

[Freeport-McMoRan Inc.](#) (NYSE: FCX):

- Net income attributable to common stock totaled \$228 million, \$0.16 per share, for first-quarter 2017. After adjusting for net gains of \$8 million, \$0.01 per share, first-quarter 2017 adjusted net income attributable to common stock totaled \$220 million, \$0.15 per share.
- Consolidated sales totaled 809 million pounds of copper, 182 thousand ounces of gold and 24 million pounds of molybdenum for first-quarter 2017. Sales volumes have been impacted by regulatory restrictions on PT Freeport Indonesia's (PT-FI) concentrate exports since mid-January 2017, resulting in the deferral of approximately 190 million pounds of copper and 280 thousand ounces of gold in first-quarter 2017. PT-FI's concentrate exports resumed on April 21, 2017.
- Consolidated sales for the year 2017 are expected to approximate 3.9 billion pounds of copper, 1.9 million ounces of gold and 93 million pounds of molybdenum, including 1.0 billion pounds of copper, 440 thousand ounces of gold and 24 million pounds of molybdenum for second-quarter 2017.
- Average realized prices were \$2.67 per pound for copper, \$1,229 per ounce for gold and \$8.71 per pound for molybdenum for first-quarter 2017.
- Average unit net cash costs were \$1.39 per pound of copper for first-quarter 2017 and are expected to average \$1.08 per pound of copper for the year 2017.
- Operating cash flows totaled \$792 million (including \$178 million in working capital sources and changes in other tax payments) for first-quarter 2017. Based on current sales volume and cost estimates and assuming average prices of \$2.50 per pound for copper, \$1,250 per ounce for gold and \$9.00 per pound for molybdenum, operating cash flows for the year 2017 are expected to approximate \$4.0 billion (including \$1.0 billion in working capital sources and changes in other tax payments).
- Capital expenditures totaled \$344 million (including \$210 million for major mining projects) for first-quarter 2017. Capital expenditures for the year 2017 are expected to approximate \$1.6 billion, including \$0.7 billion for underground development activities for the remainder of 2017, which are dependent on a resolution of PT-FI's long-term operating rights.
- At March 31, 2017, consolidated debt totaled \$15.4 billion and consolidated cash totaled \$4.0 billion. FCX had no borrowings and \$3.5 billion available under its \$3.5 billion revolving credit facility at March 31, 2017.
- In April 2017, PT Freeport Indonesia (PT-FI) reached agreement with the Indonesian government to resume concentrate exports (which had been suspended since January 12, 2017) for a six-month period to enable the negotiation of a new special operating license (IUPK) and investment stability agreement to support PT-FI's long-term investment plans.

[Freeport-McMoRan Inc.](#) (NYSE: FCX) reported net income attributable to common stock of \$228 million (\$0.16 per share) for first-quarter 2017, compared with a net loss attributable to common stock of \$4.2 billion (\$3.35 per share) for first-quarter 2016. FCX's net income (loss) attributable to common stock includes net gains of \$8 million (\$0.01 per share) in first-quarter 2017 and charges totaling \$4.0 billion (\$3.19 per share) in first-quarter 2016, which were primarily for the reduction of the carrying value of oil and gas properties. For a summary of these amounts, refer to the supplemental schedule, "Adjusted Net Income (Loss)," on page VI, which is available on FCX's website, "fcx.com."

Richard C. Adkerson, President and Chief Executive Officer, said, "During the first quarter, we continued to strengthen our financial position despite the production interruptions experienced at our Indonesian operations. Our strong focus on cost and capital discipline combined with improved market conditions for copper are producing solid results. The resumption of concentrate exports in Indonesia and expected continued strong performance from our Americas operations will enable us to generate significant cash flows in the balance of the year to achieve our balance sheet objectives. Our team is focused on reaching a positive near-term resolution to protect our past investments and support our long-term investment plans in Indonesia and in building long-term values in our large portfolio of high-quality copper assets in the Americas."

SUMMARY FINANCIAL DATA

	Three Months Ended March 31,	
	2017	2016
	(in millions, except per share amounts)	
Revenues ^{a,b}	\$ 3,341	\$ 3,242
Operating income (loss) ^a	\$ 580	\$ (3,872)
Net income (loss) from continuing operations	\$ 268	\$ (4,097)
Net income (loss) from discontinued operations	\$ 38	^c \$ (4)
Net income (loss) attributable to common stock ^{d,e}	\$ 228	\$ (4,184)
Diluted net income (loss) per share of common stock:		
Continuing operations	\$ 0.13	\$ (3.34)
Discontinued operations	0.03	(0.01)
	\$ 0.16	\$ (3.35)
Diluted weighted-average common shares outstanding	1,454	1,251
Operating cash flows ^f	\$ 792	\$ 740
Capital expenditures	\$ 344	\$ 982
At March 31:		
Cash and cash equivalents	\$ 4,001	\$ 231
Total debt, including current portion	\$ 15,363	\$ 20,675

a. For segment financial results, refer to the supplemental schedules, "Business Segments," beginning on page VIII, which are available on FCX's website, "fcx.com."

b. Includes favorable adjustments to provisionally priced concentrate and cathode copper sales recognized in prior periods totaling \$91 million (\$39 million to net income attributable to common stock or \$0.03 per share) in first-quarter 2017 and \$9 million (\$5 million to net loss attributable to common stock or less than \$0.01 per share) in first-quarter 2016. For further discussion, refer to the supplemental schedule, "Derivative Instruments," on page VII, which is available on FCX's website, "fcx.com."

c. Primarily reflects adjustments to the fair value of the potential \$120 million in contingent consideration related to the November 2016 sale of FCX's interest in TF Holdings Limited (TFHL), which in accordance with accounting guidelines will continue to be adjusted through December 31, 2019.

d. Includes net gains of \$8 million (\$0.01 per share) in first-quarter 2017 and charges totaling \$4.0 billion (\$3.19 per share) in first-quarter 2016, which are described in the supplemental schedule, "Adjusted Net Income (Loss)," on page VI, which is available on FCX's website, "fcx.com."

e. 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 VIII, which is available on FCX's website, "fcx.com."

f. Includes net working capital sources and changes in other tax payments of \$178 million for first-quarter 2017 and \$188 million for first-quarter 2016.

SUMMARY OPERATING DATA

	Three Months Ended March 31,	
	2017	2016 ^a
Copper (millions of recoverable pounds)		
Production	851	987
Sales, excluding purchases	809	1,000
Average realized price per pound	\$ 2.67	\$ 2.18
Site production and delivery costs per pound ^b	\$ 1.60	\$ 1.49
Unit net cash costs per pound ^b	\$ 1.39	\$ 1.38
Gold (thousands of recoverable ounces)		
Production	239	184
Sales, excluding purchases	182	201
Average realized price per ounce	\$ 1,229	\$ 1,227
Molybdenum (millions of recoverable pounds)		
Production	23	20
Sales, excluding purchases	24	17
Average realized price per pound	\$ 8.71	\$ 7.61

a. Excludes the results of the Tenke Fungurume (Tenke) mine, which was sold in November 2016 and is reported as a discontinued operation. Copper sales from the Tenke mine totaled 123 million pounds in first-quarter 2016.

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 X, which are available on FCX's website, "fcx.com."

Consolidated Sales Volumes

First-quarter 2017 sales of 809 million pounds of copper and 182 thousand ounces of gold were lower than the January 2017 estimates of 1.0 billion pounds of copper and 460 thousand ounces of gold, primarily reflecting lower volumes from Indonesia as a result of regulatory restrictions on PT-FI's concentrate exports. First-quarter 2017 copper sales were lower than first-quarter 2016 sales of 1.0 billion pounds, primarily reflecting lower volumes from North America and Indonesia.

First-quarter 2017 molybdenum sales of 24 million pounds approximated the January 2017 estimate of 23 million pounds and were higher than first-quarter 2016 sales of 17 million pounds.

Sales volumes for the year 2017 are expected to approximate 3.9 billion pounds of copper, 1.9 million ounces of gold and 93 million pounds of molybdenum, including 1.0 billion pounds of copper, 440 thousand ounces of gold and 24 million pounds of molybdenum in second-quarter 2017. Estimated sales volumes assume normal operating rates at PT-FI beginning mid-April 2017. Refer to page 6 for discussion of Indonesia Regulatory Matters, which may have a significant impact on future results.

Consolidated Unit Costs

Consolidated average unit net cash costs (net of by-product credits) for FCX's copper mines of \$1.39 per pound of copper in first-quarter 2017 were slightly higher than unit net cash costs of \$1.38 per pound in first-quarter 2016, primarily reflecting lower sales volumes, partly offset by higher by-product credits.

Assuming average prices of \$1,250 per ounce of gold and \$9.00 per pound of molybdenum for the remainder of 2017 and achievement of current sales volume and cost estimates, consolidated unit net cash costs (net of by-product credits) for copper mines are expected to average \$1.08 per pound of copper for the year 2017. The impact of price changes on consolidated unit

net cash costs would approximate \$0.02 per pound for each \$50 per ounce change in the average price of gold for the remainder of 2017 and \$0.02 per pound for each \$2 per pound change in the average price of molybdenum for the remainder of 2017. 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, Sierrita and Miami in Arizona, and Chino and Tyrone in New Mexico. In addition to copper, molybdenum concentrate, gold and silver are also produced by certain of FCX's North America copper mines.

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 has significant undeveloped reserves and resources in North America and a portfolio of potential long-term development projects. Future investments will be undertaken based on the results of economic and technical feasibility studies, and market conditions.

Through exploration drilling, FCX has identified a significant resource at the Lone Star project located near the Safford operation in Eastern Arizona. Initial production from Lone Star is being planned from the oxide ores beginning in 2021, which can be processed through existing infrastructure to replace oxide production from Safford. FCX continues to evaluate longer term opportunities available from the significant sulfide potential in the Lone Star/Safford minerals district.

Operating Data. Following is summary consolidated operating data for the North America copper mines for the three months ended March 31, 2017 and 2016:

	Three Months Ended March 31,	
	2017	2016
Copper (millions of recoverable pounds)		
Production	392	487
Sales, excluding purchases	375	503
Average realized price per pound	\$ 2.68	\$ 2.16
Molybdenum (millions of recoverable pounds)		
Production ^a	9	8
Unit net cash costs per pound of copper ^b		
Site production and delivery, excluding adjustments	\$ 1.52	\$ 1.40
By-product credits	(0.15)	(0.08)
Treatment charges	0.11	0.10
Unit net cash costs	\$ 1.48	\$ 1.42

a. 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.

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 X, which are available on FCX's website, "fcx.com."

North America's consolidated copper sales volumes of 375 million pounds in first-quarter 2017 were lower than first-quarter 2016 sales of 503 million pounds, primarily reflecting lower ore grades and mining rates, timing of shipments, and the impact of the May 2016 sale of an additional 13 percent interest in Morenci. North America copper sales are estimated to approximate 1.5 billion pounds for the year 2017, compared with 1.8 billion pounds in 2016.

Average unit net cash costs (net of by-product credits) for the North America copper mines of \$1.48 per pound of copper in first-quarter 2017 were higher than unit net cash costs of \$1.42 per pound in first-quarter 2016, primarily reflecting lower copper sales volumes, partly offset by higher molybdenum credits.

Average unit net cash costs (net of by-product credits) for the North America copper mines are expected to approximate \$1.53 per pound of copper for the year 2017, based on achievement of current sales volume and cost estimates and assuming an average molybdenum price of \$9.00 per pound for the remainder of 2017. North America's average unit net cash costs for the year 2017 would change by approximately \$0.03 per pound for each \$2 per pound change in the average price of molybdenum for the remainder of 2017.

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. The Cerro Verde expansion project commenced operations in September 2015 and achieved capacity operating rates during first-quarter 2016. Cerro Verde's expanded operations benefit from its large-scale, long-lived reserves and cost efficiencies. The project expanded the concentrator facilities from 120,000 metric tons of ore per day to 360,000 metric tons of ore per day.

In the second half of 2015, FCX adjusted operations at its El Abra mine to reduce mining and stacking rates by approximately 50 percent to achieve lower operating and labor costs, defer capital expenditures and extend the life of the existing operations. El Abra continues to operate at reduced rates.

FCX continues to evaluate a potential large-scale milling operation at El Abra to process additional sulfide material and to achieve higher recoveries. Exploration results in recent years at El Abra indicate a significant sulfide resource, which could potentially support a major mill project. Future investments will depend on technical studies, economic factors and market conditions.

Operating Data. Following is summary consolidated operating data for the South America mining operations for the three months ended March 31, 2017 and 2016:

	Three Months Ended March 31,	
	2017	2016
Copper (millions of recoverable pounds)		
Production	304	335
Sales	309	323
Average realized price per pound	\$ 2.66	\$ 2.19
Molybdenum (millions of recoverable pounds)		
Production ^a	6	5
Unit net cash costs per pound of copper ^b		
Site production and delivery, excluding adjustments	\$ 1.48	\$ 1.23
By-product credits	(0.18)	(0.07)
Treatment charges	0.22	0.23
Royalty on metals	0.01	0.01
Unit net cash costs	\$ 1.53	\$ 1.40

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 X, which are available on FCX's website, "fcx.com."

South America's consolidated copper sales volumes of 309 million pounds in first-quarter 2017 were lower than first-quarter 2016 sales of 323 million pounds. During first-quarter 2017, Cerro Verde's operations were unfavorably impacted by unusually heavy rainfall and a 21-day labor strike. These issues resulted in lower than planned mining rates and a reduction of approximately 80 million pounds of copper in Cerro Verde's estimated 2017 sales volumes. Sales from South America mining are expected to approximate 1.2 billion pounds of copper for the year 2017, compared with 1.3 billion pounds of copper in 2016.

Average unit net cash costs (net of by-product credits) for South America mining of \$1.53 per pound of copper in first-quarter 2017 were higher than unit net cash costs of \$1.40 per pound in first-quarter 2016, primarily reflecting higher milling and mining costs at Cerro Verde and lower volumes, partly offset by higher by-product credits. Average unit net cash costs (net of by-product credits) for South America mining are expected to approximate \$1.63 per pound of copper for the year 2017, based on current sales volume and cost estimates and assuming an average price of \$9.00 per pound of molybdenum for the remainder of 2017.

Indonesia Mining. Through its 90.64 percent owned and consolidated subsidiary PT-FI, FCX's assets include one of the world's largest copper and gold deposits at the Grasberg minerals district in Papua, Indonesia. PT-FI operates a proportionately consolidated joint venture, which produces copper concentrate that contains significant quantities of gold and silver.

Regulatory Matters. In January and February 2017, the Indonesian government issued new regulations to address exports of unrefined metals, including copper concentrate and anode slimes, and other matters related to the mining sector. The new regulations permit the continuation of copper concentrate exports for a five-year period through January 2022, subject to various conditions, including conversion from a contract of work to a special operating license (known as an IUPK, which does not provide the same level of protections of a contract of work), commitment to completion of smelter construction in five years and payment of export duties to be determined by the Ministry of Finance. In addition, the new regulations enable application for extension of operating rights five years before expiration of the IUPK and require foreign IUPK holders to divest 51 percent to Indonesian interests no later than the tenth year of production. Export licenses would be valid for one-year periods, subject to review every six months, depending on smelter construction progress.

Following the issuance of the January and February 2017 regulations and discussions with the government, PT-FI advised the

Indonesian government that it was prepared to convert its Contract of Work (COW) to an IUPK, subject to obtaining an investment stability agreement providing equivalent rights with the same level of legal and fiscal certainty enumerated under its COW, and provided that the COW would remain in effect until it is replaced by a mutually satisfactory alternative. PT-FI also committed to commence construction of a new smelter during a five-year timeframe after approval of the extension of its long-term operating rights.

In mid-February 2017, pursuant to the COW's dispute resolution provisions, PTFI provided formal notice to the Indonesian government of an impending dispute listing the government's breaches and violations of the COW.

In March 2017, PT Smelting's (PT-FI's 25-percent owned copper smelter and refinery located in Gresik, Indonesia) anode slimes export license was renewed through March 1, 2018.

In late March 2017, the Indonesian government amended the regulations to enable PT-FI to retain its COW until replaced with an IUPK accompanied by an investment stability agreement, and to grant PT-FI a temporary IUPK through October 10, 2017, to enable concentrate exports during this period. In April 2017, PT-FI entered into a Memorandum of Understanding with the Indonesian government confirming that the COW would continue to be valid and honored until replaced by a mutually agreed IUPK and investment stability agreement. PT-FI will continue to pay a five percent export duty during this period.

On April 21, 2017, the Indonesian government issued a permit to PT-FI to enable exports to resume for a six-month period. PT-FI has begun loading export shipments and plans to ramp up its production to full rates during second-quarter 2017.

As a result of the first-quarter 2017 regulatory restrictions and uncertainties regarding long-term investment stability, PT-FI has taken actions to adjust its cost structure, reduce its workforce and slow investments in its underground development projects and new smelter.

PT-FI and the Indonesian government will immediately commence negotiations on the conversion of PT-FI's COW to an IUPK accompanied by an investment stability agreement with the objective of providing a mutually acceptable long-term investment framework.

Operating and Development Activities. PT-FI is currently mining the final phase of the Grasberg open pit, which contains high copper and gold ore grades. PT-FI expects to mine high-grade ore over the next several quarters prior to transitioning to the Grasberg Block Cave underground mine in late 2018.

PT-FI has several projects in the Grasberg minerals district related to the development of its large-scale, long-lived, high-grade underground ore bodies. In aggregate, these underground ore bodies are expected to produce large-scale quantities of copper and gold following the transition from the Grasberg open pit. As a result of regulatory uncertainty, PT-FI has slowed investments in its underground development projects during first-quarter 2017. Assuming an agreement is reached to support PT-FI's long-term investment plans, estimated annual capital spending on these projects would average \$1.0 billion per year (\$0.8 billion per year net to PT-FI) over the next five years. The timing of these expenditures continues to be reviewed. If PT-FI is unable to reach agreement with the Indonesian government on its long-term mining rights, FCX intends to significantly reduce or defer investments in underground development projects.

Operating Data. Following is summary consolidated operating data for the Indonesia mining operations for the three months ended March 31, 2017 and 2016:

	Three Months Ended March 31,	
	2017	2016
Copper (millions of recoverable pounds)		
Production	155	165
Sales	125	174
Average realized price per pound	\$ 2.63	\$ 2.20
Gold (thousands of recoverable ounces)		
Production	232	178
Sales	177	195
Average realized price per ounce	\$ 1,229	\$ 1,228
Unit net cash costs per pound of copper ^a		
Site production and delivery, excluding adjustments	\$ 2.15	\$ 2.24
Gold and silver credits	(1.88) (1.52
Treatment charges	0.28	0.31
Export duties	0.11	0.08
Royalty on metals	0.16	0.13
Unit net cash costs	\$ 0.82	\$ 1.24

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 X, which are available on FCX's website, "fcx.com."

Indonesia's consolidated sales of 125 million pounds of copper and 177 thousand ounces of gold in first-quarter 2017 were lower than first-quarter 2016 sales of 174 million pounds of copper and 195 thousand ounces of gold, primarily reflecting the impact of regulatory restrictions on PT-FI's concentrate exports beginning on January 12, 2017, and a six-week temporary shutdown at PT Smelting, which began on January 19, 2017.

As a result of the regulatory uncertainties, PT-FI has taken actions to adjust its cost structure, reduce its workforce and slow investment in its long-term underground development projects and new smelter.

In April 2017, PT-FI received approval to resume concentrate exports. Assuming normal operating rates for the remainder of the year, consolidated sales volumes from Indonesia mining are expected to approximate 1.1 billion pounds of copper and 1.9 million ounces of gold for the year 2017, compared with 1.1 billion pounds of copper and 1.1 million ounces of gold for the year 2016.

During April 2017, PT-FI experienced a high level of worker absenteeism. Union leaders have notified PT-FI of a potential strike during the month of May. PT-FI is working with union leaders, with the support of government officials, to encourage a safe and efficient return to normal operations for the benefit of all stakeholders.

A significant portion of PT-FI's costs are fixed and unit costs vary depending on production volumes and other factors. Indonesia's unit net cash costs (including gold and silver credits) of \$0.82 per pound of copper in first-quarter 2017 were lower than unit net cash costs of \$1.24 per pound in first-quarter 2016, primarily reflecting higher gold and silver credits and lower production costs. Indonesia's unit cash costs for first-quarter 2017 exclude \$21 million (\$0.17 per pound of copper) for costs charged directly to cost of sales as a result of the impact of regulatory restrictions on PT-FI's concentrate exports.

Assuming an average gold price of \$1,250 per ounce for the remainder of 2017 and achievement of current sales volume and cost estimates, unit net cash credits (net of gold and silver credits) for Indonesia mining are expected to approximate \$0.10 per pound of copper for the year 2017. Indonesia mining's unit net cash credits for the year 2017 would change by approximately \$0.07 per pound for each \$50 per ounce change in the average price of gold for the remainder of 2017. Because of the fixed nature of a large portion of Indonesia's costs, unit costs vary from quarter to quarter depending on copper and gold volumes.

Indonesia mining's projected sales volumes are dependent on a number of factors, including operational performance, workforce productivity, the timing of shipments and its ability to continue to export copper concentrate.

Molybdenum Mines. FCX has two wholly owned molybdenum mines in North America - the Henderson underground mine and the Climax open-pit mine, both in Colorado. 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 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. In response to market conditions, the Henderson molybdenum mine continues to operate at reduced rates. Production from the Molybdenum mines totaled 8 million pounds of molybdenum in first-quarter 2017 and 7 million pounds in first-quarter 2016. Refer to summary operating data on page 3 for FCX's consolidated molybdenum sales, 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 \$7.10 per pound of molybdenum in first-quarter 2017 were lower than \$7.43 per pound in first-quarter 2016, primarily reflecting higher volumes. Based on current sales volume and cost estimates, unit net cash costs for the Molybdenum mines are expected to average approximately \$7.85 per pound of molybdenum for the year 2017.

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 X, which are available on FCX's website, "fcx.com."

Mining Exploration Activities. 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 spending continues to be constrained by market conditions and is expected to approximate \$70 million for the year 2017, compared to \$44 million in 2016.

CASH FLOWS, CASH and DEBT

Operating Cash Flows. FCX generated operating cash flows of \$792 million (including \$178 million in working capital sources and changes in other tax payments) in first-quarter 2017.

Based on current sales volume and cost estimates and assuming average prices of \$2.50 per pound of copper, \$1,250 per ounce of gold and \$9.00 per pound of molybdenum for the remainder of 2017, FCX's consolidated operating cash flows are estimated to approximate \$4.0 billion for the year 2017 (including \$1.0 billion in working capital sources and other tax payments). The impact of price changes during the remainder of 2017 on operating cash flows would approximate \$275 million for each \$0.10 per pound change in the average price of copper, \$65 million for each \$50 per ounce change in the average price of gold and \$70 million for each \$2 per pound change in the average price of molybdenum. Refer to page 6 for discussion of Indonesian Regulatory Matters, which may have a significant impact on future results.

Capital Expenditures. Capital expenditures totaled \$344 million for first-quarter 2017 (including \$210 million for major mining projects). Capital expenditures are expected to approximate \$1.6 billion for the year 2017, including \$0.9 billion for major mining projects primarily for underground development activities at Grasberg. As a result of regulatory uncertainty, PT-FI has slowed investments in its underground development projects during first-quarter 2017. If PT-FI is unable to reach agreement with the Indonesian government on its long-term mining rights, FCX intends to significantly reduce or defer investments in underground development projects.

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 March 31, 2017 (in billions):

Cash at domestic companies	\$3.4
Cash at international operations	0.6
Total consolidated cash and cash equivalents	4.0
Noncontrolling interests' share	(0.2)
Cash, net of noncontrolling interests' share	3.8
Withholding taxes and other	(0.1)
Net cash available	\$3.7

Debt. Following is a summary of total debt and the related weighted-average interest rates at March 31, 2017 (in billions, except percentages):

		Weighted- Average Interest Rate
Senior Notes	\$13.9	4.4%
Cerro Verde Credit Facility	1.3	2.9%
Other FCX debt	0.2	2.9%
Total debt	\$15.4	4.3%

At March 31, 2017, FCX had no borrowings, \$39 million in letters of credit issued and \$3.5 billion available under its \$3.5 billion revolving credit facility.

During first-quarter 2017, FCX repaid its \$500 million of 2.15% Senior Notes due 2017.

FINANCIAL POLICY

In December 2015, FCX's common stock dividend was suspended. The declaration of dividends is at the discretion of the Board of Directors (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 first-quarter 2017 results is scheduled for today at 10:00 a.m. Eastern Time. The conference call will be broadcast on the Internet along with slides. Interested parties may listen to the conference call live and view the slides by accessing "fcx.com." A replay of the webcast will be available through Friday, May 25, 2017.

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 the

world's largest publicly traded copper producer. 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 the Americas, including the large-scale Morenci minerals district in North America and the Cerro Verde operation in South America. Additional information about FCX is available on FCX's website at "fcx.com."

Cautionary Statement and Regulation G Disclosure: This press release contains forward-looking statements in which FCX discusses its potential future performance. Forward-looking statements are all statements other than statements of historical facts, such as projections or expectations relating to ore grades and milling rates, production and sales volumes, unit net cash costs, operating cash flows, capital expenditures, exploration efforts and results, development and production activities and costs, liquidity, tax rates, the impact of copper, gold and molybdenum 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.

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 and molybdenum; mine sequencing; production rates; potential effects of cost and capital expenditure reductions, and production curtailments on financial results and cash flow; potential inventory adjustments; potential impairment of long-lived mining assets; the outcome of negotiations with the Indonesian government regarding PT-FI's COW; the potential effects of violence in Indonesia generally and in the province of Papua; industry risks; regulatory changes; political risks; labor relations; weather- and climate-related risks; environmental risks; litigation results (including the final disposition of the recent unfavorable Indonesian Tax Court ruling relating to surface water taxes); 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, 2016, filed with the U.S. Securities and Exchange Commission (SEC). With respect to FCX's operations in Indonesia, such factors include whether PT-FI will be able to resolve complex regulatory matters 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 press release also contains certain financial measures such as 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, which are also available on FCX's website, "fcx.com."

FREEPORT-McMoRan INC.

SELECTED OPERATING DATA

	Three Months Ended March 31,			
	2017	2016	2017	2016
	Production		Sales	
MINING OPERATIONS:				
Copper (millions of recoverable pounds)				
(FCX's net interest in %)				
North America				
Morenci (72%) ^a	181	232	172	238
Bagdad (100%)	40	48	38	50
Safford (100%)	42	56	43	59
Sierrita (100%)	41	41	38	43
Miami (100%)	5	8	5	9
Chino (100%)	62	81	60	83
Tyrone (100%)	20	20	18	20
Other (100%)	1	1	1	1
Total North America	392	487	375	503
South America				
Cerro Verde (53.56%)	262	272	268	256
El Abra (51%)	42	63	41	67
Total South America	304	335	309	323
Indonesia				
Grasberg (90.64%) ^b	155	165	125	174
Consolidated - continuing operations	851	987	809	^c 1,000
Discontinued operations - Tenke (56%) ^d	—	110	—	^c 123

Total	851	1,097	809	1,123
Less noncontrolling interests	157	221	156	222
Net	694	876	653	901
Average realized price per pound (continuing operations)			\$ 2.67	\$ 2.18
Gold (thousands of recoverable ounces)				
(FCX's net interest in %)				
North America (100%)	7	6	5	6
Indonesia (90.64%) ^b	232	178	177	195
Consolidated	239	184	182	201
Less noncontrolling interests	22	17	17	18
Net	217	167	165	183
Average realized price per ounce			\$ 1,229	\$ 1,227
Molybdenum (millions of recoverable pounds)				
(FCX's net interest in %)				
Henderson (100%)	3	2	N/A	N/A
Climax (100%)	5	5	N/A	N/A
North America (100%) ^a	9	8	N/A	N/A
Cerro Verde (53.56%)	6	5	N/A	N/A
Consolidated	23	20	24	17
Less noncontrolling interests	3	2	3	1
Net	20	18	21	16
Average realized price per pound			\$ 8.71	\$ 7.61
U.S. OIL AND GAS OPERATIONS:	Sales Volumes		Sales per Day	
Oil (thousand barrels, or MBbls)	481	8,298	5	91
Natural gas (million cubic feet)	5,999	19,639	67	216
NGLs (MBbls)	89	574	1	6
Thousand barrels of oil equivalents	1,570	12,146	17	133

a. Amounts are net of Morenci's undivided joint venture partners' interest; effective May 31, 2016, FCX's undivided interest in Morenci was prospectively reduced from 85 percent to 72 percent.

b. Amounts are net of Grasberg's joint venture partner's interest, which varies in accordance with the terms of the joint venture agreement.

c. Consolidated sales volumes exclude purchased copper of 58 million pounds for first-quarter 2017 and 27 million pounds for first-quarter 2016.

d. On November 16, 2016, FCX completed the sale of its interest in the Tenke mine.

FREEPORT-McMoRan INC.
SELECTED OPERATING DATA (continued)

	Three Months Ended March 31,	
	2017	2016
100% North America Copper Mines		
Solution Extraction/Electrowinning (SX/EW) Operations		
Leach ore placed in stockpiles (metric tons per day)	700,600	833,400
Average copper ore grade (percent)	0.28	0.31
Copper production (millions of recoverable pounds)	277	302
Mill Operations		
Ore milled (metric tons per day)	303,800	298,600
Average ore grades (percent):		
Copper	0.41	0.50
Molybdenum	0.03	0.03
Copper recovery rate (percent)	86.4	84.7
Production (millions of recoverable pounds):		
Copper	186	226
Molybdenum	9	8
100% South America Mining		
SX/EW Operations		
Leach ore placed in stockpiles (metric tons per day)	125,900	140,700
Average copper ore grade (percent)	0.42	0.41
Copper production (millions of recoverable pounds)	66	90
Mill Operations		
Ore milled (metric tons per day)	338,900	339,400
Average ore grades (percent):		
Copper	0.44	0.43
Molybdenum	0.02	0.02

Copper recovery rate (percent)	84.5	86.2
Production (millions of recoverable pounds):		
Copper	238	245
Molybdenum	6	5
100% Indonesia Mining		
Ore milled (metric tons per day): ^a		
Grasberg open pit	53,600	105,800
Deep Ore Zone underground mine	26,100	44,200
Deep Mill Level Zone (DMLZ) underground mine ^b	3,200	4,100
Grasberg Block Cave underground mine ^b	2,600	2,300
Big Gossan underground mine ^b	1,700	200
Total	87,200	156,600
Average ore grades:		
Copper (percent)	1.15	0.69
Gold (grams per metric ton)	1.17	0.53
Recovery rates (percent):		
Copper	92.2	89.3
Gold	84.8	80.6
Production (recoverable):		
Copper (millions of pounds)	172	183
Gold (thousands of ounces)	241	190
100% Molybdenum Mines		
Ore milled (metric tons per day)	21,600	18,400
Average molybdenum ore grade (percent)	0.21	0.22
Molybdenum production (millions of recoverable pounds)	8	7

a. Amounts represent the approximate average daily throughput processed at PT Freeport Indonesia's (PT-FI) mill facilities from each producing mine and from development activities that result in metal production.

b. Targeted production rates once the DMLZ underground mine reaches full capacity are expected to approximate 80,000 metric tons of ore per day in 2022; production from the Grasberg Block Cave underground mine is expected to commence in late 2018, and production from the Big Gossan underground mine is in care-and-maintenance.

FREEPORT-McMoRan INC.

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended 2017 (In Millions, Except Per Share Amounts)	
Revenues ^a	\$ 3,341	
Cost of sales:		
Production and delivery ^b	2,200	
Depreciation, depletion and amortization	389	
Impairment of oil and gas properties	—	
Total cost of sales	2,589	
Selling, general and administrative expenses	153	c
Mining exploration and research expenses	15	
Environmental obligations and shutdown costs	27	
Net gain on sales of assets	(23)	d
Total costs and expenses	2,761	
Operating income (loss)	580	
Interest expense, net ^e	(167))
Other income, net	25	
Income (loss) from continuing operations before income taxes and equity in affiliated companies' net earnings	438	
Provision for income taxes ^f	(174))
Equity in affiliated companies' net earnings	4	
Net income (loss) from continuing operations	268	
Net income (loss) from discontinued operations	38	g
Net income (loss)	306	
Net income attributable to noncontrolling interests:		
Continuing operations	(75))
Discontinued operations	(3))
Preferred dividends attributable to redeemable noncontrolling interest	—	
Net income (loss) attributable to FCX common stock ^h	\$ 228	
Basic and diluted net income (loss) per share attributable to common stockholders:		
Continuing operations	\$ 0.13	
Discontinued operations	0.03	

\$ 0.16

Weighted-average common shares outstanding:

Basic	1,446
Diluted	1,454

a. Includes adjustments to provisionally priced concentrate and cathode copper sales recognized in prior periods, which are summarized in the supplemental schedule, "Derivative Instruments," on page VII.

b. Includes net charges (i) at mining operations for asset impairments at Morenci and for costs charged directly to cost of sales at PT-FI as a result of regulatory restrictions on mining and (ii) at oil and gas operations associated with drillship settlement/idle rig (credits) costs, inventory adjustments and asset impairment. Refer to the supplemental schedule, "Asset Impairments (Loss)," on page VI for a summary of these charges.

c. Includes oil and gas contract termination costs, which are summarized in the supplemental schedule, "Adjusted Net Income (Loss)," on page VI.

d. Primarily reflects net gains associated with the sales of oil and gas properties, which are summarized in the supplemental schedule, "Adjusted Net Income (Loss)," on page VI.

e. Consolidated interest expense, excluding capitalized interest, totaled \$195 million in first-quarter 2017 and \$218 million in first-quarter 2016.

f. Refer to the supplemental schedule, "Income Taxes," on page VII for a summary of FCX's provision for income taxes.

g. Primarily reflects adjustments to the fair value of the potential contingent consideration related to the November 2016 sale of FCX's interest in TF Holdings Limited (TFHL), which is being accounted for in accordance with the accounting guidelines will continue to be adjusted through December 31, 2019.

h. FCX defers recognizing profits on intercompany sales until final sales to third parties occur. Refer to the supplemental schedule, "Deferred Profits," on page VIII for a summary of changes in these deferrals.

FREEPORT-McMoRan INC.

CONSOLIDATED BALANCE SHEETS (Unaudited)

	March 31, 2017	December 31, 2016
	(In Millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$4,001	\$ 4,245
Trade accounts receivable	734	1,126
Income and other tax receivables	665	879
Inventories:		
Mill and leach stockpiles	1,355	1,338
Materials and supplies, net	1,275	1,306
Product	1,133	998
Other current assets	196	199
Held for sale	408	344
Total current assets	9,767	10,435
Property, plant, equipment and mine development costs, net	23,117	23,219
Oil and gas properties, subject to amortization, less accumulated amortization	57	74
Long-term mill and leach stockpiles	1,625	1,633
Other assets	2,010	1,956
Total assets	\$36,576	\$ 37,317
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$1,780	\$ 2,393
Current portion of debt	2,228	1,232
Current portion of environmental and asset retirement obligations	388	369
Accrued income taxes	190	66
Held for sale	256	205
Total current liabilities	4,842	4,265
Long-term debt, less current portion	13,135	14,795
Deferred income taxes	3,786	3,768
Environmental and asset retirement obligations, less current portion	3,507	3,487
Other liabilities	1,719	1,745
Total liabilities	26,989	28,060
Equity:		
Stockholders' equity:		
Common stock	158	157
Capital in excess of par value	26,725	26,690

Accumulated deficit	(16,311)	(16,540)
Accumulated other comprehensive loss	(537)	(548)
Common stock held in treasury	(3,717)	(3,708)
Total stockholders' equity	6,318	6,051
Noncontrolling interests	3,269	3,206
Total equity	9,587	9,257
Total liabilities and equity	\$ 36,576	\$ 37,317

FREEPORT-McMoRan INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Three Months Ended March 31,	
	2017	2016
	(In Millions)	
Cash flow from operating activities:		
Net income (loss)	\$ 306	\$ (4,101)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	389	722
Impairment of oil and gas properties	—	3,787
Net gain on sales of assets	(23)	—
Stock-based compensation	34	30
Net charges for environmental and asset retirement obligations, including accretion	71	57
Payments for environmental and asset retirement obligations	(33)	(90)
Deferred income taxes	20	152
Gain on disposal of discontinued operations	(32)	—
Decrease (increase) in long-term mill and leach stockpiles	8	(53)
Oil and gas contract settlement payments	(70)	—
Other, net	(56)	48
Changes in working capital and other tax payments, excluding amounts from dispositions:		
Accounts receivable	623	93
Inventories	(135)	114
Other current assets	(13)	(68)
Accounts payable and accrued liabilities	(433)	9
Accrued income taxes and changes in other tax payments	136	40
Net cash provided by operating activities	792	740
Cash flow from investing activities:		
Capital expenditures:		
North America copper mines	(28)	(34)
South America	(15)	(157)
Indonesia	(244)	(222)
Molybdenum mines	(1)	(1)
Other, including oil and gas operations	(56)	(568)
Other, net	(21)	2
Net cash used in investing activities	(365)	(980)
Cash flow from financing activities:		
Proceeds from debt	157	1,796
Repayments of debt	(815)	(1,442)
Net proceeds from sale of common stock	—	32
Cash dividends paid:		
Common stock	(1)	(4)
Noncontrolling interests	(15)	(18)
Stock-based awards net payments	(5)	(4)
Debt financing costs and other, net	—	(13)
Net cash (used in) provided by financing activities	(679)	347
Net (decrease) increase in cash and cash equivalents	(252)	107
Decrease (increase) in cash and cash equivalents in assets held for sale	8	(53)
Cash and cash equivalents at beginning of year	4,245	177
Cash and cash equivalents at end of period	\$ 4,001	\$ 231

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 March 31, 2017			2016	
	Pre-tax	After-tax	Per Share	Pre-tax	After-tax
Net income (loss) attributable to common stock	N/A	\$ 228	\$ 0.16	N/A	\$ (4,184)
Impairment of oil and gas properties	\$ —	\$ —	\$ —	\$ (3,787)	\$ (3,787)
Other oil and gas charges:					
Drillship settlement/idle rig credits (costs)	20	^a 20	0.01	(165)	(165)
Other contract termination costs	(21)	(21)	(0.01)	—	—
Inventory adjustments and asset impairment	—	—	—	(35)	(35)
Mining charges:					
PT-FI non-inventoriable costs	(21)	(11)	(0.01)	—	—
Other asset impairments	(19)	(19)	(0.01)	—	—
Adjustments to environmental obligations and related litigation reserves	(19)	(19)	(0.01)	(1)	(1)
Gain on sales of assets	23	^b 23	0.01	—	—
Gain on disposal of discontinued operations	38	^c 35	0.03	—	—
	\$ 1	\$ 8	\$ 0.01	\$ (3,988)	\$ (3,988)
Adjusted net income (loss) attributable to common stock	N/A	\$ 220	\$ 0.15	N/A	\$ (196)

a. Primarily reflects fair value adjustments of contingent payments related to the 2016 drillship settlements, which in accordance with accounting guidelines will continue to be adjusted through June 30, 2017.

b. Primarily includes gains associated with oil and gas transactions, including \$17 million related to the Madden sale and \$16 million of adjustments related to the December 2016 Gulf of Mexico sale, partly offset by adjustments of \$10 million to the fair value of the potential \$150 million in contingent consideration related to the December 2016 onshore oil and gas assets, which in accordance with accounting guidelines will continue to be adjusted through December 31, 2020.

c. Primarily reflects adjustments to the fair value of the potential \$120 million in contingent consideration related to the November 2016 sale of FCX's interest in TFHL, which in accordance with accounting guidelines will continue to be adjusted through December 31, 2019.

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