

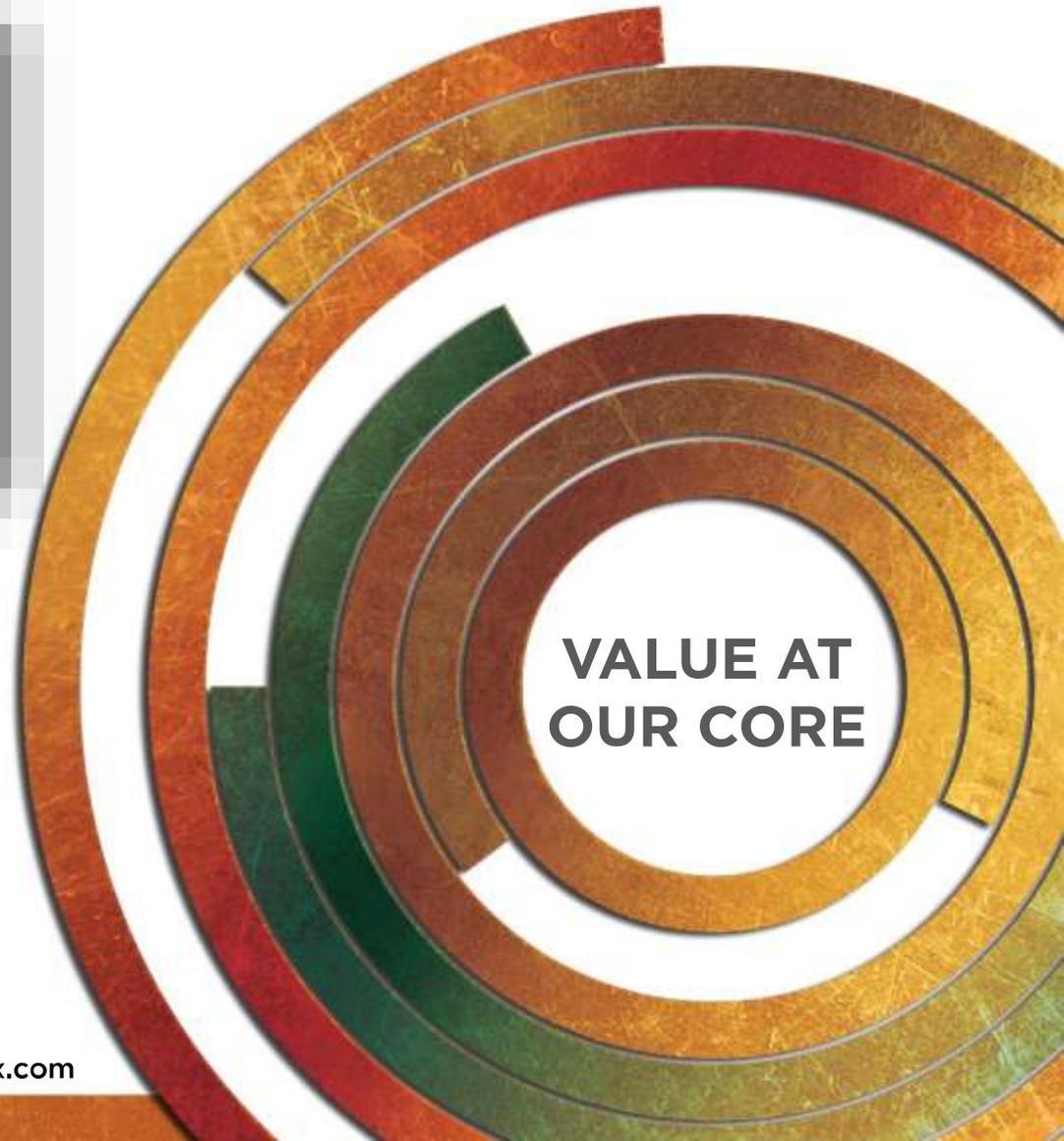
25<sup>th</sup> Global  
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***Richard C. Adkerson***  
***President & CEO***

***February 29, 2016***



# 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, cash production costs per barrel of oil equivalents (BOE), operating cash flows, capital expenditures, debt reduction initiatives, 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, and 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. The declaration of dividends is at the discretion of the Board 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, 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 strategic review of its oil and gas business, the outcome of FCX's debt reduction initiatives, 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, PT-FI's ability to obtain renewal of its export license after August 8, 2016, 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).*

*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 per pound of molybdenum, oil and gas realized revenues, cash production costs, cash operating margin and Adjusted EBITDA, which are not recognized under generally accepted accounting principles in the U.S. As required by SEC Regulation G, reconciliations of these measures to amounts reported in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in FCX's Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC.*



# Premier Portfolio of Long-Lived, Geographically Diverse Global Mining Assets

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## North America

## South America

## Indonesia

## Africa



### Morenci

**Largest Copper Mine in North America**

### Cerro Verde

**World's Largest Concentrating Facility**

### Grasberg

**One of Largest Copper/Gold Reserves in World**

### Tenke Fungurume

**High Grade Copper/Cobalt Resource**

Cu Reserves: 34 bn lbs  
Mo Reserves: 2.4 bn lbs  
Mineralized Mat.: 47 bn lbs  
Implied Life: 38 yrs

Cu Reserves: 31 bn lbs  
Mo Reserves: 0.7 bn lbs  
Mineralized Mat.: 24 bn lbs  
Implied Life: 37 yrs

Cu Reserves: 28 bn lbs  
Au Reserves: 27 mm ozs  
Mineralized Mat.: 21 bn lbs  
Implied Life: 31 yrs

Cu Reserves: 7 bn lbs  
Co Reserves: 0.9 bn lbs  
Mineralized Mat.: 13 bn lbs  
Implied Life: 36 yrs

## Five Mines with Potential Capacity for 1 billion lbs of copper per annum\*

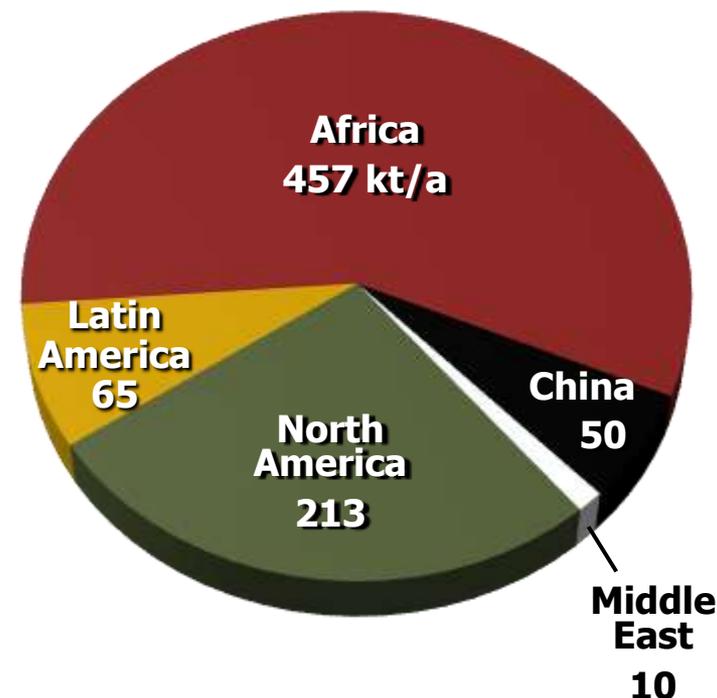
*NOTE: North American amounts include Cu operations: Morenci (85%), Sierrita, Bagdad, Tyrone, Safford, Miami and Chino; Primary Mo: Henderson and Climax; South America amounts include Cu operations: Cerro Verde and El Abra. Implied life equals reserves plus mineralized material divided by 2016e production. \* Grasberg, Cerro Verde & Morenci (100%) capable of producing over 1 bln lbs/annum and El Abra & Tenke have potential to produce 1 bln lbs/annum*

# Copper Market Commentary

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- **Anticipated Large Surpluses have Not Materialized – Market Generally Balanced**
- **Actions at High Cost Mines have Resulted in Industry Curtailment of 795kt/annum To Date**
- **Industry Experts Expect Additional Cuts**
- **Supply from New Mines Where Construction Began Years Ago is Coming To an End**
- **Depletion/Lower Ore Grades Will Impact Base Production**
- **Price Recovery Broadly Anticipated and Will Be Required to Incentivize New Supply**
  - **Wood Mackenzie Long-term Incentive Price: \$3.50/lb**

*Price Related  
Closures Identified:  
~795kt/a (annualized)*

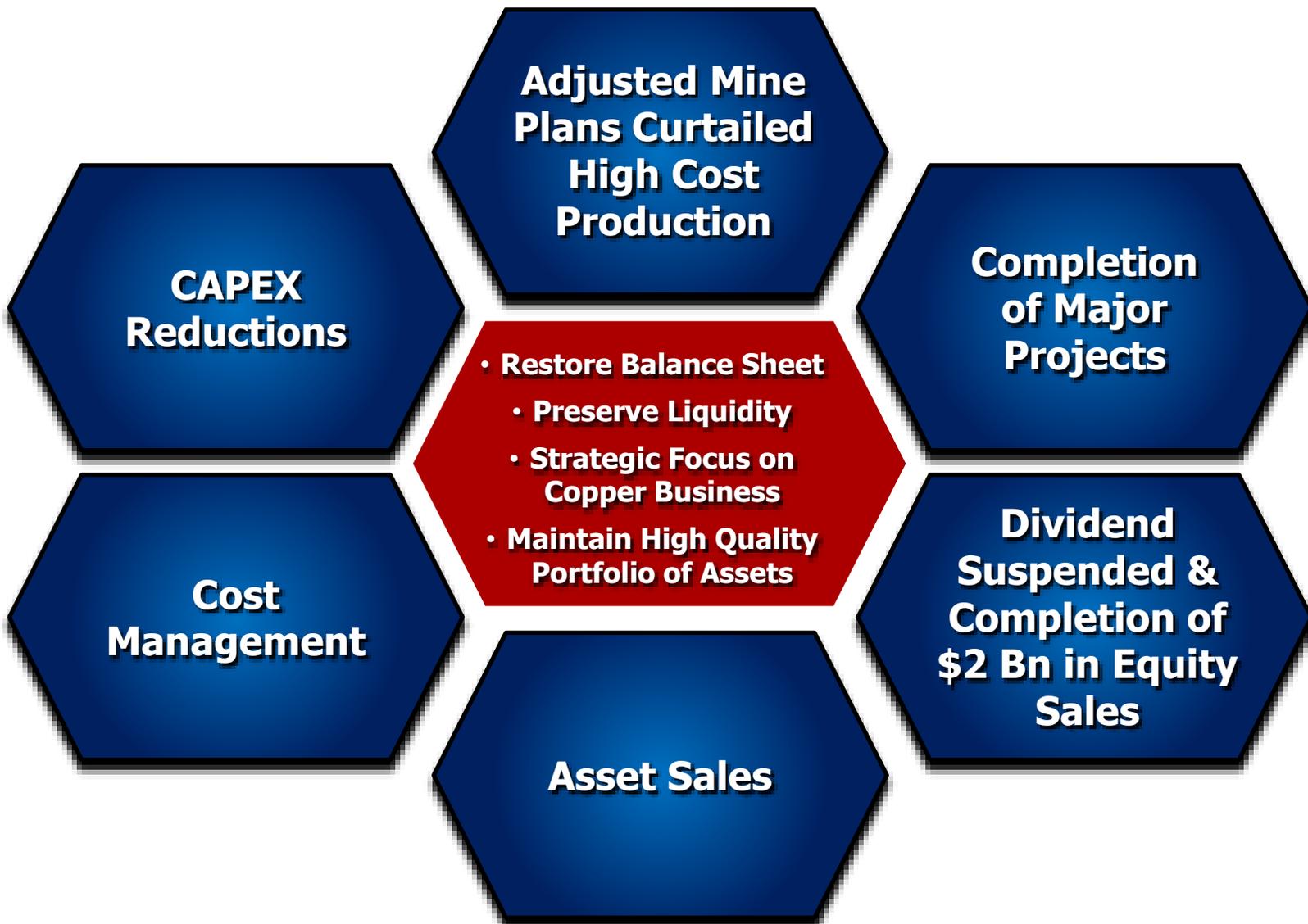


Source: Wood Mackenzie



# *Executing in a Weak Commodity Market Supported by Portfolio of High Quality Assets*

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# Capital Expenditure Reductions

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▪ **January 2016 CAPEX Est. (Including Idle Rig Costs) vs. July 2015 Est.**

- 2016e down 29%
- 2017e down 47%

▪ **2016e Mining CAPEX Includes:**

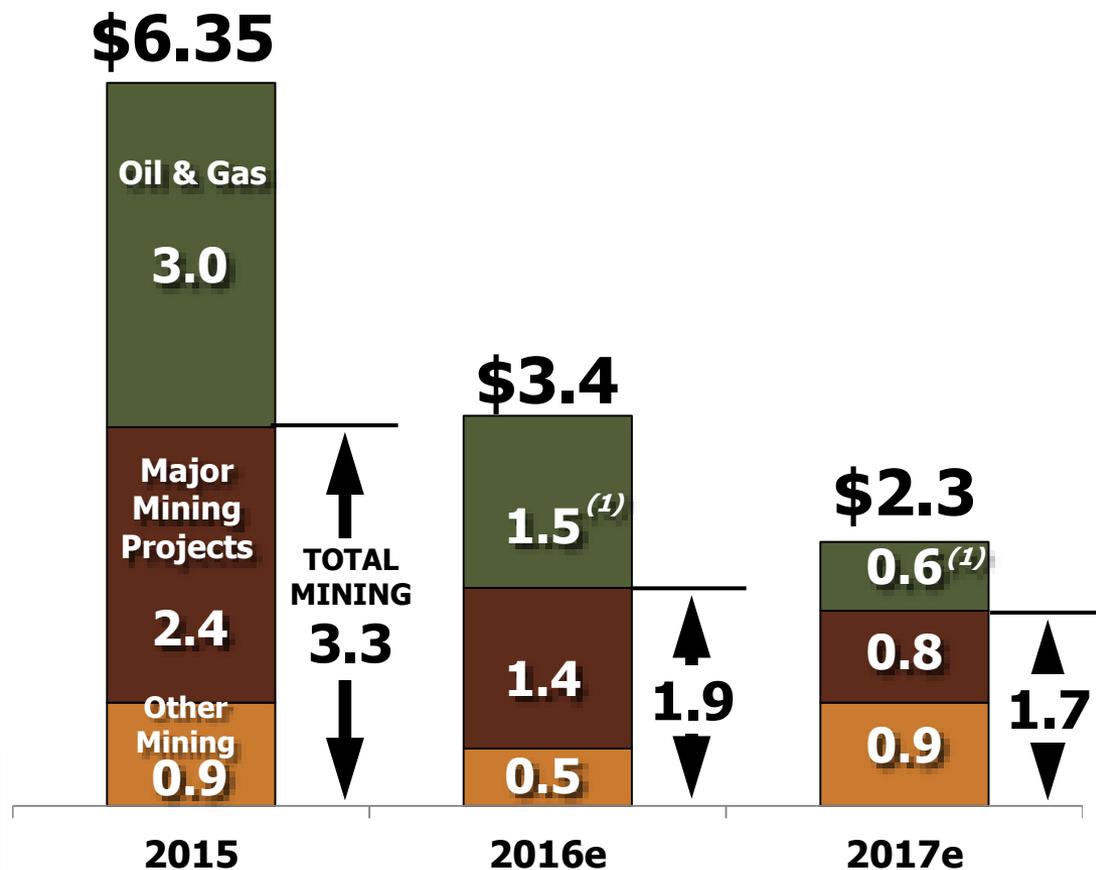
- \$0.5 Bn in Sustaining
- \$0.4 Bn in Remaining CV Expansion
- \$0.8 Bn in Grasberg U/G Development

▪ **Oil & Gas CAPEX**

- Substantial Drilling Has Been Done; Existing Inventory of Successful Wells
- Future Drilling Dependent Upon Market Recovery

***Future Spending Dependent on Improvement in Market Conditions***

(US\$ billions)



(1) Excludes idle GOM rig costs totaling \$0.6 billion in 2016e and \$0.4 billion in 2017e (reflected in operating cash flow).

Note: Includes capitalized interest.

e= estimate. See Cautionary Statement.

# Enhanced Unit Cost Position

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## Significant Mining Unit Cost Reductions

- Reflects Curtailment of 350mm lbs & Revised Operating Plans
- Aggressive Cost and Equipment Fleet Management
- Cerro Verde Economies of Scale
- Grasberg Ore Grades Improving in 2H16
- Working Capital Management
- Lower Input Costs

## Oil & Gas Cash Production Cost Reductions

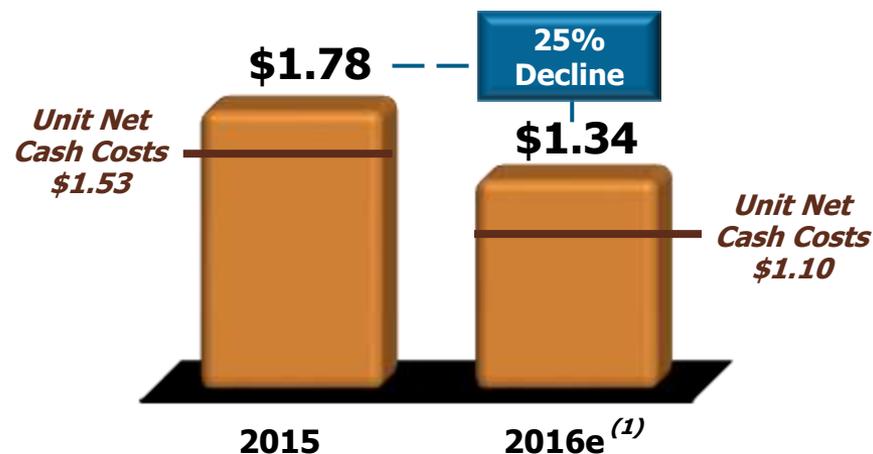
- Reflects Increased Volumes in DW GOM Through Existing Infrastructure; Lower Spending in CA & DW GOM
- Ongoing Cost Reduction Initiatives

(1) Assumes average prices of \$1,100/oz gold and \$4.50/lb molybdenum for 2016. Excludes Indonesian export duties which are under discussion with GOI.

e= estimate. See Cautionary Statement.

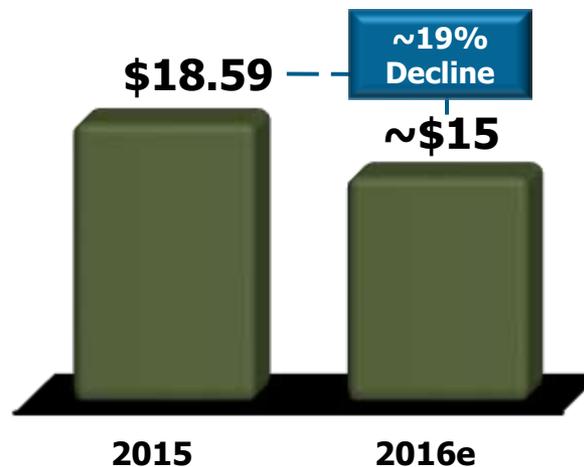
## Consolidated Site Production & Delivery

\$ per pound of copper



## Oil & Gas Cash Production Costs

\$ per BOE





# ***Adjusted Mine Plans Enhance Free Cash Flow Generation at Low Prices***

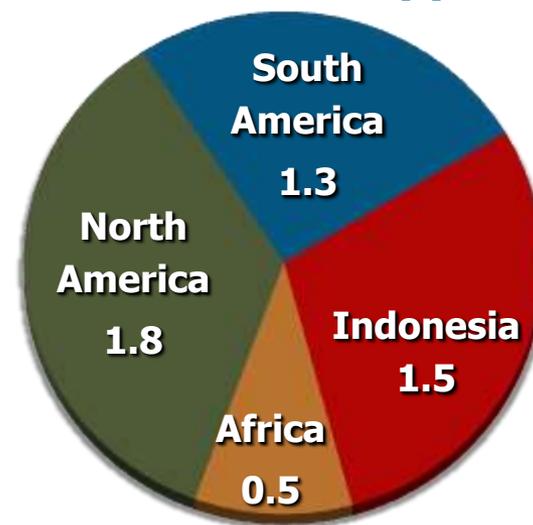
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- **All FCX Copper Production Cash Flow Positive After Sustaining CAPEX Below \$2.00/lb**
- **FCX Stress Tested Current Operating Plans at Lower Prices to Ensure Plans are Appropriate**
- **Prepared to Make Further Adjustments as Required to Ensure Operations Remain Cash Flow Positive**

***Production Adjustments  
~350 mm lbs (~9% of 2015 Sales)\****

- El Abra – 50% Reduction Stacking Rates
- Miami – Suspended Mining
- Tyrone – 50% Rate Reduction
- Sierrita – Planned Suspension of Production

***2016e Sales Guidance  
5.1 Bn lbs Copper***



***Actions Preserve Long-term Resources and Reduce Near-term Supply***

\* FCX also curtailed ~34 mm lbs of annual molybdenum production  
e= estimate. See Cautionary Statement.



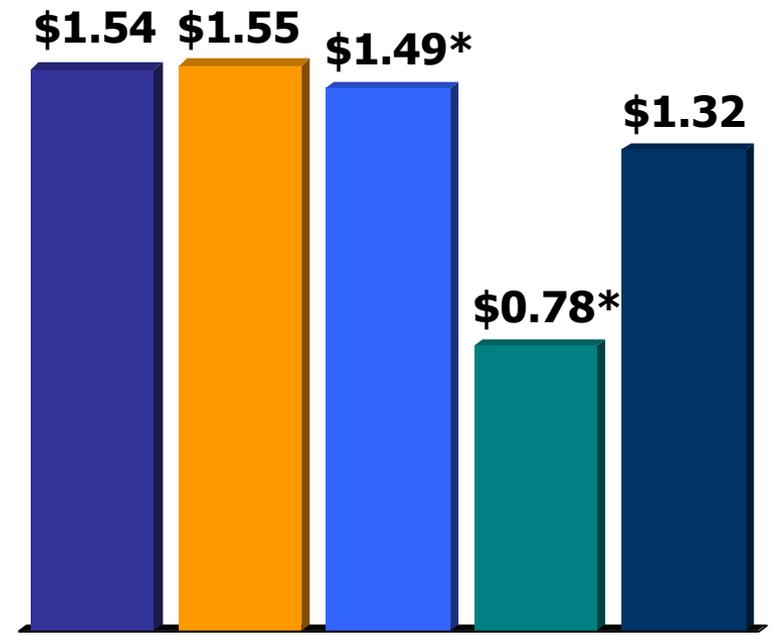
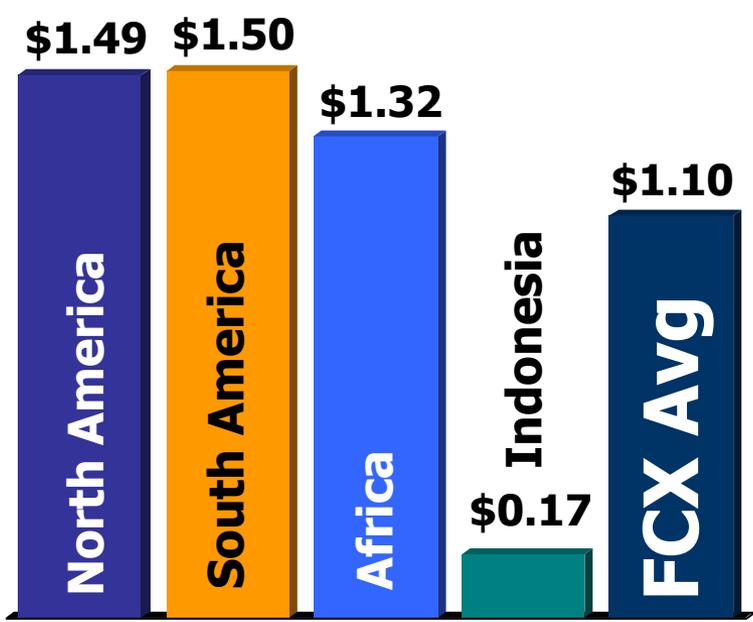
# 2016e Cost Curve of FCX Mines

## Unit Net Cash Costs (after by-product credits)

**\$ per pound of copper**

### Before Capital Expenditures

### After Capital Expenditures



NOTE: Assumes average prices of \$1,100/oz gold and \$4.50/lb molybdenum for 2016. Excludes Indonesian export duties which are under discussion with GOI.

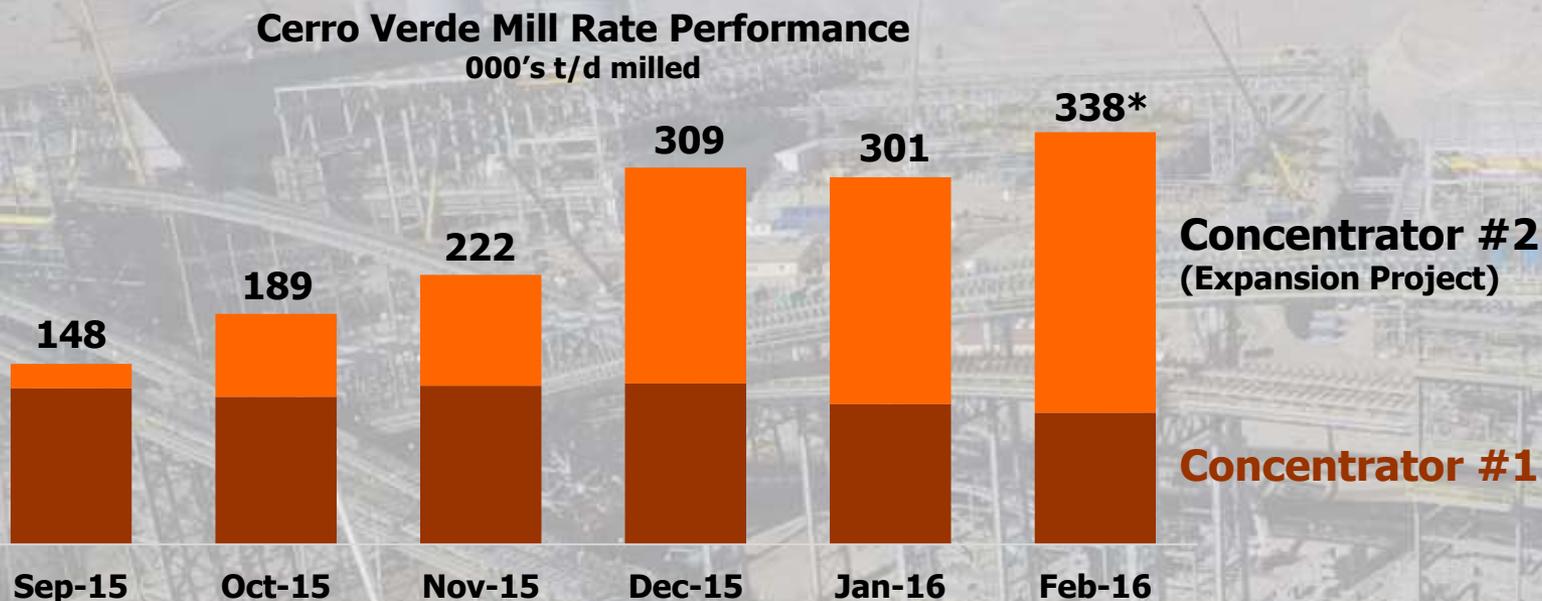
\* includes remaining capital for second acid plant at Tenke. which is substantially complete, and Grasberg U/G  
 e = estimate. See Cautionary Statement



# Cerro Verde Project Execution

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- Completed Construction of World's Largest Concentrating Facility
- Strong Performance on Capital Cost Management and Startup



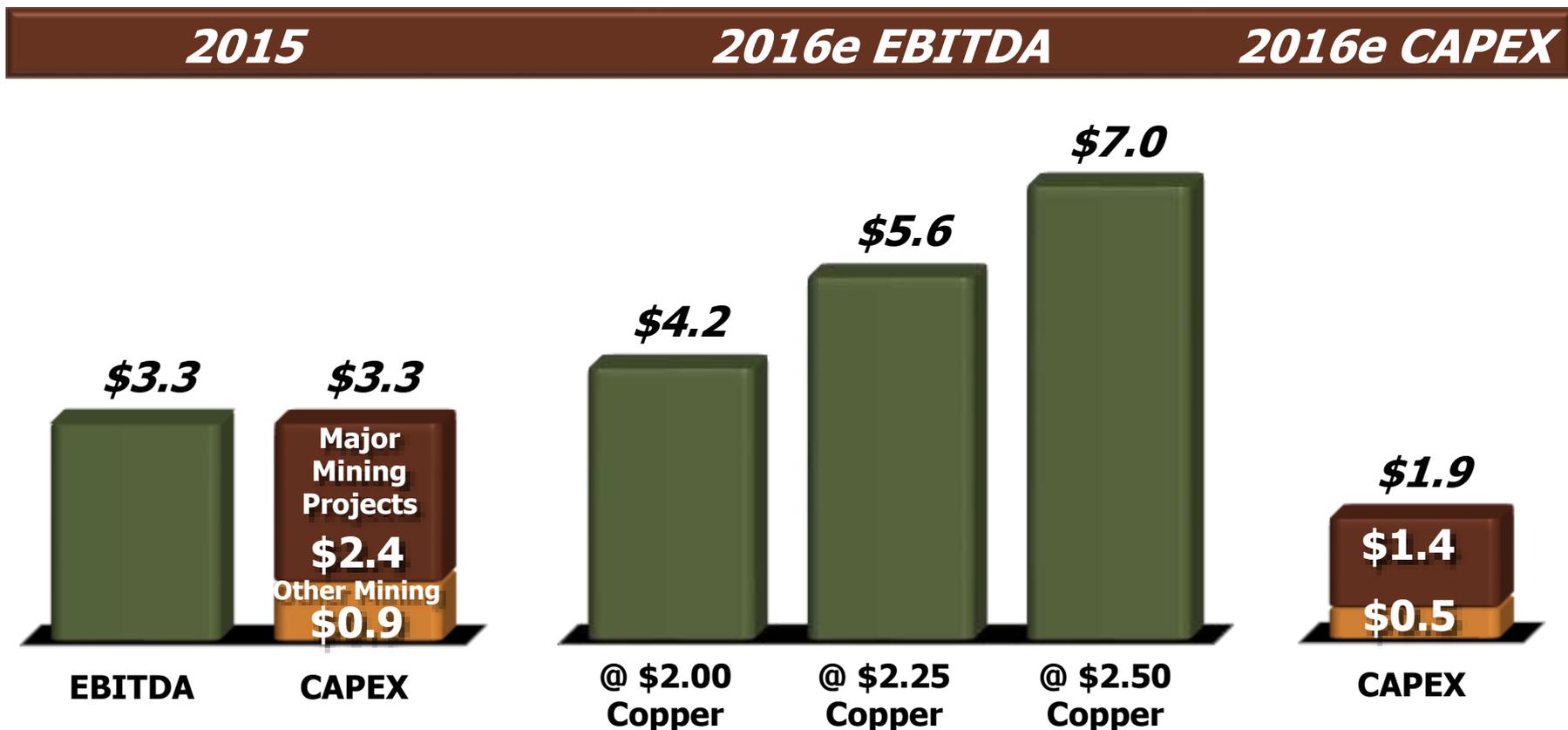
- Scale Reflects Size of Resource
- Positioned to be Major Large Scale Producer for Decades

\* C2 has averaged 230kt/d in February 2016

# Positioned for Free Cash Flow from Mining Business

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(\$ in billions)



**Each 10¢ Change in Copper: \$550 mm Impact on 2016e EBITDA**

NOTE: EBITDA equals operating income plus depreciation, depletion and amortization costs. Assumes average prices of \$1,100/oz gold, \$6.00/lb molybdenum for 2016; each \$100/oz change in gold would have an approximate \$185 mm impact, each \$2/lb change in molybdenum would have an approximate \$75 mm impact. 2016e EBITDA excludes Indonesian export duties which are under discussion with GOI.

e = estimate. See Cautionary Statement.

# ***Asset Sales to Accelerate Debt Reduction & Enhance Shareholder Value***

- **Targeting Significant Transactions**
  - **Advancing Oil & Gas Process**
  - **Multiple Opportunities for Mining Assets**
  
- **High Quality Portfolio Provides Broad Range of Options to Achieve Attractive Valuation**
  - **Morenci Transaction is a Positive First Step**
  
- **Execute in a Fashion to Generate Proceeds for Debt Reduction While Retaining High Quality Portfolio of Assets Positioned for Long Term Success**

***Expect to Achieve Progress During 1H 2016***



# Sale of 13% Interest in Morenci

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- **Announced Definitive Agreement on February 15, 2016**
- **Sumitomo Metal Mining (SMM) to Acquire 13% of Morenci Mine Unincorporated JV**



Morenci Ownership		
	<i>Current</i>	<i>Post-closing</i>
<b>FCX</b>	<b>85%</b>	<b>72%</b>
<b>Sumitomo*</b>	<b>15%</b>	<b>28%</b>

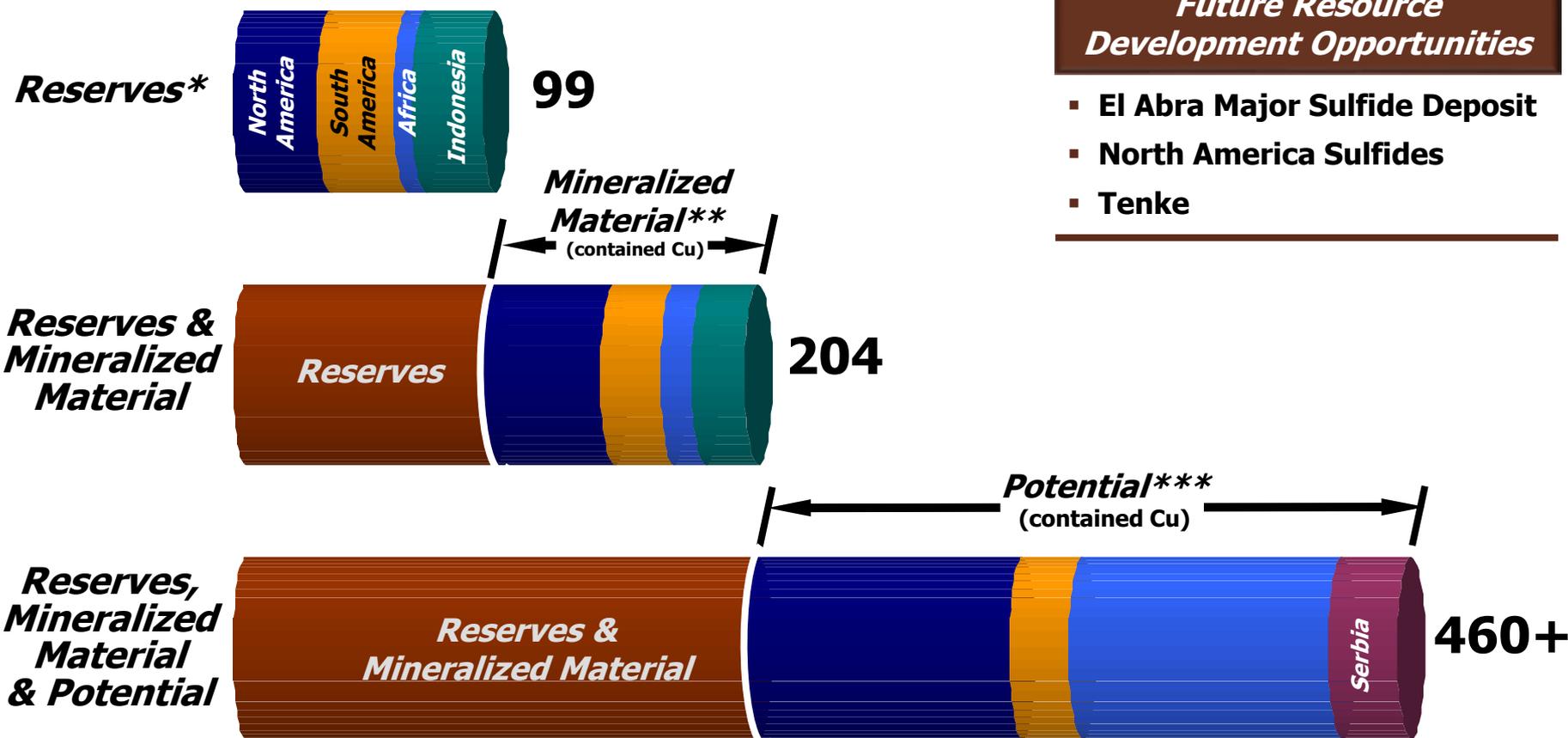
2015 Statistics (FCX's 85% Share)	
<b>Reserves</b>	<b>12 bn lbs</b>
<b>Production</b>	<b>~900 mm lbs</b>
<b>Revenues</b>	<b>\$2.2 bn</b>
<b>Costs</b>	<b>\$1.5 bn</b>

- **\$1.0 Billion Cash to FCX**
- **Expected to Close in Mid-2016**
- **Use of Proceeds: Repay Borrowings Under Term Loan & Revolver**

\* Current ownership 15% SMMaz (80% SMM and 20% Sumitomo Corp); post-closing ownership 15% SMMaz and 13% SMM.

# Significant Copper Resources & Potential

*billion lbs of copper*



\* Estimate of recoverable proven and probable copper reserves using a long-term average copper price of \$2.00/lb; 79 billion pounds net to FCX's interest.

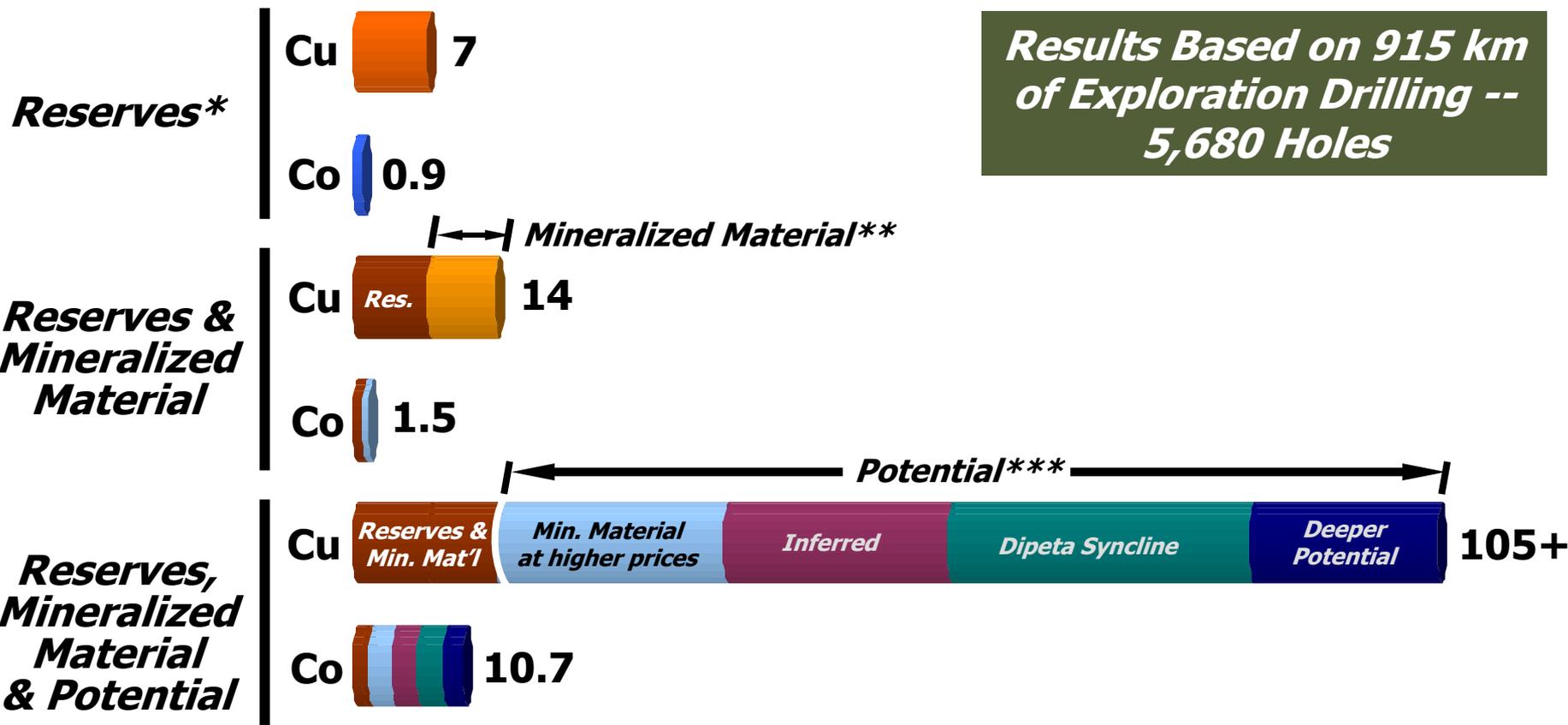
\*\* Estimate of consolidated contained copper mineralized material using a long-term copper price of \$2.20/lb. **Mineralized Material is not included in reserves and will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated mineralized material will become proven and probable reserves. See Cautionary Statement.**

\*\*\* 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.

# Tenke Fungurume Resource Potential Continues to Grow

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*billion lbs of copper & cobalt*



\* Estimate of recoverable proven and probable copper reserves using a long-term average copper price of \$2.00/lb and a long-term average cobalt price of \$10/lb.

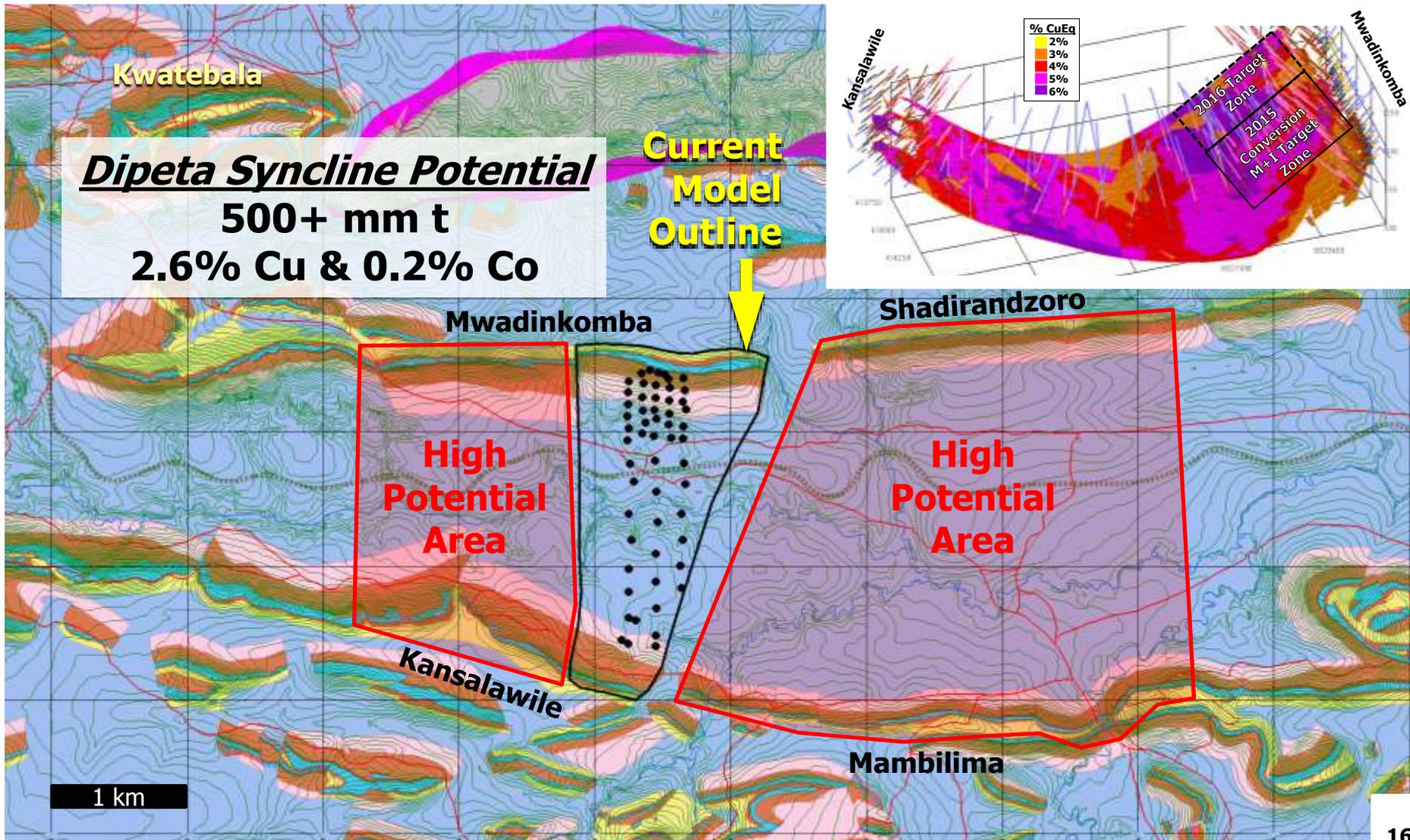
\*\* Estimate of consolidated contained copper mineralized material using a long-term copper price of \$2.20/lb and a long-term average cobalt price of \$12/lb. **Mineralized Material is not included in reserves and will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated mineralized material will become proven and probable reserves. See Cautionary Statement.**

\*\*\* Our estimates of potential (contained metal) 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.



# Dipeta Syncline Potential

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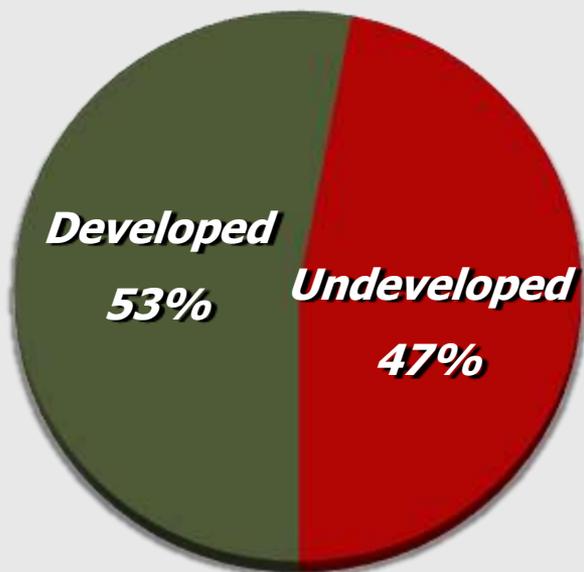


# Oil & Gas Proved & Probable Reserves

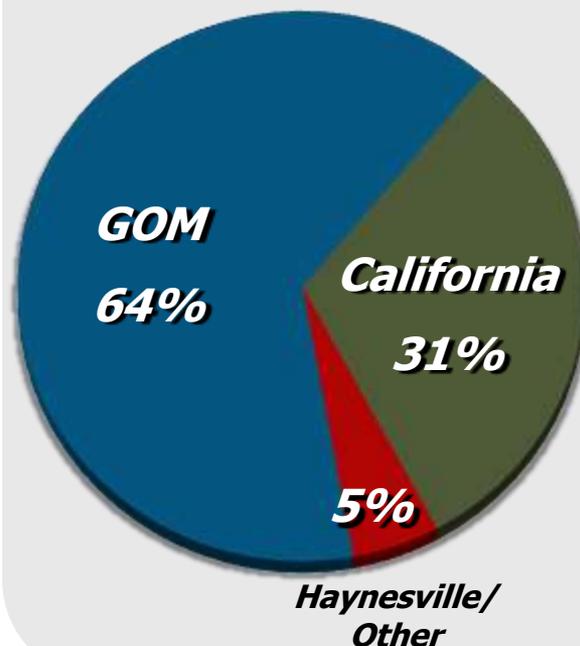
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## 381 MMBOE as of 12/31/15

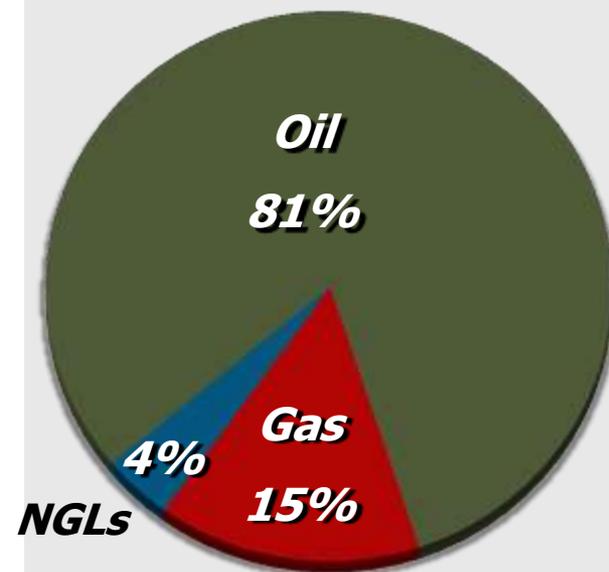
**By Category**



**By Region**



**By Commodity  
6:1 Ratio**

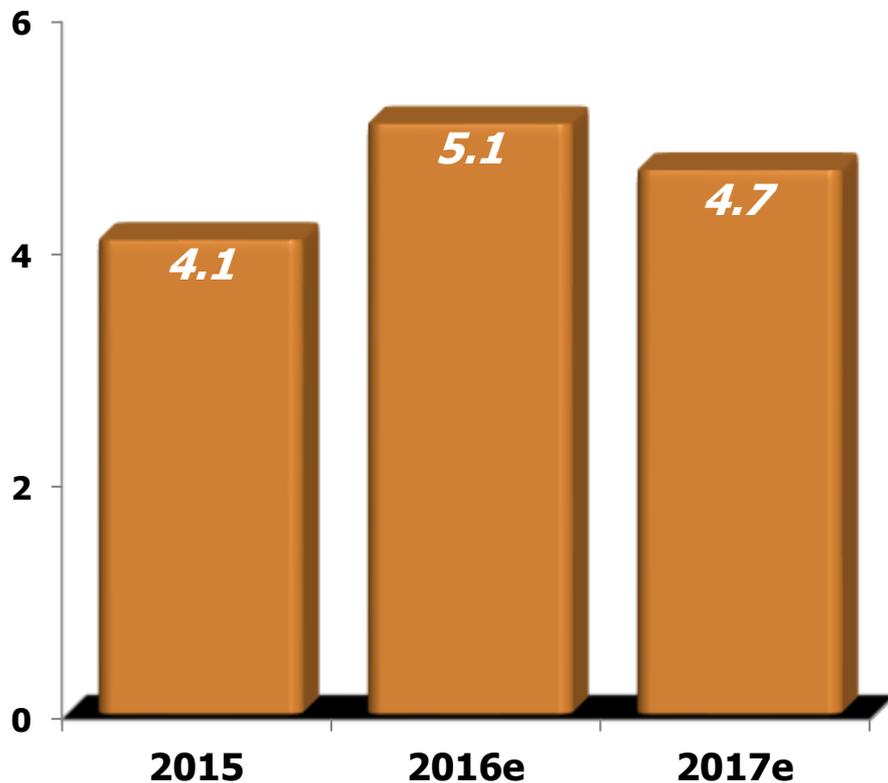


*NOTE: The preliminary proved (252 MMBOE) and probable (129 MMBOE) oil and gas reserves presented were determined using the methods prescribed by the U.S. Securities and Exchange Commission, which require the use of an average price, calculated as the twelve-month historical average of the first-day-of-the-month West Texas Intermediate spot oil price of \$50.28 per barrel and Henry Hub spot natural gas price of \$2.59 per million British thermal units, as adjusted for location and quality differentials by area, and were held constant throughout the lives of the properties unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.*

# Sales Profile

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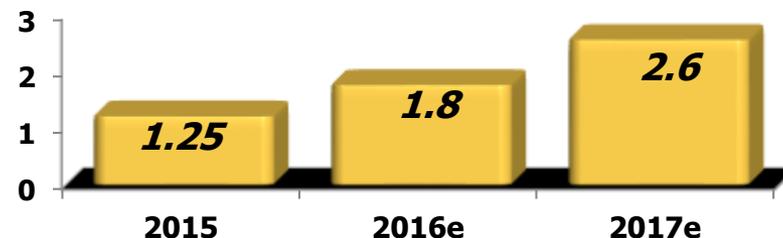
## Copper Sales (billion lbs)



Note: Consolidated copper sales include 688 mm lbs in 2015, 990 mm lbs in 2016e and 960 mm lbs in 2017e for noncontrolling interest; excludes purchased copper.

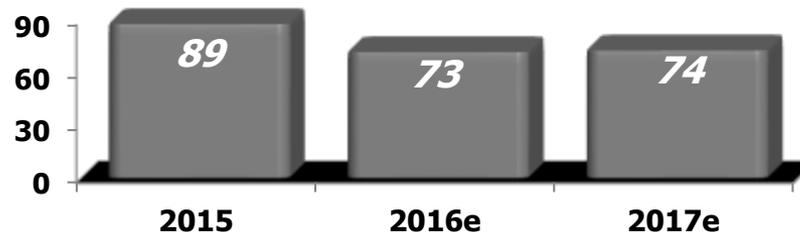
e = estimate. See Cautionary Statement.

## Gold Sales (million ozs)

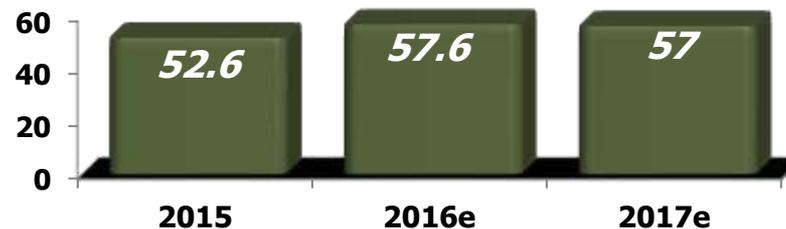


Note: Consolidated gold sales include 115k ozs in 2015, 170k ozs in 2016e and 240k ozs in 2017e for noncontrolling interest.

## Molybdenum Sales (million lbs)

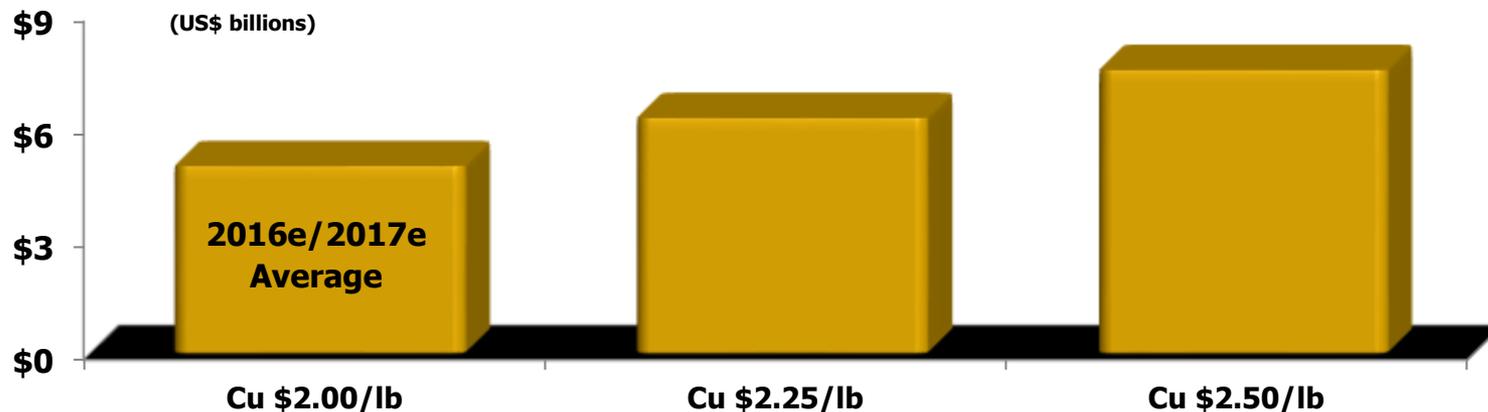


## Oil & Gas Sales (MMBOE)

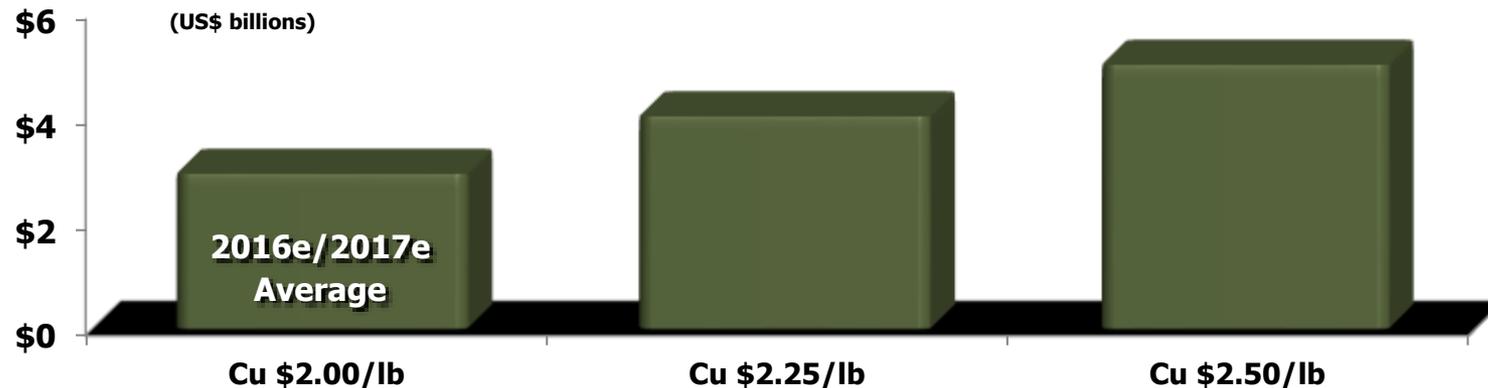


# EBITDA and Cash Flow at Various Copper Prices

## Average EBITDA (*\$1,100 Gold, \$6 Molybdenum & \$37 Oil*)



## Average Operating Cash Flow (excluding Working Capital changes) (*\$1,100 Gold, \$6 Molybdenum & \$37 Oil*)



Note: For 2016e/2017e average, each \$50/oz change in gold approximates \$110 million to EBITDA and \$65 million to operating cash flow; each \$1.00/lb change in molybdenum approximates \$36 million to EBITDA and \$29 million to operating cash flow; each \$5.00/bbl change in oil approximates \$175 million to EBITDA and \$140 million to operating cash flow. EBITDA equals operating income plus depreciation, depletion and amortization. Excludes Indonesian export duties which are under discussion with GOI.

e = estimate. See Cautionary Statement.

# Committed to Balance Sheet Management – Strong Track Record

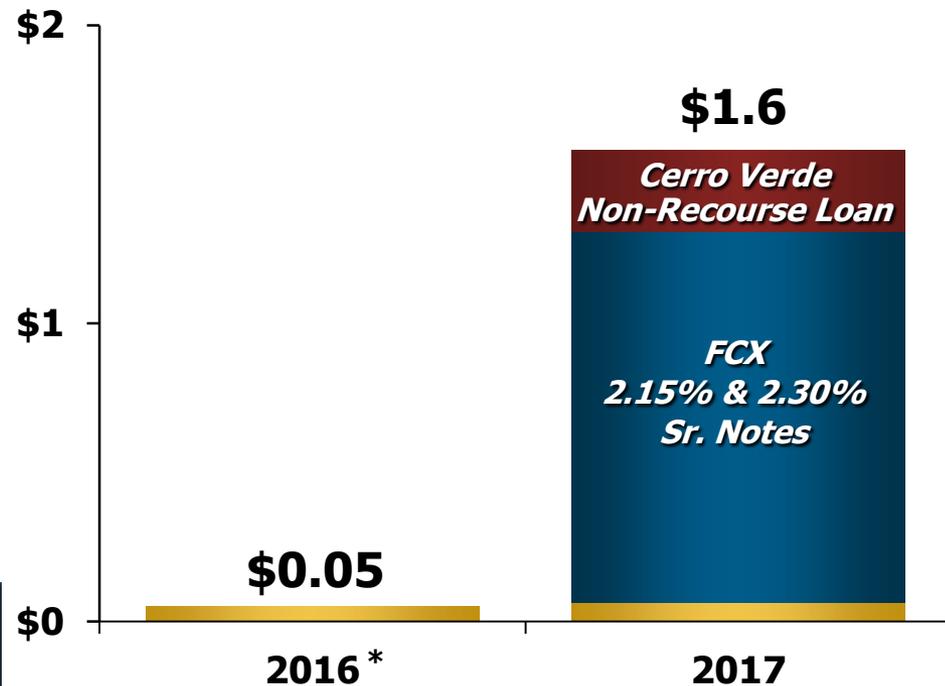
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(US\$ billions)

## Manageable Near-Term Debt Maturity Schedule

**FCX Debt Structure as of 12/31/15**  
(US\$ billions)

Revolver	\$ -
Bank Term Loans	3.0
FCX & FMC Sr. Notes	12.3
FM O&G Senior Notes	2.5
Cerro Verde Non-Recourse Loan	1.8
Bank Bilateral & Other	0.8
<b>Total Debt</b>	<b>\$20.4</b>



**At Year-end 2015 FCX Had No Amounts Drawn Under Its \$3.5 Bn Bank Revolver**

\* For purposes of this schedule, maturities of uncommitted lines of credit and other short-term lines are included in FCX's revolver balance that matures in 2019.

NOTE: 2016 & 2017 term loan maturities have been reduced for 50% of Morenci's net proceeds including \$156 mm in 2016 and \$209 mm in 2017.

# ***Recent Bank Amendment – Revolver & Term Loan***

- **Provides 2016 Covenant Flexibility in Volatile Market Environment**
  - **Leverage Covenant Adjusted to 8x in 1Q – 3Q 2016 and 6x in 4Q 2016**
  - **Year-end 2015 Actual Leverage: 4.2x**
  
- **Facility Remains Unsecured; Springing Collateral Provisions if \$3 Bn in Asset Sales Have Not Been Announced by June 30, 2016**
  
- **Reflects FCX Objectives to Advance Asset Sales in 1H 2016**
  
- **Agreed to Reduce Revolver Commitment to \$3.5 Bn**
  
- **Agreed to Apply 100% of Asset Sales Above \$1 Bn to Term Loan Maturities if Leverage Exceeds 6x and Lenders are Unsecured (50% if Leverage Below 6x or Lenders are Secured)**

# ***Focused on Execution***

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***Strong Track Record***