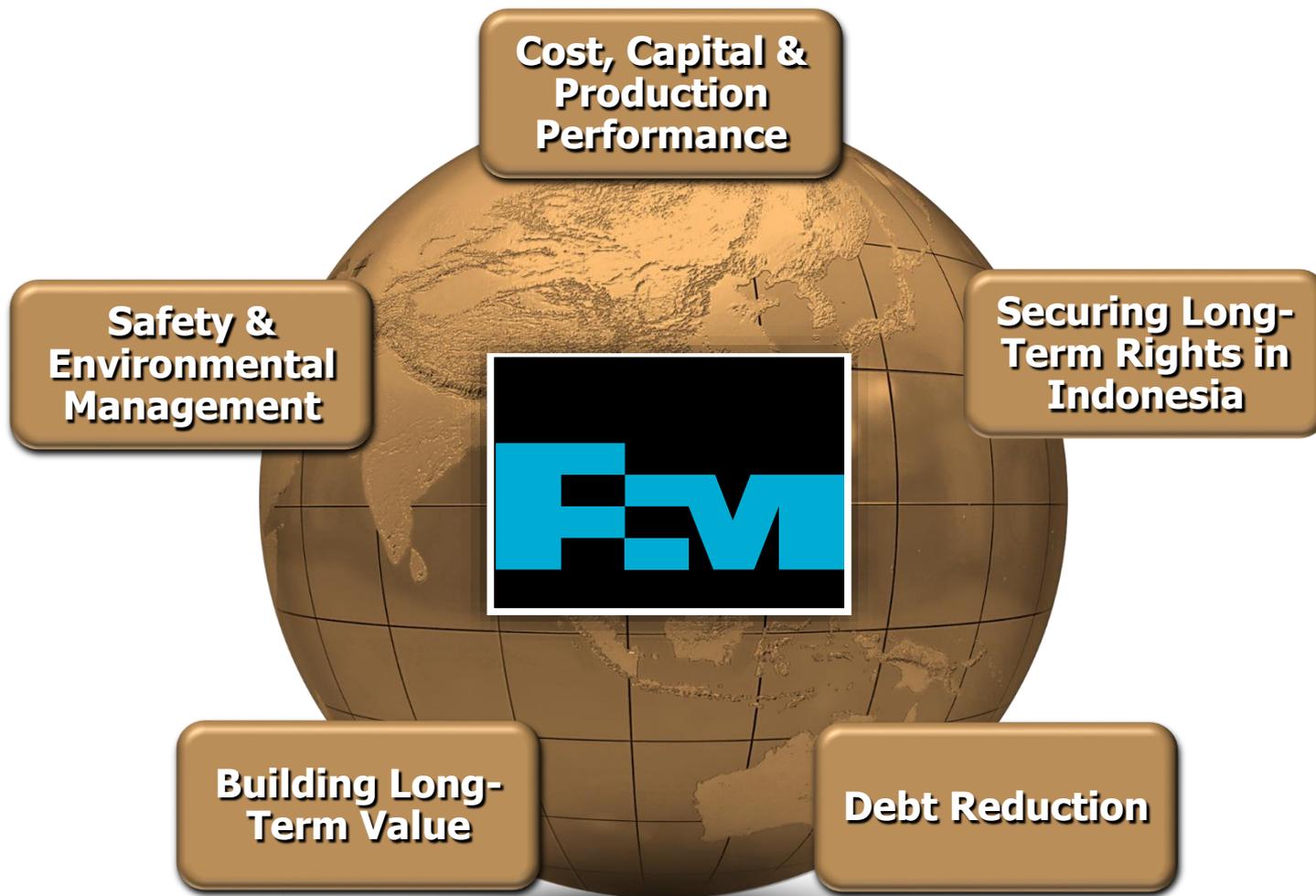
## Manageable Near-Term Debt Maturity Schedule Pro Forma for Asset Sale Transactions\*

<b>FCX Debt Structure</b>			
	<i>12/31/15</i>	<i>9/30/16</i>	<i>Pro Forma for Asset Sale Transactions</i>
\$3.5 bn Revolver	\$ -	\$ -	\$ -
Bank Term Loan	3.0	2.5	-
FCX & FMC Sr. Notes	12.3	11.9	11.9
FM O&G Senior Notes	2.5	2.5	2.5
Cerro Verde			
Non-Recourse Loan	1.8	1.6	1.6
Bank Bilateral & Other	0.8	0.5	0.5
<b>Total Debt</b>	<u>\$20.4</u>	<u>\$19.0</u>	<u>\$16.5</u>
Cash	\$ 0.2	\$ 1.1	\$ 3.3
Cash + ATM			\$ 4.4



\* For purposes of this schedule, maturities of uncommitted lines of credit and other short term lines are included in FCX's revolver balance, which matures in 2019. Note: Assumes net proceeds from the Tenke, Deepwater GOM and Onshore California transactions are used to prepay remaining FCX term loan balance. See Cautionary Statement.

# Focused on Execution



***Strong Track Record***