

REFINITIV

DELTA REPORT

10-Q

FCX - FREEPORT-MCMORAN INC

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1705

█ CHANGES 435

█ DELETIONS 708

█ ADDITIONS 562

United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

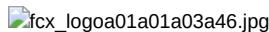
FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2023** **September 30, 2023**
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission file number: 001-11307-01


Freeport-McMoRan Inc.

(Exact name of registrant as specified in its charter)

Delaware

74-2480931

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

333 North Central Avenue

Phoenix AZ

85004-2189

(Address of principal executive offices)

(Zip Code)

(602) 366-8100

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	FCX	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

On **July 31, 2023** **October 31, 2023**, there were issued and outstanding **1,433,635,627** **1,433,977,244** shares of the registrant's common stock, par value \$0.10 per share.

Freeport-McMoRan Inc.

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Part I. FINANCIAL INFORMATION

Item 1. [Financial Statements](#)

Freeport-McMoRan Inc.
CONSOLIDATED BALANCE SHEETS (Unaudited)

ASSETS	ASSETS	June 30, 2023		December 31, 2022		September 30, 2023		December 31, 2022				
		(In Millions)						(In Millions)				
		Current assets:		Current assets:		ASSETS		Current assets:		ASSETS		
Cash and cash equivalents	Cash and cash equivalents	\$ 6,683		\$ 8,146		Cash and cash equivalents	\$ 5,745	\$ 8,146		Restricted cash and cash equivalents	697	111
Restricted cash and cash equivalents				Trade accounts receivable	675	1,336	Trade accounts receivable	792	1,336	Income and other tax receivables	488	459
Trade accounts receivable	Trade accounts receivable			Income and other tax receivables	417	459	Income and other tax receivables			Inventories:		
Income and other tax receivables	Income and other tax receivables			Inventories:			Product	2,415	1,833	Product		
Inventories:	Inventories:			Materials and supplies, net	2,098	1,964	Materials and supplies, net	2,131	1,964	Materials and supplies, net		
Product	Product			Mill and leach stockpiles	1,498	1,383	Mill and leach stockpiles	1,403	1,383	Mill and leach stockpiles		
Other current assets	Other current assets	472		2,214	1,833	Other current assets	406	381	Other current assets			
Total current assets	Total current assets	14,057		15,613		Total current assets	14,077	15,613	Total current assets			
Property, plant, equipment and mine development costs, net	Property, plant, equipment and mine development costs, net	33,845		32,627		Property, plant, equipment and mine development costs, net	34,535	32,627	Property, plant, equipment and mine development costs, net			
Long-term mill and leach stockpiles	Long-term mill and leach stockpiles	1,241		1,252		Long-term mill and leach stockpiles	1,327	1,252	Long-term mill and leach stockpiles			
Other assets	Other assets	1,764		1,601		Other assets	1,709	1,601	Other assets			
Total assets	Total assets	\$ 50,907		\$ 51,093		Total assets	\$ 51,648	\$ 51,093	Total assets			
LIABILITIES AND EQUITY	LIABILITIES AND EQUITY					LIABILITIES AND EQUITY			LIABILITIES AND EQUITY			
Current liabilities:	Current liabilities:					Current liabilities:			Current liabilities:			
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	\$ 3,642		\$ 4,027		Accounts payable and accrued liabilities	\$ 3,724	\$ 4,027	Accounts payable and accrued liabilities			
Accrued income taxes	Accrued income taxes	531		744		Accrued income taxes	489	744	Accrued income taxes			
Current portion of environmental and asset retirement obligations (AROs)	Current portion of environmental and asset retirement obligations (AROs)	361		320		Current portion of environmental and asset retirement obligations (AROs)	395	320	Current portion of environmental and asset retirement obligations (AROs)			
Dividends payable	Dividends payable	217		217		Dividends payable	217	217	Dividends payable			
Current portion of debt	Current portion of debt	37		1,037		Current portion of debt	35	1,037	Current portion of debt			
Total current liabilities	Total current liabilities	4,788		6,345		Total current liabilities	4,860	6,345	Total current liabilities			
Long-term debt, less current portion	Long-term debt, less current portion	9,458		9,583		Long-term debt, less current portion	9,370	9,583	Long-term debt, less current portion			
Environmental and AROs, less current portion	Environmental and AROs, less current portion	4,566		4,463		Environmental and AROs, less current portion	4,645	4,463	Environmental and AROs, less current portion			
Deferred income taxes	Deferred income taxes	4,343		4,269		Deferred income taxes	4,399	4,269	Deferred income taxes			
Other liabilities	Other liabilities	1,725		1,562		Other liabilities	1,697	1,562	Other liabilities			
Total liabilities	Total liabilities	24,880		26,222		Total liabilities	24,971	26,222	Total liabilities			
Equity:	Equity:					Equity:			Equity:			
Stockholders' equity:	Stockholders' equity:					Stockholders' equity:			Stockholders' equity:			
Common stock	Common stock	162		161		Common stock	162	161	Common stock			
Capital in excess of par value	Capital in excess of par value	25,028		25,322		Capital in excess of par value	24,833	25,322	Capital in excess of par value			

Accumulated deficit	Accumulated deficit	(2,901)	(3,907)	Accumulated deficit	(2,447)	(3,907)
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(318)	(320)	Accumulated other comprehensive loss	(317)	(320)
Common stock held in treasury	Common stock held in treasury	(5,769)	(5,701)	Common stock held in treasury	(5,772)	(5,701)
Total stockholders' equity	Total stockholders' equity	16,202	15,555	Total stockholders' equity	16,459	15,555
Noncontrolling interests	Noncontrolling interests	9,825	9,316	Noncontrolling interests	10,218	9,316
Total equity	Total equity	26,027	24,871	Total equity	26,677	24,871
Total liabilities and equity	Total liabilities and equity	\$ 50,907	\$ 51,093	Total liabilities and equity	\$ 51,648	\$ 51,093

The accompanying notes are an integral part of these consolidated financial statements.

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Freeport-McMoRan Inc.
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

		Three Months Ended				Six Months Ended				Three Months Ended				Nine Months Ended				
		June 30,		June 30,		September 30,		September 30,		2023		2022		2023		2022		
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
(In Millions, Except Per Share Amounts)																		
Revenues	Revenues	\$ 5,737	\$ 5,416	\$ 11,126	\$ 12,019	Revenues	\$ 5,824	\$ 5,003	\$ 16,950	\$ 17,022	Revenues	\$ 5,824	\$ 5,003	\$ 16,950	\$ 17,022	Revenues	\$ 5,824	\$ 5,003
Cost of sales:	Cost of sales:					Cost of sales:					Cost of sales:					Cost of sales:		
Production and delivery	Production and delivery	3,548	3,003	6,712	6,153	Production and delivery	3,548	3,366	10,260	9,519	Production and delivery	3,548	3,366	10,260	9,519	Production and delivery	3,548	3,366
Depreciation, depletion and amortization (DD&A)	Depreciation, depletion and amortization (DD&A)	547	507	946	996	Depreciation, depletion and amortization (DD&A)	533	508	1,479	1,504	Depreciation, depletion and amortization (DD&A)	533	508	1,479	1,504	Depreciation, depletion and amortization (DD&A)	533	508
Metals inventory adjustments	Metals inventory adjustments	1	18	2	18	Metals inventory adjustments	5	25	7	43	Metals inventory adjustments	5	25	7	43	Metals inventory adjustments	5	25
Total cost of sales	Total cost of sales	4,096	3,528	7,660	7,167	Total cost of sales	4,086	3,899	11,746	11,066	Total cost of sales	4,086	3,899	11,746	11,066	Total cost of sales	4,086	3,899
Selling, general and administrative expenses	Selling, general and administrative expenses	115	100	241	215	Selling, general and administrative expenses	118	98	359	313	Selling, general and administrative expenses	118	98	359	313	Selling, general and administrative expenses	118	98
Mining exploration and research expenses	Mining exploration and research expenses	42	25	73	49	Mining exploration and research expenses	30	38	103	87	Mining exploration and research expenses	30	38	103	87	Mining exploration and research expenses	30	38
Environmental obligations and shutdown costs	Environmental obligations and shutdown costs	74	29	141	45	Environmental obligations and shutdown costs	98	6	239	51	Environmental obligations and shutdown costs	98	6	239	51	Environmental obligations and shutdown costs	98	6
Net gain on sales of assets	Net gain on sales of assets	—	(2)	—	(2)	Net gain on sales of assets	—	—	—	(2)	Net gain on sales of assets	—	—	—	(2)	Net gain on sales of assets	—	—
Total costs and expenses	Total costs and expenses	4,327	3,680	8,115	7,474	Total costs and expenses	4,332	4,041	12,447	11,515	Total costs and expenses	4,332	4,041	12,447	11,515	Total costs and expenses	4,332	4,041
Operating income	Operating income	1,410	1,736	3,011	4,545	Operating income	1,492	962	4,503	5,507	Operating income	1,492	962	4,503	5,507	Operating income	1,492	962
Interest expense, net	Interest expense, net	(171)	(156)	(322)	(283)	Interest expense, net	(96)	(140)	(418)	(423)	Interest expense, net	(96)	(140)	(418)	(423)	Interest expense, net	(96)	(140)
Net gain on early extinguishment of debt	Net gain on early extinguishment of debt	5	8	5	8	Net gain on early extinguishment of debt	5	20	10	28	Net gain on early extinguishment of debt	5	20	10	28	Net gain on early extinguishment of debt	5	20
Other income, net	Other income, net	24	11	112	42	Other income, net	71	25	183	67	Other income, net	71	25	183	67	Other income, net	71	25

Income before income taxes and equity in affiliated companies' net earnings	Income before income taxes and equity in affiliated companies' net earnings	1,268	1,599	2,806	4,312	Income before income taxes and equity in affiliated companies' net earnings	1,472	867	4,278	5,179
Provision for income taxes	Provision for income taxes	(539)	(571)	(1,038)	(1,395)	Provision for income taxes	(508)	(315)	(1,546)	(1,710)
Equity in affiliated companies' net earnings	Equity in affiliated companies' net earnings	2	10	12	25	Equity in affiliated companies' net earnings	—	8	12	33
Net income	Net income	731	1,038	1,780	2,942	Net income	964	560	2,744	3,502
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	(388)	(198)	(774)	(575)	Net income attributable to noncontrolling interests	(510)	(156)	(1,284)	(731)
Net income attributable to common stockholders	Net income attributable to common stockholders	\$ 343	\$ 840	\$ 1,006	\$ 2,367	Net income attributable to common stockholders	\$ 454	\$ 404	\$ 1,460	\$ 2,771
Net income per share attributable to common stockholders:	Net income per share attributable to common stockholders:					Net income per share attributable to common stockholders:				
Basic	Basic	\$ 0.24	\$ 0.58	\$ 0.70	\$ 1.63	Basic	\$ 0.31	\$ 0.28	\$ 1.01	\$ 1.91
Diluted	Diluted	\$ 0.23	\$ 0.57	\$ 0.69	\$ 1.61	Diluted	\$ 0.31	\$ 0.28	\$ 1.01	\$ 1.90
Weighted-average shares of common stock outstanding:	Weighted-average shares of common stock outstanding:					Weighted-average shares of common stock outstanding:				
Basic	Basic	1,434	1,447	1,434	1,451	Basic	1,435	1,431	1,434	1,444
Diluted	Diluted	1,442	1,457	1,443	1,463	Diluted	1,443	1,439	1,443	1,455
Dividends declared per share of common stock	Dividends declared per share of common stock	\$ 0.15	\$ 0.15	\$ 0.30	\$ 0.30	Dividends declared per share of common stock	\$ 0.15	\$ 0.15	\$ 0.45	\$ 0.45

The accompanying notes are an integral part of these consolidated financial statements.

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Freeport-McMoRan Inc. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

		Three Months Ended				Six Months Ended				Three Months Ended				Nine Months Ended			
		June 30,		June 30,		September 30,		September 30,		2023		2022		2023		2022	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
(In Millions)																	
Net income	Net income	\$ 731	\$ 1,038	\$ 1,780	\$ 2,942	Net income	\$ 964	\$ 560	\$ 2,744	\$ 3,502							
Other comprehensive income, net of taxes:	Other comprehensive income, net of taxes:					Other comprehensive income, net of taxes:											
Defined benefit plans:	Defined benefit plans:					Defined benefit plans:											

Prior service costs arising during the period	Prior service costs arising during the period	—	—	—	(1)	Prior service costs arising during the period	—	—	—	(1)
Amortization of unrecognized amounts included in net periodic benefit costs	Amortization of unrecognized amounts included in net periodic benefit costs	1	2	2	4	Amortization of unrecognized amounts included in net periodic benefit costs	1	1	3	5
Foreign exchange (losses) gains	—	(1)	1	(1)		Foreign exchange losses	(1)	—	—	(1)
Other comprehensive income	Other comprehensive income	1	1	3	2	Other comprehensive income	—	1	3	3
Total comprehensive income	Total comprehensive income	732	1,039	1,783	2,944	Total comprehensive income	964	561	2,747	3,505
Total comprehensive income attributable to noncontrolling interests	Total comprehensive income attributable to noncontrolling interests	(388)	(198)	(775)	(575)	Total comprehensive income attributable to noncontrolling interests	(509)	(156)	(1,284)	(731)
Total comprehensive income attributable to common stockholders	Total comprehensive income attributable to common stockholders	\$ 344	\$ 841	\$ 1,008	\$ 2,369	Total comprehensive income attributable to common stockholders	\$ 455	\$ 405	\$ 1,463	\$ 2,774

The accompanying notes are an integral part of these consolidated financial statements.

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Freeport-McMoRan Inc. CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)															
	Six Months Ended June 30,					Nine Months Ended September 30,									
	2023		2022		(In Millions)	2023		2022		(In Millions)					
	Cash flow from operating activities:					Cash flow from operating activities:									
Cash flow from operating activities:	Cash flow from operating activities:					Cash flow from operating activities:									
Net income	Net income	\$ 1,780	\$ 2,942			Net income	\$ 2,744	\$ 3,502							
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:					Adjustments to reconcile net income to net cash provided by operating activities:									
DD&A	DD&A	946	996			DD&A	1,479	1,504							
Metals inventory adjustments	Metals inventory adjustments	2	18			Metals inventory adjustments	7	43							
Net gain on sales of assets	Net gain on sales of assets	—	(2)			Net gain on sales of assets	—	(2)							
Stock-based compensation	Stock-based compensation	72	62			Stock-based compensation	89	75							
Net charges for environmental and AROs, including accretion	Net charges for environmental and AROs, including accretion	237	119			Net charges for environmental and AROs, including accretion	383	180							

Payments for environmental and AROs	Payments for environmental and AROs	(114)	(120)	Payments for environmental and AROs	(181)	(197)
Net charges for defined pension and postretirement plans	Net charges for defined pension and postretirement plans	31	20	Net charges for defined pension and postretirement plans	44	28
Pension plan contributions	Pension plan contributions	(6)	(50)	Pension plan contributions	(10)	(52)
Net gain on early extinguishment of debt	Net gain on early extinguishment of debt	(5)	(8)	Net gain on early extinguishment of debt	(10)	(28)
Deferred income taxes	Deferred income taxes	74	63	Deferred income taxes	130	83
Change in deferred profit on PT Freeport Indonesia's (PT-FI) sales to PT Smelting		(112)	27	Deferred profit recognized on PT Freeport Indonesia's (PT-FI) sales to PT Smelting	(112)	(34)
Deferred profit recognized on PT Freeport Indonesia's (PT-FI) sales to PT Smelting				Other, net	109	(52)
Other, net	Other, net	48	(44)	Changes in working capital and other:		
Changes in working capital and other:	Changes in working capital and other:			Accounts receivable	550	456
Accounts receivable	Accounts receivable	756	314	Inventories	(738)	(184)
Inventories	Inventories	(530)	(40)	Other current assets	7	(71)
Other current assets	Other current assets	(17)	(99)	Accounts payable and accrued liabilities	(180)	84
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	(231)	185	Accrued income taxes and timing of other tax payments	(352)	(1,265)
Accrued income taxes and timing of other tax payments	Accrued income taxes and timing of other tax payments	(208)	(1,071)	Net cash provided by operating activities	3,959	4,070
Net cash provided by operating activities	Net cash provided by operating activities	2,723	3,312	Cash flow from investing activities:		
Cash flow from investing activities:	Cash flow from investing activities:			Capital expenditures:		
Capital expenditures:	Capital expenditures:			North America copper mines	(545)	(430)
North America copper mines	North America copper mines	(378)	(276)	South America	(259)	(203)
South America	South America	(183)	(124)	Indonesia mining	(1,274)	(1,148)
Indonesia mining	Indonesia mining	(833)	(759)	Indonesia smelter projects	(1,193)	(517)
Indonesia smelter projects	Indonesia smelter projects	(780)	(344)	Molybdenum mines	(43)	(16)
Molybdenum mines	Molybdenum mines	(22)	(9)	Other	(148)	(108)
Other	Other	(88)	(74)	Proceeds from sales of assets	16	102
Proceeds from sales of assets	Proceeds from sales of assets	11	96	Loans to PT Smelting for expansion	(109)	(51)
Loans to PT Smelting for expansion	Loans to PT Smelting for expansion	(61)	(34)	Other, net	(29)	(10)
Other, net	Other, net	(31)	(6)			

Net cash used in investing activities	Net cash used in investing activities	(2,365)	(1,530)	Net cash used in investing activities	(3,584)	(2,381)
Cash flow from financing activities:	Cash flow from financing activities:			Cash flow from financing activities:		
Proceeds from debt	Proceeds from debt	681	4,666	Proceeds from debt	1,186	5,366
Repayments of debt	Repayments of debt	(1,806)	(2,993)	Repayments of debt	(2,397)	(4,073)
Cash dividends and distributions paid:	Cash dividends and distributions paid:			Cash dividends and distributions paid:		
Common stock	Common stock	(432)	(438)	Common stock	(647)	(652)
Noncontrolling interests	Noncontrolling interests	(291)	(513)	Noncontrolling interests	(407)	(625)
Treasury stock purchases	Treasury stock purchases	—	(1,185)	Treasury stock purchases	—	(1,347)
Contributions from noncontrolling interests	Contributions from noncontrolling interests	50	94	Contributions from noncontrolling interests	50	142
Proceeds from exercised stock options	Proceeds from exercised stock options	34	106	Proceeds from exercised stock options	41	106
Payments for withholding of employee taxes related to stock-based awards	Payments for withholding of employee taxes related to stock-based awards	(47)	(55)	Payments for withholding of employee taxes related to stock-based awards	(50)	(55)
Debt financing costs and other, net	Debt financing costs and other, net	(1)	(33)	Debt financing costs and other, net	(2)	(41)
Net cash used in financing activities	Net cash used in financing activities	(1,812)	(351)	Net cash used in financing activities	(2,226)	(1,179)
Net (decrease) increase in cash, cash equivalents and restricted cash and cash equivalents	Net (decrease) increase in cash, cash equivalents and restricted cash and cash equivalents	(1,454)	1,431	Net (decrease) increase in cash, cash equivalents and restricted cash and cash equivalents	(1,851)	510
Cash, cash equivalents and restricted cash and cash equivalents at beginning of year	Cash, cash equivalents and restricted cash and cash equivalents at beginning of year	8,390	8,314	Cash, cash equivalents and restricted cash and cash equivalents at beginning of year	8,390	8,314
Cash, cash equivalents and restricted cash and cash equivalents at end of period	Cash, cash equivalents and restricted cash and cash equivalents at end of period	\$ 6,936	\$ 9,745	Cash, cash equivalents and restricted cash and cash equivalents at end of period	\$ 6,539	\$ 8,824

The accompanying notes are an integral part of these consolidated financial statements.

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Freeport-McMoRan Inc.
CONSOLIDATED STATEMENTS OF EQUITY (Unaudited)
THREE MONTHS ENDED JUNE SEPTEMBER 30

Stockholders' Equity																			
Common Stock					Common Stock														
Common Stock		Common Stock			Held in Treasury		Common Stock												
Capital					Accumulated														
in					Retained Earnings														
Excess					Other														
Number	At	of	Accum-	Compre-	Number	At	Stock-	Non-	Total	Number	At	of	Ex-						
of	Par	Par	ulated	hensive	of	At	holders'	controlling	Total	of	Par	Par	Ex-						
Shares	Value	Value	Deficit	Loss	Shares	Cost	Equity	Interests	Equity	Shares	Value	Value	Value						
Accum-					(In Millions)			Accum-											
								Total											

	Stockholders' Equity			Stockholders' Equity			Stockholders' Equity			Stockholders' Equity		
	Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Common Stock	Capital in Excess of Par Value	Accumulated Deficit
Balance at March 31, 2023	1,618	\$162	\$25,227	—	—	—	—	—	—	—	—	—
Balance at June 30, 2023	1,618	\$162	\$25,227	—	—	—	—	—	—	—	—	—
Exercised and issued stock-based awards	Exercised and issued stock-based awards	—	3	—	—	—	—	—	—	3	—	—
Stock-based compensation, including the tender of shares	Stock-based compensation, including the tender of shares	—	14	—	—	—	—	—	14	—	14	—
Dividends	Dividends	—	(216)	—	—	—	—	—	(216)	(154)	(370)	Dividends
Net income attributable to common stockholders	Net income attributable to common stockholders	—	—	343	—	—	—	—	343	—	343	—
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	—	388	388	Net income attributable to noncontrolling interests
Other comprehensive income	Other comprehensive income	—	—	—	1	—	—	—	1	—	1	—
Balance at June 30, 2023	1,618	\$162	\$25,028	—	—	—	—	—	—	—	—	—
Other comprehensive income (loss)	Other comprehensive income (loss)	—	—	—	—	—	—	—	—	—	—	—
Balance at September 30, 2023	1,618	\$162	\$25,027	—	—	—	—	—	—	—	—	—

	Stockholders' Equity											
	Common Stock				Stockholders' Equity				Common Stock			
	Number of Shares	At Par Value	Capital in Excess of Par Value	Accumulated Deficit	Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Common Stock	Capital in Excess of Par Value
	Number of Shares	At Par Value	Capital in Excess of Par Value	Accumulated Deficit	Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Common Stock	Capital in Excess of Par Value
	Accumulated Deficit				Accumulated Deficit				Accumulated Deficit			
	(In Millions)				(In Millions)				(In Millions)			
Balance at March 31, 2022	1,612	\$161	\$25,835	Deficit	\$5,848	\$ (387)	—	—	—	—	—	Accumulated Deficit
Balance at June 30, 2022	1,612	\$161	\$24,042	—	—	—	—	—	—	—	—	—
Exercised and issued stock-based awards	—	—	5	—	—	—	—	—	5	—	5	—
Stock-based compensation, including the tender of shares	Stock-based compensation, including the tender of shares	—	15	—	—	—	—	—	15	(1)	14	tender of shares
Treasury stock purchases	Treasury stock purchases	—	—	—	—	—	17	(644)	(644)	—	(644)	Treasury stock purchases
Dividends	Dividends	—	(217)	—	—	—	—	—	(217)	(239)	(456)	Dividends
Contributions	Contributions	—	23	—	—	—	—	—	23	24	47	Contributions

From noncontrolling interests	To noncontrolling interests	From noncontrolling interests
Net income attributable to common stockholders	Net income attributable to common stockholders	840
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	198
Other comprehensive income	Other comprehensive income	1
Balance at June 30, 2022	1,612	\$ 161
	\$ 161	\$ 25,661
	\$ (5,008)	\$ (386)
	177	\$(5,539)
	\$ 14,889	\$ 9,158
	\$ 24,047	
Balance at September 30, 2022		
	1,612	\$ 161

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Freeport-McMoRan Inc.
CONSOLIDATED STATEMENTS OF EQUITY (Unaudited) (continued)
SIX NINE MONTHS ENDED JUNE SEPTEMBER 30

Stockholders' Equity																
Common Stock				Common Stock Held in Treasury								Common Stock				
				Capital		Accumu-										
				in		lated										
				Excess		Other										
	Number	At	of	Accum-	Compre-	Number										
	of	Par	Par	ulated	hensive	of	At									
	Shares	Value	Value	Deficit	Loss	Shares	Cost									
					Accumu-											
					(In Millions)											
Balance at	Balance at				Accum-				Compre-				Total			
December 31,	December 31,				ulated				hensive							
2022	2022				1,613	\$161	\$25,322	Deficit	\$ (3,907)	\$ (320)	183	Stock-	Balance at			
Exercised and	Exercised and								holders'				December 31,			
issued stock-	issued stock-								Equity				2022			
based awards	based awards				5	1	55	—	—	—	—	56	—	1,613	Accum-	ulated
Stock-based	Stock-based												Deficit			
compensation,	compensation,															
including the	including the															
tender of shares	tender of shares				—	—	60	—	—	1	(68)	(8)	(1)	(9)	tender of shares	—
Dividends	Dividends				—	—	(433)	—	—	—	—	(433)	(291)	(724)	Dividends	—
Contributions	Contributions				from				noncontrolling				Contributions			
from	from				noncontrolling				interests				from			
noncontrolling	noncontrolling												interests			
interests					—	—	24	—	—	—	—	24	26	50	—	—
Net income	Net income												Net income			
attributable to	attributable to												attributable to			
common	common															
stockholders	stockholders				—	—	—	1,006	—	—	—	1,006	—	1,006	stockholders	—
Net income	Net income												Net income			
attributable to	attributable to												attributable to			

noncontrolling interests	noncontrolling interests											noncontrolling interests	
Other comprehensive income	Other comprehensive income											Other comprehensive income	
Other comprehensive income	Other comprehensive income	—	—	—	—	2	—	—	—	2	1	3	—
Balance at June 30, 2023		1,618	\$162	\$25,028	\$(2,901)	\$ (318)	184	\$ (5,769)	\$16,202	\$9,825	\$26,027		
Balance at September 30, 2023												Balance at September 30, 2023	1,618 \$ 162
Stockholders' Equity													
		Common Stock											Common Stock
		Common Stock Held in Treasury											Common Stock
		Capital Accumulated Excess Other Number At of Accumulated Compre- Number Stock- Non- of Par Par Deficit hensive of At holders' controlling Total Shares Value Value Deficit Loss Shares Cost Equity Interests Total Shares Value											Capital Excess
		(In Millions)											(In Millions)
Balance at December 31, 2021	Balance at December 31, 2021	Accumulated Deficit										Balance at December 31, 2021	Accumulated Deficit
Exercised and issued stock-based awards	Exercised and issued stock-based awards	9	1	112	—	—	—	—	—	113	—	113	Exercised and issued stock-based awards
Stock-based compensation, including the tender of shares	Stock-based compensation, including the tender of shares	—	—	63	—	—	—	2	(62)	1	(11)	(10)	Stock-based compensation, including the tender of shares
Treasury stock purchases	Treasury stock purchases	—	—	—	—	—	29	(1,185)	(1,185)	—	(1,185)	(1,185)	Treasury stock purchases
Dividends	Dividends	—	—	(435)	—	—	—	—	(435)	(493)	(928)	Dividends	—
Contributions from noncontrolling interests	Contributions from noncontrolling interests	—	—	46	—	—	—	—	46	48	94	Contributions from noncontrolling interests	—
Net income attributable to common stockholders	Net income attributable to common stockholders	—	—	—	2,367	—	—	—	2,367	—	2,367	Net income attributable to common stockholders	—
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	—	575	575	Net income attributable to noncontrolling interests	—
Other comprehensive income	Other comprehensive income	—	—	—	—	2	—	—	2	—	2	2	Other comprehensive income
Balance at June 30, 2022		1,612	\$161	\$25,661	\$(5,008)	\$ (386)	177	\$ (5,539)	\$14,889	\$9,158	\$24,047		
Balance at September 30, 2022												Balance at September 30, 2022	1,612 \$ 161

The accompanying notes are an integral part of these consolidated financial statements.

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Freeport-McMoRan Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE 1. GENERAL INFORMATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all information and disclosures required by generally accepted accounting principles in the United States (U.S.). Therefore, this information should be read in conjunction with Freeport-McMoRan Inc.'s (FCX) consolidated financial statements and notes contained in its annual report on Form 10-K for the year ended December 31, 2022 (2022 Form 10-K). The information furnished herein reflects all adjustments that are, in the opinion of management, necessary for a fair statement of the results for the interim periods reported. All such adjustments are, in the opinion of management, of a normal recurring nature. Operating results for the **six-month** **nine-month** period ended **June 30, 2023** **September 30, 2023**, are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

PT-FI. Beginning January 1, 2023, FCX's economic ownership interest in PT-FI is 48.76% and prior to January 1, 2023, FCX's economic interest in PT-FI approximated 81%. As discussed in Note 3 of FCX's 2022 Form 10-K, in accordance with provisions pertaining to PT-FI's shareholders agreement, FCX's first-quarter 2023 net income included a \$35 million net benefit associated with PT-FI sales volumes that were attributed to FCX at its previous approximate 81% economic ownership interest.

Subsequent Events. FCX evaluated events after **June 30, 2023** **September 30, 2023**, and through the date the consolidated financial statements were issued and determined any events and transactions occurring during this period that would require recognition or disclosure are appropriately addressed in these consolidated financial statements.

NOTE 2. EARNINGS PER SHARE

FCX calculates its basic net income per share of common stock under the two-class method and calculates its diluted net income per share of common stock using the more dilutive of the two-class method or the treasury-stock method. Basic net income per share of common stock was computed by dividing net income attributable to common stockholders (after deducting accumulated dividends and undistributed earnings to participating securities) by the weighted-average shares of common stock outstanding during the period. Diluted net income per share of common stock was calculated by including the basic weighted-average shares of common stock outstanding adjusted for the effects of all potential dilutive shares of common stock, unless their effect would be antidilutive.

Reconciliations of net income and weighted-average shares of common stock outstanding for purposes of calculating basic and diluted net income per share follow (in millions, except per share amounts):

		Three Months Ended				Six Months Ended				Three Months Ended				Nine Months Ended			
		June 30,		June 30,		September 30,		September 30,		2023		2022		2023		2022	
		2023	2022	2023	2022	2023	2022	2023	2022	\$ 731	\$ 1,038	\$ 1,780	\$ 2,942	\$ 964	\$ 560	\$ 2,744	\$ 3,502
Net income	Net income	\$ 731	\$ 1,038	\$ 1,780	\$ 2,942	Net income	\$ 964	\$ 560	\$ 2,744	\$ 3,502							
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	(388)	(198)	(774)	(575)	Net income attributable to noncontrolling interests	(510)	(156)	(1,284)	(731)							
Undistributed dividends and earnings allocated to participating securities	Undistributed dividends and earnings allocated to participating securities	(5)	(4)	(5)	(5)	Undistributed dividends and earnings allocated to participating securities	(5)	(5)	(5)	(6)							
Net income attributable to common stockholders	Net income attributable to common stockholders	\$ 338	\$ 836	\$ 1,001	\$ 2,362	Net income attributable to common stockholders	\$ 449	\$ 399	\$ 1,455	\$ 2,765							
Basic weighted-average shares of common stock outstanding	Basic weighted-average shares of common stock outstanding	1,434	1,447	1,434	1,451	Basic weighted-average shares of common stock outstanding	1,435	1,431	1,434	1,444							
Add shares issuable upon exercise or vesting of dilutive stock options and restricted stock units (RSUs)	Add shares issuable upon exercise or vesting of dilutive stock options and restricted stock units (RSUs)	8	10	9	12	Add shares issuable upon exercise or vesting of dilutive stock options and restricted stock units (RSUs)	8	8	9	11							

Diluted weighted-average shares of common stock outstanding	Diluted weighted-average shares of common stock outstanding	1,442	1,457	1,443	1,463	Diluted weighted-average shares of common stock outstanding	1,443	1,439	1,443	1,455
Net income per share attributable to common stockholders:	Net income per share attributable to common stockholders:					Net income per share attributable to common stockholders:				
Basic	Basic	\$ 0.24	\$ 0.58	\$ 0.70	\$ 1.63	Basic	\$ 0.31	\$ 0.28	\$ 1.01	\$ 1.91
Diluted	Diluted	\$ 0.23	\$ 0.57	\$ 0.69	\$ 1.61	Diluted	\$ 0.31	\$ 0.28	\$ 1.01	\$ 1.90

Shares associated with outstanding stock options with exercise prices greater than the average market price of FCX's common stock during the period are excluded from the computation of diluted net income per share of common stock. There were no shares of common stock associated with outstanding stock options excluded in the

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second-quarter 2023, second-quarter 2022 third quarter and for the first six nine months of 2023, and 3 million shares and 1 million shares excluded for the third quarter and first six nine months of 2022, 2022, respectively.

NOTE 3. INVENTORIES, INCLUDING LONG-TERM MILL AND LEACH STOCKPILES

The components of inventories follow (in millions):

		June 30, 2023		December 31, 2022		September 30, 2023		December 31, 2022
Current inventories:	Current inventories:				Current inventories:			
Total materials and supplies, net ^a	\$ 2,098	\$ 1,964			Raw materials			
Raw materials (primarily copper concentrate)					(primarily copper concentrate)	\$ 467	\$ 443	
Work-in-process					Work-in-process	219	221	
Finished goods ^a					Finished goods ^a	1,729	1,169	
Total product					Total product	\$ 2,415	\$ 1,833	
Total materials and supplies, net ^b					Total materials and supplies, net ^b	\$ 2,131	\$ 1,964	
Mill stockpiles	Mill stockpiles	\$ 224	\$ 216		Mill stockpiles	\$ 165	\$ 216	
Leach stockpiles	Leach stockpiles	1,274	1,167		Leach stockpiles	1,238	1,167	
Total current mill and leach stockpiles	Total current mill and leach stockpiles	\$ 1,498	\$ 1,383		Total current mill and leach stockpiles	\$ 1,403	\$ 1,383	
Raw materials (primarily copper concentrate)		\$ 382	\$ 443					
Work-in-process		189	221					
Finished goods ^b		1,643	1,169					
Total product		\$ 2,214	\$ 1,833					
Long-term inventories:	Long-term inventories:				Long-term inventories:			
Mill stockpiles	Mill stockpiles	\$ 216	\$ 199		Mill stockpiles	\$ 260	\$ 199	
Leach stockpiles	Leach stockpiles	1,025	1,053		Leach stockpiles	1,067	1,053	
Total long-term mill and leach stockpiles ^c	Total long-term mill and leach stockpiles ^c	\$ 1,241	\$ 1,252		Total long-term mill and leach stockpiles ^c	\$ 1,327	\$ 1,252	

a. Materials and supplies inventory was net of obsolescence reserves totaling \$33 million at June 30, 2023, and \$39 million at December 31, 2022.

b. The increase in finished goods inventory at June 30, 2023 September 30, 2023, was primarily associated with the change in PT-FI's commercial arrangement with PT Smelting (PT-FI's 39.5% owned copper smelter and refinery in Gresik, Indonesia) from a copper concentrate sales agreement to a tolling arrangement beginning on January 1, 2023. At June 30, 2023, and also included

approximately 85 million pounds of copper and 40,750 thousand ounces of gold from available for sale pending approval of PT-FI's production export license for anode slimes. See Note 8 for further discussion.

- b. Materials and supplies inventory was deferred in inventory net of obsolescence reserves totaling \$31 million at September 30, 2023, and will be sold as refined metal in future periods, \$39 million at December 31, 2022.
- c. Estimated metals in stockpiles not expected to be recovered within the next 12 months.

NOTE 4. INCOME TAXES

Geographic sources of FCX's benefit (provision) for income taxes follow (in millions):

		Six Months Ended		Nine Months Ended	
		June 30,		September 30,	
		2023	2022	2023	2022
U.S. operations	U.S. operations	\$ 3	\$ (5)	\$ 3	\$ (5)
International operations	International operations	(1,041)	(1,390)	(1,549)	(1,705)
Total	Total	\$ (1,038)	\$ (1,395)	\$ (1,546)	\$ (1,710)

a. Includes a credit of \$31 million, primarily associated with completion of Cerro Verde's 2016 tax audit.

FCX's consolidated effective income tax rate was 37% for the first six months of 2023 and 32% for the first six months of 2022. The higher 2023 effective income tax rate primarily reflects the impact of pre-tax, nondeductible charges totaling \$142 million for the first six months of 2023 associated with contested tax rulings issued by the Peruvian Supreme Court. In addition, variations in the relative proportions of jurisdictional income result in fluctuations to FCX's consolidated effective income tax rate. Because of its U.S. tax position, FCX does not record a financial statement tax impact for income or losses generated in the U.S.

The provisions of the U.S. Inflation Reduction Act of 2022 (the Act) became applicable to FCX on January 1, 2023. The Act includes, among other provisions, a new Corporate Alternative Minimum Tax (CAMT) of 15% on the adjusted financial statement income (AFSI) of corporations with average AFSI exceeding \$1.0 billion over a three-year period. As limited guidance related to how the CAMT provisions of the Act should be applied or otherwise administered has been released by the U.S. Department of the Treasury (Treasury), uncertainty remains regarding the application of the CAMT. FCX has made interpretations of certain provisions of the Act, and based on these interpretations, determined that the provisions of the Act did not impact its FCX's financial results for the first six months of 2023.

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There has been limited guidance released by the U.S. Department of the Treasury (the Treasury) on how the CAMT provisions of the Act should be applied or otherwise administered, and uncertainty remains regarding their application. In October 2023, the Treasury stated publicly that it expects to issue proposed rules regarding the application of the CAMT by the end of 2023. However, future guidance released by the Treasury may differ from its FCX's interpretations, which could be material and may further limit FCX's ability to realize future benefits from its U.S. net operating losses.

NOTE 5. DEBT AND EQUITY

The components of debt follow (in millions):

		June 30,		September 30,	
		2023	December 31, 2022	2023	December 31, 2022
Senior notes and debentures:	Senior notes and debentures:			Senior notes and debentures:	
Issued by FCX	Issued by FCX	\$ 6,103	\$ 7,225	Issued by FCX	\$ 6,004
Issued by PT-FI	Issued by PT-FI	2,979	2,978	Issued by PT-FI	2,980
Issued by Freeport Minerals Corporation	Issued by Freeport Minerals Corporation	354	355	Issued by Freeport Minerals Corporation	354
Other	Other	59	62	Other	67
Total debt	Total debt	9,495	10,620	Total debt	9,405
Less current portion of debt	Less current portion of debt	(37)	(1,037)	Less current portion of debt	(35)
Long-term debt	Long-term debt	\$ 9,458	\$ 9,583	Long-term debt	\$ 9,370
					\$ 9,583

Revolving Credit Facilities.

FCX and PT-FI have a \$3.0 billion, unsecured revolving credit facility that matures in October 2027. Under the terms of the revolving credit facility, FCX may obtain loans and issue letters of credit in an aggregate amount of up to \$3.0 billion with PT-FI's capacity limited to \$500 million, and letters of credit issuance limited to \$1.5 billion. At June 30, 2023 September 30, 2023, FCX had \$8 million \$7 million in letters of credit issued under its revolving credit facility.

PT-FI has a \$1.3 billion unsecured revolving credit facility that matures in July 2026 and Cerro Verde has a \$350 million unsecured revolving credit facility that matures in May 2027.

At **June 30, 2023** **September 30, 2023**, FCX, PT-FI and Cerro Verde had no borrowings outstanding under their respective revolving credit facilities and were in compliance with their respective covenants.

Senior Notes.

In March 2023, FCX repaid in full the outstanding principal balance of its 3.875% Senior Notes totaling \$996 million at maturity.

Beginning in 2022 and through August 3, 2023 November 3, 2023, FCX has purchased \$1.3 billion aggregate principal amount of its senior notes in open-market transactions for a total cost of \$1.2 billion, including \$131 \$102 million aggregate principal amount in third-quarter 2023 and \$233 million in the second quarter and first six nine months of 2023, and \$103 million aggregate principal amount from July 1, 2023, through August 3, 2023. A summary of the senior note purchases and related gains on debt extinguishments for the second quarter and first six nine months of 2023 follows (in millions):

		Principal Discounts/Deferred Book Redemption						Principal Discounts/Deferred Book Redemption					
		Amount	Issuance Costs	Value	Value	Gain	Amount	Issuance Costs	Value	Value	Gain		
5.00%	5.00%						5.00%						
Senior	Senior						Senior						
Notes	Notes						Notes						
due	due						due						
2027	2027	\$ 12	\$ —	\$ 12	\$ 12	\$ —	2027	\$ 17	\$ —	\$ 17	\$ 17	\$ —	\$ 17
4.125%	4.125%						4.125%						
Senior	Senior						Senior						
Notes	Notes						Notes						
due	due						due						
2028	2028	22	—	22	21	1	2028	61	—	61	58	3	3
4.375%	4.375%						4.375%						
Senior	Senior						Senior						
Notes	Notes						Notes						
due	due						due						
2028	2028	6	—	6	5	1	2028	46	—	45	43	2	2
5.25%	5.25%						5.25%						
Senior	Senior						Senior						
Notes	Notes						Notes						
due	due						due						
2029	2029	31	—	31	31	—	2029	31	—	31	31	—	—
4.25%	4.25%						4.25%						
Senior	Senior						Senior						
Notes	Notes						Notes						
due	due						due						
2030	2030	45	1	44	42	2	2030	50	1	49	46	3	3
4.625%	4.625%						4.625%						
Senior	Senior						Senior						
Notes	Notes						Notes						
due	due						due						
2030	2030	15	—	15	14	1	2030	28	—	28	26	2	2
		\$ 131	\$ 1	\$ 130	\$ 125	\$ 5		\$ 233	\$ 2	\$ 231	\$ 221	\$ 10	\$ 10

Interest Expense, Net. Consolidated interest costs (before capitalization) totaled \$234 million in second-quarter 2023, \$189 million in second-quarter 2022, \$441 million for the first nine months of 2023 and \$342 million for the first nine months of 2022. Consolidated interest costs (before capitalization) in the 2023 periods includes, interest expense associated with Cerro Verde's contested tax rulings by the Peruvian Supreme Court totaling \$50 million in second-quarter 2023 and \$74 million for the first nine months of 2023. 2023, includes

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interest charges totaling \$74 million associated with Cerro Verde's contested tax rulings issued by the Peruvian Supreme Court.

Capitalized interest added to property, plant, equipment and mine development costs, net, totaled \$62 million \$69 million in second-quarter third-quarter 2023, \$33 million \$42 million in second-quarter third-quarter 2022, \$119 million \$188 million for the first six nine months of 2023 and \$59 million \$101 million for the first six nine months of 2022. The increase in capitalized interest costs in the 2023 periods, compared to the 2022 periods, primarily resulted from increased construction and development projects in process, primarily at the Manpar smelter and precious metals refinery in Indonesia (collectively, the Indonesia smelter projects).

Share Repurchase Program and Dividends. Since Beginning in mid-2021 and through July 11, 2022, FCX has acquired 47.8 million shares of its common stock under the share repurchase program for a total cost of \$1.8 billion (\$38.35 average cost per share). No shares have been purchased since July 11, 2022, and FCX has \$3.2 billion available for repurchases under the program.

On ~~June 21, 2023~~ ~~September 20, 2023~~, FCX's Board of Directors (Board) declared cash dividends totaling \$0.15 per share on its common stock (including a \$0.075 per share quarterly base cash dividend and a \$0.075 per share quarterly variable, performance-based cash dividend), which was paid on ~~August 1, 2023~~ ~~November 1, 2023~~, to common stockholders of record as of ~~July 14, 2023~~ ~~October 13, 2023~~.

The declaration and payment of dividends (base or variable) and timing and amount of any share repurchases are at the discretion of FCX's Board and management, respectively, and are subject to a number of factors, including not exceeding FCX's net debt target, capital availability, FCX's financial results, cash requirements, global economic conditions, changes in laws, contractual restrictions and other factors deemed relevant by FCX's Board or management, as applicable. FCX's share repurchase program may be modified, increased, suspended or terminated at any time at the Board's discretion.

NOTE 6. FINANCIAL INSTRUMENTS

FCX does not purchase, hold or sell derivative financial instruments unless there is an existing asset or obligation, or it anticipates a future activity that is likely to occur and will result in exposure to market risks, which FCX intends to offset or mitigate. FCX does not enter into any derivative financial instruments for speculative purposes but has entered into derivative financial instruments in limited instances to achieve specific objectives. These objectives principally relate to managing risks associated with commodity price changes, foreign currency exchange rates and interest rates.

Commodity Contracts. From time to time, FCX has entered into derivative contracts to hedge the market risk associated with fluctuations in the prices of commodities it purchases and sells. Derivative financial instruments used by FCX to manage its risks do not contain credit risk-related contingent provisions.

A discussion of FCX's other derivative contracts and programs follows.

Derivatives Designated as Hedging Instruments - Fair Value Hedges.

Copper Futures and Swap Contracts. Some of FCX's U.S. copper rod and cathode customers request a fixed market price instead of the Commodity Exchange Inc. (COMEX) average copper price in the month of shipment. FCX hedges this price exposure in a manner that allows it to receive the COMEX average price in the month of shipment while the customers pay the fixed price they requested. FCX accomplishes this by entering into copper futures or swap contracts. Hedging gains or losses from these copper futures and swap contracts are recorded in revenues. FCX did not have any significant gains or losses resulting from hedge ineffectiveness during the ~~six-month~~ ~~nine-month~~ periods ended ~~June 30, 2023~~ ~~September 30, 2023~~ and 2022. At ~~June 30, 2023~~ ~~September 30, 2023~~, FCX held copper futures and swap contracts that qualified for hedge accounting for ~~88 million~~ ~~85 million~~ pounds at an average contract price of ~~\$3.88~~ ~~\$3.85~~ per pound, with maturities through May 2025.

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Summary of Gains (Losses) Gains. A summary of the realized and unrealized gains (losses) gains recognized in revenues for derivative financial instruments related to commodity contracts that are designated and qualify as fair value hedge transactions, including on the related hedged item follows (in millions):

	Copper futures and swap contracts:	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended		
		June 30,		June 30,		September 30,		September 30,		
		2023	2022	2023	2022	2023	2022	2023	2022	
Copper futures and swap contracts:										
Unrealized (losses) gains:										
Unrealized gains (losses):		Derivative financial instruments				Unrealized gains (losses):				
Derivative financial instruments	Copper futures and swap contracts:	\$ (25)	\$ (89)	\$ (11)	\$ (78)	Derivative financial instruments	\$ 2	\$ 17	\$ (9)	
Hedged item – firm sales commitments	Hedged item – firm sales commitments	25	89	11	78	Hedged item – firm sales commitments	(2)	(17)	9	
Realized (losses) gains:										
Realized losses:		Matured derivative financial instruments				Realized losses:				
Matured derivative financial instruments	Matured derivative financial instruments	(5)	(12)	3	2	Matured derivative financial instruments	(4)	(50)	(1)	
Derivatives Not Designated as Hedging Instruments.										

Embedded Derivatives. Certain FCX sales contracts provide for provisional pricing primarily based on the London Metal Exchange (LME) copper price or the COMEX copper price and the London Bullion Market Association (London) gold price at the time of shipment as specified in the contract. FCX receives market prices based on prices in the specified future month, which results in price fluctuations recorded in revenues until the date of settlement. FCX records revenues and invoices customers at the time of shipment based on then-current LME or COMEX copper prices and the London gold price as specified in the contracts, which results in an embedded derivative (*i.e.*, a pricing mechanism that is finalized after the time of delivery) that is required to be bifurcated from the host contract. The host contract is the sale of the metals contained in the concentrate, cathode or anode slimes at the then-current LME copper, COMEX copper or London gold prices. FCX applies the normal purchases and normal sales scope exception in accordance with derivatives and hedge accounting guidance to the host contract in its concentrate, cathode and anode slime sales agreements since these contracts do not allow for net settlement and always result in physical delivery. The embedded derivative does not qualify for hedge accounting and is adjusted to fair value through earnings each period, using the period-end LME or COMEX copper forward prices and the adjusted London gold price, until the date of final pricing. Similarly, FCX purchases copper under contracts that provide for provisional pricing. Mark-to-market price fluctuations from these embedded derivatives are recorded through the settlement date and are reflected in revenues for sales contracts and in inventory for purchase contracts.

A summary of FCX's embedded derivatives at **June 30, 2023** **September 30, 2023**, follows:

	Embedded derivatives in provisional sales contracts:	Average Price						Average Price					
		Open Positions	Per Unit		Maturities Through	Open Positions	Per Unit		Maturities Through				
			Contract	Market			Contract	Market					
Embedded derivatives in provisional sales contracts:	Embedded derivatives in provisional sales contracts:				November								
Copper (millions of pounds)	Copper (millions of pounds)	587	\$ 3.90	\$ 3.78	2023								February
Gold (thousands of ounces)	Gold (thousands of ounces)	165	1,980	1,919	September 2023								December 2023
Embedded derivatives in provisional purchase contracts:	Embedded derivatives in provisional purchase contracts:												
Copper (millions of pounds)	Copper (millions of pounds)	152	3.89	3.77	October 2023								January 2024

Copper Forward Contracts. Atlantic Copper, FCX's wholly owned smelting and refining unit in Spain, enters into copper forward contracts designed to hedge its copper price risk whenever its physical purchases and sales pricing periods do not match. These economic hedge transactions are intended to hedge against changes in copper prices, with the mark-to-market hedging gains or losses recorded in production and delivery costs. At **June 30, 2023** **September 30, 2023**, Atlantic Copper held net copper forward purchase contracts for **7 million** **19 million** pounds at an average contract price of **\$3.81** **\$3.77** per pound, with maturities through **August** **November** 2023.

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Summary of (Losses) Gains. A summary of the realized and unrealized (losses) gains recognized in operating income for commodity contracts that do not qualify as hedge transactions, including embedded derivatives, follows (in millions):

	Embedded derivatives in provisional sales contracts: ^a	Three Months Ended				Six Months Ended				Three Months Ended				Nine Months Ended			
		June 30,		June 30,		September 30,		September 30,		September 30,		September 30,		September 30,		September 30,	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		
Embedded derivatives in provisional sales contracts: ^a	Embedded derivatives in provisional sales contracts: ^a																
Copper	Copper	\$ (169)	\$ (720)	\$ 61	\$ (502)	Copper	\$ (30)	\$ (272)	\$ 31	\$ (774)							
Gold and other metals	Gold and other metals	(21)	(33)	22	(11)	Gold and other metals	(10)	(34)	12	(45)							

Copper forward contracts ^b	Copper forward contracts ^b	1	22	(1)	26	Copper forward contracts ^b	(1)	5	(3)	31
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a. Amounts recorded in revenues.

b. Amounts recorded in cost of sales as production and delivery costs.

Unsettled Derivative Financial Instruments.

A summary of the fair values of unsettled commodity derivative financial instruments follows (in millions):

Commodity Derivative	Commodity Derivative	June 30, 2023		December 31, 2022		Commodity Derivative		September 30, 2023		December 31, 2022					
		Assets:	Derivatives designated as hedging instruments:	Assets:	Derivatives designated as hedging instruments:	Assets:	Derivatives designated as hedging instruments:	Assets:	Derivatives not designated as hedging instruments:	Assets:	Derivatives not designated as hedging instruments:				
Copper futures and swap contracts	Copper futures and swap contracts	\$	—	\$	3	Copper futures and swap contracts	\$	—	\$	3	Copper futures and swap contracts	\$	—	\$	3
Derivatives not designated as hedging instruments:	Derivatives not designated as hedging instruments:					Derivatives not designated as hedging instruments:	Derivatives not designated as hedging instruments:				Derivatives not designated as hedging instruments:	Derivatives not designated as hedging instruments:			
Embedded derivatives in provisional sales/purchase contracts	Embedded derivatives in provisional sales/purchase contracts			37	166	Embedded derivatives in provisional sales/purchase contracts			16	166	Embedded derivatives in provisional sales/purchase contracts			166	
Copper forward contracts	Copper forward contracts		—		1	Copper forward contracts		—		1	Copper forward contracts		—	1	
Total derivative assets	Total derivative assets	\$	37	\$	170	Total derivative assets	\$	16	\$	170	Total derivative assets	\$	16	\$	170
Commodity Derivative Liabilities:	Commodity Derivative Liabilities:					Commodity Derivative Liabilities:					Commodity Derivative Liabilities:				
Derivatives designated as hedging instruments:	Derivatives designated as hedging instruments:					Derivatives designated as hedging instruments:					Derivatives designated as hedging instruments:				
Copper futures and swap contracts	Copper futures and swap contracts	\$	10	\$	3	Copper futures and swap contracts	\$	8	\$	3	Copper futures and swap contracts	\$	8	\$	3
Derivatives not designated as hedging instruments:	Derivatives not designated as hedging instruments:					Derivatives not designated as hedging instruments:	Derivatives not designated as hedging instruments:				Derivatives not designated as hedging instruments:	Derivatives not designated as hedging instruments:			
Embedded derivatives in provisional sales/purchase contracts	Embedded derivatives in provisional sales/purchase contracts			100	39	Embedded derivatives in provisional sales/purchase contracts			35	39	Embedded derivatives in provisional sales/purchase contracts			35	
Copper forward contracts	Copper forward contracts					Copper forward contracts		1		—	Copper forward contracts		1		—
Total derivative liabilities	Total derivative liabilities	\$	110	\$	42	Total derivative liabilities	\$	44	\$	42	Total derivative liabilities	\$	44	\$	42

FCX's commodity contracts have netting arrangements with counterparties with which the right of offset exists, and it is FCX's policy to generally offset balances by contract on its balance sheet. FCX's embedded derivatives on provisional sales/purchase contracts are netted with the corresponding outstanding receivable/payable balances.

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A summary of these unsettled commodity contracts that are offset in the balance sheet follows (in millions):

Assets	Liabilities	Assets	Liabilities
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		June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Gross amounts recognized:	Gross amounts recognized:					Gross amounts recognized:				
Commodity contracts:										
Embedded derivatives in provisional sales/purchase contracts	Embedded derivatives in provisional sales/purchase contracts	\$ 37	\$ 166	\$ 99	\$ 39	Embedded derivatives in provisional sales/purchase contracts	\$ 16	\$ 166	\$ 35	\$ 39
Copper derivatives	Copper derivatives	—	4	11	3	Copper derivatives	—	4	9	3
		37	170	110	42		16	170	44	42
Less gross amounts of offset:	Less gross amounts of offset:					Less gross amounts of offset:				
Commodity contracts:										
Embedded derivatives in provisional sales/purchase contracts	Embedded derivatives in provisional sales/purchase contracts	9	—	9	—	Embedded derivatives in provisional sales/purchase contracts	3	—	3	—
		9	—	9	—		3	—	3	—
Net amounts presented in balance sheet:	Net amounts presented in balance sheet:					Net amounts presented in balance sheet:				
Commodity contracts:										
Embedded derivatives in provisional sales/purchase contracts	Embedded derivatives in provisional sales/purchase contracts	28	166	90	39	Embedded derivatives in provisional sales/purchase contracts	13	166	32	39
Copper derivatives	Copper derivatives	—	4	11	3	Copper derivatives	—	4	9	3
		\$ 28	\$ 170	\$ 101	\$ 42		\$ 13	\$ 170	\$ 41	\$ 42
Balance sheet classification:	Balance sheet classification:					Balance sheet classification:				
Trade accounts receivable	Trade accounts receivable	\$ 8	\$ 163	\$ 72	\$ 7	Trade accounts receivable	\$ 5	\$ 163	\$ 20	\$ 7
Other current assets	Other current assets	—	4	—	—	Other current assets	—	4	—	—
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	20	3	29	34	Accounts payable and accrued liabilities	8	3	21	34
Other liabilities	Other liabilities	—	—	—	1	Other liabilities	—	—	—	1
		\$ 28	\$ 170	\$ 101	\$ 42		\$ 13	\$ 170	\$ 41	\$ 42

Credit Risk. FCX is exposed to credit loss when financial institutions with which it has entered into derivative transactions (commodity, foreign exchange and interest rate swaps) are unable to pay. To minimize the risk of such losses, FCX uses counterparties that meet certain credit requirements and periodically reviews the creditworthiness of these counterparties. As of **June 30, 2023** **September 30, 2023**, the maximum amount of credit exposure associated with derivative transactions was **\$37 million** **\$16 million**.

Other Financial Instruments. Other financial instruments include cash, cash equivalents, restricted cash and cash equivalents, accounts receivable, investment securities, legally restricted trust assets, accounts payable and accrued liabilities, accrued income taxes, dividends payable and debt. The carrying value for these financial instruments classified as current assets or liabilities approximates fair value because of their short-term nature and generally negligible credit losses (refer to Note 7 for the fair values of investment securities, legally restricted funds and debt).

In addition, as of **June 30, 2023** **September 30, 2023**, FCX had contingent consideration assets related to the sales of certain oil and gas properties (refer to Note 7 for the related fair values).

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents. The following table provides a reconciliation of total cash, cash equivalents and restricted cash and cash equivalents presented in the consolidated statements of cash flows (in millions):

	June 30, 2023	December 31, 2022
Balance sheet components:		
Cash and cash equivalents ^{a,b}	\$ 6,683	\$ 8,146
Restricted cash and cash equivalents included in:		
Other current assets	119	111
Other assets	134	133
Total cash, cash equivalents and restricted cash and cash equivalents presented in the consolidated statements of cash flows	\$ 6,936	\$ 8,390

	September 30, 2023	December 31, 2022
Balance sheet components:		
Cash and cash equivalents ^a	\$ 5,745	\$ 8,146
Restricted cash and cash equivalents, current	697 ^b	111
Restricted cash and cash equivalents, long-term - included in other assets	97	133
Total cash, cash equivalents and restricted cash and cash equivalents presented in the consolidated statements of cash flows	\$ 6,539	\$ 8,390

a. Includes time deposits of \$0.3 billion at **June 30, 2023** September 30, 2023, and \$0.5 billion at December 31, 2022, and cash designated for smelter development projects totaling \$0.6 billion at September 30, 2023, and \$1.8 billion at December 31, 2022.

b. Includes cash designated \$0.5 billion associated with PT-FI's export proceeds. See Note 8 for smelter development projects totaling \$1.1 billion at June 30, 2023, and \$1.8 billion at December 31, 2022, further discussion.

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NOTE 7. FAIR VALUE MEASUREMENT

Fair value accounting guidance includes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). FCX did not have any significant transfers in or out of Level 3 during **second-quarter** **third-quarter** 2023.

FCX's financial instruments are recorded on the consolidated balance sheets at fair value except for contingent consideration associated with the sale of the Deepwater Gulf of Mexico (GOM) oil and gas properties (which was recorded under the loss recovery approach) and debt. A summary of the carrying amount and fair value of FCX's financial instruments (including those measured at net asset value (NAV) as a practical expedient), other than cash, cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, accrued income taxes and dividends payable (refer to Note 6) follows (in millions):

		At June 30, 2023						At September 30, 2023					
Assets	Assets	Carrying		Fair Value				Carrying		Fair Value			
		Amount	Total	NAV	Level 1	Level 2	Level 3	Amount	Total	NAV	Level 1	Level 2	Level 3
Assets	Assets							Assets					
Investment securities: ^{a,b}	Investment securities: ^{a,b}							Investment securities: ^{a,b}					
U.S. core fixed income fund	U.S. core fixed income fund	\$ 26	\$ 26	\$ 26	\$ —	\$ —	\$ —	U.S. core fixed income fund	\$ 25	\$ 25	\$ 25	\$ —	\$ —
Equity securities	Equity securities	5	5	—	5	—	—	Equity securities	5	5	—	5	—
Total	Total	31	31	26	5	—	—	Total	30	30	25	5	—
Legally restricted funds: ^a	Legally restricted funds: ^a							Legally restricted funds: ^a					
U.S. core fixed income fund	U.S. core fixed income fund	63	63	63	—	—	—	U.S. core fixed income fund	61	61	61	—	—
Government mortgage-backed securities	Government mortgage-backed securities	40	40	—	—	40	—	Government mortgage-backed securities	43	43	—	—	43

Government bonds and notes	Government bonds and notes	33	33	—	—	33	—	Government bonds and notes	30	30	—	—	30	—
Corporate bonds	Corporate bonds	31	31	—	—	31	—	Corporate bonds	30	30	—	—	30	—
Money market funds								Money market funds	19	19	—	19	—	—
Asset-backed securities	Asset-backed securities	19	19	—	—	19	—	Asset-backed securities	15	15	—	—	15	—
Money market funds		17	17	—	17	—	—							
Collateralized mortgage-backed securities	Collateralized mortgage-backed securities	2	2	—	—	2	—	Collateralized mortgage-backed securities	1	1	—	—	1	—
Total	Total	205	205	63	17	125	—	Total	199	199	61	19	119	—
Embedded derivatives in provisional sales/purchase contracts in a gross asset position ^c	Embedded derivatives in provisional sales/purchase contracts in a gross asset position ^c	37	37	—	—	37	—	Embedded derivatives in provisional sales/purchase contracts in a gross asset position ^c	16	16	—	—	16	—
Contingent consideration for the sale of the Deepwater GOM oil and gas properties ^a	Contingent consideration for the sale of the Deepwater GOM oil and gas properties ^a	59	51	—	—	—	51	Contingent consideration for the sale of the Deepwater GOM oil and gas properties ^a	55	47	—	—	—	47
Liabilities	Liabilities							Liabilities						
Derivatives ^c	Derivatives ^c							Derivatives ^c						
Embedded derivatives in provisional sales/purchase contracts in a gross liability position	Embedded derivatives in provisional sales/purchase contracts in a gross liability position	100	100	—	—	100	—	Embedded derivatives in provisional sales/purchase contracts in a gross liability position	35	35	—	—	35	—
Copper futures and swap contracts	Copper futures and swap contracts	10	10	—	8	2	—	Copper futures and swap contracts	8	8	—	6	2	—
Copper forward contracts								Copper forward contracts	1	1	—	1	—	—
Total	Total	110	110	—	8	102	—	Total	44	44	—	7	37	—
Long-term debt, including current portion ^d	Long-term debt, including current portion ^d	9,495	9,129	—	—	9,129	—	Long-term debt, including current portion ^d	9,405	8,639	—	—	8,639	—

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At December 31, 2022

Assets	Carrying Amount	Fair Value				
		Total	NAV	Level 1	Level 2	Level 3
Investment securities ^{a,b}						
U.S. core fixed income fund	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25
Equity securities	7	7	—	7	—	—
Total	32	32	25	7	—	—
Legally restricted funds ^a						
U.S. core fixed income fund	56	56	56	—	—	—
Government mortgage-backed securities	37	37	—	—	37	—

Government bonds and notes	34	34	—	—	34	—
Corporate bonds	31	31	—	—	31	—
Asset-backed securities	17	17	—	—	17	—
Money market funds	3	3	—	3	—	—
Collateralized mortgage-backed securities	3	3	—	—	3	—
Total	181	181	56	3	122	—
Derivatives:^c						
Embedded derivatives in provisional sales/purchase contracts in a gross asset position	166	166	—	—	166	—
Copper futures and swap contracts	3	3	—	3	—	—
Copper forward contracts	1	1	—	1	—	—
Total	170	170	—	4	166	—
Contingent consideration for the sale of the Deepwater GOM oil and gas properties ^a	67	57	—	—	—	57
Liabilities						
Derivatives:^c						
Embedded derivatives in provisional sales/purchase contracts in a gross liability position	39	39	—	—	39	—
Copper forward contracts	3	3	—	—	3	—
Total	42	42	—	—	42	—
Long-term debt, including current portion ^d	10,620	10,097	—	—	10,097	—

a. Current portion included in other current assets and long-term portion included in other assets.

b. Excludes time deposits amounts included in restricted cash and cash equivalents and other assets (which approximated fair value) included in (i) other current assets of \$119 million at June 30, 2023, and \$118 million at December 31, 2022, primarily amounts associated with (i) PT-FI's closure and reclamation guarantees and export proceeds (\$0.5 billion at September 30, 2023), (ii) other assets of \$134 million at June 30, 2023, and \$133 million at December 31, 2022, primarily associated with an assurance bond to support PT-FI's commitment for additional domestic smelter development in Indonesia, Indonesia (\$135 million at September 30, 2023, and \$133 million at December 31, 2022) and (iii) PT-FI's mine closure and reclamation guarantees (\$111 million at September 30, 2023, and \$103 million at December 31, 2022).

c. Refer to Note 6 for further discussion and balance sheet classifications.

d. Recorded at cost except for debt assumed in acquisitions, which are recorded at fair value at the respective acquisition dates.

Valuation Techniques. The U.S. core fixed income fund is valued at NAV. The fund strategy seeks total return consisting of income and capital appreciation primarily by investing in a broad range of investment-grade debt securities, including U.S. government obligations, corporate bonds, mortgage-backed securities, asset-backed securities and money market instruments. There are no restrictions on redemptions (which are usually within one business day of notice).

Equity securities are valued at the closing price reported on the active market on which the individual securities are traded and, as such, are classified within Level 1 of the fair value hierarchy.

Fixed income securities (government securities, corporate bonds, asset-backed securities and collateralized mortgage-backed securities) are valued using a bid-evaluation price or a mid-evaluation price. These evaluations are based on quoted prices, if available, or models that use observable inputs and, as such, are classified within Level 2 of the fair value hierarchy.

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Money market funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets.

FCX's embedded derivatives on provisional copper concentrate, copper cathode and gold purchases and sales are valued using quoted monthly LME or COMEX copper forward prices and the adjusted London gold price at each reporting date based on the month of maturity (refer to Note 6 for further discussion); however, FCX's contracts themselves are not traded on an exchange. As a result, these derivatives are classified within Level 2 of the fair value hierarchy.

FCX's derivative financial instruments for copper futures and swap contracts and copper forward contracts that are traded on the respective exchanges are classified within Level 1 of the fair value hierarchy because they are valued using quoted monthly COMEX or LME prices at each reporting date based on the month of maturity (refer to Note 6 for further discussion). Certain of these contracts are traded on the over-the-counter market and are classified within Level 2 of the fair value hierarchy based on COMEX and LME forward prices.

In December 2016, FCX's sale of its Deepwater GOM oil and gas properties included up to \$150 million in contingent consideration that was recorded at the total amount under the loss recovery approach. The contingent consideration is being received over time as cash flows are realized from a third-party production handling agreement for an offshore platform, with the related payments commencing in 2018. The contingent consideration included in (i) other current assets totaled \$17 million at June 30, 2023 September 30, 2023, and \$20 million at December 31, 2022, and (ii) other assets totaled \$42 million \$38 million at June 30, 2023 September 30, 2023, and \$47 million at December 31, 2022. The fair

value of this contingent consideration was calculated based on a discounted cash flow model using inputs that include third-party estimates for reserves, production rates and production timing, and discount rates. Because significant inputs are not observable in the market, the contingent consideration is classified within Level 3 of the fair value hierarchy.

Long-term debt, including current portion, is primarily valued using available market quotes and, as such, is classified within Level 2 of the fair value hierarchy.

The techniques described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while FCX believes its valuation techniques are appropriate and consistent with other market participants, the use of different techniques or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the techniques used at **June 30, 2023** **September 30, 2023**, as compared with those techniques used at December 31, 2022.

A summary of the changes in the fair value of FCX's Level 3 instrument, contingent consideration for the sale of the Deepwater GOM oil and gas properties, during the first **six** **nine** months of 2023 follows (in millions):

Fair value at January 1, 2023	\$	57
Net unrealized gain related to assets still held at the end of the period		1
Settlements		(7)(11)
Fair value at June 30, 2023 September 30, 2023	\$	51 47

NOTE 8. CONTINGENCIES AND COMMITMENTS

Environmental

FCX recorded adjustments to environmental obligations totaling \$83 million in third-quarter 2023 and \$199 million for the first nine months of 2023, primarily related to Pinal Creek in Arizona for a refined engineering evaluation and Newtown Creek in New York based on a focused feasibility study for an early action in the East Branch tributary. Refer to Note 12 of FCX's 2022 Form 10-K for further discussion of FCX's environmental obligations.

There were no other significant updates to previously reported environmental matters included in Note 12 of FCX's 2022 Form 10-K, other than the matter matters discussed below.

Historical Smelter Sites. On January 30, 2017, a putative class action titled Juan Duarte, Betsy Duarte and N.D., Infant, by Parents and Natural Guardians Juan Duarte and Betsy Duarte, Leroy Nobles and Betty Nobles, on behalf of themselves and all others similarly situated v. United States Metals Refining Company, Freeport-McMoRan

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Copper & Gold Inc. and Amax Realty Development, Inc., Docket No. 734-17, was filed in the Superior Court of New Jersey. In July 2023, the Court approved an agreement between the parties pursuant to which all claims were settled for an amount not material to FCX.

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Litigation

There were no significant updates to previously reported legal proceedings included in Note 12 of FCX's 2022 Form 10-K, other than the matter matters discussed below.

Louisiana Parishes Coastal Erosion Cases. Certain FCX affiliates were named as defendants, along with numerous co-defendants, in 13 cases out of a total of 42 cases filed in Louisiana state courts by 6 south Louisiana parishes (Cameron, Jefferson, Plaquemines, St. Bernard, St. John the Baptist and Vermilion), alleging that certain oil and gas exploration and production operations and sulfur mining and production operations in coastal Louisiana contaminated and damaged coastal wetlands and caused significant land loss along the Louisiana coast. In 2019, affiliates of FCX reached an agreement in principle to settle all 13 cases and, as of October 2022, all parties have executed the settlement agreement. On March 16, 2023, a non-plaintiff coastal parish included in the settlement (Terrebonne), filed an amended petition titled Terrebonne Parish Consolidated Government vs. Louisiana Department of Natural Resources et al., Docket No. 185576, in the 32nd Judicial District Court, Terrebonne Parish, State of Louisiana, adding the settling FCX affiliates to a lawsuit that challenges whether Terrebonne Parish is validly bound to the settlement agreement and seeks to have the court declare the settlement void. FCX is evaluating and exploring options to resolve this dispute and will vigorously defend this matter.

Asbestos and Talc Claims. As previously discussed in Note 12 of FCX's 2022 Form 10-K, in 2021 Imerys Talc America (Imerys), an affiliate of Imerys S.A., filed the form of a settlement and release agreement to be entered into by Cyprus Amax Minerals Company (CAMC), an indirect wholly owned subsidiary of FCX, Cyprus Mines Corporation (Cyprus Mines), a wholly owned subsidiary of CAMC, FCX, Imerys and the other debtors, tort claimants' committee and future claims representative in the Imerys bankruptcy. The bankruptcy court continues to temporarily stay approximately 950 talc-related lawsuits against CAMC, Cyprus Mines, FCX and Imerys but there can be no assurance that the bankruptcy court will continue to impose the interim stay.

In accordance with the global settlement agreement, among other things, (1) CAMC agreed to contribute a total of \$130 million in cash to a settlement trust in seven annual installments, which will be guaranteed by FCX, and (2) CAMC and Cyprus Mines and their affiliates will contribute to the settlement trust all rights that they have to the proceeds of certain legacy insurance policies as well as indemnity rights they have against Johnson & Johnson. Mediation to resolve open issues in the Imerys and Cyprus Mines bankruptcy cases is ongoing, including the adequacy of the settlement and agreed contribution from CAMC, with a deadline for the parties to complete mediation by December 31, 2023, set by the bankruptcy court.

There can be no assurance that the global settlement will be successfully implemented.

Other Matters

Indonesia Regulatory Matters

Over the past several years, the Indonesia government has enacted various laws and regulations to promote downstream processing of various minerals, products, including copper concentrates.

Export License. On June 10, 2023, export licenses for several exporters, including PT-FI and PT Smelting, expired. During the second quarter and through July 2023, the Indonesia government issued various regulations to address exports of unrefined metals, including regulations by the Ministry of Energy and Mineral Resources (MEMR) to allow continued exports of copper concentrates through May 2024 for companies engaged in ongoing smelter development projects with construction progress greater than 50%, and regulations by the Ministry of Trade on the permitted export of various products, including copper concentrates.

On July 24, 2023, PT-FI was granted an export license through May 2024 for 1.7 million metric tons of copper concentrate.

Through June 10, 2023, PT-FI exported anode slimes under PT Smelting's export license. A change in regulations during second-quarter 2023 requires PT-FI to follow a new administrative process for the export of anode slimes. The administrative process is advancing, and PT-FI expects to receive approval to resume exports of anode slimes during fourth-quarter 2023.

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PT-FI will continue to work with the Indonesia government to obtain approvals to continue exports of copper concentrates and anode slimes beyond May 2024 and until the Manyar Indonesia smelter is projects are fully commissioned and has reached reach designed operating conditions.

Export Duties. Under PT-FI's special mining license (IUPK), which was granted by the Indonesia government in 2018, export duties are determined based on regulations that were in effect in 2018 which provided that and no duties are required after smelter construction progress reached 50%. In March 2023, the Indonesia government verified that construction progress on the Manyar smelter exceeded 50% and PT-FI's export duties were eliminated effective March 29, 2023.

In July 2023, the Ministry of Finance issued a revised regulation on duties for various exported products, including copper concentrates. The revised regulation assesses export duties for copper concentrates at 7.5% in the second half of 2023 and 10% in 2024 for companies with smelter progress of 70% to 90%. For companies with smelter progress above 90%, export duties would be 5% in the second half of 2023 and 7.5% in 2024. During third-quarter 2023, PT-FI is continuing incurred \$147 million in export duties under the revised regulation. PT-FI does not believe any export duties should be assessed under the revised regulation and continues to discuss the applicability of the revised regulation with the Indonesia government because of inconsistencies with its IUPK. Additionally, PT-FI is required by the Indonesia government to provide bank guarantees for unpaid export duties, which have been presented as current restricted cash and will contest, and seek recovery of, any assessments cash equivalents at September 30, 2023.

Smelter Development Progress. In 2018, PT-FI agreed to expand its domestic smelting and refining capacity to process all of its copper concentrates in Indonesia. PT-FI is advancing the construction of the Indonesia smelter projects and expanding capacity at PT Smelting. PT-FI estimates construction of the Manyar smelter to be complete in mid-2024 followed by commissioning of the facilities and a ramp-up schedule through year-end 2024.

As disclosed in Note 12 of FCX's 2022 Form 10-K, in March 2022, PT-FI paid the Indonesia government an administrative fine totaling \$57 million (which included charges of \$41 million recorded in first-quarter 2022) related to smelter development delays in light of the COVID-19 pandemic.

In May 2023, MEMR issued a decree prescribing a revised formula for administrative fines for delays in construction of smelter and refining facilities, taking into account allowances for certain delays associated with the COVID-19 pandemic as verified by a third-party. In mid-July 2023, PT-FI submitted its third-party verified calculation, which resulted in an accrual for a potential administrative fine of \$55 million based on the formula prescribed by the decree related to the period from August 2020 through January 2022. PT-FI continues to discuss the applicability of this

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administrative fine with MEMR. Based on PT-FI's revised smelter construction schedule, which was accepted by the Indonesia government in connection with the renewal of PT-FI's export license in early 2022, PT-FI does not believe any additional fines should be assessed under the decree.

Smelter Bond Assurance. The May 2023 decree by MEMR also requires an assurance bond to be held in escrow until project completion. PT-FI has an existing assurance bond to support its commitment for additional smelter development in Indonesia, which totals \$134 totaling \$135 million at June 30, 2023 September 30, 2023, for which the terms have been fulfilled (refer to Note 7). In August 2023, PT-FI submitted a request to MEMR for release of the assurance bond and is awaiting a response.

The decree issued by MEMR in May 2023 also requires assurance in the form of an escrow account that will be released if smelter development progress reaches 90% of the construction plan by June 10, 2024. During third-quarter 2023, PT-FI deposited \$10 million in a joint account with the Indonesia government while it continues to discuss the applicability of the May 2023 decree with the Indonesia government. If the May 2023 decree is determined to be applicable, PT-FI may be required to make an additional refundable deposit of approximately \$250 million in connection with the May 2023 decree: \$370 million.

Export Proceeds. The In accordance with a regulation issued by the Indonesia government issued a regulation that became effective August 1, 2023, that requires 30% of PT-FI's gross export proceeds to be temporarily deposited into Indonesia banks for a period of 90 days before withdrawal. PT-FI is reviewing implementing guidelines associated At September 30, 2023, FCX had \$0.5 billion in current restricted cash and cash equivalents deposited in Indonesia banks in accordance with this regulation.

NOTE 9. BUSINESS SEGMENTS

FCX has organized its mining operations into four primary divisions - North America copper mines, South America mining, Indonesia mining and Molybdenum mines, and operating segments that meet certain thresholds are reportable segments. Separately disclosed in the following tables are FCX's reportable segments, which include the

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Morenci and Cerro Verde copper mines, the Grasberg minerals district (Indonesia Mining), the Rod & Refining operations and Atlantic Copper Smelting & Refining.

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

FCX defers recognizing profits on sales from its mining operations to Atlantic Copper (and on 39.5% of PT-FI's sales to PT Smelting for the 2022 periods) until final sales to third parties occur. Quarterly variations in ore grades, the timing of intercompany shipments and changes in product prices result in variability in FCX's net deferred profits and quarterly earnings.

Beginning January 1, 2023, PT-FI's commercial arrangement with PT Smelting ~~converted~~ changed from a copper concentrate sales agreement to a tolling arrangement. Under this arrangement, PT-FI pays PT Smelting a tolling fee to smelt and refine its copper concentrate and PT-FI retains title to all products for sale to third parties (i.e., there are no further sales from PT-FI to PT Smelting). While the new tolling agreement with PT Smelting does not significantly change PT-FI's economics, it impacts the timing of PT-FI's sales and working capital requirements.

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

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Product Revenues. FCX's revenues attributable to the products it sold for the ~~second~~ third quarter and first ~~six~~ nine months of 2023 and 2022 follow (in millions):

		Three Months Ended				Six Months Ended				Three Months Ended				Nine Months Ended			
		June 30,		June 30,		September 30,		September 30,		2023		2022		2023		2022	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Copper:	Copper:																
Concentrate	Concentrate	\$ 2,185	\$ 2,694	\$ 3,772	\$ 5,385					\$ 2,365	\$ 2,091	\$ 6,137	\$ 7,476				
Cathode	Cathode	1,358	1,183	2,685	2,618					1,331	1,255	4,016	3,873				
Rod and other refined copper products	Rod and other refined copper products	884	1,071	1,805	2,187					992	755	2,797	2,942				
Purchased copper ^a	Purchased copper ^a	72	104	276	174					71	168	347	342				
Gold	Gold	999	909	1,530	1,720					854	858	2,384	2,578				
Molybdenum	Molybdenum	491	377	1,083	755					479	304	1,562	1,059				
Other ^b	Other ^b	170	165	303	353					136	174	439	527				
Adjustments to revenues:	Adjustments to revenues:																
Treatment charges ^c	Treatment charges ^c	(142)	(139)	(243)	(272)					(151)	(132)	(394)	(404)				
Royalty expense ^d	Royalty expense ^d	(94)	(111)	(154)	(206)					(80)	(83)	(234)	(289)				
PT-FI export duties ^e	PT-FI export duties ^e	4	(84)	(14)	(182)					(133)	(81)	(147)	(263)				

Revenues from contracts with customers	Revenues from contracts with customers	5,927	6,169	11,043	12,532	Revenues from contracts with customers	5,864	5,309	16,907	17,841
Embedded derivatives ^g		(190)	(753)	83	(513)					
Embedded derivatives ^g						Embedded derivatives ^g	(40)	(306)	43	(819)
Total consolidated revenues	Total consolidated revenues	\$ 5,737	\$ 5,416	\$ 11,126	\$ 12,019	Total consolidated revenues	\$ 5,824	\$ 5,003	\$ 16,950	\$ 17,022

a. FCX purchases copper cathode primarily for processing by its Rod & Refining operations.

b. Primarily includes revenues associated with silver.

c. Treatment charges for the ~~second~~ ^{third} quarter and first ~~six~~ ^{nine} months of 2023 exclude tolling costs paid to PT Smelting, which are recorded as production costs in the consolidated statements of income.

d. Reflects royalties on sales from PT-FI and Cerro Verde that will vary with the volume of metal sold and prices.

e. Refer to Note 8 for further discussion of PT-FI export duties.

f. ~~Includes a charge of \$18 million associated with an adjustment to prior-period export duties.~~

g. Refer to Note 6 for discussion of embedded derivatives related to FCX's provisionally priced copper concentrate and cathode sales contracts.

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Financial Information by Business Segment

	(In Millions)											Atlantic	Corporate,
	North America Copper Mines			South America Mining			Indonesia			Molybdenum	Rod &	Copper	Other
	Morenci	Other	Total	Cerro	Verde	Other	Total	Mining	Mines	Refining	Smelting	& Elim-	FCX
Three Months Ended June 30, 2023													
Revenues:													
Unaffiliated customers	\$ 26	\$ 14	\$ 40	\$ 783	\$ 190	\$ 973	\$ 2,039	\$ —	\$ 1,463	\$ 744	\$ 478	^a \$ 5,737	
Intersegment	570	980	1,550	175	—	175	198	150	10	4	(2,087)	—	
Production and delivery	422	744	1,166	609	174	783	858 ^b	105	1,465	725	(1,554)	3,548	
DD&A	42	57	99	117	15	132	275	14	1	7	19	547	
Metals inventory adjustments	1	—	1	—	—	—	—	—	—	—	—	1	
Selling, general and administrative expenses	1	—	1	2	—	2	30	—	—	7	75	115	
Mining exploration and research expenses	—	1	1	—	—	—	—	—	—	—	41	42	
Environmental obligations and shutdown costs	—	1	1	—	—	—	—	—	—	—	73	74	
Operating income (loss)	130	191	321	230	1	231	1,074	31	7	9	(263)	1,410	
Interest expense, net	—	—	—	55 ^c	—	55	13	—	—	8	95	171	
Provision for income taxes	—	—	—	113	—	113	410	—	—	—	16	539	
Net income attributable to noncontrolling interests	—	—	—	18	2	20	368 ^d	—	—	—	—	388	
Total assets at June 30, 2023	3,167	5,754	8,921	8,444	1,890	10,334	20,460	1,717	280	1,127	8,068	50,907	
Capital expenditures	67	115	182	57	26	83	384	13	2	11	488 ^e	1,163	
Three Months Ended June 30, 2022													
Revenues:													
Unaffiliated customers	\$ 17	\$ 30	\$ 47	\$ 702	\$ 180	\$ 882	\$ 1,920 ^f	\$ —	\$ 1,753	\$ 433	\$ 381 ^a	\$ 5,416	
Intersegment	730	1,078	1,808	134	—	134	58	144	8	—	(2,152)	—	
Production and delivery	397	720	1,117	565	177	742	564	80	1,765	463 ^g	(1,728)	3,003	
DD&A	44	58	102	91	11	102	262	18	1	6	16	507	
Metals inventory adjustments	—	7	7	9	2	11	—	—	—	—	—	18	
Selling, general and administrative expenses	1	—	1	2	—	2	30	—	—	5	62	100	
Mining exploration and research expenses	—	1	1	—	—	—	—	—	—	—	24	25	

Environmental obligations and shutdown costs	(13)	—	(13)	—	—	—	—	—	—	—	—	42	29
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	—	(2)	(2)
Operating income (loss)	318	322	640	169	(10)	159	1,122	46	(5)	(41)	(185)	1,736	
Interest expense, net	—	—	—	4	—	4	13	—	—	2	137	156	
Provision for (benefit from) income taxes	—	—	—	68	(7)	61	434	—	—	—	76	571	
Net income (loss) attributable to noncontrolling interests	—	—	—	50	8	58	141 ^d	—	—	—	(1)	198	
Total assets at June 30, 2022	2,839	5,338	8,177	8,379	1,843	10,222	20,679	1,702	300	1,078	7,955	50,113	
Capital expenditures	63	83	146	35	33	68	388	8	2	32	219 ^e	863	
(in Millions)													

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	(In Millions)												Atlantic	Corporate,
	North America Copper Mines			South America Mining			Indonesia			Molybdenum		Rod &	Copper	Other
	Morenci	Other	Total	Verde	Other	Total	Mining	Mines	Refining	Smelting & Refining	& Eliminations	FCX		
													Total	
Six Months Ended June 30, 2023														
Revenues:														
Unaffiliated customers	\$ 58	\$ 111	\$ 169	\$ 1,741	\$ 424	\$ 2,165	\$ 3,238 ^f	\$ —	\$ 2,986	\$ 1,493	\$ 1,075 ^a	\$ 11,126		
Intersegment	1,163	1,928	3,091	419	—	419	367	373	16	11	(4,277)	—		
Production and delivery	803	1,525	2,328	1,229	361	1,590	1,193 ^b	201	2,992	1,459	(3,051)	6,712		
DD&A	85	117	202	208	31	239	423	34	2	14	32	946		
Metals inventory adjustments	1	—	1	—	—	—	—	—	—	—	1	2		
Selling, general and administrative expenses	1	1	2	4	—	4	58	—	—	15	162	241		
Mining exploration and research expenses	—	1	1	—	—	—	—	—	—	—	72	73		
Environmental obligations and shutdown costs	—	22	22	—	—	—	—	—	—	—	119	141		
Operating income (loss)	331	373	704	719	32	751	1,931	138	8	16	(537)	3,011		
Interest expense, net	—	—	—	84 ^c	—	84	22	—	—	14	202	322		
Provision for (benefit from) income taxes	—	—	—	300	7	307	740	—	—	—	(9)	1,038		
Net income (loss) attributable to noncontrolling interests	—	—	—	158	20	178	639 ^d	—	—	—	(43)	774		
Capital expenditures	123	255	378	118	65	183	833	22	7	23	838 ^e	2,284		
Six Months Ended June 30, 2022														
Revenues:														
Unaffiliated customers	\$ 107	\$ 85	\$ 192	\$ 1,808	\$ 340	\$ 2,148	\$ 4,246 ^f	\$ —	\$ 3,496	\$ 1,151	\$ 786 ^a	\$ 12,019		
Intersegment	1,441	2,173	3,614	242	—	242	136	272	17	—	(4,281)	—		
Production and delivery	760	1,375	2,135	1,123	289	1,412	1,190 ^b	155	3,519	1,185 ^g	(3,443)	6,153		
DD&A	88	119	207	178	21	199	510	34	2	12	32	996		
Metals inventory adjustments	—	7	7	9	2	11	—	—	—	—	—	18		
Selling, general and administrative expenses	1	1	2	4	—	4	57	—	—	13	139	215		
Mining exploration and research expenses	—	1	1	—	—	—	—	—	—	—	48	49		
Environmental obligations and shutdown costs	(13)	—	(13)	—	—	—	—	—	—	—	58	45		
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(2)	(2)		
Operating income (loss)	712	755	1,467	736	28	764	2,625	83	(8)	(59)	(327)	4,545		
Interest expense, net	—	—	—	7	—	7	15	—	—	4	257	283		
Provision for income taxes	—	—	—	295	7	302	1,020	—	—	—	73	1,395		
Net income attributable to noncontrolling interests	—	—	—	218	14	232	331 ^d	—	—	—	12	575		
Capital expenditures	136	140	276	68	56	124	759	9	4	43	371 ^e	1,586		

Financial Information by Business Segment (continued)

	(In Millions)												Atlantic	Corporate,
	North America Copper Mines			South America Mining			Indonesia			Molybdenum		Rod &	Copper	Other
	Morenci	Other	Total	Verde	Other	Total	Mining	Mines	Refining	Smelting & Refining	& Eliminations	FCX		
													Total	
Nine Months Ended September 30, 2023														
Revenues:														
Unaffiliated customers	\$ 75	\$ 133	\$ 208	\$ 2,563	\$ 627	\$ 3,190	\$ 5,268 ^e	\$ —	\$ 4,552	\$ 2,185	\$ 1,547 ^a	\$ 16,950		

Intersegment	1,787	2,922	4,709	638	—	638	432	520	28	19	(6,346)	—
Production and delivery	1,279	2,324	3,603	1,877	539	2,416	1,860 ^f	321	4,558	2,139	(4,637)	10,260
DD&A	132	180	312	302	48	350	694	48	4	21	50	1,479
Metals inventory adjustments	5	—	5	1	—	1	—	—	—	—	1	7
Selling, general and administrative expenses	1	2	3	7	—	7	90	—	—	21	238	359
Mining exploration and research expenses	—	2	2	—	—	—	—	—	—	—	101	103
Environmental obligations and shutdown costs	—	26	26	—	—	—	—	—	—	—	213	239
Operating income (loss)	445	521	966	1,014	40	1,054	3,056	151	18	23	(765)	4,503
Interest expense, net	—	1	1	74 ^b	—	74	32	—	—	22	289	418
Net gain on early extinguishment of debt	—	—	—	—	—	—	—	—	—	—	10	10
Other (expense) income, net	(4)	(8)	(12)	(36)	11	(25)	92	(1)	(1)	—	130	183
Provision for (benefit from) income taxes	—	—	—	419	19	438	1,159	—	—	—	(51)	1,546
Equity in affiliated companies' net earnings	—	—	—	—	—	—	9	—	—	—	3	12
Net income (loss) attributable to noncontrolling interests	—	—	—	242	34	276	1,031 ^c	—	—	—	(23)	1,284
Capital expenditures	176	369	545	179	80	259	1,274	43	9	43	1,289 ^d	3,462
Nine Months Ended September 30, 2022												
Revenues:												
Unaffiliated customers	\$ 125	\$ 159	\$ 284	\$ 2,474	\$ 555	\$ 3,029	\$ 5,972 ^e	—	\$ 4,932	\$ 1,755	\$ 1,050 ^a	\$ 17,022
Intersegment	1,992	2,978	4,970	325	—	325	208	399	24	5	(5,931)	—
Production and delivery	1,168	2,111	3,279	1,702	510	2,212	1,853 ^f	249	4,969	1,789 ^g	(4,832)	9,519
DD&A	132	175	307	262	35	297	775	52	3	20	50	1,504
Metals inventory adjustments	2	8	10	11	22	33	—	—	—	—	—	43
Selling, general and administrative expenses	1	2	3	6	—	6	83	—	—	19	202	313
Mining exploration and research expenses	—	1	1	—	—	—	—	—	—	—	86	87
Environmental obligations and shutdown costs	(13)	1	(12)	—	—	—	—	—	—	—	63	51
Net gain on sales of assets	—	—	—	—	—	—	—	—	—	—	(2)	(2)
Operating income (loss)	827	839	1,666	818	(12)	806	3,469	98	(16)	(68)	(448)	5,507
Interest expense, net	—	1	1	12	—	12	30	—	—	8	372	423
Net (loss) gain on early extinguishment of debt	—	—	—	—	—	—	(10)	—	—	—	38	28
Other (expense) income, net	(1)	(32)	(33)	(11)	12	1	27	(1)	(1)	29	45	67
Provision for (benefit from) income taxes	—	—	—	298	(11)	287	1,363	—	—	—	60	1,710
Equity in affiliated companies' net earnings	—	—	—	—	—	—	27	—	—	—	6	33
Net income attributable to noncontrolling interests	—	—	—	247	25	272	436 ^c	—	—	—	23	731
Capital expenditures	207	223	430	109	94	203	1,148	16	6	60	559 ^d	2,422

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Financial Information by Business Segment (continued)

- a. Includes revenues from FCX's molybdenum sales company, which includes sales of molybdenum produced by the Molybdenum mines and by certain of the North America and South America copper mines.
- b. Includes a \$55 million charge for administrative fines in the second ¹ The third quarter and first ² nine months of 2023 and \$41 include a \$13 million credit for the settlement of interest on Cerro Verde's historical profit sharing liability. The first ³ nine months of 2022. Refer to Note 8 for further discussion.
- c. Includes 2023 also includes \$74 million of interest expense charges associated with contested tax rulings issued by the Peruvian Supreme Court totaling \$50 million in the second quarter and \$74 million for the first six months of 2023. Court.
- d. Beginning January 1, 2023, FCX's economic and equity ownership interest in PT-FI is 48.76%. Prior and prior to January 1, 2023, FCX's economic interest in PT-FI it approximated 81%. In addition, as discussed in Refer to Note 3 1 for further discussion of FCX's 2022 Form 10-K, in accordance with provisions pertaining to PT-FI's shareholders agreement, FCX's first-quarter 2023 net income included a \$35 million net benefit associated with PT-FI gold sales volumes that were attributed approximately 81% to FCX at its previous approximate 81% economic ownership interest. in accordance with the PT-FI shareholders agreement.
- e. Primarily includes capital expenditures for the Indonesia smelter projects.
- f. Includes PT-FI sales to PT Smelting totaling \$827 million \$572 million in second-quarter third-quarter 2022, \$27 million for the first ⁴ nine months of 2023 (reflecting adjustments to prior period provisionally priced copper concentrate sales) and \$1.7 billion \$2.3 billion for the first ⁵ nine months of 2022. Beginning January 1, 2023, there are no sales from PT-FI to PT Smelting (refer to

above discussion of the tolling arrangement between PT-FI and PT Smelting).

- f. Includes charges for administrative fines of \$55 million for the first nine months of 2023 and \$41 million for the first nine months of 2022. Refer to Note 8 for further discussion.
- g. Includes maintenance charges and idle facility costs associated with major maintenance turnarounds totaling \$40 million at Atlantic Copper for the second quarter and first nine months of 2022.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Freeport-McMoRan Inc.

Results of Review of Interim Financial Statements

We have reviewed the accompanying consolidated balance sheet of Freeport-McMoRan Inc. (the Company) as of **June 30, 2023** **September 30, 2023**, the related consolidated statements of income, comprehensive income, and equity for the three- and **six-month** **nine-month** periods ended **June 30, 2023** **September 30, 2023** and 2022, the related consolidated statements of cash flows for the **six-month** **nine-month** periods ended **June 30, 2023** **September 30, 2023** and 2022, and the related notes (collectively referred to as the "consolidated interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2022, the related consolidated statements of income, comprehensive income, equity and cash flows for the year then ended, and the related notes (not presented herein); and in our report dated February 15, 2023, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2022, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

Phoenix, Arizona
August **November** 3, 2023

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

In Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A), "we," "us" and "our" refer to Freeport-McMoRan Inc. (FCX) and its consolidated subsidiaries. You should read this discussion in conjunction with our consolidated financial statements, the related MD&A and the discussion of our Business and Properties in our annual report on Form 10-K for the year ended December 31, 2022 (2022 Form 10-K), filed with the United States (U.S.) Securities and Exchange Commission (SEC). The results of operations reported and summarized below are not necessarily indicative of future operating results (refer to "Cautionary Statement" for further discussion). References to "Notes" are Notes included in our Notes to Consolidated Financial Statements (Unaudited). Throughout MD&A, all references to income or losses per share are on a diluted basis. Our website is for information only and the contents of our website or information connected thereto are not incorporated in, or otherwise to be regarded as part of, this Form 10-Q.

OVERVIEW

We are a leading international mining company with headquarters in Phoenix, Arizona. We operate large, long-lived, geographically diverse assets with significant proven and probable mineral reserves of copper, gold and molybdenum. We are one of the world's largest publicly traded copper producers. Our portfolio of assets includes the Grasberg minerals district in Indonesia, one of the world's largest copper and gold deposits; and significant mining operations in North America and South America, including the large-scale Morenci minerals district in Arizona and the Cerro Verde operation in Peru.

Our results for the **second** **third** quarter and first **six** **nine** months of 2023 reflect solid strong operating performance and continued execution of our business strategy. We continue to focus remain focused on managing costs efficiently and are advancing continue to advance several important value-enhancing initiatives. We remain Despite near-term global economic and market uncertainties, we are confident in our long-lived and high-quality asset base and have a favorable outlook on the long-term outlook fundamentals for copper, which will enable solid performance driven by the future. We believe we have global transition to clean energy. As a leading responsible supplier of copper with a strong balance sheet and a positive outlook proven track record for cash flow generation successful project development, we believe we are well positioned to support continued organic growth and cash returns to shareholders. build long-term value for the benefit of our stakeholders.

Our near-term organic development pipeline is highlighted by our leach innovation initiatives, which we believe have the potential to provide substantial value from our existing leach material and reduce capital intensity for future projects. We During third-quarter 2023, incremental copper production from these initiatives totaled 46 million pounds, and we are currently targeting achievement of an annual run rate of approximately 200 million pounds of copper per year through these initiatives by the end of 2023, with potentially larger opportunities in the future.

Cerro Verde's concentrator facilities continue to perform well, with milling rates averaging 431,300 metric tons of ore per day in third-quarter 2023, a new quarterly record. We also continue to progress our underground development activities at Grasberg, supporting large-scale, long-lived, low-cost operations. Refer to "Operations" for further discussion.

Net income attributable to common stockholders totaled \$343 million \$454 million in second-quarter third-quarter 2023 and \$1.0 billion \$1.5 billion for the first six nine months of 2023, compared with \$840 million \$404 million in second-quarter third-quarter 2022 and \$2.4 billion \$2.8 billion for the first six nine months of 2022. The increase in third-quarter 2023, compared to third-quarter 2022, primarily reflects higher copper sales volumes and copper prices, partly offset by a higher income tax provision. The decrease for the first nine months of 2023, compared with the first nine months of 2022, primarily reflects increased costs for maintenance and supplies, partly offset by a lower copper sales volumes resulting from shipping delays associated with the renewal of PT Freeport Indonesia's (PT-FI) export license, lower copper prices, income tax provision. The 2023 periods were also impacted by the change in our economic interest in PT-FI PT Freeport Indonesia (PT-FI) (refer to Note 1) and increased costs for maintenance and supplies. The results of the first six months of 2023 also reflect lower copper and gold sales volumes as a result of the deferral of sales recognition related to the PT Smelting tolling arrangement (refer to Note 9 1 for further discussion). Refer to "Consolidated Results" for further discussion of these impacts.

On July 24, 2023, PT-FI was granted an export license through May 2024 for 1.7 million metric tons of copper concentrate. Through June 10, 2023, PT-FI exported anode slimes under PT Smelting's export license. A change in regulations during second-quarter 2023 requires PT-FI to follow a new administrative process for the export of anode slimes. The administrative process is advancing, and PT-FI expects to receive approval to resume exports of anode slimes during fourth-quarter 2023. Refer to Note 8 and "Operations – Indonesia Mining" for further discussion of Indonesia regulatory matters.

At June 30, 2023 September 30, 2023, we had consolidated debt of \$9.5 billion \$9.4 billion and consolidated cash and cash equivalents of \$6.7 billion, resulting \$5.7 billion (\$6.25 billion, including \$0.5 billion of current restricted cash and cash equivalents associated with a

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portion of PT-FI's export proceeds required to be temporarily deposited in net Indonesia banks). Net debt of \$2.8 billion totaled \$3.2 billion (\$0.9 0.8 billion excluding net debt for the Manyar smelter and precious metals refinery (PMR) in Indonesia - collectively, (collectively, the Indonesia smelter projects)). Refer to "Net Debt" for reconciliations of consolidated debt, and consolidated cash and cash equivalents and current restricted cash associated with PT-FI's export proceeds to net debt.

Beginning in 2022 and through August 3, 2023 November 3, 2023, we purchased \$1.3 billion aggregate principal amount of our senior notes in open-market transactions for a total cost of \$1.2 billion, including \$131 million \$102 million aggregate principal amount in third-quarter 2023 and \$233 million in the second quarter and first six nine months of 2023.

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At June 30, 2023 September 30, 2023, we had \$3.0 billion of availability under our revolving credit facility, and PT-FI and Cerro Verde had \$1.3 billion and \$350 million, respectively, of availability under their respective revolving credit facilities.

Refer to Note 5 and "Capital Resources and Liquidity" for further discussion of our debt balances and transactions.

OUTLOOK

As further discussed in "Risk Factors" in Part I, Item 1A. of our 2022 Form 10-K, our financial results vary as a result of fluctuations in market prices primarily for copper, gold and, to a lesser extent, molybdenum, as well as other factors. World market prices for these commodities have fluctuated historically and are affected by numerous factors beyond our control. Refer to "Markets" below for further discussion. Because we cannot control the prices of our products, the key measures that management focuses on in operating our business are sales volumes, unit net cash costs, operating cash flows and capital expenditures.

As discussed in Note 8, the Indonesia government issued a revised regulation on duties for various exported products, including copper concentrates. Export duties that may be assessed under this revised regulation are not reflected in our projected financial results for the second half of 2023. Based on current sales volume and metal price estimates, a 7.5% export duty on PT-FI sales during the second half of 2023 is estimated to impact consolidated revenues by approximately \$250 million (\$80 million to net income attributable to common stock) for the year 2023, including approximately \$120 million (\$40 million to net income attributable to common stock) in third-quarter 2023. PT-FI is continuing to discuss the applicability of the revised regulation with the Indonesia government and will contest, and seek recovery of, any assessments.

Consolidated Sales Volumes

Following are our projected consolidated sales volumes for the year 2023:

Copper (millions of recoverable pounds):	
North America copper mines	1,376 1,373
South America mining	1,202 1,194
Indonesia mining	1,439 1,489
Total	4,017 4,056
Gold (millions of recoverable ounces)	1.75 1.74
Molybdenum (millions of recoverable pounds)	79 80 ^a

a. Projected molybdenum sales include 50 million pounds produced by our North America and South America copper mines and 29 million 30 million pounds produced by our Molybdenum mines.

Consolidated sales volumes in third-quarter fourth-quarter 2023 are expected to approximate 1.0 billion 1.1 billion pounds of copper, 420 580 thousand ounces of gold and 20 million pounds of molybdenum. Projected sales volumes are dependent on operational performance, the resumption of anode slime exports at PT-FI, weather-related conditions, timing of shipments and other factors detailed in the "Cautionary Statement" "Cautionary Statement" below.

For other important factors that could cause results to differ materially from projections, refer to "Risk Factors" contained in Part I, Item 1A. of our 2022 Form 10-K. 10-K and Part II, Item 1A. herein.

Consolidated Unit Net Cash Costs

Assuming average prices of \$1,950 \$1,900 per ounce of gold and \$20.00 per pound of molybdenum for the remainder of 2023 and achievement of current volume and cost estimates, consolidated unit net cash costs (net of by-product credits) for our copper mines are expected to average \$1.55 \$1.63 per pound of copper for the year 2023 (including \$1.61 \$1.58 per pound of copper in third-quarter fourth-quarter 2023). Estimated consolidated unit net cash costs for the year 2023 include assessment of a 7.5% export duty at PT-FI during the second half of 2023, which continues to be discussed with the Indonesia government. Quarterly unit net cash costs vary with fluctuations in sales volumes and realized prices, primarily for gold and molybdenum. The impact of price changes during the remainder of fourth-quarter 2023 on consolidated unit net cash costs for the year 2023 would approximate \$0.03 \$0.02 per pound of copper for each \$100 per ounce change in the average price of gold and \$0.01 per pound of copper for each \$2.00 \$2 per pound change in the average price of molybdenum.

Estimated consolidated unit net cash costs for the second half of 2023 do not include a 7.5% export duty at PT-FI that may be assessed under the revised regulation (refer to Note 8 for further discussion). Based on current sales volume and metal price estimates, the assessment of a 7.5% export duty on PT-FI sales during the second half of

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2023 is estimated to increase consolidated unit net cash costs by \$0.07 per pound of copper for the year 2023 (including \$0.12 per pound of copper in third-quarter 2023).

Consolidated Operating Cash Flows

Our consolidated operating cash flows vary with sales volumes; prices realized from copper, gold and molybdenum sales; production costs; income taxes; other working capital changes; and other factors. Based on current sales volume and cost estimates, and assuming average prices of \$3.90 \$3.60 per pound for copper, \$1,950 \$1,900 per ounce for gold, and \$20.00 per pound for molybdenum for in fourth-quarter 2023 and the remainder resumption of 2023, anode slime exports at PT-FI, our consolidated operating cash flows are estimated to approximate \$6.4 billion \$5.4 billion (net of less than \$0.1 billion \$0.5 billion of working capital and other uses) for the year 2023. Estimated consolidated operating cash flows for the year 2023 also reflect an estimated income tax provision of \$2.4 billion \$2.1 billion (refer to "Consolidated Results – Income Taxes" for further discussion of our projected income tax rate for the year 2023). The impact of price changes for the remainder of during fourth-quarter 2023 on operating cash flows for the year 2023 would approximate \$240 million \$115 million for each \$0.10 per pound change in the average price of copper, \$100 million \$55 million for each \$100 per ounce change in the average price of gold and \$60 million \$15 million for each \$2.00 \$2 per pound change in the average price of molybdenum.

Estimated consolidated operating cash flows for the second half of 2023 do not include a 7.5% export duty at PT-FI that may be assessed under the revised regulation (refer to Note 8 for further discussion of the revised regulation).

Consolidated Capital Expenditures

Capital expenditures are expected to approximate \$4.8 billion for the year 2023 (including \$2.0 billion \$1.9 billion for major mining projects and \$1.6 billion for the Indonesia smelter projects). Projected capital expenditures for major mining projects include \$1.3 billion for planned projects primarily (primarily associated with underground mine development in the Grasberg minerals district and supporting mill and power capital costs, costs) and \$0.7 \$0.6 billion for discretionary growth projects primarily (primarily for development of Kucing Liar, a mill recovery project with the installation of a new copper cleaner circuit at PT-FI, and expansion projects at Bagdad and Lone Star. Star). We closely monitor market conditions and will continue to adjust our operating plans, including capital expenditures, to protect our liquidity and preserve our asset values, as necessary.

Capital expenditures for the Indonesia smelter projects are being funded with proceeds from PT-FI's senior notes and availability under its revolving credit facility.

MARKETS

World prices for copper, gold and molybdenum can fluctuate significantly. During the period from January 2013 through June September 2023, the London Metal Exchange (LME) copper settlement price varied from a low of \$1.96 per pound in 2016 to a record high of \$4.87 per pound in 2022; the London Bullion Market Association (London) PM gold price fluctuated from a low of \$1,049 per ounce in 2015 to a record high of \$2,067 per ounce in 2020; and the Platts Metals Daily Molybdenum Dealer Oxide weekly average price ranged

from a low of \$4.46 per pound in 2015 to a high of \$37.42 per pound in 2023. Copper, gold and molybdenum prices are affected by numerous factors beyond our control as described further in "Risk Factors" contained in Part I, Item 1A. of our 2022 Form 10-K. 10-K and Part II, Item 1A. herein.

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This graph presents LME copper settlement prices and the combined reported stocks of copper at the LME, Commodity Exchange Inc., and the Shanghai Futures Exchange from January 2013 through June September 2023. During second-quarter third-quarter 2023, LME copper settlement prices ranged from a low of \$3.59 \$3.64 per pound to a high of \$4.12 \$3.96 per pound, averaged \$3.84 \$3.79 per pound and settled at \$3.72 \$3.73 per pound on June 30, 2023 September 29, 2023. Volatility continued to be high across the copper market in second-quarter third-quarter 2023, influenced by China's weak mixed economic data and wide-ranging views about the global and U.S. economy. Physical market tightness continues while still relatively low relative to provide significant support to the price of copper, and consumption, inventory levels remain low rose during third-quarter 2023, with slightly less more than two and a half three days of global consumption available. The available at the end of October 2023. Rising inventory levels have translated to copper price declines, and the LME copper settlement price was \$3.92 \$3.65 per pound on July 31, 2023 October 31, 2023.

We believe long-term fundamentals for copper are favorable and that future demand will be supported by copper's role in the global transition to renewable power, electric vehicles and other carbon-reduction initiatives, and continued urbanization in developing countries. The small number of approved, large-scale projects beyond those that have been announced, the long lead times required to permit and build new mines and declining ore grades at existing operations continue to highlight the fundamental supply challenges for copper.

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This graph presents London PM gold prices from January 2013 through June September 2023. During second-quarter third-quarter 2023, London PM gold prices ranged from a low of \$1,900 \$1,871 per ounce to a high of \$2,048 \$1,976 per ounce, averaged \$1,976 \$1,928 per ounce, and closed at \$1,912 \$1,871 per ounce on June 30, 2023 September 29, 2023. Forecasts are divided as analysts evaluate climbing treasury yields, the strength of the U.S. dollar, the potential lagged impact of a significant cumulative rate-hiking cycle, and sustained elevated geopolitical risk. The London PM gold price was \$1,971 \$1,997 per ounce on July 31, 2023 October 31, 2023.

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This graph presents the *Platts Metals Daily* Molybdenum Dealer Oxide weekly average price from January 2013 through June September 2023. During second-quarter third-quarter 2023, the weekly average price of molybdenum ranged from a low of \$17.09 \$22.11 per pound to a high of \$22.75 \$25.57 per pound, averaged \$21.25 \$23.78 per pound and was \$21.96 \$22.61 per pound on June 30, 2023. Following sharp price increases in early 2023, China increased exports

Table of molybdenum and Chinese buyers moderated purchases, causing significant price declines near the end of first-quarter | Contents

September 29, 2023. During second-quarter third-quarter 2023, buyers reentered the market there was improved demand from Chinese steel mills, while downstream demand in Europe and supply North America remained tight amidst low because of seasonality and economic weakness. Overall global demand for molybdenum demand supported by segments was mixed with energy and aerospace sectors performing better than others, such as energy, aerospace and defense, the construction sector. We believe long-term fundamentals for molybdenum are positive with favorable demand drivers and limited supply. The *Platts Metals Daily* Molybdenum Dealer Oxide weekly average price was \$22.89-\$18.83 per pound on July 31, 2023/October 27, 2023.

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CONSOLIDATED RESULTS

		Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended		Nine Months Ended September								
		2023		2022		2023		2022		September 30,		30,								
		SUMMARY		SUMMARY		SUMMARY		SUMMARY		2023		2022								
FINANCIAL DATA	FINANCIAL DATA	(in millions, except per share amounts)										(in millions, except per share amounts)								
Revenues _{a,b}	Revenues _{a,b}	\$	5,737	\$	5,416	\$	11,126	\$	12,019	Revenues _{a,b}	\$	5,824	\$	5,003	\$	16,950	\$	17,022		
Operating income _a	Operating income _a	\$	1,410	\$	1,736			\$	3,011	Operating income _a	\$	1,492	\$	962			\$	4,503	\$	5,507

Net income attributable to common stock ^{c,d}	Net income attributable to common stock ^{c,d}	\$ 343	\$ 840	\$ 1,006	\$ 2,367	Net income attributable to common stock ^{c,d}	\$ 454	\$ 404	\$ 1,460	\$ 2,771
Diluted net income per share of common stock	Diluted net income per share of common stock	\$ 0.23	\$ 0.57	\$ 0.69	\$ 1.61	Diluted net income per share of common stock	\$ 0.31	\$ 0.28	\$ 1.01	\$ 1.90
Diluted weighted- average shares of common stock outstanding	Diluted weighted- average shares of common stock outstanding	1,442	1,457	1,443	1,463	Diluted weighted- average shares of common stock outstanding	1,443	1,439	1,443	1,455
Operating cash flows _g	Operating cash flows _g	\$ 1,673	\$ 1,621	\$ 2,723	\$ 3,312	Operating cash flows _g	\$ 1,236	\$ 758	\$ 3,959	\$ 4,070
Capital expenditures	Capital expenditures	\$ 1,163	\$ 863	\$ 2,284	\$ 1,586	Capital expenditures	\$ 1,178	\$ 836	\$ 3,462	\$ 2,422
At June 30:										
At September 30:										
Cash and cash equivalents	Cash and cash equivalents	\$ 6,683	\$ 9,492	\$ 6,683	\$ 9,492	Cash and cash equivalents	\$ 5,745	\$ 8,578	\$ 5,745	\$ 8,578
Restricted cash and cash equivalents, current						Restricted cash and cash equivalents, current	\$ 697	\$ 112	\$ 697	\$ 112
Total debt, including current portion	Total debt, including current portion	\$ 9,495	\$ 11,092	\$ 9,495	\$ 11,092	Total debt, including current portion	\$ 9,405	\$ 10,690	\$ 9,405	\$ 10,690

- Refer to Note 9 for a summary of revenues and operating income by operating division.
- Includes favorable (unfavorable) favorable adjustments to prior period provisionally priced concentrate and cathode copper sales totaling \$(118) million \$4 million \$(45) 2 million to net income attributable to common stock or \$(0.03) less than \$0.01 per share) in second-quarter third-quarter 2023, \$(355) \$(228) million \$(154) (95) million to net income attributable to common stock or \$(0.10) \$(0.07) per share) in second-quarter third-quarter 2022, \$182 million \$183 million \$(61) 62 million to net income attributable to common stock or \$0.04 per share) for the first six nine months of 2023 and \$65 million \$58 million \$(27) 24 million to net income attributable to common stock or \$0.02 per share) for the first six nine months of 2022. Refer to Note 6 for further discussion.
- Beginning January 1, 2023, our Our economic and equity ownership interest in PT-FI is 48.76%. Prior and prior to January 1, 2023, our economic interest in PT-FI it approximated 81%.
- We defer recognizing profits on intercompany sales until final sales to third parties occur. Refer to "Operations – Smelting and Refining" for a summary of net impacts from changes in these deferrals.
- Includes net charges totaling \$157 million \$117 million (\$0.11) 0.08 per share) in second-quarter third-quarter 2023 and \$251 million \$368 million (\$0.17) 0.25 per share) for the first six nine months of 2023, primarily associated with revisions to environmental obligation estimates and asset impairment charges. Net charges for the first nine months of 2023 also included charges for contested tax rulings issued by the Peruvian Supreme Court environmental obligations, and an accrual for a potential administrative fine in Indonesia and impairments and contract-cancellation costs, Indonesia.
- Includes net charges credits (charges) totaling \$14 million \$29 million (\$0.01) 0.02 per share) in second-quarter third-quarter 2022 and \$52 million \$(23) million (\$0.04) (0.02) per share) for the first six nine months of 2022. Net credits in third-quarter 2022 were primarily associated with environmental obligations and metals inventory adjustments, partly offset by a net gain gains on early extinguishment of debt. Net charges for the debt and favorable adjustments associated with international tax audits, partly offset by metals inventory adjustments. The first six nine months of 2022 also included the settlement of net charges at PT-FI primarily associated with an administrative fine levied by the Indonesia government and an adjustment to prior-period a reserve for exposure associated with export duties at PT-FI, and asset retirement obligation adjustments, duties.
- Working capital and other sources (uses) uses totaled \$237 million \$483 million in second-quarter third-quarter 2023, \$100 million \$269 million in second-quarter third-quarter 2022, \$(230) million \$713 million for the first six nine months of 2023 and \$(711) million \$980 million for the first six nine months of 2022.
- Includes \$0.5 billion associated with a portion of PT-FI's export proceeds required to be temporarily deposited in Indonesia banks for 90 days in accordance with an August 2023 regulation issued by the Indonesia government.

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SUMMARY OPERATING DATA	SUMMARY OPERATING DATA	Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended		Nine Months Ended	
		2023		2022		2023		2022		September 30,		September 30,	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022

Copper (millions of recoverable pounds)	Copper (millions of recoverable pounds)						Copper (millions of recoverable pounds)					
Production	Production	1,067	a	1,075	2,032	a	2,084	Production	1,085	1,056	3,117	3,140
Sales, excluding purchases	Sales, excluding purchases	1,029		1,087	1,861		2,111	Sales, excluding purchases	1,109	1,060	2,970	3,171
Average realized price per pound	Average realized price per pound	\$ 3.84		\$ 4.03	\$ 3.91		\$ 4.18	Average realized price per pound	\$ 3.80	\$ 3.50	\$ 3.87	\$ 3.88
Site production and delivery costs per pound ^b		\$ 2.39		\$ 2.09	\$ 2.47		\$ 2.06					
Unit net cash costs per pound ^b		\$ 1.47		\$ 1.41	\$ 1.60		\$ 1.37					
Site production and delivery costs per pound ^a								Site production and delivery costs per pound ^a	\$ 2.27	\$ 2.35	\$ 2.40	\$ 2.16
Unit net cash costs per pound ^a								Unit net cash costs per pound ^a	\$ 1.73	\$ 1.75	\$ 1.65	\$ 1.50
Gold (thousands of recoverable ounces)	Gold (thousands of recoverable ounces)						Gold (thousands of recoverable ounces)					
Production	Production	483	a	476	888	a	891	Production	532	448	1,420	1,339
Sales, excluding purchases	Sales, excluding purchases	495		476	765		885	Sales, excluding purchases	399	480	1,164	1,365
Average realized price per ounce	Average realized price per ounce	\$ 1,942		\$ 1,827	\$ 1,946		\$ 1,861	Average realized price per ounce	\$ 1,898	\$ 1,683	\$ 1,932	\$ 1,786
Molybdenum (millions of recoverable pounds)	Molybdenum (millions of recoverable pounds)						Molybdenum (millions of recoverable pounds)					
Production	Production	21		23	42		44	Production	20	19	62	63
Sales, excluding purchases	Sales, excluding purchases	20		20	39		39	Sales, excluding purchases	20	17	59	56
Average realized price per pound	Average realized price per pound	\$ 24.27		\$ 19.44	\$ 27.24		\$ 19.37	Average realized price per pound	\$ 23.71	\$ 17.05	\$ 26.05	\$ 18.64

a. Beginning on January 1, 2023, PT-FI's commercial arrangement with PT Smelting converted from a copper concentrate sales agreement to a tolling arrangement, which resulted in a change in timing of sales. At June 30, 2023, approximately 85 million pounds of copper and 40 thousand ounces of gold from PT-FI's production was deferred in inventory and will be sold as refined metal in future periods.

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 net cash costs (credits) by operating division to production and delivery costs applicable to sales reported in our consolidated financial statements, refer to "Product Revenues and Production Costs."

Revenues

Consolidated revenues totaled \$5.7 billion \$5.8 billion in second-quarter third-quarter 2023, \$5.4 billion \$5.0 billion in second-quarter third-quarter 2022, \$11.1 billion and \$17.0 billion for the first six nine months of 2023 and \$12.0 billion for the first six months of 2022. Revenues from our mining operations and processing facilities primarily include the sale of copper in concentrate, copper cathode, copper rod, gold in concentrate and molybdenum. Refer to Note 9 for a summary of product revenues.

Following is a summary of changes in our consolidated revenues between periods (in millions):

	Three Months Ended June 30	Six Months Ended June 30	Three Months Ended September 30		Nine Months Ended September 30	
			Consolidated revenues - 2022 period	\$ 5,416	Consolidated revenues - 2022 period	\$ 5,003
Consolidated revenues - 2022 period						

(Lower) higher sales volumes:							
Higher (lower) sales volumes:				Higher (lower) sales volumes:			
Copper	Copper	(229)	(1,040)	Copper	168	(779)	
Gold	Gold	35	(223)	Gold	(138)	(359)	
Molybdenum	Molybdenum	17	17	Molybdenum	42	62	
(Lower) higher average realized prices:							
Higher (lower) average realized prices:				Higher (lower) average realized prices:			
Copper	Copper	(196)	(503)	Copper	333	(30)	
Gold	Gold	57	65	Gold	86	171	
Molybdenum	Molybdenum	97	311	Molybdenum	134	441	
Adjustments for prior period provisionally priced copper sales	Adjustments for prior period provisionally priced copper sales	237	117	Adjustments for prior period provisionally priced copper sales	232	125	
Higher Atlantic Copper revenues	Higher Atlantic Copper revenues	315	353	Higher Atlantic Copper revenues	91	444	
(Lower) higher revenues from purchased copper	(Lower) higher revenues from purchased copper	(32)	102	(Lower) higher revenues from purchased copper	(97)	5	
(Higher) lower treatment charges	(Higher) lower treatment charges	(3)	29	(Higher) lower treatment charges	(19)	10	
Lower royalties and export duties				(Higher) lower royalties and export duties			
(Higher) lower royalties and export duties		105	220	(Higher) lower royalties and export duties	(49)	171	
Other, including intercompany eliminations	Other, including intercompany eliminations	(82)	(341)	Other, including intercompany eliminations	38	(333)	
Consolidated revenues - 2023 period	Consolidated revenues - 2023 period	\$ 5,737	\$ 11,126	Consolidated revenues - 2023 period	\$ 5,824	\$ 16,950	

Sales Volumes. Consolidated copper sales volumes decreased increased in the second quarter and first six months of third-quarter 2023, compared to second quarter and first six months of third-quarter 2022, primarily as a result of shipping delays higher mining rates. Consolidated gold sales volumes decreased in third-quarter 2023, compared to third-quarter 2022, primarily reflecting the timing of shipments of anode slimes associated with a change in Indonesia associated with the renewal of PT-FI's export license and lower ore grades in North America. Lower copper and gold administrative requirements for products that were previously being exported by PT Smelting.

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Lower consolidated copper and gold sales volumes for the first six nine months of 2023, compared to the 2022 period, also reflects primarily reflect the deferral of sales recognition related to the PT Smelting tolling arrangement. Lower copper sales

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volumes also reflected lower ore grades in North America, and lower gold sales volumes also reflected the timing of shipments of anode slimes in Indonesia.

Realized Prices. Our consolidated revenues can vary significantly as a result of fluctuations in the market prices of copper, gold and molybdenum. Average realized prices in second-quarter third-quarter 2023, compared with second-quarter third-quarter 2022, were 5% lower 9% higher for copper, 6% 13% higher for gold and 25% 39% higher for molybdenum, and average realized prices for the first six nine months of 2023, compared with the first six nine months of 2022, were 6% slightly lower for copper, 5% 8% higher for gold and 41% 40% higher for molybdenum.

Average realized copper prices include net unfavorable adjustments to current period provisionally priced copper sales totaling \$52 million \$34 million in second-quarter third-quarter 2023, \$365 million \$44 million in second-quarter third-quarter 2022, \$121 million \$152 million for the first six nine months of 2023 and \$567 million \$832 million for the first six nine months of 2022. As discussed in Note 6, all of our copper concentrate and some cathode sales contracts provide final copper pricing in a specified future month (generally one to four months from the shipment date) based primarily on quoted LME monthly average copper prices. We record revenues and invoice customers at the time of shipment based on then-current LME prices, which results in an embedded derivative on provisionally priced copper concentrate and cathode sales that is adjusted to fair value through earnings each period, using the period-end forward prices, until final pricing on the date of settlement. To the extent final prices are higher or lower than what was recorded on a provisional basis,

an increase or decrease to revenues is recorded each reporting period until the date of final pricing. Accordingly, in times of rising copper prices, our revenues benefit from adjustments to the final pricing of provisionally priced sales pursuant to contracts entered into in prior periods; in times of falling copper prices, the opposite occurs.

Prior Period Provisionally Priced Copper Sales. Net favorable (unfavorable) favorable adjustments to prior periods' provisionally priced copper sales (i.e., provisionally priced sales at March 31, 2023 June 30, 2023 and 2022, and December 31, 2022 and 2021) recorded in consolidated revenues totaled \$(118) \$4 million in third-quarter 2023, \$(228) million in second-quarter 2023, \$(355) million in second-quarter third-quarter 2022, \$182 million \$183 million for the first six nine months of 2023 and \$65 million \$58 million for the first six nine months of 2022. Refer to Notes 6 and 9 for a summary of total adjustments to prior period and current period provisionally priced sales.

At June 30, 2023 September 30, 2023, we had provisionally priced copper sales totaling 271 million 257 million pounds of copper (net of intercompany sales and noncontrolling interests) recorded at an average of \$3.77 \$3.75 per pound, subject to final pricing over the next several months. We estimate that each \$0.05 change in the price realized from the June 30, 2023 September 30, 2023, recorded provisional price recorded would have an approximate \$8 million effect on our 2023 net income attributable to common stock. The LME copper price settled at \$3.92 \$3.65 per pound on July 31, 2023 October 31, 2023.

Atlantic Copper Revenues. Atlantic Copper revenues totaled \$748 million \$700 million in second-quarter third-quarter 2023 and \$1.5 billion \$2.2 billion for the first six nine months of 2023, compared with \$433 million \$609 million in second-quarter third-quarter 2022 and \$1.2 billion \$1.8 billion for the first six nine months of 2022. Higher revenues in the 2023 periods, compared with the 2022 periods, primarily reflects higher sales volumes, in the 2023 periods, mostly reflecting the impact because of reduced operations in second-quarter during 2022 because of associated with a scheduled major maintenance turnaround.

Purchased Copper. We purchase copper cathode primarily for processing by our Rod & Refining operations. The volumes of copper purchases vary depending on cathode production from our operations and totaled 19 million 18 million pounds in second-quarter third-quarter 2023, 23 million 48 million pounds in second-quarter third-quarter 2022, 67 million 85 million pounds for the first six nine months of 2023 and 38 million 86 million pounds for the first six nine months of 2022.

Treatment Charges. Revenues from our copper concentrate sales are recorded net of treatment charges (i.e., fees paid to smelters that are generally negotiated annually), which will vary with the sales volumes and the price of copper. The increase in 2023 periods, compared to the 2022 periods, reflect (i) lower treatment charges in second-quarter 2023, compared to second-quarter 2022, primarily reflects higher treatment charges for South America copper concentrate, partly offset by lower copper concentrate sales volumes. The decrease in the treatment charges for the first six months of 2023, compared at PT-FI associated with the first six months of 2022, primarily reflects lower copper concentrate sales volumes and PT-FI's change in its commercial arrangement with PT Smelting converting from a copper concentrate sales agreement to a tolling arrangement. Costs arrangement (that is, beginning in 2023, costs incurred under the tolling arrangement are recorded as production costs in the consolidated statements of income (refer to Note 9), income) and (ii) higher rates for Cerro Verde and PT-FI's copper concentrates.

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Royalties and Export Duties. Royalties are primarily associated with PT-FI sales and vary with the volume of metal sold and the prices of copper and gold. In late 2022, the export duty rate on PT-FI's sales declined from 5% to 2.5% as a result of smelter development progress. In March 2023, progress, and effective March 29, 2023, export duties were eliminated upon verification by the Indonesia government verified that construction progress on the Manyar smelter exceeded 50%, which resulted. Subsequently, in the elimination of export duties effective March 29, 2023.

Lower royalties and export duties during the 2023 periods, compared with the 2022 periods, reflect lower PT-FI copper sales volumes and the reduction in and subsequent elimination of export duties.

In July 2023, the Indonesia government issued a revised regulation on duties for various exported

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products, including copper concentrates. PT-FI is continuing to discuss the applicability of concentrates, and under the revised regulation, with the Indonesia government and will contest, and seek recovery of, any assessments. Refer PT-FI is currently being assessed export duties for copper concentrates at 7.5% (refer to Note 8 and "Outlook" for further discussion, discussion).

PT-FI incurred export duties totaling \$147 million in third-quarter 2023 (associated with the revised regulation by the Indonesia government), \$80 million in third-quarter 2022, \$165 million for the first nine months of 2023 and \$245 million for the first nine months of 2022.

Production and Delivery Costs

Consolidated production and delivery costs totaled \$3.5 billion in second-quarter third-quarter 2023, \$3.0 billion \$3.4 billion in second-quarter third-quarter 2022, \$6.7 billion \$10.3 billion for the first six nine months of 2023 and \$6.2 billion \$9.5 billion for the first six nine months of 2022. Higher costs in second-quarter the 2023 periods, compared to second-quarter the 2022 periods, primarily reflected increased costs at PT-FI associated with higher consolidated operating rates, and increased underground maintenance costs. Higher costs for the first six months of 2023, compared to the first six months of 2022, also reflected higher commodity-related costs across our operations, operations and increased costs of labor (including increased contract labor), particularly in North America.

Site Production and Delivery Costs Per Pound. Site production and delivery costs for our copper mining operations primarily include labor, energy and other commodity-based inputs, such as sulfuric acid, explosives, steel, reagents, liners and tires. Consolidated site production and delivery costs (before net noncash and other costs) for our copper mines averaged \$2.39 \$2.27 per pound of copper in second-quarter third-quarter 2023, \$2.09 \$2.35 per pound of copper in second-quarter third-quarter 2022, \$2.47 \$2.40 per pound of copper for the first six nine months of 2023 and \$2.06 \$2.16 per pound of copper for the first six nine months of 2022. Refer to "Operations – Unit Net Cash Costs" for further

discussion of unit net cash costs (credits) associated with our operating divisions and to "Product Revenues and Production Costs" for reconciliations of per pound costs by operating division to production and delivery costs applicable to sales reported in our consolidated financial statements.

Depreciation, Depletion and Amortization

Depreciation will vary under the unit-of-production (UOP) method as a result of changes in sales volumes and the related UOP rates at our mining operations. Consolidated depreciation, depletion and amortization (DD&A) totaled \$547 million \$533 million in second-quarter third-quarter 2023, \$507 million \$508 million in second-quarter third-quarter 2022, \$946 million and \$1.5 billion for the first six months of 2023 and \$996 million for the first six months of 2022.

Environmental Obligations and Shutdown Costs

Environmental obligation costs reflect net revisions to our long-term environmental obligations, which vary from period to period because of changes to environmental laws and regulations, the settlement of environmental matters and/or circumstances affecting our operations that could result in significant changes in our estimates. Shutdown costs include care-and-maintenance costs and any litigation, remediation or related expenditures associated with closed facilities or operations. Higher net charges for environmental obligations and shutdown costs in the 2023 periods, compared to the 2022 periods, primarily reflect net revisions to long-term historical environmental obligations totaling \$60 million \$83 million in second-quarter third-quarter 2023 and \$116 \$199 million for the first six months of 2023, compared to \$13 million net credits of \$5 million in third-quarter 2022 and net charges of \$8 million for both the second quarter and first six months of 2022. Refer to Note 8 for further discussion of the 2023 revisions.

Interest Expense, Net

Consolidated interest costs (before capitalization) totaled \$234 million \$165 million in second-quarter third-quarter 2023, \$189 million \$182 million in second-quarter third-quarter 2022, \$441 million \$606 million for the first six months of 2023 and \$342 million \$524 million for the first six months of 2022. The increase in consolidated Consolidated interest costs (before capitalization) for the third quarter and first nine months of 2023, periods, compared to the 2022 periods, primarily reflects interest charges recognized for Cerro Verde's contested tax rulings by the Peruvian Supreme Court, which totaled \$50 million in second-quarter 2023 impact of lower average outstanding debt as a result of the repayment of our 3.875% Senior Notes and \$74 million for the first six months open-market purchases of 2023, our senior notes (refer to Note 5). Higher consolidated interest costs (before capitalization) for the first six months of 2023, also reflected reflects interest charges totaling \$74 million for Cerro Verde's contested tax rulings issued by the Peruvian Supreme Court, and higher consolidated interest costs associated with PT-FI's \$3.0 billion of senior notes that were issued in April 2022.

Capitalized interest varies with the level of qualifying assets associated with our development projects and average interest rates on our borrowings. Capitalized interest totaled \$62 million \$69 million in second-quarter third-quarter 2023, \$33 million \$42 million in

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second-quarter third-quarter 2022, \$119 million \$188 million for the first six months of 2023 and \$59 million \$101 million for the first six months of 2022. The increase in capitalized interest costs in the 2023 periods, compared to the 2022 periods, resulted from increased construction and development projects in process, primarily for the Indonesia smelter projects. Refer to "Capital Resources and Liquidity – Investing Activities" for discussion of capital expenditures associated with our major development projects.

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Other Income, Net

Other income, net totaled \$24 million \$71 million in second-quarter third-quarter 2023, \$11 million \$25 million in second-quarter third-quarter 2022, \$112 million \$183 million for the first six months of 2023 and \$42 million \$67 million for the first six months of 2022. The increase in other income, net primarily reflects higher interest income. The first nine months of \$66 million for the quarterly periods and \$150 million for the six month periods, partly offset by 2023 also include a \$69 million charge in the second quarter and first six months of 2023 associated with Cerro Verde's contested tax rulings issued by the Peruvian Supreme Court.

Income Taxes

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

		Six Months Ended June 30,						Nine Months Ended September 30,						
		2023			2022			2023			2022			
		Income (Loss) ^a	Effective Tax Rate	Income Benefit	Income (Loss) ^a	Effective Tax Rate	Income Benefit	Income (Loss) ^a	Effective Tax Rate	Income Benefit	Income (Loss) ^a	Effective Tax Rate	Income Benefit	
U.S. ^b	U.S. ^b	\$ 250	— % ^c	\$ 3	\$ 909	1 % ^c	\$ (5)	U.S. ^b	\$ 180	— % ^c	\$ 3	\$ 854	1 % ^c	\$ (5)
South America	South America	642	48 %	(307)	776	39 %	(302)	South America	961	46 %	(438)	802	36 %	(287)
Indonesia	Indonesia	1,981	37 %	(740)	2,625	39 %	(1,020)	Indonesia	3,130	37 %	(1,159)	3,480	39 %	(1,363)
Eliminations and other	Eliminations and other	(67)	N/A	21	2	N/A	(7)	Eliminations and other	7	N/A	—	43	N/A	(25)
Rate adjustments		—	N/A	(15)	—	N/A	(61)	Rate adjustments	—	N/A	48	—	N/A	(30)
Consolidated	Consolidated							Consolidated						
FCX	FCX	\$ 2,806	37 %	\$ (1,038)	\$ 4,312	32 %	\$ (1,395)	FCX	\$ 4,278	36 %	\$ (1,546)	\$ 5,179	33 %	\$ (1,710)

- a. Represents income before income taxes, and equity in affiliated companies' companies' net earnings, earnings (losses), and noncontrolling interests.
- b. In addition to our North America mining operations, the U.S. jurisdiction reflects corporate-level expenses, which include interest expense associated with senior notes, general and administrative expenses, and environmental obligations and shutdown costs.
- c. Includes valuation allowance release on prior year unbefited net operating losses. See below for discussion of the provisions of the U.S. Inflation Reduction Act of 2022.
- d. Includes net charges associated with Cerro Verde's contested tax rulings issued by the Peruvian Supreme Court totaling \$142 million for the first six months (\$73 million net of 2023, noncontrolling interests).
- e. Includes a tax credit of \$31 million (\$16 million net of noncontrolling interest) primarily associated with completion of Cerro Verde's 2016 tax audit.
- f. In accordance with applicable accounting rules, we adjust our interim provision for income taxes equal to our consolidated tax rate.

The provisions

Refer to Note 4 for discussion of the U.S. Inflation Reduction Act of 2022 (the Act), which became applicable to us on January 1, 2023. The Act includes, among other provisions, a new Corporate Alternative Minimum Tax (CAMT) of 15% on the adjusted financial statement income (AFSI) of corporations with average AFSI exceeding \$1.0 billion over a three-year period. As limited guidance related to how the CAMT provisions of the Act should be applied or otherwise administered has been released by the U.S. Department of the Treasury (the Treasury), uncertainty remains regarding the application of the CAMT. We have made interpretations of certain provisions of the Act, and based on these interpretations, determined that the provisions of the Act did not impact our 2023 financial results for the first six months of 2023. However, future guidance released by the Treasury may differ from our interpretations, which could be material and may further limit our ability to realize future benefits from our U.S. net operating losses.

Assuming achievement of current sales volume and cost estimates and average prices of \$3.90 \$3.60 per pound for copper, \$1,950 \$1,900 per ounce for gold and \$20.00 per pound for molybdenum for the remainder in fourth-quarter 2023 and achievement of 2023, current sales volume and cost estimates, we estimate our consolidated effective tax rate for the year 2023 would approximate 36% 38% (which would result in a 44% effective tax rate in fourth-quarter 2023). Changes in projected sales volumes and average prices during 2023 would incur tax impacts at estimated effective rates of 40% for Peru, 36% for Indonesia and 0% for the U.S., which excludes any impact from the Act. Our projected estimated effective tax rate of 0% for the U.S. for the year 2023 may be adjusted as additional guidance is released by the Treasury on key provisions of the Act, including guidance on the CAMT Act.

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Noncontrolling Interests

Net income attributable to noncontrolling interests, which is primarily associated with our noncontrolling shareholders at PT-FI, Cerro Verde and El Abra, and totaled \$388 million \$510 million in second-quarter third-quarter 2023, \$198 million \$156 million in second-quarter third-quarter 2022, \$774 million \$1.3 billion for the first six nine months of 2023 and \$575 million \$731 million for the first six nine months of 2022. Our economic interest in PT-FI is 48.76% and prior to January 1, 2023, it approximated 81% through 2022, and beginning January 1, 2023, our economic interest in PT-FI is 48.76%. As discussed in Note 3 of our 2022 Form 10-K, in accordance with provisions pertaining to PT-FI's shareholders agreement, 1, first-quarter 2023 net income included a \$35 million net benefit associated with PT-FI sales volumes that were attributed to us at our previous approximate 81% economic ownership interest.

Refer to Note 9 for net income attributable to noncontrolling interests for each of our business segments.

Based on current sales volume and cost estimates and assuming average prices of \$3.90 \$3.60 per pound of copper, \$1,950 \$1,900 per ounce of gold and \$20.00 per pound of molybdenum, achievement of current sales volume and cost estimates, and taking into account the change in our economic interest in PT-FI, net income attributable to noncontrolling interests is estimated to approximate \$2.0

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\$1.75 billion for the year 2023. The actual amount will depend on many factors, including relative performance of each business segment, commodity prices, costs and other factors.

OPERATIONS

Responsible Production

Updated Climate Report. In September 2023, we published our annual climate report, available on our website at fcx.com/sustainability. The climate report details our ongoing progress to advance our climate strategy focused on reducing our greenhouse gas (GHG) emissions, enhancing our resilience to climate risks and contributing responsibly produced copper to the global economy. We have four 2030 GHG emissions reduction targets that collectively cover nearly 100% of our Scope 1 and 2 GHG emissions.

Leaching Innovation Initiatives

We are advancing a series of initiatives across our North America and South America operations to incorporate new applications, technologies and data analytics to our leaching processes. We believe these leach innovation initiatives provide opportunities to produce incremental copper from our large existing leach stockpiles. Initial results support the potential for incremental low-cost additions to our production and reserve profile and we are targeting an annual run rate of approximately 200 million pounds of copper per year through these initiatives by the end of 2023. In third-quarter 2023, incremental copper production from these initiatives totaled 46 million pounds (approximately 90% of the targeted annual rate). We are pursuing new technology applications that have the potential for significant increases in recoverable metal beyond the initial target.

Feasibility and Optimization Studies

We are engaged in various studies associated with potential future expansion projects primarily at our mining operations. The costs for these studies are charged to production and delivery costs as incurred and totaled \$51 \$42 million in second-quarter third-quarter 2023, \$31 \$34 million in second-quarter third-quarter 2022, \$101 \$137 million for the first six nine months of 2023 and \$50 \$84 million for the first six nine months of 2022. We estimate the costs of these studies will approximate \$200 million for the year 2023, (including approximately \$60 million in third-quarter 2023), subject to market conditions and other factors.

North America Copper Mines

We operate seven open-pit copper mines in North America – Morenci, Bagdad, Safford (including Lone Star), Sierrita and Miami in Arizona, and Chino and Tyrone in New Mexico. All of the North America mining operations are wholly owned, except for Morenci. We record our 72% undivided joint venture interest in Morenci using the proportionate consolidation method.

The North America copper mines include open-pit mining, sulfide-ore concentrating, leaching and solution extraction/electrowinning (SX/EW) operations. A majority of the copper produced at our North America copper mines is cast into copper rod by our Rod & Refining segment. The remainder of our North America copper production is sold as copper cathode or copper concentrate, a portion of which is shipped to Atlantic Copper (our wholly owned smelter). Molybdenum concentrate, gold and silver are also produced by certain of our North America copper mines.

Operating and Development Activities. We have substantial reserves and future opportunities in the U.S., primarily associated with existing mining operations.

We are planning an expansion to double the concentrator capacity of the Bagdad operation in northwest Arizona and expect to complete a feasibility study in late fourth-quarter 2023. In parallel, we are advancing plans for expanded tailings infrastructure projects and are procuring an autonomous haul truck fleet to support Bagdad's long-range plans.

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At Safford/Lone Star, production from oxide ores is approaching 300 million pounds of copper per year, which reflects expansion of the initial design capacity of 200 million pounds of copper per year. We have conducted significant exploration drilling in the area in recent years. The positive drilling results indicate potential opportunities to expand production to include sulfide ores in the future. We are advancing metallurgical testing and mine planning for a potential significant long-term investment for development of identified large sulfide resources.

A tight labor market and increased competition from other employers in North America continue to represent strategic challenges that have impacted and are impacting continuing to impact production and our ability to further expand

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current mining rates. The timing of all future developments will be dependent on market conditions, labor and supply chain considerations and other economic factors.

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

Operating Data, Net of Joint Venture Interests	Operating Data, Net of Joint Venture Interests	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023		2022		2023		2022	
		Production	Sales, excluding purchases	Production	Sales, excluding purchases	Production	Sales, excluding purchases	Production	Sales, excluding purchases
Copper (millions of recoverable pounds)	Copper (millions of recoverable pounds)	354	339	382	389	686	671	736	770
Production	Production	354	339	382	389	686	671	736	770
Sales, excluding purchases	Sales, excluding purchases								
Average realized price per pound	Average realized price per pound	\$ 3.92	\$ 4.36	\$ 4.03	\$ 4.46	\$ 3.86	\$ 3.57	\$ 3.97	\$ 4.17
Molybdenum (millions of recoverable pounds)	Molybdenum (millions of recoverable pounds)								
Production	Production	9	8	16	15	7	7	23	22
100% Operating Data	100% Operating Data								
Leach operations	Leach operations								
Leach ore placed in stockpiles (metric tons per day)	Leach ore placed in stockpiles (metric tons per day)	724,100	722,900	668,900	715,800	688,600	622,200	675,600	684,200

Average copper ore grade (%)	Average copper ore grade (%)	0.24	0.29	0.25	0.29	Average copper ore grade (%)	0.22	0.30	0.24	0.29	
Copper production (millions of recoverable pounds)	Copper production (millions of recoverable pounds)	239	254	473	499	Copper production (millions of recoverable pounds)	245	260	718	759	
Mill operations											
Ore milled (metric tons per day)											
Average ore grade (%):	Average ore grade (%):	315,500	306,900	306,500	299,200	Ore milled (metric tons per day)	315,800	294,600	309,700	297,600	
Copper	Copper	0.33	0.39	0.34	0.38	Average ore grade (%):	Copper	0.30	0.36	0.33	0.37
Molybdenum	Molybdenum	0.02	0.02	0.02	0.02	Copper	Molybdenum	0.02	0.02	0.02	0.02
Copper recovery rate (%)	Copper recovery rate (%)	83.8	83.2	82.2	82.1	Copper recovery rate (%)	81.7	82.3	82.0	82.2	
Copper production (millions of recoverable pounds)	Copper production (millions of recoverable pounds)	172	195	326	364	Copper production (millions of recoverable pounds)	155	174	481	538	

a. Refer to "Consolidated Results" for our consolidated molybdenum sales volumes, which include sales of molybdenum produced at the North America copper mines.

Our consolidated copper sales volumes from North America totaled 339 million 372 million pounds in second-quarter third-quarter 2023, 389 million 361 million pounds in second-quarter third-quarter 2022, 671 million 1.0 billion pounds for the first six nine months of 2023 and 770 million 1.1 billion pounds for the first six nine months of 2022. Lower copper sales volumes in the 2023 periods, compared with the 2022 periods, primarily reflect lower ore grades. The impact of lower ore grades and in third-quarter 2023, compared with third-quarter 2022, was offset by the timing of shipments, partly offset by incremental copper associated with leach initiatives. Shipments. North America copper sales are estimated to approximate 1.4 billion pounds for the year 2023.

Unit Net Cash Costs. We believe unit net cash costs per pound of copper is a measure that provides investors with information about the cash-generating capacity of our mining operations expressed on a basis relating to the primary metal product for our respective operations. We use this measure for the same purpose and for monitoring operating performance by our mining operations. This information differs from measures of performance 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. This measure is presented by other metals mining companies, although our measure may not be comparable to similarly titled measures reported by other companies.

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Gross Profit per Pound of Copper and Molybdenum

The following table summarizes unit net cash costs and gross profit per pound at our North America copper mines. Refer to "Product Revenues and Production Costs" for an explanation of the "by-product" and "co-product" methods and a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales reported in our consolidated financial statements.

		Three Months Ended June 30,						Three Months Ended September 30,					
		2023			2022			2023			2022		
		By-Product	Co-Product Method	By-Product	Co-Product Method	By-Product	Co-Product Method	By-Product	Co-Product Method	By-Product	Co-Product Method	By-Product	Co-Product Method
		Method	Molybdenum ^a	Method	Molybdenum ^a	Method	Molybdenum ^a	Method	Molybdenum ^a	Method	Molybdenum ^a	Method	Molybdenum ^a
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 3.92	\$ 3.92	\$ 23.08	\$ 4.36	\$ 4.36	\$ 18.75	\$ 3.86	\$ 3.86	\$ 22.01	\$ 3.57	\$ 3.57	\$ 3.57
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	2.93	2.55	16.04	2.50	2.30	12.42	3.01	2.71	17.35	2.76	2.51	—
By-product credits	By-product credits	(0.55)	—	—	(0.35)	—	—	(0.41)	—	—	(0.30)	—	—

Treatment charges	Treatment charges	0.13	0.13	—	0.11	0.11	—	Treatment charges	0.10	0.10	—	0.10	0.09
Unit net cash costs	Unit net cash costs	2.51	2.68	16.04	2.26	2.41	12.42	Unit net cash costs	2.70	2.81	17.35	2.56	2.60
DD&A	DD&A	0.29	0.26	1.15	0.27	0.24	0.81	DD&A	0.30	0.26	1.33	0.28	0.25
Metals inventory adjustments	Metals inventory adjustments	—	—	—	0.02	0.02	0.16	Metals inventory adjustments	0.01	0.01	—	0.01	0.01
Noncash and other costs, net	Noncash and other costs, net	0.15	0.13	0.60	0.09	0.08	0.32	Noncash and other costs, net	0.13	0.12	0.47	0.10	0.09
Total unit costs	Total unit costs	2.95	3.07	17.79	2.64	2.75	13.71	Total unit costs	3.14	3.20	19.15	2.95	2.95
Revenue adjustments, primarily for pricing on prior period open sales	Revenue adjustments, primarily for pricing on prior period open sales	(0.03)	(0.03)	—	(0.10)	(0.10)	—	Revenue adjustments, primarily for pricing on prior period open sales	—	—	—	(0.06)	(0.06)
Gross profit per pound	Gross profit per pound	\$ 0.94	\$ 0.82	\$ 5.29	\$ 1.62	\$ 1.51	\$ 5.04	Gross profit per pound	\$ 0.72	\$ 0.66	\$ 2.86	\$ 0.56	\$ 0.56
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	341	341	389	389	372	372	Copper sales (millions of recoverable pounds)	372	372	361	361	361
Molybdenum sales (millions of recoverable pounds) ^a	Molybdenum sales (millions of recoverable pounds) ^a	9	8	9	8	7	7	Molybdenum sales (millions of recoverable pounds) ^a	7	7	7	7	7
Six Months Ended June 30,													
2023													
By-Product Method							Co-Product Method						
Product Copper							Product Copper						
2022													
By-Product Method							Co-Product Method						
Product Copper							Product Copper						
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 4.03	\$ 4.03	\$ 25.52	\$ 4.46	\$ 4.46	\$ 18.36	Revenues, excluding adjustments	\$ 3.97	\$ 3.97	\$ 24.41	\$ 4.17	\$ 4.17
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	2.92	2.55	17.81	2.44	2.25	11.68	Site production and delivery, before net noncash and other costs shown below	2.96	2.60	17.66	2.54	2.33
By-product credits	By-product credits	(0.57)	—	—	(0.35)	—	—	By-product credits	(0.52)	—	—	(0.33)	—
Treatment charges	Treatment charges	0.13	0.12	—	0.10	0.10	—	Treatment charges	0.12	0.12	—	0.10	0.10
Unit net cash costs	Unit net cash costs	2.48	2.67	17.81	2.19	2.35	11.68	Unit net cash costs	2.56	2.72	17.66	2.31	2.43
DD&A	DD&A	0.30	0.26	1.24	0.27	0.25	0.85	DD&A	0.30	0.26	1.27	0.27	0.25
Metals inventory adjustments	Metals inventory adjustments	—	—	—	0.01	0.01	0.08	Metals inventory adjustments	0.01	0.01	—	0.01	0.01
Noncash and other costs, net	Noncash and other costs, net	0.19	0.16	1.06	0.09	0.07	0.23	Noncash and other costs, net	0.16	0.14	0.87	0.09	0.08
Total unit costs	Total unit costs	2.97	3.09	20.11	2.56	2.68	12.84	Total unit costs	3.03	3.13	19.80	2.68	2.77
Revenue adjustments, primarily for pricing on prior period open sales	Revenue adjustments, primarily for pricing on prior period open sales	0.02	0.02	—	(0.01)	(0.01)	—	Revenue adjustments, primarily for pricing on prior period open sales	0.01	0.01	—	(0.01)	(0.01)

Gross profit per pound	Gross profit per pound	\$ 1.08	\$0.96	\$ 5.41	\$ 1.89	\$1.77	\$ 5.52	Gross profit per pound	\$ 0.95	\$0.85	\$ 4.61	\$ 1.48	\$1.39
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	676	676	770	770			Copper sales (millions of recoverable pounds)	1,048	1,048	1,131	1,131	
Molybdenum sales (millions of recoverable pounds) ^a	Molybdenum sales (millions of recoverable pounds) ^a			16		15		Molybdenum sales (millions of recoverable pounds) ^a			23		

a. Reflects sales of molybdenum produced by certain of the North America copper mines to our molybdenum sales company at market-based pricing.

b. Includes charges totaling \$0.08 per pound of copper in **second-quarter** **third-quarter** 2023, **\$0.05** **\$0.06** per pound of copper in **second-quarter** **third-quarter** 2022, \$0.08 per pound of copper for the first **six** **nine** months of 2023 and \$0.04 per pound of copper for the first **six** **nine** months of 2022 for feasibility and optimization studies.

Our North America copper mines have varying cost structures because of differences in ore grades and characteristics, processing costs, by-product credits and other factors. Average unit net cash costs (net of by-product credits) for the North America copper mines of **\$2.51** **\$2.70** per pound of copper in **second-quarter** **third-quarter** 2023 and **\$2.48** **\$2.56** per pound for the first **six** **nine** months of 2023 were higher than **second-quarter** **2022** average unit net cash costs of **\$2.26** **\$2.56** per pound in **third-quarter** 2022 and **\$2.19** **\$2.31** per pound for the first **six** **nine** months for 2022, **primarily** reflecting the impact increased costs of lower volumes and increased labor

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costs of (including contract labor), maintenance supplies and labor, supplies, partly offset by higher molybdenum by-product credits and lower costs of energy, energy costs.

Because certain assets are depreciated on a straight-line basis, North America's average unit depreciation rate may vary with asset additions and the level of copper production and sales.

Revenue adjustments primarily result from changes in prices on provisionally priced copper sales recognized in prior periods. Refer to "Consolidated Results – Revenues" for further discussion of adjustments to prior period provisionally priced copper sales.

Average Assuming an average price of \$20.00 per pound of molybdenum in **fourth-quarter** 2023 and achievement of current sales volume and cost estimates, average unit net cash costs (net of by-product credits) for our North America copper mines are expected to approximate **\$2.56** \$2.62 per pound of copper for the year **2023**, based on achievement of current volume and cost estimates and assuming an average molybdenum price of \$20.00 per pound for the second half of **2023**. North America's average unit net cash costs for the year 2023 would change by approximately **\$0.02** \$0.01 per pound for each \$2 per pound change in the average price of molybdenum for the second half of in **fourth-quarter** 2023.

South America Mining

We operate two copper mines in South America – Cerro Verde in Peru (in which we own a 53.56% interest) and El Abra in Chile (in which we own a 51% interest), which are consolidated in our financial statements.

South America mining includes open-pit mining, sulfide-ore concentrating, leaching and SX/EW operations. Production from our South America mines is sold as copper concentrate or cathode under long-term contracts. Our South America mines also sell a portion of their copper concentrate production to Atlantic Copper. In addition to copper, the Cerro Verde mine produces molybdenum concentrate and silver.

Operating and Development Activities. Activities. During **third-quarter** 2023, Cerro Verde processed an average of 431,300 metric tons of ore per day through its concentrators, a new quarterly record, and entered into a new power purchase agreement that is expected to transition its electric power to fully renewable energy sources in 2026.

At the El Abra operations in Chile, we have identified a large sulfide resource supports that would support a potential major mill project similar to the large-scale concentrator at Cerro Verde. Technical and economic studies continue to be evaluated to determine the optimal scope and timing for the sulfide project. Capital cost requirements are being updated to reflect current market conditions. We are advancing plans to invest in water infrastructure to provide options to extend existing operations, while continuing to monitor potential changes in Chile's regulatory and fiscal matters. matters, as well as trends in capital costs for similar projects.

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

	Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended		Nine Months Ended	
	2023		2022		2023		2022		September 30,	2023	September 30,	2022
Copper (millions of recoverable pounds)									Copper (millions of recoverable pounds)			

Production	Production	307	286	611	560	Production	305	302	916	862
Sales	Sales	304	288	606	552	Sales	307	293	913	845
Average realized price per pound	Average realized price per pound	\$ 3.78	\$ 3.83	\$ 3.85	\$ 4.00	Average realized price per pound	\$ 3.77	\$ 3.47	\$ 3.82	\$ 3.73
Molybdenum (millions of recoverable pounds)	Molybdenum (millions of recoverable pounds)					Molybdenum (millions of recoverable pounds)				
Production ^a	Production ^a	5	7	11	14	Production ^a	6	4	17	18
<u>Leach operations</u>	<u>Leach operations</u>					<u>Leach operations</u>				
Leach ore placed in stockpiles (metric tons per day)	Leach ore placed in stockpiles (metric tons per day)	203,600	157,700	203,800	148,800	Leach ore placed in stockpiles (metric tons per day)	164,300	175,200	190,500	157,700
Average copper ore grade (%)	Average copper ore grade (%)	0.33	0.37	0.33	0.36	Average copper ore grade (%)	0.38	0.34	0.34	0.35
Copper production (millions of recoverable pounds)	Copper production (millions of recoverable pounds)	74	71		132	Copper production (millions of recoverable pounds)	77	85		217
				160					237	
<u>Mill operations</u>	<u>Mill operations</u>					<u>Mill operations</u>				
Ore milled (metric tons per day)	Ore milled (metric tons per day)	425,500	427,100	415,300	410,800	Ore milled (metric tons per day)	431,300	403,900	420,700	408,500
Average ore grade (%):	Average ore grade (%):					Average ore grade (%):				
Copper	Copper	0.35	0.31	0.34	0.32	Copper	0.34	0.32	0.34	0.32
Molybdenum	Molybdenum	0.01	0.01	0.01	0.02	Molybdenum	0.01	0.01	0.01	0.01
Copper recovery rate (%)	Copper recovery rate (%)	82.6	84.4	83.2	85.5	Copper recovery rate (%)	79.8	85.4	82.0	85.5
Copper production (millions of recoverable pounds)	Copper production (millions of recoverable pounds)	233	215	451	428	Copper production (millions of recoverable pounds)	228	217	679	645

a. Refer to "Consolidated Results" for our consolidated molybdenum sales volumes, which include sales of molybdenum produced at Cerro Verde.

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Our consolidated copper sales volumes from South America totaled 304 million 307 million pounds in second-quarter third-quarter 2023, 288 million 293 million pounds in second-quarter third-quarter 2022, 606 million 913 million pounds for the first six nine months of 2023 and 552 million 845 million pounds for the first six nine months of 2022. Higher copper sales volumes in the 2023 periods, compared with the 2022 periods, primarily reflect higher mill increased milling rates and ore grades and increased production from leach ore placed on stockpiles, at Cerro Verde. Copper sales from South America mining are expected to approximate 1.2 billion pounds for the year 2023. Refer to "Outlook" for projected molybdenum sales volumes.

Unit Net Cash Costs. We believe unit net cash costs per pound of copper is a measure that provides investors with information about the cash-generating capacity of our mining operations expressed on a basis relating to the primary metal product for our respective operations. We use this measure for the same purpose and for monitoring operating performance by our mining operations. This information differs from measures of performance determined in accordance with U.S. GAAP and should not be considered in isolation or as a substitute for measures of performance determined in accordance with U.S. GAAP. This measure is presented by other metals mining companies, although our measure may not be comparable to similarly titled measures reported by other companies.

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Gross Profit per Pound of Copper

The following table summarizes unit net cash costs and gross profit per pound of copper at our South America mining operations. Refer to "Product Revenues and Production Costs" for an explanation of the "by-product" and "co-product" methods and a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales

reported in our consolidated financial statements.

		Three Months Ended June 30,				Three Months Ended September 30,				
		2023		2022		2023		2022		
		By-Product Method	Co-Product Method	By-Product Method	Co-Product Method	By-Product Method	Co-Product Method	By-Product Method	Co-Product Method	
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 3.78	\$ 3.78	\$ 3.83	\$ 3.83	Revenues, excluding adjustments	\$ 3.77	\$ 3.77	\$ 3.47	\$ 3.47
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	2.43	2.22	2.48	2.29	Site production and delivery, before net noncash and other costs shown below	2.57	2.32	2.60	2.47
By-product credits	By-product credits	(0.37)	—	(0.35)	—	By-product credits	(0.42)	—	(0.16)	—
Treatment charges	Treatment charges	0.21	0.21	0.15	0.15	Treatment charges	0.19	0.19	0.13	0.14
Royalty on metals	Royalty on metals	0.01	0.01	0.01	0.01	Royalty on metals	0.01	0.01	0.01	—
Unit net cash costs	Unit net cash costs	2.28	2.44	2.29	2.45	Unit net cash costs	2.35	2.52	2.58	2.61
DD&A	DD&A	0.44	0.39	0.35	0.32	DD&A	0.36	0.32	0.34	0.32
Metals inventory adjustments	Metals inventory adjustments	—	—	0.04	0.03	Metals inventory adjustments	—	—	0.07	0.07
Noncash and other costs, net	Noncash and other costs, net	0.08 ^a	0.07	0.06	0.06	Noncash and other costs, net	0.07 ^a	0.07	0.09	0.08
Total unit costs	Total unit costs	2.80	2.90	2.74	2.86	Total unit costs	2.78	2.91	3.08	3.08
Revenue adjustments, primarily for pricing on prior period open sales	Revenue adjustments, primarily for pricing on prior period open sales	(0.22)	(0.22)	(0.53)	(0.53)	Revenue adjustments, primarily for pricing on prior period open sales	0.01	0.01	(0.25)	(0.25)
Gross profit per pound	Gross profit per pound	\$ 0.76	\$ 0.66	\$ 0.56	\$ 0.44	Gross profit per pound	\$ 1.00	\$ 0.87	\$ 0.14	\$ 0.14
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	304	304	288	288	Copper sales (millions of recoverable pounds)	307	307	293	293

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		Six Months Ended June 30,				Nine Months Ended September 30,				
		2023		2022		2023		2022		
		By-Product Method	Co-Product Method	By-Product Method	Co-Product Method	By-Product Method	Co-Product Method	By-Product Method	Co-Product Method	
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 3.85	\$ 3.85	\$ 4.00	\$ 4.00	Revenues, excluding adjustments	\$ 3.82	\$ 3.82	\$ 3.73	\$ 3.73

Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	2.49	2.25	2.45	2.26	Site production and delivery, before net noncash and other costs shown below	2.51	2.26	2.50	2.33
By-product credits	By-product credits	(0.45)	—	(0.38)	—	By-product credits	(0.44)	—	(0.31)	—
Treatment charges	Treatment charges	0.19	0.19	0.15	0.15	Treatment charges	0.20	0.20	0.15	0.15
Royalty on metals	Royalty on metals	0.01	0.01	0.01	0.01	Royalty on metals	0.01	0.01	0.01	0.01
Unit net cash costs	Unit net cash costs	2.24	2.45	2.23	2.42	Unit net cash costs	2.28	2.47	2.35	2.49
DD&A	DD&A	0.40	0.35	0.36	0.32	DD&A	0.38	0.34	0.35	0.32
Metals inventory adjustments	Metals inventory adjustments	—	—	0.02	0.02	Metals inventory adjustments	—	—	0.04	0.04
Noncash and other costs, net	Noncash and other costs, net	0.08	^a	0.07	0.06	Noncash and other costs, net	0.08	^a	0.07	0.06
Total unit costs	Total unit costs	2.72	2.87	2.67	2.82	Total unit costs	2.74	2.88	2.81	2.91
Revenue adjustments, primarily for pricing on prior period open sales	Revenue adjustments, primarily for pricing on prior period open sales	0.11	0.11	0.06	0.06	Revenue adjustments, primarily for pricing on prior period open sales	0.08	0.08	0.04	0.04
Gross profit per pound	Gross profit per pound	\$ 1.24	\$ 1.09	\$ 1.39	\$ 1.24	Gross profit per pound	\$ 1.16	\$ 1.02	\$ 0.96	\$ 0.86
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	606	606	552	552	Copper sales (millions of recoverable pounds)	913	913	845	845

a. Includes \$0.04 per pound of copper in second-quarter 2023 and \$0.03 per pound of copper for the first six months of 2023 for feasibility and optimization studies.

Our South America mines have varying cost structures because of differences in ore grades and characteristics, processing costs, by-product credits and other factors. Average unit net cash costs (net of by-product credits) for South America mining were \$2.28 of \$2.35 per pound of copper in second-quarter third-quarter 2023 \$2.29 and \$2.28 per pound of copper in second-quarter 2022, \$2.24 per pound of copper for the first six nine months of 2023 and \$2.23 were lower than average unit net cash costs of \$2.58 per pound of copper in third-quarter 2022 and \$2.35 per pound for the first six nine months of 2022. The impact of 2022, reflecting higher molybdenum by-product credits and volumes, in the 2023 periods was partly offset by higher costs treatment charges.

[Table of maintenance, supplies and consumables, and increased treatment charges. The first six months of 2023 also reflected the impact of higher molybdenum credits.](#) [Contents](#)

Revenues from Cerro Verde's copper concentrate sales are recorded net of treatment charges, which will vary with Cerro Verde's sales volumes and the price of copper. Higher treatment charges in the 2023 periods, compared to the 2022 periods, reflected higher smelting and refining rates.

Because certain assets are depreciated on a straight-line basis, South America's unit depreciation rate may vary with asset additions and the level of copper production and sales. Increased DD&A rates per pound of copper in the 2023 periods, compared to the 2022 periods, primarily reflect a correction in the useful lives of certain fixed assets at Cerro Verde, which resulted in additional depreciation being recognized in second-quarter 2023.

Revenue adjustments primarily result from changes in prices on provisionally priced copper sales recognized in prior periods. Refer to "Consolidated Results – Revenues" for further discussion of adjustments to prior period provisionally priced copper sales.

Average Assuming an average price of \$20.00 per pound of molybdenum in fourth-quarter 2023 and achievement of current sales volume and cost estimates, average unit net cash costs (net of by-product credits) for South America mining are expected to approximate \$2.33 \$2.34 per pound of copper for the year 2023, based on current volume and cost estimates and assuming an average price of \$20.00 per pound of molybdenum for the second half of 2023.

Indonesia Mining

PT-FI operates one of the world's largest copper and gold mines at the Grasberg minerals district in Central Papua, Indonesia. PT-FI produces copper concentrate that contains significant quantities of gold and silver. We have a 48.76% ownership interest in PT-FI and manage its mining operations. PT-FI's results are consolidated in our financial statements.

Other than copper concentrate delivered to PT Smelting for further processing into refined products, most of PT-FI's copper concentrate is sold under long-term contracts.

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Regulatory Matters. Over the past several years, the Indonesia government has enacted various laws and regulations to promote downstream processing of various minerals, products, including copper concentrates. In 2018, PT-FI agreed to expand its domestic smelting and refining capacity to process all of its copper concentrates in Indonesia and is advancing the construction of the Indonesia smelter projects and expanding capacity at PT Smelting (refer to "Indonesia Smelter" below for further discussion of construction progress) "Indonesia Smelter" below).

Export License. On June 10, 2023, a ban on the export of copper concentrate went into effect in accordance with Indonesia regulations and export licenses for several exporters, including PT-FI and PT Smelting, expired. During the second quarter and in July 2023, the Indonesia government issued various regulations to address exports of unrefined metals, including regulations by the Ministry of Energy and Mineral Resources (MEMR) to allow continued exports of copper concentrates through May 2024 for companies engaged in ongoing smelter development projects with construction progress greater than 50%, and regulations by the Ministry of Trade on the permitted export of various products, including copper concentrates.

On July 24, 2023, PT-FI was granted an export license through May 2024 for 1.7 million metric tons of copper concentrate. Through June 10, 2023, PT-FI will continue exported anode slimes under PT Smelting's export license. A change in regulations during second-quarter 2023 requires PT-FI to work follow a new administrative process for the export of anode slimes. The administrative process is advancing, and PT-FI expects to receive approval to resume exports of anode slimes during fourth-quarter 2023. PT-FI is working with the Indonesia government to obtain approvals to continue exports of copper concentrates and anode slimes beyond May 2024 and until the Manyar Indonesia smelter is projects are fully commissioned and has reached reach designed operating conditions.

Export Duties. Under PT-FI's special mining license (IUPK), IUPK, export duties are determined based on regulations that were in effect in 2018 which provided that and no duties are required after smelter construction progress reached 50%. In March 2023, the Indonesia government verified that construction progress on the Manyar smelter exceeded 50% and PT-FI's Effective March 29, 2023, PT-FI's export duties were eliminated effective March 29, 2023.

upon verification of smelter construction progress by the Indonesia government. In July 2023, the Ministry of Finance issued a revised regulation on duties for various exported products, including copper concentrates. Under the revised regulation PT-FI is continuing currently being assessed export duties for copper concentrates at 7.5%, resulting in export duties totaling \$147 million in third-quarter 2023. PT-FI does not believe any export duties should be assessed under the revised regulation and continues to discuss the applicability of the revised regulation with the Indonesia government and will contest, and seek recovery because of any assessments, inconsistencies with its IUPK.

Refer to Note 8 for further discussion of the revised export regulation and other Indonesia regulatory matters.

Mining Rights. PT-FI and the Indonesia government continue to engage in discussions regarding the extension of PT-FI's mining rights under its IUPK beyond 2041. An extension beyond 2041 would enable continuity of large-scale operations for the benefit of all stakeholders and provide growth options through additional resource development opportunities in the highly attractive Grasberg minerals district.

Operating and Development Activities. Over a multi-year investment period, PT-FI has successfully commissioned three large-scale block cave mines in the Grasberg minerals district (Grasberg Block Cave, Deep Mill Level Zone and Big Gossan), providing annual production volumes of approximately 1.6 billion pounds of copper and 1.6 million ounces of gold. Milling rates from these underground mines averaged 206,600 metric tons of ore per day in third-

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quarter 2023, an approximate 10% increase from 188,700 metric tons of ore per day in third-quarter 2022. During third-quarter 2023, PT-FI successfully commissioned a new crusher to support increased mining rates in the Grasberg Block Cave ore body.

PT-FI's ongoing project to install additional milling facilities is currently expected to be completed complete in early 2024. The project will is expected to increase milling capacity to approximately 240,000 metric tons of ore per day to provide sustained large scale production volumes. PT-FI is also advancing a mill recovery project with the installation of a new copper cleaner circuit that is expected to be completed in the second half of 2024 and to provide incremental metal production of approximately 60 million pounds of copper and 40 thousand ounces of gold per year.

PT-FI is advancing plans to transition its existing energy source from coal to liquefied natural gas, which is expected to meaningfully reduce PT-FI's Scope 1 GHG emissions at the Grasberg minerals district. PT-FI is planning investments in a new gas-fired combined cycle facility at Grasberg with a targeted start date in 2027. Capital expenditures for the new facilities, to be incurred over the next three to four years, approximate \$1 billion, which represents an incremental cost of \$0.4 billion compared to previously planned investments to refurbish the existing coal units.

Kucing Liar. Long-term mine development activities are ongoing for PT-FI's Kucing Liar deposit in the Grasberg minerals district, which is expected to produce over 6 billion pounds of copper and 6 million ounces of gold between 2028 and the end of 2041. Pre-production development activities commenced in 2022 and are expected to continue over an approximate 10-year timeframe. Capital investments are estimated to average approximately \$400 million per year over this period. At full operating rates of approximately 90,000 metric tons of ore per day, annual production from Kucing Liar is expected to approximate 550 million pounds of copper and 560 thousand ounces of gold, providing PT-FI with sustained long-term, large-scale and low-cost production. Kucing Liar will benefit from substantial shared infrastructure and PT-FI's experience and long-term success in block-cave mining.

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Indonesia Smelter. In connection with PT-FI's 2018 agreement with the Indonesia government to secure the extension of its long-term mining rights, PT-FI agreed to expand its domestic smelting and refining capacity to process all of its copper concentrates in Indonesia. PT-FI is actively engaged in the following projects for additional domestic smelting capacity:

- Construction of the Manyar smelter in Gresik, Indonesia with a capacity to process approximately 1.7 million metric tons of copper concentrate per year. Construction progress currently approximates **75%
84% complete**. Construction of the smelter has an estimated cost of \$3.0 billion, including \$2.8 billion for a construction contract (excluding capitalized interest, owner's costs and commissioning) and \$0.2 billion for investment in a desalination plant. Construction is expected to be complete in mid-2024 followed by commissioning of the facilities and a ramp-up schedule through year-end 2024.
- Expansion of PT Smelting's capacity by 30% to 1.3 million metric tons of copper concentrate per year, which is expected to be completed by the end of 2023. PT-FI is funding the cost of the expansion, estimated to approximate \$250 million, with a loan that will convert to equity and increase PT-FI's ownership in PT Smelting to a majority ownership interest, which is expected to occur in 2024.
- The PMR is being constructed to process gold and silver from the Manyar smelter and PT Smelting. Construction is in progress with commissioning expected during 2024 at an estimated cost of **\$525 million**. **\$575 million**, which incorporates recent revisions to scope.

For the first **six nine** months of 2023, capital expenditures for the Indonesia smelter projects totaled **\$0.8 billion** **\$1.2 billion**, and are expected to approximate \$1.6 billion for the year 2023. Capital expenditures for the Indonesia smelter projects are being funded with **proceeds received from** PT-FI's senior notes and availability under its revolving credit facility.

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

	Copper (millions of recoverable pounds)	Three Months Ended June 30,		Six Months Ended June 30,		Copper (millions of recoverable pounds)	Three Months Ended September 30,		Nine Months Ended September 30,		
		2023		2022			2023		2023		
		Production	Sales	Production	Sales		Production	Sales	Production	Sales	
Copper (millions of recoverable pounds)	Copper (millions of recoverable pounds)										
Production	Production	406	407	735	788	Production	436	381	1,171	1,169	
Sales	Sales	386	410	584	789	Sales	430	406	1,014	1,195	
Average realized price per pound	Average realized price per pound	\$ 3.82	\$ 3.86	\$ 3.83	\$ 4.04	Average realized price per pound	\$ 3.77	\$ 3.45	\$ 3.81	\$ 3.71	
Gold (thousands of recoverable ounces)	Gold (thousands of recoverable ounces)										
Production	Production	479	473	881	885	Production	528	445	1,409	1,330	
Sales	Sales	492	474	758	880	Sales	395	476	1,153	1,356	
Average realized price per ounce	Average realized price per ounce	\$ 1,942	\$ 1,827	\$ 1,946	\$ 1,861	Average realized price per ounce	\$ 1,898	\$ 1,683	\$ 1,932	\$ 1,786	
Ore extracted and milled (metric tons per day):	Ore extracted and milled (metric tons per day):					Ore extracted and milled (metric tons per day):					
Grasberg Block Cave underground mine	Grasberg Block Cave underground mine	114,800	101,800	102,300	101,100	Grasberg Block Cave underground mine	131,000	100,600	112,000	100,900	
Deep Mill Level Zone underground mine	Deep Mill Level Zone underground mine	80,200	77,300	75,100	77,800	Deep Mill Level Zone underground mine	76,900	81,400	75,700	79,000	

Big Gossan underground mine	Big Gossan underground mine	8,200	7,400	7,600	7,500	Big Gossan underground mine	8,100	7,600	7,800	7,500
Other adjustments	Other adjustments	3,900	10,500	1,100	5,400	Other adjustments	(9,400)	(900)	(2,500)	3,400
Total	Total	207,100	197,000	186,100	191,800	Total	206,600	188,700	193,000	190,800
Average ore grades:	Average ore grades:					Average ore grades:				
Copper (%)	Copper (%)	1.15	1.22	1.16	1.22	Copper (%)	1.21	1.17	1.18	1.20
Gold (grams per metric ton)	Gold (grams per metric ton)	1.05	1.08	1.06	1.05	Gold (grams per metric ton)	1.15	1.07	1.10	1.06
Recovery rates (%):	Recovery rates (%):					Recovery rates (%):				
Copper	Copper	88.9	89.8	89.5	89.6	Copper	89.5	90.1	89.5	89.8
Gold	Gold	76.7	79.0	77.4	78.2	Gold	77.8	77.2	77.5	77.9

PT-FI's consolidated copper sales of 386 million pounds in second-quarter 2023 were higher than third-quarter 2022 copper sales volumes of 406 million pounds, primarily reflecting higher mining rates and 584 million ore grades. PT-FI's consolidated copper sales of 1.0 billion pounds for the first six months of 2023 were lower than consolidated copper sales of 410 million pounds in second-quarter 2022 and 789 million 1.2 billion pounds for the first six months of 2022, primarily reflecting shipping delays associated with the renewal of PT-FI's export license. PT-FI's consolidated copper sales for the first six months of 2023 also reflects the deferral of sales recognition related to the PT Smelting tolling arrangement.

PT-FI's consolidated gold sales of 492 totaled 395 thousand ounces in second-quarter 2023, were higher than second-quarter 2022 consolidated gold sales of 474 476 thousand ounces primarily reflecting the timing of sales. PT-FI's consolidated gold sales of 758 thousand in third-quarter 2022, 1.2 million ounces for the first six months of 2023, were lower than consolidated gold sales of 880

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thousand and 1.4 million ounces for the first six months of 2022. Lower gold sales volumes in the 2023 periods, compared with the 2022 periods, primarily reflects the timing of shipments of anode slimes associated with a change in administrative requirements for products that were previously being exported by PT Smelting. At September 30, 2023, approximately 75 thousand ounces of gold in anode slimes were included in inventory and available for sale pending approval of PT-FI's export license for anode slimes. The first nine months of 2023 was also impacted by the deferral of sales recognition related to the PT Smelting tolling arrangement.

Consolidated sales volumes from PT-FI are expected to approximate 1.4 billion 1.5 billion pounds of copper and 1.7 million ounces of gold for the year 2023, net of a deferral of approximately 90 100 million pounds of copper and 130 180 thousand ounces of gold from mine production under tolling arrangements to be processed and sold as refined metal in future periods. Projected sales volumes are dependent on operational performance, the resumption of anode slime exports, weather-related conditions and other factors detailed in the "Cautionary Statement."

Unit Net Cash (Credits) Costs. We believe unit net cash (credits) costs per pound of copper is a measure that provides investors with information about the cash-generating capacity of our mining operations expressed on a basis relating to the primary metal product for our respective operations. We use this measure for the same purpose and for monitoring operating performance by our mining operations. This information differs from measures of performance determined in accordance with U.S. GAAP and should not be considered in isolation or as a substitute for measures of performance determined in accordance with U.S. GAAP. This measure is presented by other metals mining companies, although our measure may not be comparable to similarly titled measures reported by other companies.

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Gross Profit per Pound of Copper and per Ounce of Gold

The following table summarizes the unit net cash (credits) costs and gross profit per pound of copper and per ounce of gold at our Indonesia mining operations. Refer to "Product Revenues and Production Costs" for an explanation of "by-product" and "co-product" methods and a reconciliation of unit net cash (credits) costs per pound to production and delivery costs applicable to sales reported in our consolidated financial statements.

		Three Months Ended June 30,						Three Months Ended September 30,					
		2023		2022		2023		2022		2023		2022	
		By-Product	Co-Product Method	By-Product	Co-Product Method	By-Product	Co-Product Method	By-Product	Co-Product Method	By-Product	Co-Product Method	By-Product	Co-Product Method
		Method	Copper	Gold	Method	Copper	Gold	Method	Copper	Method	Copper	Method	Gold
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 3.82	\$ 3.82	\$ 1,942	\$ 3.86	\$ 3.86	\$ 1,827	\$ 3.77	\$ 3.77	\$ 1,898	\$ 3.45	\$ 3.45	\$ 1,683

Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	1.88	1.12	569	1.43	0.91	433	Site production and delivery, before net noncash and other costs shown below	1.42	0.96	484	1.81	1.13	553
Gold and silver credits		(2.60)	—	—	(2.17)	—	—	Gold, silver and other by-product credits	(1.83)	—	—	(2.00)	—	—
Gold, silver and other by-product credits														
Treatment charges	Treatment charges	0.39	0.23	118	0.24	0.15	72	Treatment charges	0.32	0.22	109	0.23	0.15	72
Export duties ^a		—	—	—	0.21	0.13	63	Export duties	0.34	0.23	116	0.20	0.12	61
Export duties														
Royalty on metals	Royalty on metals	0.24	0.14	72	0.27	0.18	74	Royalty on metals	0.19	0.12	64	0.20	0.12	67
Unit net cash (credits) costs		(0.09)	1.49	759	(0.02)	1.37	642	Unit net cash costs	0.44	1.53	773	0.44	1.52	753
Unit net cash costs														
DD&A	DD&A	0.71	0.42	216	0.63	0.41	193	DD&A	0.63	0.43	214	0.65	0.41	200
Noncash and other costs, net		0.20 ^{b,c}	0.12	60	0.01	0.01	2	Noncash and other costs (credits), net	0.02 ^a	0.01	6	(0.02)	(0.01)	(7)
Noncash and other costs (credits), net														
Total unit costs	Total unit costs	0.82	2.03	1,035	0.62	1.79	837	Total unit costs	1.09	1.97	993	1.07	1.92	946
Revenue adjustments, primarily for pricing on prior period	Revenue adjustments, primarily for pricing on prior period							Revenue adjustments, primarily for pricing on prior period						
open sales	open sales	(0.14)	(0.14)	1	(0.49)	(0.49)	(17)	open sales	—	—	8	(0.39)	(0.39)	(36)
PT Smelting intercompany profit	PT Smelting intercompany profit	—	—	—	0.06	0.04	19	PT Smelting intercompany profit	—	—	—	0.15	0.09	45
Gross profit per pound/ounce	Gross profit per pound/ounce	\$ 2.86	\$ 1.65	\$ 908	\$ 2.81	\$ 1.62	\$ 992	Gross profit per pound/ounce	\$ 2.68	\$ 1.80	\$ 913	\$ 2.14	\$ 1.23	\$ 746
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	386	386	410	410			Copper sales (millions of recoverable pounds)	430	430	406	406		
Gold sales (thousands of recoverable ounces)	Gold sales (thousands of recoverable ounces)			492		474	ounces)	Gold sales (thousands of recoverable ounces)			395		476	

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	Six Months Ended June 30,					Nine Months Ended September 30,				
	2023		2022			2023		2022		
	By-Product Method	Co-Product Method	By-Product Method	Co-Product Method		By-Product Method	Co-Product Method	By-Product Method	Co-Product Method	
	Copper	Gold	Copper	Gold		Copper	Gold	Copper	Gold	

Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 3.83	\$ 3.83	\$ 1,946	\$ 4.04	\$ 4.04	\$ 1,861	Revenues, excluding adjustments	\$ 3.81	\$ 3.81	\$ 1,932	\$ 3.71	\$ 3.71	\$ 1,786
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	1.93	1.14	578	1.42	0.92	426	Site production and delivery, before net noncash and other costs shown below	1.71	1.07	542	1.55	0.99	476
Gold and silver credits		(2.68)	—	—	(2.17)	—	—	Gold, silver and other by-product credits	(2.32)	—	—	(2.11)	—	—
Treatment charges	Treatment charges	0.38	0.23	115	0.24	0.16	73	Treatment charges	0.36	0.22	113	0.24	0.15	74
Export duties ^a		0.03	0.02	9	0.21	0.14	63	Export duties	0.16	0.10	51	0.20	0.13	63
Royalty on metals	Royalty on metals	0.26	0.15	73	0.26	0.17	72	Royalty on metals	0.23	0.14	70	0.24	0.16	70
Unit net cash (credits) costs		(0.08)	1.54	775	(0.04)	1.39	634	Unit net cash costs	0.14	1.53	776	0.12	1.43	683
DD&A	DD&A	0.72	0.43	217	0.64	0.42	194	DD&A	0.69	0.43	216	0.65	0.41	199
Noncash and other costs, net	Noncash and other costs, net	0.18 ^{b,c}	0.11	55	0.04	0.03	11	Noncash and other costs, net	0.11 ^{a,b}	0.07	36	0.02 ^b	0.01	5
Total unit costs	Total unit costs	0.82	2.08	1,047	0.64	1.84	839	Total unit costs	0.94	2.03	1,028	0.79	1.85	887
Revenue adjustments, primarily for pricing on prior period open sales	Revenue adjustments, primarily for pricing on prior period open sales	0.19	0.19	22	0.04	0.04	3	Revenue adjustments, primarily for pricing on prior period open sales	0.11	0.11	15	0.02	0.02	2
PT Smelting intercompany profit (loss)		0.19	0.11	58	(0.03)	(0.02)	(10)	PT Smelting intercompany profit	0.11	0.07	35	0.03	0.02	9
Gross profit per pound/ounce	Gross profit per pound/ounce	\$ 3.39	\$ 2.05	\$ 979	\$ 3.41	\$ 2.22	\$ 1,015	Gross profit per pound/ounce	\$ 3.09	\$ 1.96	\$ 954	\$ 2.97	\$ 1.90	\$ 910
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	584	584	789	789			Copper sales (millions of recoverable pounds)	1,014	1,014	1,195	1,195		
Gold sales (thousands of recoverable ounces)	Gold sales (thousands of recoverable ounces)		758		880	ounces)		Gold sales (thousands of recoverable ounces)		1,153		1,356		

a. In March includes charges totaling \$0.01 per pound of copper in third-quarter 2023 and \$0.02 per pound of copper for the Indonesia government verified that construction progress of the Manyar smelter exceeded 50% first nine months 2023 for feasibility and export duties were eliminated effective March 29, 2023. Refer to Note 8 for further discussion of the revised export duty regulation that was issued by the Indonesia government optimization studies.

b. Includes a charge totaling \$0.14 per pound of copper in second-quarter 2023 and \$0.09 \$0.05 per pound of copper for the first six nine months of 2023 associated with a potential administrative fine. The first six nine months of 2022 also includes a charge of \$0.05 \$0.03 per pound of copper associated with an administrative fine. Refer to Note 8 for further discussion.

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PT-FI's unit net cash costs (net of gold, silver and other by-product credits) of \$0.44 per pound of copper in second-quarter third-quarter 2023 approximated unit net cash costs in third-quarter 2022, primarily reflecting higher copper volumes, offset by lower gold, silver and \$0.04 other by-product credits and higher treatment charges and export duties. PT-FI's unit net cash costs (net of gold, silver and other by-product credits) of \$0.14 per pound of copper for the first six months 2023 for feasibility and optimization studies.

PT-FI's unit net cash credits (including gold and silver credits) of \$0.09 per pound of copper in second-quarter 2023 and \$0.08 per pound of copper for the first six months of 2023 were higher than unit net cash credits costs of \$0.02 \$0.12 per pound of copper in second-quarter 2022 and \$0.04 per pound of copper for the first six months of 2022, primarily reflecting higher gold and silver credits and lower export duties, partly offset by higher operating rates, increased underground maintenance costs and higher treatment charges and the impact of lower copper sales volumes, partly offset by higher gold, silver and other by-product credits.

Treatment charges vary with the volume of metals sold and the price of copper, and royalties vary with the volume of metals sold and the prices of copper and gold. The increase in treatment charges per pound of copper and ounce of gold in the 2023 periods, compared with the 2022 periods, reflects higher costs associated with the new tolling arrangement with PT Smelting compared to the previous copper concentrate sales agreement. Tolling costs paid to PT Smelting are recorded as production costs in the consolidated statements of income but are reflected as treatment costs above in our unit net cash (credits) costs presentation.

PT-FI's export duties totaled \$147 million in third-quarter 2023, \$80 million in third-quarter 2022, \$165 million for the first nine months of 2023 and \$245 million for the first nine months of 2022. In late 2022, the export duty rate on PT-FI's sales declined from 5% to 2.5% as a result of smelter development progress, and effective March 29, 2023, export duties were eliminated upon verification by the Indonesia government that construction progress on the Manay smelter exceeded 50%. In July 2023, the Indonesia government issued a revised regulation on duties for various exported products, including copper concentrates, and under the revised regulation, PT-FI is currently being assessed export duties for copper concentrates at 7.5%. Refer to Note 8 for further discussion of the revised regulation.

PT-FI's royalties vary with the volume of metal sold and the prices of copper and gold. PT-FI's royalties totaled \$92 million \$78 million in second-quarter third-quarter 2023, \$108 million \$81 million in second-quarter third-quarter 2022, \$150 million \$228 million for the first six months of 2023 and \$201 million \$281 million for the first six months of 2022. The decrease in PT-FI's royalties for the 2023 periods, compared to the 2022 periods, primarily reflects lower sales volumes and copper prices.

Because certain assets are depreciated on a straight-line basis, PT-FI's unit depreciation rate may vary with asset additions and the level of copper production and sales. The increase change in the DD&A rate per pound of copper in the 2023 periods, compared with the 2022 periods, primarily reflects underground development assets being placed into service, changes in sales volumes.

Revenue adjustments primarily result from changes in prices on provisionally priced copper sales recognized in prior periods. Refer to "Consolidated Results – Revenues" for further discussion of adjustments to prior period provisionally priced copper sales.

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PT Smelting intercompany profit (loss) for the second third quarter and first six nine months of 2022 represents the change in the deferral of 39.5% of PT-FI's profit on sales to PT Smelting. Beginning on January 1, 2023, PT-FI's commercial arrangement with PT Smelting converted changed from a copper concentrate sales agreement to a tolling arrangement. Under this arrangement, PT-FI pays PT Smelting a tolling fee to smelt and refine its copper concentrate and PT-FI retains title to all products for sales to third parties. Accordingly, beginning in 2023, there are no further sales to PT Smelting.

Assuming an average gold price \$1,950 of \$1,900 per ounce for the second half of in fourth-quarter 2023 and achievement of current volume sales volumes and cost estimates, unit net cash credits costs (including gold, silver and other by-product credits) for PT-FI are expected to approximate \$0.06 \$0.15 per pound of copper for the year 2023. PT-FI's estimated unit net cash costs for the year 2023 include assessment of a 7.5% export duty during the second half of 2023, which continues to be discussed with the Indonesia government. PT-FI's average unit net cash credits costs for the year 2023 would change by approximately \$0.07 \$0.05 per pound of copper for each \$100 per ounce change in the average price of gold for the second half of in fourth-quarter 2023.

As discussed in Note 8, in July 2023, the Indonesia government issued a revised regulation on duties for various exported products, including copper concentrates. Export duties that may be assessed under this revised regulation are not reflected in PT-FI's estimated unit net cash credits for the second half of 2023. Based on current sales volume and metal price estimates, the assessment of a 7.5% export duty on PT-FI's sales during the second half of 2023 is estimated to reduce PT-FI's unit net cash credits by \$0.19 per pound of copper for the year 2023 (including \$0.31 per pound of copper in third-quarter 2023). PT-FI is continuing to discuss the applicability of the revised regulation with the Indonesia government and will contest, and seek recovery of, any assessments.

Molybdenum Mines

We operate two wholly owned molybdenum mines in Colorado – the Climax open-pit mine and the Henderson underground mine. The Climax and Henderson mines produce high-purity, chemical-grade molybdenum concentrate, which is typically further processed into value-added molybdenum chemical products. The majority of the molybdenum concentrate produced at the Climax and Henderson mines, as well as from our North America and South America copper mines, is processed at our conversion facilities.

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Operating and Development Activities. Production from the Molybdenum mines totaled 7 million pounds of molybdenum in second-quarter third-quarter 2023, 15 million 8 million pounds in third-quarter 2022, 22 million pounds for the first six nine months of 2023 8 million pounds of molybdenum in second-quarter 2022 and 15 million 23 million pounds for the first six nine months of 2022. Refer to "Consolidated Results" for our consolidated molybdenum operating data, which includes sales of molybdenum produced at our Molybdenum mines and from our North America and South America copper mines. Refer to "Outlook" for projected consolidated molybdenum sales volumes and to "Markets" for a discussion of molybdenum prices.

Unit Net Cash Costs Per Pound of Molybdenum. We believe unit net cash costs per pound of molybdenum is a measure that provides investors with information about the cash-generating capacity of our mining operations expressed on a basis relating to the primary metal product for our respective operations. We use this measure for the same purpose and for monitoring operating performance by our mining operations. This information differs from measures of performance determined in accordance with U.S. GAAP and should not be considered in isolation or as a substitute for measures of performance determined in accordance with U.S. GAAP. This measure is presented by other metals mining companies, although our measure may not be comparable to similarly titled measures reported by other companies.

Average unit net cash costs for the Molybdenum mines of **\$15.99** **\$18.07** per pound of molybdenum in **second-quarter** **third-quarter** 2023 and **\$13.95** **\$15.25** per pound for the first **six** **nine** months of 2023 were higher than average unit net cash costs of **\$10.62** **\$12.10** per pound in **second-quarter** **third-quarter** 2022 and **\$10.75** **\$11.22** per pound for the first **six** **nine** months of 2022, primarily reflecting lower production volumes associated with ore types mined and higher contract labor and **input** costs. Based on current volume and cost estimates, average unit net cash costs for the Molybdenum mines are expected to approximate **\$14.13** **\$14.47** per pound of molybdenum for the year 2023. Refer to "Product Revenues and Production Costs" for a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales reported in our consolidated financial statements.

Smelting and Refining

We wholly own and operate the Miami smelter in Arizona, the El Paso refinery in Texas and Atlantic Copper, a smelter and refinery in Spain. Additionally, PT-FI has a 39.5% ownership interest in PT Smelting and expects its ownership to increase to a majority interest upon completion of the expansion of PT Smelting's smelting capacity. Through this form of downstream integration, we are assured placement of a significant portion of our copper concentrate production.

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Treatment charges for smelting and refining copper concentrate consist of a base rate per pound of copper and per ounce of gold and are generally fixed. Treatment charges represent a cost to our mining operations and income to Atlantic Copper. Higher treatment charges benefit our smelter operations and adversely affect our mining operations. Our North America copper mines are less significantly affected by changes in treatment charges because these operations are largely integrated with our Miami smelter and El Paso refinery.

Atlantic Copper smelts and refines copper concentrate and markets refined copper and precious metals in slimes. During the first **six** **nine** months of 2023, Atlantic Copper's copper concentrate purchases included **45%** **38%** from our copper mining operations and **55%** **62%** from third parties.

Beginning on January 1, 2023, PT-FI's commercial arrangement with PT Smelting **converted** **changed** from a copper concentrate sales agreement to a tolling arrangement. Under this arrangement, PT-FI pays PT Smelting a tolling fee (which PT-FI records as production costs in the consolidated statements of income) to smelt and refine its copper concentrate and PT-FI retains title to all products for sale to third parties (i.e., there are no further sales to PT Smelting).

We defer recognizing profits on sales from our mining operations to Atlantic Copper (and on 39.5% of PT-FI's sales to PT Smelting for the 2022 periods) until final sales to third parties occur. Changes in these deferrals attributable to variability in intercompany volumes resulted in net **(reductions)** additions to operating income totaling **\$(39)** million **\$81** million **\$(21)** **37** million to net income attributable to common stock in **second-quarter** **third-quarter** 2023, **\$(7)** **\$33** million **(\$14** million **less than \$1** million to net income attributable to common stock) in **second-quarter** **third-quarter** 2022, **\$72** million **\$153** million **(\$27** 64 million to net income attributable to common stock) for the first **six** **nine** months of 2023 and **\$40** million **\$73** million **(\$23** **37** million to net income attributable to common stock) for the first **six** **nine** months of 2022. Our net deferred profits on our inventories at Atlantic Copper to be recognized in future periods' net income attributable to common stock totaled **\$63** million **\$30** million at **June 30, 2023** **September 30, 2023**. Quarterly variations in ore grades, the timing of intercompany shipments and changes in product prices will result in variability in our net deferred profits and quarterly earnings.

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CAPITAL RESOURCES AND LIQUIDITY

Our consolidated operating cash flows vary with sales volumes; prices realized from copper, gold and molybdenum sales; production costs; income taxes; other working capital changes; and other factors. Our results for the first nine months of 2023 reflect strong operating performance and continued execution of our business strategy. We remain focused on managing costs efficiently and continue to advance several important value-enhancing initiatives. We believe the actions we have taken in recent years to build a strong balance sheet, successfully expand low-cost operations and maintain flexible organic growth options while maintaining sufficient liquidity, will allow us to continue to execute our business plans in a prudent manner during periods of economic uncertainty while preserving substantial future asset values.

We closely monitor market conditions and will adjust our operating plans to protect liquidity and preserve our asset values, if necessary. We expect to maintain a strong balance sheet and liquidity position as we focus on building long-term value in our business, executing our operating plans safely, responsibly and efficiently, and prudently managing costs and capital expenditures.

Based on current sales volume, cost and metal price estimates discussed in "Outlook," our available cash and cash equivalents plus our projected consolidated operating cash flows of **\$6.4 billion** **\$5.4 billion** for the year 2023 exceed our expected consolidated capital expenditures of \$4.8 billion (which includes **\$1.9 billion** for major mining projects and **\$1.6** billion for the Indonesia smelter projects that are being funded with the remaining proceeds from PT-FI's senior notes and its available credit facility).

As discussed Planned capital expenditures for major mining projects over the next few years are primarily associated with projects in "Outlook," Indonesia, including underground development activities, supporting mill and power capital costs and initial spending on a new gas-fired combined cycle facility. In addition, we are advancing discretionary capital projects associated with the development of the Kucing Liar deposit in Grasberg and an expansion of concentrator capacity at our projected financial results for the second half of 2023 do not include a 7.5% export duty at PT-FI that may be assessed under a revised regulation issued by the Indonesia government in July 2023.

Additionally, as further discussed in Note 8, PT-FI may be required to make an additional refundable smelter deposit of approximately \$250 million and deposit 30% of its gross export proceeds into Indonesian banks for a period of 90 days before withdrawal. Bagdad operation.

We have cash on hand and the financial flexibility to fund capital expenditures and our other cash requirements for the **year**, **next twelve months**, including noncontrolling interest distributions, income tax payments, current common stock dividends (base and variable) and any share or debt repurchases. At **June 30, 2023** **September 30, 2023**, we had **\$6.7 billion** of **\$5.7 billion** in consolidated cash and cash equivalents (which includes **\$1.1 billion** **\$0.6 billion** of PT-FI cash designated for Indonesia smelter projects), and FCX, PT-FI and Cerro Verde have \$3.0 billion, \$1.3 billion and \$350 million, respectively, of availability under their revolving credit facilities.

At September 30, 2023, we had \$0.7 billion in current restricted cash and cash equivalents, which includes (i) \$0.5 billion associated with PT-FI's export proceeds temporarily deposited in Indonesia banks in accordance with a regulation issued by the Indonesia government that became effective August 1, 2023, requiring 30% of export proceeds to be temporarily deposited into Indonesia banks for a period of 90 days before withdrawal, and (ii) \$145 million in assurance to support PT-FI's commitment for smelter development in Indonesia. Refer to "Outlook" Note 8 for further discussion of projected operating cash flows and capital expenditures for 2023, and an additional refundable deposit that PT-FI may be required to "Debt" below and Note 5 for further discussion. make related to smelter development.

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Financial Policy Our financial policy is aligned with our strategic objectives of maintaining a strong balance sheet, providing cash returns to shareholders and advancing opportunities for future growth. The policy includes a base dividend and a performance-based payout framework, whereby up to 50% of available cash flows generated after planned capital spending and distributions to noncontrolling interests would be allocated to shareholder returns and the balance to debt reduction and investments in value enhancing growth projects, subject to us maintaining our net debt at a level not to exceed the net debt target of \$3.0 billion to \$4.0 billion (excluding net project debt for additional smelting capacity in Indonesia). Our Board of Directors (Board) will review the structure of the performance-based payout framework at least annually.

At **June 30, 2023** **September 30, 2023**, our net debt, excluding net debt for the Indonesia smelter projects, totaled **\$0.9 billion** **\$0.8 billion**. Refer to "Net Debt" for further discussion.

On **June 21, 2023** **September 20, 2023**, our Board declared cash dividends totaling \$0.15 per share on our common stock (including a \$0.075 per share quarterly base cash dividend and a \$0.075 per share quarterly variable, performance-based cash dividend), which was paid on **August 1, 2023** **November 1, 2023**, to common stockholders of record as of **July 14, 2023** **October 13, 2023**. Based on current market conditions, the base and variable dividends on our common stock are anticipated to

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total \$0.60 per share for 2023 (including the dividends paid on **August 1, 2023** **November 1, 2023**), comprised of a \$0.30 per share base dividend and \$0.30 per share variable dividend. The declaration and payment of dividends (base or variable) is at the discretion of our Board and will depend on our financial results, cash requirements, global economic conditions and other factors deemed relevant by our Board.

Cash

Following is a summary of the U.S. and international components of consolidated cash and cash equivalents available to the parent company, excluding cash committed for the Indonesia smelter projects and net of noncontrolling interests' share, taxes and other costs at **June 30, 2023** **September 30, 2023** (in billions):

Cash at domestic companies	\$	3.3	3.1
Cash at international operations		3.4	2.6 ^a
Total consolidated cash and cash equivalents		6.7	5.7
Cash for Indonesia smelter projects		(1.1)	(0.6) ^{a,b}
Noncontrolling interests' share		(1.0)	(0.9)
Cash, net of noncontrolling interests' share		4.6	4.2
Withholding taxes		(0.1)	
Net cash available	\$	4.5	4.1

a. Excludes \$0.5 billion of cash associated with a portion of PT-FI's export proceeds required to be temporarily deposited in Indonesia banks for 90 days in accordance with an August 2023 regulation issued by the Indonesia government, which have been presented as current restricted cash and cash equivalents in FCX's consolidated balance sheet.

b. Estimated remaining net proceeds from PT-FI's senior notes offering.

Cash held at our international operations is generally used to support our foreign operations' capital expenditures, operating expenses, debt repayments, working capital or other cash needs. Management believes that sufficient liquidity is available in the U.S. from cash balances and availability from our revolving credit facility. We have not elected to permanently reinvest earnings from our foreign subsidiaries, and we have recorded deferred tax liabilities for foreign earnings that are available to be repatriated to the U.S. From time to time, our foreign subsidiaries distribute earnings to the U.S. through dividends that are subject to applicable withholding taxes and noncontrolling interests' share.

Debt

At **June 30, 2023** **September 30, 2023**, consolidated debt totaled **\$9.5 billion** **\$9.4 billion**, with a weighted-average interest rate of 5.2%. Substantially all of our outstanding debt is fixed rate. FCX has \$0.7 billion in scheduled senior note maturities through 2026 and an average remaining duration of its total debt of approximately 10 years. We had no borrowings outstanding and **\$8 million** **\$7 million** in letters of credit issued under our \$3.0 billion revolving credit facility. Additionally, at **June 30, 2023** **September 30, 2023**, no amounts were drawn under PT-FI's \$1.3 billion revolving credit facility or Cerro Verde's \$350 million revolving credit facility. Refer to Note 5 for further discussion.

Operating Activities

We generated operating cash flows of **\$2.7 billion** (net of **\$0.2 billion** of working capital and other uses) for the first six months of 2023 and **\$3.3 billion** **\$4.0 billion** (net of **\$0.7 billion** of working capital and other uses) for the first **six** nine months of 2022. Lower operating cash flows 2023 and **\$4.1 billion** (net of **\$1.0 billion** of working capital and other uses) for the

first **six nine** months of 2023, compared with first six months of 2022, primarily reflected lower copper prices, lower copper and gold sales volumes and higher production and delivery costs (refer to "Consolidated Results" for further discussion), partly offset by working capital changes. 2022.

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Investing Activities

Capital Expenditures. Capital expenditures, including capitalized interest, totaled **\$2.3 billion** **\$3.5 billion** for the first **six nine** months of 2023, including approximately **\$0.8** **\$1.2 billion** for major mining projects, primarily associated with underground development activities in the Grasberg minerals district and **\$0.8 billion** **\$1.2 billion** for the Indonesia smelter projects.

Capital expenditures, including capitalized interest, totaled **\$1.6 billion** **\$2.4 billion** for the first **six nine** months of 2022, including approximately **\$0.8 billion** **\$1.2 billion** for major mining projects, primarily associated with underground development activities in the Grasberg minerals district and **\$0.3 billion** **\$0.5 billion** for the Indonesia smelter projects.

Proceeds from Sales of Assets. Proceeds from sales of assets totaled **\$11 million** **\$16 million** for the first **six nine** months of 2023 and **\$96 million** **\$102 million** for the first **six nine** months of 2022. In May 2022, we sold all of the shares we owned in Jervois Global Limited, which we received in connection with the 2021 sale of our remaining cobalt business, for proceeds of \$60 million.

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Loans to PT Smelting for Expansion. PT-FI made loans to PT Smelting totaling **\$61 million** **\$109 million** for the first **six nine** months of 2023 and **\$34 million** **\$51 million** for the first **six nine** months of 2022 to fund PT Smelting's expansion project.

Financing Activities

Debt Transactions. Net repayments of debt totaled **\$1.1 billion** **\$1.2 billion** for the first **six nine** months of 2023, including the repayment of our 3.875% Senior Notes that matured in March 2023 totaling \$996 million and open-market purchases of our senior notes for a total cost of **\$125 million** **\$221 million**. Refer to Note 5 for additional information.

Net proceeds from debt totaled **\$1.7 billion** **\$1.3 billion** for the first **six nine** months of 2022, reflecting net proceeds from PT-FI's **\$3.0 billion** **\$3.0 billion** senior note offering, partly offset by the repayment of borrowings under PT-FI's term loan (\$0.6 billion) and Cerro Verde's term loan (\$0.3 billion), and open-market purchases of our senior notes (**\$0.6** **\$0.9 billion**).

Cash Dividends on Common Stock. We paid cash dividends on our common stock totaling **\$432 million** **\$647 million** for the first **six nine** months of 2023 and **\$438 million** **\$652 million** for the first **six nine** months of 2022. The declaration and payment of dividends (base or variable) is at the discretion of our Board and will depend on our financial results, cash requirements, global economic conditions and other factors deemed relevant by our Board. Refer to Note 5, Item 1A. "Risk Factors" contained in Part I of our 2022 Form 10-K (as updated in Part II, Item 1A. herein), "Cautionary Statement" below and the discussion of our financial policy above.

Cash Dividends and Distributions Paid to Noncontrolling Interests. Cash dividends and distributions paid to noncontrolling interests at our international operations totaled **\$291 million** **\$407 million** for the first **six nine** months of 2023 and **\$513 million** **\$625 million** for the first **six nine** months of 2022. Based on the estimates discussed in "Outlook," we currently expect cash dividends and distributions paid to noncontrolling interests totaling **\$1.1 billion** **\$0.5 billion** for the year 2023. Cash dividends and distributions to noncontrolling interests vary based on the operating results and cash requirements of our consolidated subsidiaries.

Treasury Stock Purchases. Since mid-2021, we have acquired 47.8 million shares of our common stock under the our share repurchase program for a total cost of \$1.8 billion (\$38.35 average cost per share), including **29.4** **35.1** million shares in the first **six nine** months of 2022 for a total cost of **\$1.2** **\$1.3 billion**. No shares have been purchased since July 11, 2022, and we have \$3.2 billion available for repurchases under the program. The timing and amount of share repurchases is at the discretion of management and will depend on a variety of factors. The share repurchase program may be modified, increased, suspended or terminated at any time at our Board's discretion. Refer to Item 1A. "Risk Factors" contained in Part I of our 2022 Form 10-K (as updated in Part II, Item 1A. herein), "Cautionary Statement" below and discussion of our financial policy above.

Contributions from Noncontrolling Interests. We received equity contributions totaling \$50 million for the first **six nine** months of 2023 and **\$94 million** **\$142 million** for the first **six nine** months of 2022 from PT Mineral Industri Indonesia (formerly PT Indonesia Asahan Aluminium (Persero), (MIND ID)). Contributions for the first **six nine** months of 2023 were primarily associated with receipt of the final capital contribution in accordance with the PT-FI shareholders agreement. Contributions for the first **six nine** months of 2022 were associated with MIND ID's share of capital spending on underground mine development projects in the Grasberg minerals district. Beginning on January 1, 2023, capital spending at PT-FI is being shared in accordance with the shareholders' ownership interests.

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CONTRACTUAL OBLIGATIONS

There have been no other material changes in our contractual obligations since December 31, 2022. Refer to Note 13 and Part II, Items 7. and 7A. in our 2022 Form 10-K for information regarding our contractual obligations.

CONTINGENCIES

Environmental Liabilities and Asset Retirement Obligations (AROs)

Our current and historical operating activities are subject to stringent laws and regulations governing the protection of the environment. We perform a comprehensive annual review of our environmental liabilities and AROs and also review changes in facts and circumstances associated with these obligations at least quarterly.

As discussed in "Consolidated Results – Environmental Obligations and Shutdown Costs," Note 8, we recorded \$116 charges totaling \$199 million in for revisions to our environmental obligations during the first **six** months of 2023, primarily associated with revised cost estimates. There have been no significant changes to our AROs since December 31, 2022. Updated cost assumptions, including increases and decreases to cost estimates, changes in the anticipated scope and timing of remediation activities, and settlement

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of environmental matters may result in additional revisions to certain of our environmental liabilities and AROs. Refer to Note 12 in our 2022 Form 10-K for further information regarding our environmental liabilities and AROs.

Litigation and Other Contingencies

There have been no material changes to our contingencies associated with legal proceedings, environmental and other matters since December 31, 2022, other than the Indonesia regulatory matters discussed above in "Indonesia **Mining-Regulatory Matters** Mining - Regulatory Matters" and as disclosed in Note 8. Refer to Note 12 and "Legal Proceedings" contained in Part I, Item 3. of our 2022 Form 10-K, as updated by Note 8, for further information regarding litigation and other contingencies.

NEW ACCOUNTING STANDARDS

There were no significant updates to previously reported accounting standards included in Note 1 of our 2022 Form 10-K.

NET DEBT

We believe that net debt which we define as consolidated debt less consolidated cash and cash equivalents, provides investors with information related to the performance-based payout framework in our financial policy, which requires us to maintain our net debt at a level not to exceed the net debt target of \$3 billion to \$4 billion (excluding net project debt for additional smelting capacity in Indonesia). We define net debt as consolidated debt less (i) consolidated cash and cash equivalents and (ii) current restricted cash associated with PT-FI's export proceeds. This information differs from consolidated debt determined in accordance with U.S. GAAP and should not be considered in isolation or as a substitute for consolidated debt determined in accordance with U.S. GAAP. Our net debt, which may not be comparable to similarly titled measures reported by other companies, follows (in billions):

		As of June 30, 2023	As of December 31, 2022		As of September 30, 2023	As of December 31, 2022
Current portion of debt	Current portion of debt	\$ — ^a	\$ 1.0	Current portion of debt	\$ — ^a	\$ 1.0
Long-term debt, less current portion	Long-term debt, less current portion	9.5	9.6	Long-term debt, less current portion	9.4	9.6
Consolidated debt	Consolidated debt	9.5	10.6	Consolidated debt	9.4	10.6
Less: consolidated cash and cash equivalents	Less: consolidated cash and cash equivalents	6.7	8.1	Less: consolidated cash and cash equivalents	5.7	8.1
Less: current restricted cash associated with PT-FI's export proceeds				Less: current restricted cash associated with PT-FI's export proceeds	0.5	—
FCX net debt	FCX net debt	2.8	2.5	FCX net debt	3.2	2.5
Less: net debt for Indonesia smelter projects		1.9	1.2	Less: net debt for Indonesia smelter projects	2.4	1.2
FCX net debt, excluding Indonesia smelter projects	FCX net debt, excluding Indonesia smelter projects	\$ 0.9	\$ 1.3	FCX net debt, excluding Indonesia smelter projects	\$ 0.8	\$ 1.3

a. Rounds to less than \$0.1 billion

b. Effective August 1, 2023, and in accordance with a regulation issued by the Indonesia government, 30% of PT-FI's export proceeds are being temporarily deposited into Indonesia banks for a period of 90 days before withdrawal and have been presented as current restricted cash and cash equivalents in FCX's consolidated balance sheet. As the 90-day holding period is the only restriction on the cash, FCX has included such amount in the calculation of net debt.

c. Includes consolidated debt of \$3.0 billion \$3.0 billion and consolidated cash and cash equivalents of \$1.1 billion \$0.6 billion as of June 30, 2023 September 30, 2023, and consolidated debt of \$3.0 billion \$3.0 billion and consolidated cash and cash equivalents of \$1.8 billion \$1.8 billion as of December 31, 2022.

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PRODUCT REVENUES AND PRODUCTION COSTS

We believe unit net cash costs (credits) per pound of copper and molybdenum are measures that provide investors with information about the cash-generating capacity of our mining operations expressed on a basis relating to the primary metal product for the respective operations. We use these measures for the same purpose and for monitoring operating performance by our mining operations. This information differs from measures of performance determined in accordance with U.S. GAAP and should not be considered in isolation or as a substitute for measures of performance determined in accordance with U.S. GAAP. These measures are presented by other metals mining companies, although our measures may not be comparable to similarly titled measures reported by other companies.

We present gross profit per pound of copper in the following tables using both a "by-product" method and a "co-product" method. We use the by-product method in our presentation of gross profit per pound of copper because (i) the majority of our revenues are copper revenues, (ii) we mine ore, which contains copper, gold, molybdenum and other metals, (iii) it is not possible to specifically assign all of our costs to revenues from the copper, gold, molybdenum and other metals we produce and (iv) it is the method used by our management and Board to monitor our mining operations and to compare mining operations in certain industry publications. In the co-product method presentations, shared costs are allocated to the different products based on their relative revenue values, which will vary to the extent our metals sales volumes and realized prices change.

We show revenue adjustments for prior period open sales as a separate line item. Because these adjustments do not result from current period sales, these amounts have been reflected separately from revenues on current period sales. Noncash and other costs, net, which are removed from site production and delivery costs in the calculation of unit net cash costs, (credits), consist of items such as stock-based compensation costs, long-lived asset impairments, idle facility costs, feasibility and optimization study costs, restructuring and/or unusual charges. As discussed above, gold, molybdenum and other metal revenues at copper mines are reflected as credits against site production and delivery costs in the by-product method. The following schedules are presentations under both the by-product and co-product methods together with reconciliations to amounts reported in our consolidated financial statements.

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North America Copper Mines Product Revenues, Production Costs and Unit Net Cash Costs

Three Months Ended June 30, 2023												
Three Months Ended September 30, 2023												
(In Millions)	(In Millions)	By-Product Method					Co-Product Method					
		Method	Copper	Molybdenum ^a	Other ^b	Total	Method	Copper	Molybdenum ^a	Other ^b	Total	
Revenues, Revenues, excluding Revenues, excluding adjustments	adjustments	\$ 1,337	\$ 1,337	\$ 200	\$ 51	\$ 1,588	Revenues, excluding Revenues, excluding adjustments	\$ 1,435	\$ 1,435	\$ 164	\$ 43	\$ 1,642
Site production and delivery, before net noncash and other costs shown below	below	999	870	139	51	1,060	Site production and delivery, before net noncash and other costs shown below	1,121	1,008	129	35	1,172
By-product credits	credits	(190)	—	—	—	—	By-product credits	(156)	—	—	—	—
Treatment charges	charges	46	43	—	3	46	Treatment charges	39	37	—	2	39
Net cash costs	costs	855	913	139	54	1,106	Net cash costs	1,004	1,045	129	37	1,211
DD&A	DD&A	99	87	10	2	99	DD&A	110	99	10	1	110

Metals inventory	Metals	Metals
inventory	inventory	inventory
adjustments	1	1
	—	—
	1	1
Noncash and other	Noncash and	Noncash and
costs, net	other costs,	other costs,
	net	net
	51	45
	45	5
	5	1
	1	51
Total costs	Total costs	Total costs
	1,006	1,046
	1,046	154
	154	57
	57	1,257
Other revenue	Other	Other
adjustments,	revenue	revenue
primarily for	adjustments,	adjustments,
pricing	primarily for	primarily for
on prior	pricing	pricing
on prior period open	on prior	on prior
sales	sales	sales
	(11)	(11)
	(11)	—
	—	(11)
Gross profit (loss)	\$ 320	\$ 280
	\$ 46	\$ (6)
	\$ 320	\$ 320
Gross profit	Gross profit	Gross profit
	\$ 269	\$ 244
	\$ 21	\$ 4
	\$ 269	\$ 269
Copper sales	Copper sales	Copper sales
(millions of	(millions of	(millions of
recoverable	recoverable	recoverable
recoverable pounds)	pounds)	pounds)
341	341	372
Molybdenum sales	Molybdenum	Molybdenum
(millions of	sales	sales
recoverable	(millions of	(millions of
pounds) ^a	recoverable	recoverable
pounds) ^a	pounds) ^a	pounds) ^a
Gross profit per	Gross profit per pound of	Gross profit per pound of
pound of	copper/molybdenum:	copper/molybdenum:
copper/molybdenum:	9	7
Revenues, excluding	Revenues,	Revenues,
adjustments	excluding	excluding
	adjustments	adjustments
	\$ 3.92	\$ 3.86
	\$ 3.92	\$ 3.86
	\$ 23.08	\$ 22.01
Site production and	Site	Site
delivery, before net	production	production
noncash	and delivery,	and delivery,
and other	before net	before net
costs shown	noncash	noncash
shown below	and other	and other
	costs shown	costs shown
	below	below
	2.93	3.01
	2.55	2.71
	16.04	17.35
By-product credits	By-product	By-product
	credits	credits
	(0.55)	(0.41)
Treatment charges	Treatment	Treatment
	charges	charges
	0.13	0.10
	0.13	0.10
	—	—
Unit net cash costs	Unit net	Unit net
	cash costs	cash costs
	2.51	2.70
	2.68	2.81
	16.04	17.35
DD&A	DD&A	DD&A
	0.29	0.30
	0.26	0.26
	1.15	1.33
Metals inventory	Metals	Metals
adjustments	inventory	inventory
	adjustments	adjustments
	—	0.01
	—	0.01
Noncash and other	Noncash and	Noncash and
costs, net	other costs,	other costs,
	net	net
	0.15	0.13
	0.13	0.12
	0.60	0.47
Total unit costs	Total unit	Total unit
	costs	costs
	2.95	3.14
	3.07	3.20
	17.79	19.15

	Other revenue adjustments, primarily for pricing on prior period open sales	sales	(0.03)	(0.03)	—		Other revenue adjustments, primarily for pricing on prior period open sales	sales	—	—	—	
Gross profit per pound	Gross profit per pound		\$ 0.94	\$ 0.82	\$ 5.29		Gross profit per pound		\$ 0.72	\$ 0.66	\$ 2.86	
Reconciliation to Amounts Reported	Reconciliation to Amounts Reported						Reconciliation to Amounts Reported					
			Production and	Metals Inventory			Production and	Metals Inventory				
			Revenues	Delivery	DD&A	Adjustments		Revenues	Delivery	DD&A	Adjustments	
Totals presented above	Totals presented above		\$ 1,588	\$ 1,060	\$ 99	\$ 1	Totals presented above		\$ 1,642	\$ 1,172	\$ 110	\$ 4
Treatment charges	Treatment charges		(3)	43	—	—	Treatment charges		—	39	—	—
Noncash and other costs, net	Noncash and other costs, net		—	51	—	—	Noncash and other costs, net		—	49	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales		(11)	—	—	—	Other revenue adjustments, primarily for pricing on prior period open sales		1	—	—	—
Eliminations and other	Eliminations and other		16	12	—	—	Eliminations and other		14	15	—	—
North America	North America						North America					
copper mines	copper mines		1,590	1,166	99	1	copper mines		1,657	1,275	110	4
Other mining ^d	Other mining ^d		5,756	3,936	429	—	Other mining ^d		5,764	3,859	405	1
Corporate, other & eliminations	Corporate, other & eliminations		(1,609)	(1,554)	19	—	Corporate, other & eliminations		(1,597)	(1,586)	18	—
As reported in our consolidated financial statements	As reported in our consolidated financial statements		\$ 5,737	\$ 3,548	\$ 547	\$ 1	As reported in our consolidated financial statements		\$ 5,824	\$ 3,548	\$ 533	\$ 5

a. Reflects sales of molybdenum produced by certain of the North America copper mines to our molybdenum sales company at market-based pricing.

b. Includes gold and silver product revenues and production costs.

c. Includes charges totaling \$26 million \$28 million (\$0.08 per pound of copper) for feasibility and optimization studies.

d. Represents the combined total for our other segments as presented in Note 9.

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North America Copper Mines Product Revenues, Production Costs and Unit Net Cash Costs

Three Months Ended June 30,
2022

Three Months Ended September 30, 2022											Three Months Ended September 30, 2022													
(In Millions)	(In Millions)	By- Product					By- Product																	
		Method	Copper	Molybdenum ^a	Other ^b	Total	Method	Copper	Molybdenum ^a	Other ^b	Total													
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 1,697	\$ 1,697	\$ 144	\$ 30	\$ 1,871	Revenues, excluding adjustments	\$ 1,293	\$ 1,293	\$ 111	\$ 38	\$ 1,442												
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	975	897	95	21	1,013	Site production and delivery, before net noncash and other costs shown below	1,000	908	104	31	1,043												
By-product credits	By-product credits	(136)	—	—	—	—	By-product credits	(106)	—	—	—	—												
Treatment charges	Treatment charges	41	40	—	1	41	Treatment charges	35	33	—	2	35												
Net cash costs	Net cash costs	880	937	95	22	1,054	Net cash costs	929	941	104	33	1,078												
DD&A	DD&A	103	95	7	1	103	DD&A	99	91	6	2	99												
Metals inventory adjustments	Metals inventory adjustments	7	6	1	—	7	Metals inventory adjustments	3	3	—	—	3												
Noncash and other costs, net	Noncash and other costs, net	36	33	2	1	36	Noncash and other costs, net	38	33	4	1	38												
Total costs	Total costs	1,026	1,071	105	24	1,200	Total costs	1,069	1,068	114	36	1,218												
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(37)	(37)	—	—	(37)	Other revenue adjustments, primarily for pricing on prior period open sales	(20)	(20)	—	—	(20)												
Gross profit	Gross profit	\$ 634	\$ 589	\$ 39	\$ 6	\$ 634	Gross profit	\$ 204	\$ 205	\$ (3)	\$ 2	\$ 204												
Gross profit (loss)	Gross profit (loss)	Copper sales (millions of recoverable pounds)					Copper sales (millions of recoverable pounds)	361	361															
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	389	389	Molybdenum sales (millions of recoverable pounds) ^a					Molybdenum sales (millions of recoverable pounds) ^a	8	7													
Molybdenum sales (millions of recoverable pounds) ^a	Molybdenum sales (millions of recoverable pounds) ^a																							
Gross profit per pound of copper/molybdenum:																								
Gross profit (loss) per pound of copper/molybdenum:	Gross profit (loss) per pound of copper/molybdenum:																							

Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 4.36	\$ 4.36	\$ 18.75	Revenues, excluding adjustments	\$ 3.57	\$ 3.57	\$ 16.75	
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	2.50	2.30	12.42	Site production and delivery, before net noncash and other costs shown below	2.76	2.51	15.60	
By-product credits	By-product credits	(0.35)	—	—	By-product credits	(0.30)	—	—	
Treatment charges	Treatment charges	0.11	0.11	—	Treatment charges	0.10	0.09	—	
Unit net cash costs	Unit net cash costs	2.26	2.41	12.42	Unit net cash costs	2.56	2.60	15.60	
DD&A	DD&A	0.27	0.24	0.81	DD&A	0.28	0.25	0.95	
Metals inventory adjustments	Metals inventory adjustments	0.02	0.02	0.16	Metals inventory adjustments	0.01	0.01	—	
Noncash and other costs, net	Noncash and other costs, net	0.09	0.08	0.32	Noncash and other costs, net	0.10	0.09	0.60	
Total unit costs	Total unit costs	2.64	2.75	13.71	Total unit costs	2.95	2.95	17.15	
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(0.10)	(0.10)	—	Other revenue adjustments, primarily for pricing on prior period open sales	(0.06)	(0.06)	—	
Gross profit per pound	Gross profit per pound	\$ 1.62	\$ 1.51	\$ 5.04	Gross profit (loss) per pound	\$ 0.56	\$ 0.56	\$ (0.40)	
Reconciliation to Amounts Reported	Reconciliation to Amounts Reported	Production and Inventory	Metals		Reconciliation to Amounts Reported	Production and Inventory	Metals		
		Revenues	Delivery	DD&A	Adjustments	Revenues	Delivery	DD&A	Adjustments
Totals presented above	Totals presented above	\$ 1,871	\$ 1,013	\$ 103	\$ 7	\$ 1,442	\$ 1,043	\$ 99	\$ 3
Treatment charges	Treatment charges	(5)	36	—	—	(6)	29	—	—
Noncash and other costs, net	Noncash and other costs, net	—	36	—	—	—	38	—	—

Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(37) — — —	Other revenue adjustments, primarily for pricing on prior period open sales	(20) — — —
Eliminations and other	Eliminations and other	26 32 (1) —	Eliminations and other	32 34 1 —
North America copper mines	North America copper mines	1,855 1,117 102 7	North America copper mines	1,448 1,144 100 3
Other mining ^a	Other mining ^a	5,332 3,614 389 11	Other mining ^a	4,941 3,611 390 22
Corporate, other & eliminations	Corporate, other & eliminations	(1,771) (1,728) 16 —	Corporate, other & eliminations	(1,386) (1,389) 18 —
As reported in our consolidated financial statements	As reported in our consolidated financial statements	\$ 5,416 \$ 3,003 \$ 507 \$ 18	As reported in our consolidated financial statements	\$ 5,003 \$ 3,366 \$ 508 \$ 25

a. Reflects sales of molybdenum produced by certain of the North America copper mines to our molybdenum sales company at market-based pricing.

b. Includes gold and silver product revenues and production costs.

c. Includes charges totaling \$21 million (\$0.05 0.06 per pound of copper) for feasibility and optimization studies.

d. Represents the combined total for our other segments as presented in Note 9.

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[North America Copper Mines Product Revenues, Production Costs and Unit Net Cash Costs](#)

Six Months Ended June 30, 2023											Nine Months Ended September 30, 2023													
(In Millions)	(In Millions)	By-Product					Co-Product Method					(In Millions)	By-Product					Co-Product Method						
		Method	Copper	Molybdenum ^a	Other ^b	Total	Method	Copper	Molybdenum ^a	Other ^b	Total		Method	Copper	Molybdenum ^a	Other ^b	Total	Method	Copper	Molybdenum ^a	Other ^b	Total		
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 2,723	\$ 2,723	\$ 412	\$ 86	\$ 3,221	Revenues, excluding adjustments	\$ 4,159	\$ 4,159	\$ 576	\$ 129	\$ 4,864	Revenues, excluding adjustments	\$ 3,097	2,729	417	113	3,259	By-product credits	(387)	—	—	—	—
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	1,975	1,720	288	78	2,086	Site production and delivery, before net noncash and other costs shown below	3,097	2,729	417	113	3,259	By-product credits	(543)	—	—	—	—	Treatment charges	88	83	—	5	88
Net cash costs	Net cash costs	1,676	1,803	288	83	2,174	Net cash costs	2,680	2,849	417	119	3,385	Treatment charges	126	120	—	6	126	DD&A	202	178	20	4	202
DD&A	DD&A	202	178	20	4	202	DD&A	312	276	30	6	312	Net cash costs	2,680	2,849	417	119	3,385	By-product credits	(387)	—	—	—	—

Metals inventory	Metals	Metals
adjustments	inventory	inventory
	1	1
Noncash and other	—	—
costs, net	1	5
Net	126	107
	17	15
	2	20
Total costs	126	175
	2,503	3,282
Other	Total costs	Total costs
revenue	2,005	3,172
adjustments,	2,089	3,282
Other revenue	325	467
adjustments,	89	128
primarily for	2,503	3,877
pricing		
on prior		
on prior period open		
sales	sales	sales
	13	13
	—	—
	13	13
Gross profit (loss)	\$ 731	\$ 890
	\$ 647	\$ 109
	\$ 87	\$ 1
	\$ (3)	\$ 1,000
Gross profit		Gross profit
Copper sales	Copper sales	Copper sales
(millions of	(millions of	(millions of
recoverable	recoverable	recoverable
recoverable pounds)	pounds)	pounds)
676	676	1,048
Molybdenum	Molybdenum	Molybdenum
sales	sales	sales
(millions of	(millions of	(millions of
recoverable	recoverable	recoverable
pounds) ^a	pounds) ^a	pounds) ^a
16	23	23
Gross profit per	Gross profit per pound of	Gross profit per pound of
pound of	copper/molybdenum:	copper/molybdenum:
Revenues,	Revenues,	Revenues,
Revenues, excluding	excluding	excluding
adjustments	adjustments	adjustments
\$ 4.03	\$ 4.03	\$ 3.97
	\$ 25.52	\$ 24.41
Site	Site	Site
production	production	production
and delivery,	and delivery,	and delivery,
before net	before net	before net
noncash	noncash	noncash
and other	and other	and other
costs shown	costs shown	costs shown
below	below	below
2.92	2.55	2.96
	17.81	2.60
By-product credits	By-product credits	By-product credits
Treatment	Treatment	Treatment
charges	charges	charges
0.13	0.12	0.12
Unit net cash	Unit net	Unit net
costs	cash costs	cash costs
2.48	2.67	2.56
	17.81	2.72
DD&A	DD&A	DD&A
Metals	Metals	Metals
Metals inventory	inventory	inventory
adjustments	adjustments	adjustments
—	—	0.01
Noncash and	—	0.01
other costs,	—	—
costs, net	0.19	0.14
	0.16	0.87
Total unit	Total unit	Total unit
costs	costs	costs
2.97	3.09	3.03
	20.11	19.80

	Other revenue	Other revenue				
	revenue	revenue				
	adjustments,	adjustments,				
Other revenue	primarily for	primarily for				
adjustments,	pricing	pricing				
primarily for pricing	on prior	on prior				
on prior period open	period open	period open				
sales	sales	sales				
	0.02	0.02	—	0.01	0.01	—
Gross profit per	Gross profit	Gross profit				
pound	per pound	per pound				
	\$ 1.08	\$ 0.96	\$ 5.41	\$ 0.95	\$ 0.85	\$ 4.61
	<i>Reconciliation</i>					<i>Reconciliation</i>
Reconciliation to	to Amounts	to Amounts				
Amounts Reported	Reported	Reported				
		Metals		Metals		
		Production	Inventory	Production	Inventory	
		and		and		
		Revenues	Delivery	Revenues	Delivery	
		DD&A	Adjustments	DD&A	Adjustments	
	Totals	Totals				
Totals presented	presented	presented				
above	above	\$ 3,221	\$ 2,086	\$ 202	\$ 1	5
Treatment charges	Treatment charges	(9)	79	—	—	—
Noncash and other costs, net	Noncash and other costs, net	—	126	—	—	—
Other revenue	Other revenue					
adjustments,	adjustments,					
primarily for pricing	primarily for					
on prior	pricing					
on prior period open	on prior period open					
sales	sales	13	—	—	—	—
Eliminations and other	Eliminations and other	35	37	—	—	—
North America	North America					
copper mines	copper mines	3,260	2,328	202	1	5
Other mining _d	Other mining _d	11,068	7,435	712	—	1
Corporate, other & eliminations	Corporate, other & eliminations	(3,202)	(3,051)	32	1	1
	As reported in our					
As reported in our	consolidated financial					
financial statements	statements	\$ 11,126	\$ 6,712	\$ 946	\$ 2	7

a. Reflects sales of molybdenum produced by certain of the North America copper mines to our molybdenum sales company at market-based pricing.

b. Includes gold and silver product revenues and production costs.

c. Includes charges totaling \$53 million (\$0.08 per pound of copper) for feasibility and optimization studies.

d. Represents the combined total for our other mining operations as presented in Note 9.

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North America Copper Mines Product Revenues, Production Costs and Unit Net Cash Costs

Six Months Ended June 30, 2022

Nine Months Ended September 30, 2022										Nine Months Ended September 30, 2022					
(In Millions)	(In Millions)	By- Product		Co-Product Method				(In Millions)	By- Product		Co-Product Method				
		Method	Copper	Molybdenum ^a	Others ^b	Total	Method		Copper	Molybdenum ^a	Others ^b	Total			
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 3,440	\$ 3,440	\$ 282	\$ 57	\$ 3,779		Revenues, excluding adjustments	\$ 4,720	\$ 4,720	\$ 393	\$ 95	\$ 5,208		
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	1,883	1,735	179	39	1,953		Site production and delivery, before net noncash and other costs shown below	2,882	2,643	283	70	2,996		
By-product credits	By-product credits	(269)	—	—	—	—		By-product credits	(374)	—	—	—	—		
Treatment charges	Treatment charges	77	75	—	2	77		Treatment charges	112	109	—	3	112		
Net cash costs	Net cash costs	1,691	1,810	179	41	2,030		Net cash costs	2,620	2,752	283	73	3,108		
DD&A	DD&A	207	192	13	2	207		DD&A	306	282	19	5	306		
Metals inventory adjustments	Metals inventory adjustments	7	6	1	—	7		Metals inventory adjustments	10	9	1	—	10		
Noncash and other costs, net	Noncash and other costs, net	65	60	4	1	65		Noncash and other costs, net	104	94	8	2	104		
Total costs	Total costs	1,970	2,068	197	44	2,309		Total costs	3,040	3,137	311	80	3,528		
Other revenue	Other revenue							Other revenue							
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(7)	(7)	—	—	(7)		Other revenue adjustments, primarily for pricing on prior period open sales	(13)	(13)	—	—	(13)		
Gross profit	Gross profit	\$ 1,463	\$ 1,365	\$ 85	\$ 13	\$ 1,463		Gross profit	\$ 1,667	\$ 1,570	\$ 82	\$ 15	\$ 1,667		
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	770	770					Copper sales (millions of recoverable pounds)	1,131	1,131					
Molybdenum sales (millions of recoverable pounds) ^a	Molybdenum sales (millions of recoverable pounds) ^a			15				Molybdenum sales (millions of recoverable pounds) ^a			22				
Gross profit per pound of copper/molybdenum:	Gross profit per pound of copper/molybdenum:							Gross profit per pound of copper/molybdenum:							
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 4.46	\$ 4.46	\$ 18.36				Revenues, excluding adjustments	\$ 4.17	\$ 4.17	\$ 17.87				

		Site production and delivery, before net noncash and other costs shown below				Site production and delivery, before net noncash and other costs shown below				
Site production and delivery, before net noncash and other costs shown below		below	2.44	2.25	11.68	below	2.54	2.33	12.87	
By-product credits	By-product credits	(0.35)	—	—	By-product credits	(0.33)	—	—	—	
Treatment charges	Treatment charges	0.10	0.10	—	Treatment charges	0.10	0.10	—	—	
Unit net cash costs	Unit net cash costs	2.19	2.35	11.68	Unit net cash costs	2.31	2.43	12.87		
DD&A	DD&A	0.27	0.25	0.85	DD&A	0.27	0.25	0.88		
Metals inventory adjustments	Metals inventory adjustments	0.01	0.01	0.08	Metals inventory adjustments	0.01	0.01	—	—	
Noncash and other costs, net	Noncash and other costs, net	0.09	0.07	0.23	Noncash and other costs, net	0.09	0.08	0.40		
Total unit costs	Total unit costs	2.56	2.68	12.84	Total unit costs	2.68	2.77	14.15		
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(0.01)	(0.01)	—	Other revenue adjustments, primarily for pricing on prior period open sales	(0.01)	(0.01)	—	—	
Gross profit per pound	Gross profit per pound	\$ 1.89	\$ 1.77	\$ 5.52	Gross profit per pound	\$ 1.48	\$ 1.39	\$ 3.72		
Reconciliation to Amounts Reported										
Reconciliation to Amounts Reported										
Metals										
Production and Inventory										
Revenues Delivery DD&A Adjustments										
Totals presented above	Totals presented above	\$ 3,779	\$ 1,953	\$ 207	\$ 7	Totals presented above	\$ 5,208	\$ 2,996	\$ 306	\$ 10
Treatment charges	Treatment charges	(9)	68	—	—	Treatment charges	(15)	97	—	—
Noncash and other costs, net	Noncash and other costs, net	—	65	—	—	Noncash and other costs, net	—	104	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(7)	—	—	—	Other revenue adjustments, primarily for pricing on prior period open sales	(13)	—	—	—
Eliminations and other	Eliminations and other	43	49	—	—	Eliminations and other	74	82	1	—

North America	North America						North America				
copper mines	copper mines	3,806	2,135	207	7		copper mines	5,254	3,279	307	10
Other mining ^d	Other mining ^d	11,708	7,461	757	11		Other mining ^d	16,649	11,072	1,147	33
Corporate, other & eliminations	Corporate, other & eliminations	(3,495)	(3,443)	32	—		Corporate, other & eliminations	(4,881)	(4,832)	50	—
As reported in our consolidated financial statements	As reported in our consolidated financial statements	\$ 12,019	\$ 6,153	\$ 996	\$ 18		As reported in our consolidated financial statements	\$ 17,022	\$ 9,519	\$ 1,504	\$ 43

a. Reflects sales of molybdenum produced by certain of the North America copper mines to our molybdenum sales company at market-based pricing.

b. Includes gold and silver product revenues and production costs.

c. Includes charges totaling \$29 million \$49 million (\$0.04 per pound of copper) for feasibility and optimization studies.

d. Represents the combined total for our other mining operations as presented in Note 9.

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

Three Months Ended June 30, 2023											
Three Months Ended September 30, 2023						Three Months Ended September 30, 2023					
(In Millions)	(In Millions)	By-Product			(In Millions)	By-Product			Co-Product Method		
		Method	Copper	Other ^a		Method	Copper	Other ^a	Total		
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 1,153	\$ 1,153	\$ 128	\$ 1,281	Revenues, excluding adjustments	\$ 1,159	\$ 1,159	\$ 145	\$ 1,304	
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	741	678	82	760	Site production and delivery, before net noncash and other costs shown below	790	712	93	805	
By-product credits	By-product credits	(109)	—	—	—	By-product credits	(130)	—	—	—	
Treatment charges	Treatment charges	62	62	—	62	Treatment charges	61	61	—	61	
Royalty on metals	Royalty on metals	2	2	—	2	Royalty on metals	2	2	—	2	
Net cash costs	Net cash costs	696	742	82	824	Net cash costs	723	775	93	868	
DD&A	DD&A	132	118	14	132	DD&A	110	98	12	110	
Metals inventory adjustments	Metals inventory adjustments					Metals inventory adjustments	1	1	—	1	
Noncash and other costs, net	Noncash and other costs, net	24	23	1	24	Noncash and other costs, net	21	20	1	21	
Total costs	Total costs	852	883	97	980	Total costs	855	894	106	1,000	

Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales
	(69) (69) — (69)	2 2 — 2
Gross profit	Gross profit \$ 232 \$ 201 \$ 31 \$ 232	Gross profit \$ 306 \$ 267 \$ 39 \$ 306
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds) 304 304	Copper sales (millions of recoverable pounds) 307 307
Gross profit per pound of copper:	Gross profit per pound of copper:	Gross profit per pound of copper:
Revenues, excluding adjustments	Revenues, excluding adjustments \$ 3.78 \$ 3.78	Revenues, excluding adjustments \$ 3.77 \$ 3.77
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below
By-product credits	By-product credits (0.37) —	By-product credits (0.42) —
Treatment charges	Treatment charges 0.21 0.21	Treatment charges 0.19 0.19
Royalty on metals	Royalty on metals 0.01 0.01	Royalty on metals 0.01 0.01
Unit net cash costs	Unit net cash costs 2.28 2.44	Unit net cash costs 2.35 2.52
DD&A	DD&A 0.44 0.39	DD&A 0.36 0.32
Metals inventory adjustments	Metals inventory adjustments — —	Metals inventory adjustments — —
Noncash and other costs, net	Noncash and other costs, net b 0.08 0.07	Noncash and other costs, net b 0.07 0.07
Total unit costs	Total unit costs 2.80 2.90	Total unit costs 2.78 2.91
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales (0.22) (0.22)	Other revenue adjustments, primarily for pricing on prior period open sales 0.01 0.01
Gross profit per pound	Gross profit per pound \$ 0.76 \$ 0.66	Gross profit per pound \$ 1.00 \$ 0.87
Reconciliation to Amounts	Reconciliation to Amounts	Reconciliation to Amounts
Reported	Reported	Reported' Metals
	Production	Production Inventory

		and			and				
		Revenues	Delivery	DD&A	Revenues	Delivery	DD&A	Adjustments	
Totals	Totals								
presented	presented								
above	above	\$ 1,281	\$ 760	\$ 132					
Treatment	Treatment								
charges	charges	(62)	—	—					
Royalty on	Royalty on								
metals	metals	(2)	—	—					
Noncash and	Noncash and								
other costs,	other costs,								
net	net	—	24	—					
Other	Other								
revenue	revenue								
adjustments,	adjustments,								
primarily for	primarily for								
pricing	pricing								
on prior	on prior								
period open	period open								
sales	sales	(69)	—	—					
Eliminations	Eliminations								
and other	and other	—	(1)	—					
South	South								
America	America								
mining	mining	1,148	783	132					
Other mining:	Other mining:	6,198	4,319	396					
Corporate,	Corporate,								
other &	other &								
eliminations	eliminations	(1,609)	(1,554)	19					
As reported in	As reported in								
our	our								
consolidated	consolidated								
financial	financial								
statements	statements	\$ 5,737	\$ 3,548	\$ 547					
									5

a. Includes silver sales of 1.1 million ounces (\$23.02 23.31 per ounce average realized price). Also reflects sales of molybdenum produced by Cerro Verde to our molybdenum sales company at market-based pricing.

b. Includes charges totaling \$11 million \$11 million (\$0.04 0.03 per pound of copper) for feasibility studies.

c. Represents the combined total for our other segments as presented in Note 9.

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

Three Months Ended June 30, 2022									
Three Months Ended September 30, 2022					Three Months Ended September 30, 2022				
(In Millions)	(In Millions)	By-Product	Co-Product Method	(In Millions)	By-Product	Co-Product Method			
		Method	Copper Other ^a Total		Method	Copper Other ^a Total			
Revenues,	Revenues,								
excluding	excluding								
adjustments	adjustments	\$ 1,102	\$ 1,102	\$ 116	\$ 1,218				
Revenues,	Revenues,								
excluding	excluding								
adjustments	adjustments	\$ 1,017	\$ 1,017	\$ 62	\$ 1,079				

Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	712	658	69	727	Site production and delivery, before net noncash and other costs shown below	761	723	52	775
By-product credits	By-product credits	(101)	—	—	—	By-product credits	(48)	—	—	—
Treatment charges	Treatment charges	44	44	—	44	Treatment charges	40	40	—	40
Royalty on metals	Royalty on metals	3	3	—	3	Royalty on metals	2	2	—	2
Net cash costs	Net cash costs	658	705	69	774	Net cash costs	755	765	52	817
DD&A	DD&A	101	91	10	101	DD&A	99	93	6	99
Metals inventory adjustments	Metals inventory adjustments	11	10	1	11	Metals inventory adjustments	22	22	—	22
Noncash and other costs, net	Noncash and other costs, net	18	17	1	18	Noncash and other costs, net	25	23	2	25
Total costs	Total costs	788	823	81	904	Total costs	901	903	60	963
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(154)	(154)	—	(154)	Other revenue adjustments, primarily for pricing on prior period open sales	(73)	(73)	—	(73)
Gross profit	Gross profit	\$ 160	\$ 125	\$ 35	\$ 160	Gross profit	\$ 43	\$ 41	\$ 2	\$ 43
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	288	288			Copper sales (millions of recoverable pounds)	293	293		
Gross profit per pound of copper:	Gross profit per pound of copper:					Gross profit per pound of copper:				
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 3.83	\$ 3.83			Revenues, excluding adjustments	\$ 3.47	\$ 3.47		
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	2.48	2.29			Site production and delivery, before net noncash and other costs shown below	2.60	2.47		
By-product credits	By-product credits	(0.35)	—			By-product credits	(0.16)	—		
Treatment charges	Treatment charges	0.15	0.15			Treatment charges	0.13	0.14		
Royalty on metals	Royalty on metals	0.01	0.01			Royalty on metals	0.01	—		

Unit net cash costs	Unit net cash costs	2.29	2.45	Unit net cash costs	2.58	2.61
DD&A	DD&A	0.35	0.32	DD&A	0.34	0.32
Metals inventory adjustments	Metals inventory adjustments	0.04	0.03	Metals inventory adjustments	0.07	0.07
Noncash and other costs, net	Noncash and other costs, net	0.06	0.06	Noncash and other costs, net	0.09	0.08
Total unit costs	Total unit costs	2.74	2.86	Total unit costs	3.08	3.08
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(0.53)	(0.53)	Other revenue adjustments, primarily for pricing on prior period open sales	(0.25)	(0.25)
Gross profit per pound	Gross profit per pound	\$ 0.56	\$ 0.44	Gross profit per pound	\$ 0.14	\$ 0.14
Reconciliation to Amounts Reported	Reconciliation to Amounts Reported			Metals	Reported	Metals
		Production	Inventory		Production	Inventory
		Revenues	Delivery	DD&A	Adjustments	
Totals presented above	Totals presented above	\$ 1,218	\$ 727	\$ 101	\$ 11	Totals presented above
Treatment charges	Treatment charges	(44)	—	—	—	Treatment charges
Royalty on metals	Royalty on metals	(3)	—	—	—	Royalty on metals
Noncash and other costs, net	Noncash and other costs, net	—	18	—	—	Noncash and other costs, net
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(154)	—	—	—	Other revenue adjustments, primarily for pricing on prior period open sales
Eliminations and other	Eliminations and other	(1)	(3)	1	—	Eliminations and other
South America mining	South America mining	1,016	742	102	11	South America mining
Other mining ^b	Other mining ^b	6,171	3,989	389	7	Other mining ^b
Corporate, other & eliminations	Corporate, other & eliminations	(1,771)	(1,728)	16	—	Corporate, other & eliminations

As reported in our consolidated financial statements	\$ 5,416	\$ 3,003	\$ 507	\$ 18	As reported in our consolidated financial statements	\$ 5,003	\$ 3,366	\$ 508	\$ 25
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a. Includes silver sales of 1.1 million ounces (\$23.26 17.11 per ounce average realized price). Also reflects sales of molybdenum produced by Cerro Verde to our molybdenum sales company at market-based pricing.

b. Represents the combined total for our other segments as presented in Note 9.

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

Six Months Ended June 30, 2023										
Nine Months Ended September 30, 2023					Nine Months Ended September 30, 2023					
(In Millions)	(In Millions)	By-Product			(In Millions)	By-Product				
		Method	Copper	Other ^a		Method	Copper	Other ^a		
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 2,331	\$ 2,331	\$ 301	\$ 2,632	Revenues, excluding adjustments	\$ 3,492	\$ 3,492	\$ 447	\$ 3,939
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	1,508	1,363	179	1,542	Site production and delivery, before net noncash and other costs shown below	2,297	2,074	272	2,346
By-product credits	By-product credits	(270)	—	—	—	By-product credits	(401)	—	—	—
Treatment charges	Treatment charges	118	118	—	118	Treatment charges	179	179	—	179
Royalty on metals	Royalty on metals	4	3	1	4	Royalty on metals	6	5	1	6
Net cash costs	Net cash costs	1,360	1,484	180	1,664	Net cash costs	2,081	2,258	273	2,531
DD&A	DD&A	239	212	27	239	DD&A	350	310	40	350
Metals inventory adjustments	Metals inventory adjustments	^b			^b					
Noncash and other costs, net	Noncash and other costs, net	50	46	4	50	Noncash and other costs, net	71	66	5	71
Total costs	Total costs	1,649	1,742	211	1,953	Total costs	2,503	2,635	318	2,953
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	71	71	3	74	Other revenue adjustments, primarily for pricing on prior period open sales	71	71	3	74
Gross profit	Gross profit	\$ 753	\$ 660	\$ 93	\$ 753	Gross profit	\$ 1,060	\$ 928	\$ 132	\$ 1,060

Copper sales	Copper sales		Copper sales	
(millions of recoverable pounds)	(millions of recoverable pounds)	606	606	913
Gross profit per pound of copper:	Gross profit per pound of copper:		Gross profit per pound of copper:	
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 3.85	\$ 3.85	\$ 3.82
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	2.49	2.25	2.51
By-product credits	By-product credits	(0.45)	—	(0.44)
Treatment charges	Treatment charges	0.19	0.19	0.20
Royalty on metals	Royalty on metals	0.01	0.01	0.01
Unit net cash costs	Unit net cash costs	2.24	2.45	2.28
DD&A	DD&A	0.40	0.35	0.38
Metals inventory adjustments	Metals inventory adjustments	—	—	—
Noncash and other costs, net	Noncash and other costs, net	0.08	0.07	0.08
Total unit costs	Total unit costs	2.72	2.87	2.74
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	0.11	0.11	0.08
Gross profit per pound	Gross profit per pound	\$ 1.24	\$ 1.09	\$ 1.16
Reconciliation to Amounts	Reconciliation to Amounts			\$ 1.02
Reported	Reported			
	Production and Revenues		Production and Revenues	
	Delivery		Delivery	
	DD&A		DD&A	
Totals presented above	Totals presented above	\$ 2,632	\$ 1,542	\$ 239
Treatment charges	Treatment charges	(118)	—	(179)
	Metals		Inventory	
	Revenues		Revenues	
	Delivery		Delivery	
	DD&A		DD&A	
	Adjustments		Adjustments	
	Totals presented above		\$ 3,939	
	\$ 2,346		\$ 350	
	\$ 1		—	
	—		—	
	—		—	

Royalty on metals	Royalty on metals	(4)	—	—	Royalty on metals	(6)	—	—	—
Noncash and other costs, net	Noncash and other costs, net	—	50	—	Noncash and other costs, net	—	71	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	74	—	—	Other revenue adjustments, primarily for pricing on prior period open sales	74	—	—	—
Eliminations and other	Eliminations and other	—	(2)	—	Eliminations and other	—	(1)	—	—
South America mining	South America mining	2,584	1,590	239	South America mining	3,828	2,416	350	1
Other mining ^a	Other mining ^a	11,744	8,173	675	Other mining ^a	17,921	12,481	1,079	5
Corporate, other & eliminations	Corporate, other & eliminations	(3,202)	(3,051)	32	Corporate, other & eliminations	(4,799)	(4,637)	50	1
As reported in our consolidated financial statements	As reported in our consolidated financial statements	\$ 11,126	\$ 6,712	\$ 946	As reported in our consolidated financial statements	\$ 16,950	\$ 10,260	\$ 1,479	\$ 7

a. Includes silver sales of **2.1 million** **3.2 million** ounces (**\$23.20** **23.51** per ounce average realized price). Also reflects sales of molybdenum produced by Cerro Verde to our molybdenum sales company at market-based pricing.

b. Includes charges totaling **\$19 million** **\$30 million** (\$0.03 per pound of copper) for feasibility studies.

c. Represents the combined total for our other mining operations as presented in Note 9.

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

Six Months Ended June 30, 2022										
Nine Months Ended September 30, 2022					Nine Months Ended September 30, 2022					
(In Millions)	(In Millions)	By-Product			(In Millions)	By-Product				
		Method	Copper	Other ^a		Method	Copper	Other ^a		
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 2,204	\$ 2,204	\$ 240	\$ 2,444	Revenues, excluding adjustments	\$ 3,149	\$ 3,149	\$ 302	\$ 3,451
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	1,352	1,244	135	1,379	Site production and delivery, before net noncash and other costs shown below	2,114	1,968	188	2,156

By-product credits	By-product credits	(213)	—	—	—	By-product credits	(260)	—	—	—
Treatment charges	Treatment charges	84	84	—	84	Treatment charges	124	124	—	124
Royalty on metals	Royalty on metals	6	5	1	6	Royalty on metals	7	6	1	7
Net cash costs	Net cash costs	1,229	1,333	136	1,469	Net cash costs	1,985	2,098	189	2,287
DD&A	DD&A	198	179	19	198	DD&A	297	272	25	297
Metals inventory adjustments	Metals inventory adjustments	11	10	1	11	Metals inventory adjustments	32	31	1	32
Noncash and other costs, net	Noncash and other costs, net	35	33	2	35	Noncash and other costs, net	60	57	3	60
Total costs	Total costs	1,473	1,555	158	1,713	Total costs	2,374	2,458	218	2,676
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	35	35	—	35	Other revenue adjustments, primarily for pricing on prior period open sales	35	35	—	35
Gross profit	Gross profit	\$ 766	\$ 684	\$ 82	\$ 766	Gross profit	\$ 810	\$ 726	\$ 84	\$ 810
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	552	552			Copper sales (millions of recoverable pounds)	845	845		
Gross profit per pound of copper:	Gross profit per pound of copper:					Gross profit per pound of copper:				
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 4.00	\$ 4.00			Revenues, excluding adjustments	\$ 3.73	\$ 3.73		
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	2.45	2.26			Site production and delivery, before net noncash and other costs shown below	2.50	2.33		
By-product credits	By-product credits	(0.38)	—			By-product credits	(0.31)	—		
Treatment charges	Treatment charges	0.15	0.15			Treatment charges	0.15	0.15		
Royalty on metals	Royalty on metals	0.01	0.01			Royalty on metals	0.01	0.01		
Unit net cash costs	Unit net cash costs	2.23	2.42			Unit net cash costs	2.35	2.49		
DD&A	DD&A	0.36	0.32			DD&A	0.35	0.32		
Metals inventory adjustments	Metals inventory adjustments	0.02	0.02			Metals inventory adjustments	0.04	0.04		

Noncash and other costs, net	Noncash and other costs, net	0.06	0.06	Noncash and other costs, net	0.07	0.06				
Total unit costs	Total unit costs	2.67	2.82	Total unit costs	2.81	2.91				
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	0.06	0.06	Other revenue adjustments, primarily for pricing on prior period open sales	0.04	0.04				
Gross profit per pound	Gross profit per pound	\$ 1.39	\$ 1.24	Gross profit per pound	\$ 0.96	\$ 0.86				
<i>Reconciliation to Amounts Reported</i>	<i>Reconciliation to Amounts Reported</i>			<i>Reconciliation to Amounts Reported</i>						
				Metals		Metals				
				Production and Inventory		Production and Inventory				
				Revenues Delivery DD&A Adjustments		Revenues Delivery DD&A Adjustments				
Totals presented above	Totals presented above	\$ 2,444	\$ 1,379	\$ 198	\$ 11	Totals presented above	\$ 3,451	\$ 2,156	\$ 297	\$ 32
Treatment charges	Treatment charges	(84)	—	—	—	Treatment charges	(124)	—	—	—
Royalty on metals	Royalty on metals	(6)	—	—	—	Royalty on metals	(7)	—	—	—
Noncash and other costs, net	Noncash and other costs, net	—	35	—	—	Noncash and other costs, net	—	60	—	—
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	35	—	—	—	Other revenue adjustments, primarily for pricing on prior period open sales	35	—	—	—
Eliminations and other	Eliminations and other	1	(2)	1	—	Eliminations and other	(1)	(4)	—	1
South America mining	South America mining	2,390	1,412	199	11	South America mining	3,354	2,212	297	33
Other mining ^b	Other mining ^b	13,124	8,184	765	7	Other mining ^b	18,549	12,139	1,157	10
Corporate, other & eliminations	Corporate, other & eliminations	(3,495)	(3,443)	32	—	Corporate, other & eliminations	(4,881)	(4,832)	50	—
As reported in our consolidated financial statements	As reported in our consolidated financial statements	\$ 12,019	\$ 6,153	\$ 996	\$ 18	As reported in our consolidated financial statements	\$ 17,022	\$ 9,519	\$ 1,504	\$ 43

a. Includes silver sales of ~~2.1~~ ^{3.2} million ounces (\$~~23.31~~ ^{21.24} per ounce average realized price). Also reflects sales of molybdenum produced by Cerro Verde to our molybdenum sales company at market-based pricing.

b. Represents the combined total for our other mining operations as presented in Note 9.

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Indonesia Mining Product Revenues, Production Costs and Unit Net Cash (Credits) Costs

Three Months Ended June 30, 2023												
Three Months Ended September 30, 2023					Three Months Ended September 30, 2023							
(In Millions)	(In Millions)	By-Product			Co-Product Method			By-Product				
		Method	Copper	Gold	Silver ^a	Total	Method	Copper	Gold	Other ^a		
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 1,473	\$ 1,473	\$ 956	\$ 45	\$2,474	Revenues, excluding adjustments	\$ 1,621	\$ 1,621	\$ 749	\$ 32	\$2,402
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	725	432	280	13	725	Site production and delivery, before net noncash and other costs shown below	612	413	191	8	612
Gold and silver credits	Gold and silver credits	(1,002)	—	—	—	—	Gold and silver credits	(785)	—	—	—	—
Treatment charges	Treatment charges	151	90	58	3	151	Treatment charges	138	93	43	2	138
Export duties	Export duties						Export duties	147	99	46	2	147
Royalty on metals	Royalty on metals	92	55	36	1	92	Royalty on metals	78	52	25	1	78
Net cash (credits) costs	Net cash (credits) costs	(34)	577	374	17	968	Net cash costs	190	657	305	13	975
DD&A	DD&A	275	164	106	5	275	DD&A	271	183	84	4	271
Noncash and other costs, net	Noncash and other costs, net	77	46	30	1	77	Noncash and other costs, net	8	6	2	—	8
Total costs	Total costs	318	787	510	23	1,320	Total costs	469	846	391	17	1,254
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(54)	(54)	1	—	(53)	Other revenue adjustments, primarily for pricing on prior period open sales	1	1	3	1	5
Gross profit	Gross profit	\$ 1,101	\$ 632	\$ 447	\$ 22	\$1,101	Gross profit	\$ 1,153	\$ 776	\$ 361	\$ 16	\$1,153
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	386	386				Copper sales (millions of recoverable pounds)	430	430			

Gold sales (thousands of recoverable ounces)	Gold sales (thousands of recoverable ounces)	492	Gold sales (thousands of recoverable ounces)	395
Gross profit per pound of copper/per ounce of gold:	Gross profit per pound of copper/per ounce of gold:		Gross profit per pound of copper/per ounce of gold:	
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 3.82	\$ 3.77	\$ 1,898
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	1.88	1.12	569
Gold and silver credits		(2.60)	—	—
Gold, silver and other by- product credits			Gold, silver and other by- product credits	(1.83) — —
Treatment charges	Treatment charges	0.39	0.22	118
Export duties			Export duties	0.34 0.23 116
Royalty on metals	Royalty on metals	0.24	0.14	72
Unit net cash (credits) costs		(0.09)	1.49	759
Unit net cash costs			Unit net cash costs	0.44 1.53 773
DD&A	DD&A	0.71	0.42	216
Noncash and other costs, net	Noncash and other costs, net	0.20	0.12	60
Total unit costs	Total unit costs	0.82	2.03	1,035
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(0.14)	(0.14)	1
Gross profit per pound/ounce	Gross profit per pound/ounce	\$ 2.86	\$ 1.65	\$ 908
Reconciliation to Amounts Reported	Reconciliation to Amounts Reported			
	Production and Revenues		Production and Revenues	
	Delivery	DD&A	Delivery	DD&A

Totals presented above	Totals presented above	\$ 2,474	\$ 725	\$ 275	Totals presented above	\$ 2,402	\$ 612	\$ 271
Treatment charges	Treatment charges	(92)	59	—	Treatment charges	(87)	51	—
Export duties	Export duties				Export duties	(147)	—	—
Royalty on metals	Royalty on metals	(92)	—	—	Royalty on metals	(78)	—	—
Noncash and other costs, net	Noncash and other costs, net	—	77	—	Noncash and other costs, net	—	8	—
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(53)	—	—	Other revenue adjustments, primarily for pricing on prior period open sales	5	—	—
Eliminations and other	Eliminations and other	—	(3)	—	Eliminations and other	—	(4)	—
Indonesia mining	Indonesia mining	2,237	858	275	Indonesia mining	2,095	667	271
Other mining	Other mining	5,109	4,244	253	Other mining	5,326	4,467	244
Corporate, other & eliminations	Corporate, other & eliminations	(1,609)	(1,554)	19	Corporate, other & eliminations	(1,597)	(1,586)	18
As reported in our consolidated financial statements	As reported in our consolidated financial statements	\$ 5,737	\$ 3,548	\$ 547	As reported in our consolidated financial statements	\$ 5,824	\$ 3,548	\$ 533

a. Includes silver sales of **1.8 million** **1.3 million** ounces (**\$23.07** **22.96** per ounce average realized price).

b. Includes a charge totaling **\$55 million** (**\$0.14** per pound of copper) associated with a potential administrative fine and charges totaling **\$12 million** **\$3 million** (**\$0.03** **0.01** per pound of copper) for feasibility and optimization studies.

c. Represents the combined total for our other segments as presented in Note 9.

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[Indonesia Mining Product Revenues, Production Costs and Unit Net Cash \(Credits\) Costs](#)

Three Months Ended June 30, 2022	Three Months Ended September 30, 2022
Three Months Ended September 30, 2022	Three Months Ended September 30, 2022
(In Millions)	(In Millions)
Revenues, excluding adjustments	Revenues, excluding adjustments
	By-Product
	Co-Product Method
	Method Copper Gold Silver Total
	Revenues, excluding adjustments
	\$ 1,582 \$ 1,582 \$ 865 \$ 32 \$2,479
	Revenues, excluding adjustments
	\$ 1,400 \$ 1,400 \$ 802 \$ 30 \$2,232

Site production and delivery, before net noncash and other costs shown below	587	374	205	8	587							
Gold and silver credits	(888)	—	—	—	—							
Site production and delivery, before net noncash and other credits shown below						Site production and delivery, before net noncash and other credits shown below	735	461	264	10	735	
Gold, silver and other by- product credits						Gold, silver and other by- product credits	(814)	—	—	—	—	
Treatment charges	Treatment charges	98	63	34	1	98	charges	95	60	34	1	95
Export duties	Export duties	85	54	30	1	85	Export duties	80	50	29	1	80
Royalty on metals	Royalty on metals	108	72	35	1	108	Royalty on metals	81	48	32	1	81
Net cash (credits) costs		(10)	563	304	11	878						
Net cash costs						Net cash costs	177	619	359	13	991	
DD&A	DD&A	262	167	91	4	262	DD&A	265	167	95	3	265
Noncash and other costs, net		3	2	1	—	3						
Noncash and other credits, net						Noncash and other credits, net	(10)	(7)	(3)	—	(10)	
Total costs	Total costs	255	732	396	15	1,143	Total costs	432	779	451	16	1,246
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(201)	(201)	(8)	(1)	(210)	Other revenue adjustments, primarily for pricing on prior period open sales	(158)	(158)	(17)	(1)	(176)
PT Smelting intercompany profit	PT Smelting intercompany profit	26	17	9	—	26	PT Smelting intercompany profit	60	38	22	—	60
Gross profit	Gross profit	\$ 1,152	\$ 666	\$ 470	\$ 16	\$ 1,152	Gross profit	\$ 870	\$ 501	\$ 356	\$ 13	\$ 870
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	410	410				Copper sales (millions of recoverable pounds)	406	406			
Gold sales (thousands of recoverable ounces)	Gold sales (thousands of recoverable ounces)			474			Gold sales (thousands of recoverable ounces)			476		
Gross profit per pound of copper/per ounce of gold:	Gross profit per pound of copper/per ounce of gold:						Gross profit per pound of copper/per ounce of gold:					

Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 3.86	\$ 3.86	\$ 1,827	Revenues, excluding adjustments	\$ 3.45	\$ 3.45	\$ 1,683	
Site production and delivery, before net noncash and other costs shown below									
Gold and silver credits	(2.17)	—	—						
Site production and delivery, before net noncash and other credits shown below				Site production and delivery, before net noncash and other credits shown below					
Gold, silver and other by- product credits				Gold, silver and other by- product credits					
Treatment charges	Treatment charges	0.24	0.15	72	Treatment charges	0.23	0.15	72	
Export duties	Export duties	0.21	0.13	63	Export duties	0.20	0.12	61	
Royalty on metals	Royalty on metals	0.27	0.18	74	Royalty on metals	0.20	0.12	67	
Unit net cash (credits) costs		(0.02)	1.37	642	Unit net cash costs				
Unit net cash costs				Unit net cash costs	0.44	1.52	753		
DD&A	DD&A	0.63	0.41	193	DD&A	0.65	0.41	200	
Noncash and other costs, net		0.01	0.01	2	Noncash and other credits, net				
Noncash and other credits, net				Noncash and other credits, net	(0.02)	(0.01)	(7)	b	
Total unit costs	Total unit costs	0.62	1.79	837	Total unit costs	1.07	1.92	946	
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(0.49)	(0.49)	(17)	Other revenue adjustments, primarily for pricing on prior period open sales	(0.39)	(0.39)	(36)	
PT Smelting intercompany profit	PT Smelting intercompany profit	0.06	0.04	19	PT Smelting intercompany profit	0.15	0.09	45	
Gross profit per pound/ounce	Gross profit per pound/ounce	\$ 2.81	\$ 1.62	\$ 992	Gross profit per pound/ounce	\$ 2.14	\$ 1.23	\$ 746	
Reconciliation to Amounts Reported	Reconciliation to Amounts Reported				Reconciliation to Amounts Reported				
	Production and Revenues				Production and Revenues				
	Delivery	DD&A			Delivery	DD&A			

Totals presented above	Totals presented above	\$ 2,479	\$ 587	\$ 262	Totals presented above	\$ 2,232	\$ 735	\$ 265
Treatment charges	Treatment charges	(98)	—	—	Treatment charges	(95)	—	—
Export duties	Export duties	(85)	—	—	Export duties	(80)	—	—
Royalty on metals	Royalty on metals	(108)	—	—	Royalty on metals	(81)	—	—
Noncash and other costs, net		—	3	—	Noncash and other credits, net	(2)	(12)	—
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	(210)	—	—	Other revenue adjustments, primarily for pricing on prior period open sales	(176)	—	—
PT Smelting intercompany profit	PT Smelting intercompany profit	—	(26)	—	PT Smelting intercompany profit	—	(60)	—
Indonesia mining	Indonesia mining	1,978	564	262	Indonesia mining	1,798	663	265
Other mining ^a		5,209	4,167	229	Other mining ^a	4,591	4,092	225
Corporate, other & eliminations	Corporate, other & eliminations	(1,771)	(1,728)	16	Corporate, other & eliminations	(1,386)	(1,389)	18
As reported in our consolidated financial statements	As reported in our consolidated financial statements	\$ 5,416	\$ 3,003	\$ 507	As reported in our consolidated financial statements	\$ 5,003	\$ 3,366	\$ 508

a. Includes silver sales of 1.6 million ounces (\$20.71 18.58 per ounce average realized price).

b. Includes net credits totaling \$21 million (\$0.05 per pound of copper) associated with historical tax audits.

c. Represents the combined total for our other segments as presented in Note 9.

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[Indonesia Mining Product Revenues, Production Costs and Unit Net Cash \(Credits\) Costs](#)

Six Months Ended June 30, 2023								
Nine Months Ended September 30, 2023								Nine Months Ended September 30, 2023
(In Millions)	(In Millions)	By-Product	Co-Product Method		(In Millions)	Co-Product Method		
			Method	Copper	Gold	Silver	Total	
								By-Product
								Method
								Copper
								Gold
								Others
								Total

Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 2,238	\$ 2,238	\$ 1,474	\$ 73	\$ 3,785	Revenues, excluding adjustments	\$ 3,860	\$ 3,860	\$ 2,227	\$ 106	\$ 6,193
Site production and delivery, before net noncash and other costs shown	Site production and delivery, before net noncash and other costs shown						Site production and delivery, before net noncash and other costs shown					
below	below	1,124	665	438	21	1,124	below	1,736	1,082	624	30	1,736
Gold and silver credits	(1,564)	—	—	—	—	—	Gold and silver credits	(2,350)	—	—	—	—
Gold, silver and other by-product credits							Gold, silver and other by-product credits					
Treatment charges	Treatment charges	224	133	87	4	224	Treatment charges	362	226	130	6	362
Export duties	Export duties	18	10	7	1	18	Export duties	165	103	59	3	165
Royalty on metals	Royalty on metals	150	92	55	3	150	Royalty on metals	228	144	81	3	228
Net cash (credits) costs	(48)	900	587	29	1,516		Net cash costs	141	1,555	894	42	2,491
DD&A	DD&A	423	250	165	8	423	DD&A	694	433	249	12	694
Noncash and other costs, net	Noncash and other costs, net	b					Noncash and other costs, net	b				
Total costs	Total costs	107	63	42	2	107	Total costs	115	71	42	2	115
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	482	1,213	794	39	2,046	Other revenue adjustments, primarily for pricing on prior period open sales	950	2,059	1,185	56	3,300
PT Smelting intercompany profit	PT Smelting intercompany profit	112	66	44	2	112	PT Smelting intercompany profit	112	70	40	2	112
Gross profit	Gross profit	\$ 1,982	\$ 1,205	\$ 742	\$ 35	\$ 1,982	Gross profit	\$ 3,136	\$ 1,985	\$ 1,100	\$ 51	\$ 3,136
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	584	584				Copper sales (millions of recoverable pounds)	1,014	1,014			
Gold sales (thousands of recoverable ounces)	Gold sales (thousands of recoverable ounces)			758			Gold sales (thousands of recoverable ounces)			1,153		
Gross profit per pound of copper/per ounce of gold:	Gross profit per pound of copper/per ounce of gold:						Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 3.83	\$ 3.83	\$ 1,946			Revenues, excluding adjustments	\$ 3.81	\$ 3.81	\$ 1,932		

Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	1.93	1.14	578	Site production and delivery, before net noncash and other costs shown below	1.71	1.07	542
Gold and silver credits	(2.68)	—	—					
Gold, silver and other by-product credits					Gold, silver and other by-product credits	(2.32)	—	—
Treatment charges	Treatment charges	0.38	0.23	115	Treatment charges	0.36	0.22	113
Export duties	Export duties	0.03	0.02	9	Export duties	0.16	0.10	51
Royalty on metals	Royalty on metals	0.26	0.15	73	Royalty on metals	0.23	0.14	70
Unit net cash (credits) costs	(0.08)	1.54	775					
Unit net cash costs					Unit net cash costs	0.14	1.53	776
DD&A	DD&A	0.72	0.43	217	DD&A	0.69	0.43	216
Noncash and other costs, net	Noncash and other costs, net	^b 0.18	0.11	55	Noncash and other costs, net	^b 0.11	0.07	36
Total unit costs	Total unit costs	0.82	2.08	1,047	Total unit costs	0.94	2.03	1,028
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	0.19	0.19	22	Other revenue adjustments, primarily for pricing on prior period open sales	0.11	0.11	15
PT Smelting intercompany profit	PT Smelting intercompany profit	0.19	0.11	58	PT Smelting intercompany profit	0.11	0.07	35
Gross profit per pound/ounce	Gross profit per pound/ounce	\$ 3.39	\$ 2.05	\$ 979	Gross profit per pound/ounce	\$ 3.09	\$ 1.96	\$ 954
Reconciliation to Amounts	Reconciliation to Amounts				Reconciliation to Amounts			
Reported	Reported				Reported			
	Production and				Production and			
	Revenues	Delivery	DD&A		Revenues	Delivery	DD&A	
Totals presented above	Totals presented above	\$ 3,785	\$ 1,124	\$ 423	Totals presented above	\$ 6,193	\$ 1,736	\$ 694
Treatment charges	Treatment charges	(143)	81	—	Treatment charges	(231)	131	—
Export duties	Export duties	(18)	—	—	Export duties	(165)	—	—
Royalty on metals	Royalty on metals	(150)	—	—	Royalty on metals	(228)	—	—

Noncash and other costs, net	Noncash and other costs, net	—	107	—	Noncash and other costs, net	—	115	—
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	131	—	—	Other revenue adjustments, primarily for pricing on prior period open sales	131	—	—
PT Smelting intercompany profit	PT Smelting intercompany profit	—	(112)	—	PT Smelting intercompany profit	—	(112)	—
Eliminations and other	Eliminations and other	—	(7)	—	Eliminations and other	—	(10)	—
Indonesia mining	Indonesia mining	3,605	1,193	423	Indonesia mining	5,700	1,860	694
Other mining ^a	Other mining ^a	10,723	8,570	491	Other mining ^a	16,049	13,037	735
Corporate, other & eliminations	Corporate, other & eliminations	(3,202)	(3,051)	32	Corporate, other & eliminations	(4,799)	(4,637)	50
As reported in our consolidated financial statements	As reported in our consolidated financial statements	\$ 11,126	\$ 6,712	\$ 946	As reported in our consolidated financial statements	\$ 16,950	\$ 10,260	\$ 1,479

a. Includes silver sales of **2.7 million** 4.0 million ounces (**\$23.28** **23.37** per ounce average realized price).

b. Includes a charge of **\$55 million** **\$55 million** (**\$0.09** **0.05** per pound of copper) associated with a potential administrative fine and charges totaling **\$25 million** **\$22 million** (**\$0.04** **0.02** per pound of copper) for feasibility and optimization studies.

c. Represents the combined total for our other mining operations as presented in Note 9.

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[Indonesia Mining Product Revenues, Production Costs and Unit Net Cash \(Credits\) Costs](#)

Six Months Ended June 30, 2022

(In Millions)	Nine Months Ended September 30, 2022					Nine Months Ended September 30, 2022						
	(In Millions)	Product	Co-Product Method			(In Millions)	Co-Product Method					
			Method	Copper	Gold		Method	Copper	Gold	Other ^a		
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 3,184	\$ 3,184	\$ 1,638	\$ 69	\$ 4,891	Revenues, excluding adjustments	\$ 4,433	\$ 4,433	\$ 2,422	\$ 98	\$ 6,953
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	1,121	730	375	16	1,121	below	1,855	1,183	646	26	1,855

Gold and silver credits	(1,710)	—	—	—	—	—	—	—	—	—	—	
Gold, silver and other by-product credits						Gold, silver and other by-product credits						
Treatment charges	Treatment charges	191	124	64	3	191	Treatment charges	287	183	100	4	287
Export duties	Export duties	164	107	55	2	164	Export duties	245	156	85	4	245
Royalty on metals	Royalty on metals	201	135	64	2	201	Royalty on metals	281	183	95	3	281
Net cash (credits) costs	(33)	1,096	558	23	1,677							
Net cash costs						Net cash costs						
DD&A	DD&A	510	332	171	7	510	DD&A	775	494	270	11	775
Noncash and other costs, net	Noncash and other costs, net	30	20	10	—	30	Noncash and other costs, net	20	13	7	—	20
Total costs	Total costs	507	1,448	739	30	2,217	Total costs	940	2,212	1,203	48	3,463
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	32	32	3	—	35	Other revenue adjustments, primarily for pricing on prior period open sales	25	25	3	—	28
PT Smelting intercompany loss	(27)	(17)	(9)	(1)	(27)							
PT Smelting intercompany profit						PT Smelting intercompany profit						
Gross profit	Gross profit	\$ 2,682	\$ 1,751	\$ 893	\$ 38	\$ 2,682	Gross profit	\$ 3,552	\$ 2,267	\$ 1,234	\$ 51	\$ 3,552
Copper sales (millions of recoverable pounds)	Copper sales (millions of recoverable pounds)	789	789				Copper sales (millions of recoverable pounds)	1,195	1,195			
Gold sales (thousands of recoverable ounces)	Gold sales (thousands of recoverable ounces)			880			Gold sales (thousands of recoverable ounces)			1,356		
Gross profit per pound of copper/per ounce of gold:	Gross profit per pound of copper/per ounce of gold:						Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	Revenues, excluding adjustments	\$ 4.04	\$ 4.04	\$ 1,861			Revenues, excluding adjustments	\$ 3.71	\$ 3.71	\$ 1,786		
Site production and delivery, before net noncash and other credits shown below	Site production and delivery, before net noncash and other credits shown below	1.42	0.92	426			Site production and delivery, before net noncash and other credits shown below	1.55	0.99	476		
Gold and silver credits	(2.17)	—	—									

Gold, silver and other by- product credits		Gold, silver and other by- product credits	(2.11)	—	—			
Treatment charges	Treatment charges	0.24	0.16	73	Treatment charges	0.24	0.15	74
Export duties	Export duties	0.21	0.14	63	Export duties	0.20	0.13	63
Royalty on metals	Royalty on metals	0.26	0.17	72	Royalty on metals	0.24	0.16	70
Unit net cash (credits) costs		(0.04)	1.39	634				
Unit net cash costs					Unit net cash costs	0.12	1.43	683
DD&A	DD&A	0.64	0.42	194	DD&A	0.65	0.41	199
Noncash and other costs, net	Noncash and other costs, net	b			Noncash and other costs, net	b		
Total unit costs	Total unit costs	0.04	0.03	11	Total unit costs	0.02	0.01	5
Other revenue adjustments, primarily for pricing on prior period open sales	Other revenue adjustments, primarily for pricing on prior period open sales	0.04	0.04	3	Other revenue adjustments, primarily for pricing on prior period open sales	0.02	0.02	2
PT Smelting intercompany loss		(0.03)	(0.02)	(10)				
PT Smelting intercompany profit					PT Smelting intercompany profit	0.03	0.02	9
Gross profit per pound/ounce	Gross profit per pound/ounce	\$ 3.41	\$ 2.22	\$ 1,015	Gross profit per pound/ounce	\$ 2.97	\$ 1.90	\$ 910
Reconciliation to Amounts	Reconciliation to Amounts				Reconciliation to Amounts			
Reported	Reported				Reported			
	Production and Revenues		Delivery	DD&A		Production and Revenues	Delivery	DD&A
Totals presented above	Totals presented above	\$ 4,891	\$ 1,121	\$ 510	Totals presented above	\$ 6,953	\$ 1,855	\$ 775
Treatment charges	Treatment charges	(191)	—	—	Treatment charges	(287)	—	—
Export duties	Export duties	(164)	—	—	Export duties	(245)	—	—
Royalty on metals	Royalty on metals	(201)	—	—	Royalty on metals	(281)	—	—
Noncash and other costs, net	Noncash and other costs, net	12	42	—	Noncash and other costs, net	12	32	—

Other revenue	Other revenue	Other revenue
adjustments, primarily for pricing on prior period open sales	adjustments, primarily for pricing on prior period open sales	adjustments, primarily for pricing on prior period open sales
PT Smelting intercompany loss	— 27 —	—
PT Smelting intercompany profit	—	PT Smelting intercompany profit
Indonesia mining	Indonesia mining	Indonesia mining
Other mining	Other mining	Other mining
Corporate, other & eliminations	Corporate, other & eliminations	Corporate, other & eliminations
As reported in our consolidated financial statements	As reported in our consolidated financial statements	As reported in our consolidated financial statements
	\$ 12,019 \$ 6,153 \$ 996	\$ 17,022 \$ 9,519 \$ 1,504

a. Includes silver sales of \$1.1 million 4.7 million ounces (\$22.18 20.80 per ounce average realized price).

b. Includes charges a net charge of \$41 million \$30 million (\$0.05 0.02 per pound of copper) consisting of charges associated with a settlement of an administrative fine levied by the Indonesia government (refer to Note 8) and \$18 million (\$0.02 per pound of copper) to a reserve for exposure associated with export duties in prior periods, partly partially offset by a credit of \$30 million (\$0.04 per pound of copper) associated with credits for adjustments to prior year treatment and refining charges, charges and historical tax audits.

c. Represents the combined total for our other mining operations as presented in Note 9.

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

(In Millions)	Three Months Ended June 30,		Three Months Ended September 30,		
	2023	2022	(In Millions)	2023	2022
Revenues, excluding adjustments ^a	Revenues, excluding adjustments ^a	\$ 156 \$ 151	Revenues, excluding adjustments ^a	\$ 153 \$ 134	
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	101 78	Site production and delivery, before net noncash and other costs shown below	116 91	
Treatment charges and other	Treatment charges and other	6 7	Treatment charges and other	6 7	
Net cash costs	Net cash costs	107 85	Net cash costs	122 98	
DD&A	DD&A	14 18	DD&A	14 18	
Noncash and other costs, net	Noncash and other costs, net	4 2	Noncash and other costs, net	4 3	
Total costs	Total costs	125 105	Total costs	140 119	

Gross profit	Gross profit	\$ 31	\$ 46	Gross profit	\$ 13	\$ 15		
Molybdenum sales (millions of recoverable pounds) ^a	Molybdenum sales (millions of recoverable pounds) ^a	7	8	Molybdenum sales (millions of recoverable pounds) ^a	7	8		
Gross profit per pound of molybdenum:	Gross profit per pound of molybdenum:			Gross profit per pound of molybdenum:				
Revenues, excluding adjustments ^a	Revenues, excluding adjustments ^a	\$ 23.28	\$ 18.87	Revenues, excluding adjustments ^a	\$ 22.58	\$ 16.51		
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	15.13	9.77	Site production and delivery, before net noncash and other costs shown below	17.20	11.26		
Treatment charges and other	Treatment charges and other	0.86	0.85	Treatment charges and other	0.87	0.84		
Unit net cash costs	Unit net cash costs	15.99	10.62	Unit net cash costs	18.07	12.10		
DD&A	DD&A	2.01	2.27	DD&A	2.13	2.16		
Noncash and other costs, net	Noncash and other costs, net	0.59	0.30	Noncash and other costs, net	0.53	0.40		
Total unit costs	Total unit costs	18.59	13.19	Total unit costs	20.73	14.66		
Gross profit per pound	Gross profit per pound	\$ 4.69	\$ 5.68	Gross profit per pound	\$ 1.85	\$ 1.85		
Reconciliation to Amounts Reported	Reconciliation to Amounts Reported			Reconciliation to Amounts Reported				
	Production			Production				
Three Months Ended June 30, 2023	Revenues	Delivery	DD&A					
Three Months Ended September 30, 2023	Revenues	Delivery	DD&A					
Totals presented above	Totals presented above	\$ 156	\$ 101	\$ 14	Totals presented above	\$ 153	\$ 116	\$ 14
Treatment charges and other	Treatment charges and other	(6)	—	—	Treatment charges and other	(6)	—	—
Noncash and other costs, net	Noncash and other costs, net	—	4	—	Noncash and other costs, net	—	4	—
Molybdenum mines	Molybdenum mines	150	105	14	Molybdenum mines	147	120	14
Other mining ^b	Other mining ^b	7,196	4,997	514	Other mining ^b	7,274	5,014	501

Corporate, other & eliminations	Corporate, other & eliminations	(1,609)	(1,554)	19	Corporate, other & eliminations	(1,597)	(1,586)	18
As reported in our consolidated financial statements	As reported in our consolidated financial statements	\$ 5,737	\$ 3,548	\$ 547	As reported in our consolidated financial statements	\$ 5,824	\$ 3,548	\$ 533
Three Months Ended June 30, 2022								
<u>Three Months</u>	<u>Three Months</u>							
<u>Ended</u>	<u>Ended</u>							
<u>September</u>	<u>September</u>							
<u>30, 2022</u>	<u>30, 2022</u>							
Totals presented above	Totals presented above	\$ 151	\$ 78	\$ 18	Totals presented above	\$ 134	\$ 91	\$ 18
Treatment charges and other	Treatment charges and other	(7)	—	—	Treatment charges and other	(7)	—	—
Noncash and other costs, net	Noncash and other costs, net	—	2	—	Noncash and other costs, net	—	3	—
Molybdenum mines	Molybdenum mines	144	80	18	Molybdenum mines	127	94	18
Other mining ^a	Other mining ^a	7,043	4,651	473	Other mining ^a	6,262	4,661	472
Corporate, other & eliminations	Corporate, other & eliminations	(1,771)	(1,728)	16	Corporate, other & eliminations	(1,386)	(1,389)	18
As reported in our consolidated financial statements	As reported in our consolidated financial statements	\$ 5,416	\$ 3,003	\$ 507	As reported in our consolidated financial statements	\$ 5,003	\$ 3,366	\$ 508

a. Reflects sales of the Molybdenum mines' production to our molybdenum sales company at market-based pricing. On a consolidated basis, realizations are based on the actual contract terms for sales to third parties; as a result, our consolidated average realized price per pound of molybdenum will differ from the amounts reported in this table.

b. Represents the combined total for our other segments as presented in Note 9. Also includes amounts associated with our molybdenum sales company, which includes sales of molybdenum produced by the Molybdenum mines and by certain of the North America and South America copper mines.

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[Molybdenum Mines Product Revenues, Production Costs and Unit Net Cash Costs](#)

(In Millions)	Six Months Ended June 30,			Nine Months Ended September 30,		
	(In Millions)	2023	2022	(In Millions)	2023	2022
Revenues, excluding adjustments ^a	Revenues, excluding adjustments ^a	\$ 386	\$ 285	Revenues, excluding adjustments ^a	\$ 539	\$ 419
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	192	150	Site production and delivery, before net noncash and other costs shown below	308	241

Treatment charges and other	Treatment charges and other	13	13	Treatment charges and other	19	20	
Net cash costs	Net cash costs	205	163	Net cash costs	327	261	
DD&A	DD&A	34	34	DD&A	48	52	
Noncash and other costs, net	Noncash and other costs, net	9	5	Noncash and other costs, net	13	8	
Total costs	Total costs	248	202	Total costs	388	321	
Gross profit	Gross profit	\$ 138	\$ 83	Gross profit	\$ 151	\$ 98	
Molybdenum sales (millions of recoverable pounds) ^a	Molybdenum sales (millions of recoverable pounds) ^a	15	15	Molybdenum sales (millions of recoverable pounds) ^a	22	23	
Gross profit per pound of molybdenum:	Gross profit per pound of molybdenum:			Gross profit per pound of molybdenum:			
Revenues, excluding adjustments ^a	Revenues, excluding adjustments ^a	\$ 26.36	\$ 18.81	Revenues, excluding adjustments ^a	\$ 25.17	\$ 18.01	
Site production and delivery, before net noncash and other costs shown below	Site production and delivery, before net noncash and other costs shown below	13.10	9.90	Site production and delivery, before net noncash and other costs shown below	14.39	10.37	
Treatment charges and other	Treatment charges and other	0.85	0.85	Treatment charges and other	0.86	0.85	
Unit net cash costs	Unit net cash costs	13.95	10.75	Unit net cash costs	15.25	11.22	
DD&A	DD&A	2.32	2.27	DD&A	2.26	2.23	
Noncash and other costs, net	Noncash and other costs, net	0.64	0.34	Noncash and other costs, net	0.61	0.37	
Total unit costs	Total unit costs	16.91	13.36	Total unit costs	18.12	13.82	
Gross profit per pound	Gross profit per pound	\$ 9.45	\$ 5.45	Gross profit per pound	\$ 7.05	\$ 4.19	
Reconciliation to Amounts Reported	Reconciliation to Amounts Reported			Reconciliation to Amounts Reported			
	Production			Production			
<u>Six months ended June 30, 2023</u>		Revenues	Delivery	DD&A			
<u>Nine Months Ended September 30, 2023</u>					<u>Nine Months Ended September 30, 2023</u>		
Totals presented above	Totals presented above	\$ 386	\$ 192	\$ 34	Revenues	Delivery	DD&A

Treatment charges and other	Treatment charges and other	(13)	—	—	Treatment charges and other	(19)	—	—
Noncash and other costs, net	Noncash and other costs, net	—	9	—	Noncash and other costs, net	—	13	—
Molybdenum mines	Molybdenum mines	373	201	34	Molybdenum mines	520	321	48
Other mining ^a	Other mining ^b	13,955	9,562	880	Other mining ^a	21,229	14,576	1,381
Corporate, other & eliminations	Corporate, other & eliminations	(3,202)	(3,051)	32	Corporate, other & eliminations	(4,799)	(4,637)	50
As reported in our consolidated financial statements	As reported in our consolidated financial statements	\$ 11,126	\$ 6,712	\$ 946	As reported in our consolidated financial statements	\$ 16,950	\$ 10,260	\$ 1,479

Six months ended June 30, 2022

Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2022	
Totals presented above	Totals presented above	\$ 285	\$ 150
Treatment charges and other	Treatment charges and other	(13)	—
Noncash and other costs, net	Noncash and other costs, net	—	5
Molybdenum mines	Molybdenum mines	272	155
Other mining ^a	Other mining ^b	15,242	9,441
Corporate, other & eliminations	Corporate, other & eliminations	(3,495)	(3,443)
As reported in our consolidated financial statements	As reported in our consolidated financial statements	\$ 12,019	\$ 6,153
		\$ 996	\$ 996

a. Reflects sales of the Molybdenum mines' production to our molybdenum sales company at market-based pricing. On a consolidated basis, realizations are based on the actual contract terms for sales to third parties; as a result, our consolidated average realized price per pound of molybdenum will differ from the amounts reported in this table.

b. Represents the combined total for our other segments as presented in Note 9. Also includes amounts associated with our molybdenum sales company, which includes sales of molybdenum produced by the Molybdenum mines and by certain of the North America and South America copper mines.

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CAUTIONARY STATEMENT

Our discussion and analysis contains forward-looking statements in which we discuss our potential future **performance, performance, operations and projects**. Forward-looking statements are all statements other than statements of historical facts, such as plans, projections, or expectations relating to business outlook, strategy, goals or targets; global market conditions; ore grades and milling rates; production and sales volumes; unit net cash costs and operating costs; capital expenditures; operating plans; cash flows; liquidity; PT-FI's financing, construction and completion of additional domestic smelting capacity in Indonesia in accordance with the terms of its IUPK; extension of PT-FI's IUPK beyond 2041 and export licenses; **PT-FI's resumption of exports of anode slimes**; payment of export duties; export volumes; our commitment to deliver responsibly produced copper and

molybdenum, including plans to implement, validate and maintain validation of our operating sites under specific frameworks; execution of our energy and climate strategies and the underlying assumptions and estimated impacts on our business and stakeholders related thereto; achievement of 2030 climate targets and 2050 net zero aspiration; improvements in operating procedures and technology innovations and applications; exploration efforts and results; development and production activities, rates and costs; future organic growth opportunities; tax rates; the impact of copper, gold and molybdenum price changes; the impact of deferred intercompany profits on earnings; mineral reserve and mineral resource estimates; final resolution of settlements associated with ongoing legal and environmental proceedings; debt repurchases; and the ongoing implementation of our financial policy and future returns to shareholders, including dividend payments (base or variable) and share repurchases. The words "anticipates," "may," "can," "plans," "believes," "estimates," "expects," "projects," "targets," "intends," "likely," "will," "should," "could," "to be," "potential," "assumptions," "guidance," "aspirations," "future," "commitments," "pursues," "initiatives," "objectives," "opportunities," "strategy" and any similar expressions are intended to identify those assertions as forward-looking statements. The declaration and payment of dividends (base or variable), and timing and amount of any share repurchases are at the discretion of the Board and management, respectively, and are subject to a number of factors, including not exceeding our net debt target, capital availability, our financial results, cash requirements, global economic conditions, changes in laws, contractual restrictions and other factors deemed relevant by the Board or management, as applicable. The share repurchase program may be modified, increased, suspended or terminated at any time at the Board's discretion.

We caution readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, expected, projected or assumed in the forward-looking statements. Important factors that can cause our actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, supply of and demand for, and prices of the commodities we produce, primarily copper; PT-FI's ability to continue to export and sell copper concentrates and anode slimes; changes in export duties, including results of proceedings to dispute export duties; the Indonesia government's approval of a deferred schedule for completion of additional domestic smelting capacity in Indonesia; production rates; timing of shipments; price and availability of consumables and components we purchase as well as constraints on supply and logistics, and transportation services; changes in our cash requirements, financial position, financing or investment plans; changes in general market, economic, geopolitical, regulatory or industry conditions; reductions in liquidity and access to capital; changes in tax laws and regulations, including the impact of the Act; any major public health crisis; political and social risks, including the potential effects of violence in Indonesia, civil unrest in Peru, and relations with local communities and Indigenous Peoples; operational risks inherent in mining, with higher inherent risks in underground mining; mine sequencing; changes in mine plans or operational modifications, delays, deferrals or cancellations; results of technical, economic or feasibility studies; potential inventory adjustments; potential impairment of long-lived mining assets; satisfaction of requirements in accordance with PT-FI's IUPK to extend mining rights from 2031 through 2041; discussions relating to the extension of PT-FI's IUPK beyond 2041; cybersecurity incidents; labor relations, including labor-related work stoppages and costs; compliance with applicable environmental, health and safety laws and regulations; weather- and climate-related risks; environmental risks, including availability of secure water supplies, and supplies; litigation results; tailings management; our ability to comply with our responsible production commitments under specific frameworks and any changes to such frameworks and other factors described in more detail under the heading "Risk Factors" contained in Part I, Item 1A. of our 2022 Form 10-K, 10-K and Part II, Item 1A. herein.

Investors are cautioned that many of the assumptions upon which our forward-looking statements are based are likely to change after the date the forward-looking statements are made, including for example commodity prices, which we cannot control, and production volumes and costs or technological solutions and innovations, some aspects of which we may not be able to control. Further, we may make changes to our business plans that could affect our results. We caution investors that we undertake no obligation to update any forward-looking statements.

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which speak only as of the date made, notwithstanding any changes in our assumptions, changes in business plans, actual experience or other changes.

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This report on Form 10-Q also contains measures such as net debt and unit net cash costs per pound of copper and molybdenum, which are not recognized under U.S. GAAP. Refer to "Operations – Unit Net Cash Costs" for further discussion of unit net cash costs associated with our operating divisions, and to "Product Revenues and Production Costs" for reconciliations of per pound costs by operating division to production and delivery costs applicable to sales reported in our consolidated financial statements. Refer to "Net Debt" for reconciliations of consolidated debt, and consolidated cash and cash equivalents and current restricted cash associated with PT-FI's export proceeds to net debt.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes in our market risks during the six-month nine-month period ended June 30, 2023 September 30, 2023. For additional information on market risks, refer to "Disclosures About Market Risks" included in Part II, Items 7. and 7A. of our 2022 Form 10-K. For projected sensitivities of our operating cash flow to changes in commodity prices, refer to "Outlook" in Part I, Item 2. of this quarterly report on Form 10-Q; for projected sensitivities of our provisionally priced copper sales to changes in commodity prices refer to "Consolidated Results – Revenues" in Part I, Item 2. of this quarterly report on Form 10-Q.

Item 4. Controls and Procedures.

- (a) Evaluation of disclosure controls and procedures. Our chief executive officer and chief financial officer, with the participation of management, have evaluated the effectiveness of our "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this quarterly report on Form 10-Q. Based on their evaluation, they have concluded that our disclosure controls and procedures were effective as of June 30, 2023 September 30, 2023.
- (b) Changes in internal control over financial reporting. There has been no change in our internal control over financial reporting that occurred during the quarter ended June 30, 2023 September 30, 2023, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings.

We are involved in numerous legal proceedings that arise in the ordinary course of our business or are associated with environmental issues. We are also involved periodically in reviews, inquiries, investigations and other proceedings initiated by or involving government agencies, some of which may result in adverse judgments, settlements, fines, penalties, injunctions or other relief.

Management does not believe, based on currently available information, that the outcome of any legal proceeding reported in Part I, Item 3. "Legal Proceedings" and Note 12 of our 2022 Form 10-K, and Note 8 herein, will have a material adverse effect on our financial condition; although individual or cumulative outcomes could be material to our operating results for a particular period, depending on the nature and magnitude of the outcome and the operating results for the period.

There have been no material changes to legal proceedings previously disclosed in Part I, Item 3. "Legal Proceedings" and Note 12 of our 2022 Form 10-K, except as described in Note 8 herein.

Item 1A. Risk Factors.

There have been no material changes to our risk factors previously disclosed in Part I, Item 1A. "Risk Factors" of our 2022 Form 10-K, except for the updated risk factor included below, which should be read in conjunction with the risk factors set forth in our 2022 Form 10-K.

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Our information technology systems have been and in the future may be adversely affected by cybersecurity events, disruptions, damage, failure and risks associated with implementation and integration.

Our industry has become increasingly supported by and dependent on digital technologies. Our strategy of operating large, long-lived, geographically diverse assets has been increasingly dependent on our ability to become fully integrated and highly automated. Many of our business and operational processes are heavily dependent on traditional and emerging technology systems to conduct day-to-day operations, improve safety and efficiency, and lower costs.

As our dependence on information systems, including those of our third-party service providers and vendors, grows, we become more vulnerable to an increasing threat of continually evolving cybersecurity risks. In recent years, cybersecurity events have increased in frequency and magnitude and the methods used to gain unauthorized access change frequently, making it increasingly difficult for us to prevent cybersecurity incidents or detect and remediate incidents in a timely and effective manner. Attacks have included and may include, but are not limited to, installation of malicious software, phishing, ransomware, social engineering tactics and credential attacks, insider threats, denial of service attacks, unauthorized access to data and other advanced and sophisticated cybersecurity breaches and threats, including those that increasingly target critical operational technologies and process control networks and those that use artificial intelligence. Such attacks may be perpetrated by a variety of bad actors, some of which may reside in jurisdictions where law enforcement measures to address such attacks are ineffective.

We have experienced targeted and non-targeted cybersecurity events in the past and may experience them in the future. In August 2023, we determined that we were subject to a cybersecurity incident that affected certain of our information systems, resulting in temporary disruptions to parts of our operations. We performed an investigation of the impact of the incident and incurred an immaterial amount of expenses in conjunction with the investigation. However, we cannot guarantee that events of a similar nature will not occur in the future.

Cybersecurity threats could subject us to manipulation or improper use of our systems and networks, production downtimes, loss of sales, communication interruption or other disruptions and delays to our operations or to the transportation of products or infrastructure utilized by our operations, unauthorized release of proprietary, commercially sensitive, confidential or otherwise protected information, a misappropriation or loss of funds, the corruption of data, significant health and safety consequences, environmental damage, loss of intellectual property, fines, penalties, litigation, regulatory or governmental investigation, liability under or termination of our contracts with third parties, damage to our reputation or financial losses from remedial actions, any of which could have a material adverse effect on our cash flows, results of operations and financial condition, and which could adversely impact the effectiveness of our internal controls over financial reporting. We do not maintain cyber risk insurance, and the lack of, or insufficiency of, insurance coverage could adversely affect our cash flows and overall profitability.

While the August 2023 cybersecurity incident and other cybersecurity events have not had a material impact on us, including our financial condition or results of operations, as of September 30, 2023, there can be no assurance that we will not experience any such impact or additional interruptions to our operations in the future. Given the unpredictability of the timing and the evolving nature and scope of information technology disruptions, the various procedures and controls we use to monitor and protect against these threats and to mitigate our potential risks to such threats have not been in some instances and may not be sufficient in preventing future cybersecurity events from materializing. Further, as cybersecurity threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate vulnerabilities to cybersecurity threats.

We could also be adversely affected by system or network disruptions if new or upgraded information technology systems are defective, not installed properly or not properly integrated into our operations. System modification failures could have a material adverse effect on our business, financial position and results of operations and could, if not successfully implemented, adversely impact the effectiveness of our internal controls over financial reporting.

Further, we increasingly depend on our information technology infrastructure for electronic communications among our locations, personnel, customers and suppliers around the world, including as a result of remote working and flexible working arrangements. These information technology systems, some of which are managed by third parties that we do not control, may be susceptible to damage, disruptions or shutdowns because of failures during the process of upgrading or replacing software, databases or components thereof, cutover activities in our restructuring

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and simplification initiatives, power outages, hardware failures, telecommunication failures, user errors, catastrophic events or other problems.

Item 2. Unregistered Sales of Equity Securities, and Use of Proceeds, Proceeds, and Issuer Purchases of Equity Securities.

There were no unregistered sales of equity securities during the three months ended **June 30, 2023** September 30, 2023.

The following table sets forth information with respect to shares of FCX common stock purchased by us during the three months ended **June 30, 2023** September 30, 2023, and the approximate dollar value of shares that may yet be purchased pursuant to our share repurchase program:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ^a	(d) Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ^a
April 1-30, July 1-31, 2023	—	\$ —	—	\$ 3,164,642,228
May August 1-31, 2023	—	\$ —	—	\$ 3,164,642,228
June September 1-30, 2023	—	\$ —	—	\$ 3,164,642,228
Total	—	\$ —	—	—

a. On November 1, 2021, our Board approved a share repurchase program authorizing repurchases of up to **\$3.0 billion** \$3.0 billion of our common stock. On July 19, 2022, our Board authorized an increase in the share repurchase program up to \$5.0 billion. The share repurchase program does not obligate us to acquire any specific amount of shares and does not have an expiration date.

Item 4. Mine Safety Disclosures.

The safety and health of all employees is our highest priority. Management believes that safety and health considerations are integral to, and compatible with, all other functions in the organization and that proper safety and health management will enhance production and reduce costs. Our approach towards the safety and health of our workforce is to continuously improve performance through implementing robust management systems and providing adequate training, safety incentive and occupational health programs. The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95.1 to this quarterly report on Form 10-Q.

Item 5. Other Information.

During the quarter ended September 30, 2023, no director or officer of FCX adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as such terms are defined in Item 408(a) of Regulation S-K.

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Item 6. Exhibits.

Exhibit Number	Exhibit Title	Filed with this	Incorporated by Reference		
		Form 10-Q	Form	File No.	Date Filed
<u>2.1*</u>	PT-FI Divestment Agreement dated as of September 27, 2018 among FCX, International Support LLC, PT Freeport Indonesia, PT Indocopper Investama and PT Indonesia Asahan Aluminium (Persero).	10-Q	001-11307-01		11/9/2018
<u>2.2</u>	Supplemental and Amendment Agreement to the PT-FI Divestment Agreement, dated December 21, 2018, among FCX, PT Freeport Indonesia, PT Indonesia Papua Metal Dan Mineral (f/k/a PT Indocopper Investama), PT Indonesia Asahan Aluminium (Persero) and International Support LLC.	10-K	001-11307-01		2/15/2019
<u>3.1</u>	Amended and Restated Certificate of Incorporation of FCX, effective as of June 8, 2016.	8-K	001-11307-01		6/9/2016
<u>3.2</u>	Amended and Restated By-Laws of FCX, effective as of June 3, 2020.	8-K	001-11307-01		6/3/2020
<u>15.1</u>	Letter from Ernst & Young LLP regarding unaudited interim financial statements.	X			
<u>22.1</u>	List of Subsidiary Guarantors and Subsidiary Issuers of Guaranteed Securities.	10-K	001-11307-01		2/15/2023
<u>31.1</u>	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d – 14(a).	X			
<u>31.2</u>	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d – 14(a).	X			
<u>32.1</u>	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350.	X			
<u>32.2</u>	Certification of Principal Financial Officer pursuant to 18 U.S.C Section 1350.	X			
<u>95.1</u>	Mine Safety and Health Administration Safety Data.	X			
101.INS	XBRL Instance Document- the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X			
101.SCH	Inline XBRL Taxonomy Extension Schema.	X			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.	X			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.	X			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase.	X			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.	X			
104	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL.	X			

* The registrant agrees to furnish supplementally to the Securities and Exchange Commission (SEC) a copy of any omitted schedule or exhibit upon the request of the SEC in accordance with Item 601(a)(5) of Regulation S-K.

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SIGNATURE

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

Freeport-McMoRan Inc.

By: /s/ Ellie L. Mikes

Ellie L. Mikes

Vice President and Chief Accounting Officer

(authorized signatory

and Principal Accounting Officer)

Date: August 3, 2023 November 3, 2023

S-1

Exhibit 15.1

To the Board of Directors and Stockholders of Freeport-McMoRan Inc.:

We are aware of the incorporation by reference in the following Registration Statements:

- 1) Registration Statement (Form S-8 No. 333-115292) pertaining to the Freeport-McMoRan Copper & Gold Inc. 2004 Director Compensation Plan,
- 2) Registration Statement (Form S-8 No. 333-136084) pertaining to the Freeport-McMoRan Copper & Gold Inc. 2006 Stock Incentive Plan,
- 3) Registration Statement (Form S-8 No. 333-147413) pertaining to the Amended and Restated Freeport-McMoRan Copper & Gold Inc. 2006 Stock Incentive Plan,
- 4) Registration Statement (Form S-8 No. 333-189047) pertaining to the Plains Exploration & Production Company 2010 Incentive Award Plan; the Plains Exploration & Production 2004 Stock Incentive Plan; the McMoRan Exploration Co. Amended and Restated 2008 Stock Incentive Plan; the McMoRan Exploration Co. 2005 Stock Incentive Plan, as amended and restated; the McMoRan Exploration Co. 2004 Director Compensation Plan, as amended and restated; the McMoRan Exploration Co. 2003 Stock Incentive Plan, as amended and restated; the McMoRan Exploration Co. 2001 Stock Incentive Plan, as amended and restated; the McMoRan Exploration Co. 2000 Stock Incentive Plan, as amended and restated; the McMoRan Exploration Co. 1998 Stock Option Plan, as amended and restated; and the McMoRan Exploration Co. 1998 Stock Option Plan for Non-Employee Directors, as amended and restated,
- 5) Registration Statement (Form S-8 No. 333-212523) pertaining to the Freeport-McMoRan Inc. 2016 Stock Incentive Plan, and
- 6) Registration Statement (Form S-3 No. 333-258522) pertaining to the Freeport-McMoRan Inc. 2021 Automatic Shelf Registration Statement, as amended of our report dated **August 3, 2023** **November 3, 2023** relating to the unaudited consolidated interim financial statements of Freeport-McMoRan Inc. that is included in its Form 10-Q for the quarter ended **June 30, 2023** **September 30, 2023**.

/s/ Ernst & Young LLP

Phoenix, Arizona
August **November** 3, 2023

Exhibit 31.1

Certification

I, Richard C. Adkerson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Freeport-McMoRan Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: **August 3, 2023** **November 3, 2023**

By: **/s/ Richard C. Adkerson**

Richard C. Adkerson
Chairman of the Board and
Chief Executive Officer

Certification

Exhibit 31.2

I, Maree E. Robertson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Freeport-McMoRan Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: **August 3, 2023** **November 3, 2023**

By: /s/ Maree E. Robertson

Maree E. Robertson
Senior Vice President and
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350
(Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report on Form 10-Q of Freeport-McMoRan Inc. (the "Company") for the quarter ended June 30, 2023 September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Richard C. Adkerson, as Chairman of the Board and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2023 November 3, 2023

By: /s/ Richard C. Adkerson

Richard C. Adkerson
Chairman of the Board and
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350
(Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report on Form 10-Q of Freeport-McMoRan Inc. (the "Company") for the quarter ended June 30, 2023 September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Maree E. Robertson, as Senior Vice President and Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of her knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2023 November 3, 2023

By: /s/ Maree E. Robertson

Maree E. Robertson

Senior Vice President and
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 95.1

Mine Safety and Health Administration (MSHA) Safety Data

FCX's U.S. mining operations are subject to regulations issued by MSHA under the U.S. Federal Mine Safety and Health Act of 1977 (the Mine Act). MSHA inspects our U.S. mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act. Whenever MSHA issues a citation or order, it also generally proposes a civil penalty, or fine, related to the alleged violation. Citations or orders can be contested and appealed, and as part of that process, are often reduced in severity and amount, and are sometimes dismissed. The number of citations, orders and proposed assessments varies depending on the size and type (underground or surface) of the mine, among other factors.

The following disclosures have been provided pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Mine Safety Data. Following provides additional information about references used in the following table to describe the categories of violations, orders or citations issued by MSHA under the Mine Act:

- **Section 104 S&S Citations:** Citations issued by MSHA under Section 104(a) of the Mine Act for violations of health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.
- **Section 104(b) Orders:** Orders issued under Section 104(b) of the Mine Act, which represent a failure to abate a citation under Section 104(a) within the period prescribed by MSHA. This results in an order of immediate withdrawal from the area of the mine affected by the condition until MSHA determines that the violation has been abated.
- **Section 104(d) Citations and Orders:** Citations and orders issued by MSHA under Section 104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards. These types of violations could significantly and substantially contribute to a serious injury; however, the conditions do not cause imminent danger (refer to discussion of imminent danger orders below).
- **Section 110(b)(2) Violations:** Flagrant violations identified by MSHA under Section 110(b)(2) of the Mine Act. The term flagrant with respect to a violation is defined as "a reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonably could have expected to cause, death or serious bodily injury."
- **Section 107(a) Orders:** Orders issued by MSHA under Section 107(a) of the Mine Act for situations in which MSHA determined an imminent danger existed. Orders issued under Section 107(a) of the Mine Act require the operator of the mine to cause all persons (except authorized persons) to be withdrawn from the mine until the imminent danger and the conditions that caused such imminent danger cease to exist.

The following table details the violations, citations and orders issued to us by MSHA during the three months ended **June 30, 2023** **September 30, 2023**:

Mine ID ⁽¹⁾	Mine ID ⁽¹⁾	Mine or Operation Name	Section												Section											
			Section 104 S&S	Section 104(b)	104(d) Citations and Orders	Section 110(b)(2)	Section 107(a)	Proposed	Mining Related	Under Section	Under Section	Pattern of Violations	Pattern of Violation	Section 104 S&S	Section 104(b)	104(d) Citations and Orders	Section 110(b)(2)	Section 107(a)	Proposed							
			Citations (#)	Orders (#)	(#)	(#)	(#)	(#)	(\$)	(#)	(yes/no)	104(e)	(#)	Mine ID ⁽¹⁾	Mine or Operation Name	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(#)	(\$)
0200137	0200137	Freeport-McMoRan Bagdad Inc. (Bagdad)	4	—	—	—	—	—	143	—	No	No	0200137	Freeport-McMoRan Bagdad Inc. (Bagdad)	—	—	—	—	—	—	—	—	—	—	—	
2900708	2900708	Freeport-McMoRan Chino Mines Company (Chino)	—	—	—	—	—	—	—	—	No	No	2900708	Freeport-McMoRan Chino Mines Company (Chino)	1	—	—	—	—	—	—	—	—	—	6.	
0200112	0200112	Freeport-McMoRan Miami Inc (Miami)	—	—	—	—	—	—	—	—	No	No	0200112	Freeport-McMoRan Miami Inc (Miami)	—	—	—	—	—	—	—	—	—	—	—	
0200024	0200024	Freeport-McMoRan Morenci Inc (Morenci)	17	2	—	—	—	—	93,381	1	No	No	0200024	Freeport-McMoRan Morenci Inc (Morenci)	—	—	—	—	—	—	—	—	—	—	—	
0203131	0203131	Freeport-McMoRan Safford Inc (Safford)	5	—	—	—	—	—	10,685	—	No	No	0203131	Freeport-McMoRan Safford Inc (Safford)	—	—	—	—	—	—	—	—	—	—	—	
0200144	0200144	Freeport-McMoRan Sierrita Inc (Sierrita)	4	—	—	—	—	—	143	—	No	No	0200144	Freeport-McMoRan Sierrita Inc (Sierrita)	—	—	—	—	—	—	—	—	—	—	—	
2900159	2900159	Tyrone Mine (Tyrone)	—	—	—	—	—	—	—	—	No	No	2900159	Tyrone Mine (Tyrone)	—	—	—	—	—	—	—	—	—	—	1.	
0500790	0500790	Henderson Operations (Henderson)	1	—	—	—	—	—	6,070	—	No	No	0500790	Henderson Operations (Henderson)	—	—	—	—	—	—	—	—	—	—	5.	
0502256	0502256	Climax Mine (Climax)	—	—	—	—	—	—	—	—	No	No	0502256	Climax Mine (Climax)	—	—	—	—	—	—	—	—	—	—	7.	
2900725	2900725	Freeport-McMoRan Cobre Mining Company: Open Pit & Continental	—	—	—	—	—	—	—	—	No	No	2900725	Freeport-McMoRan Cobre Mining Company: Open Pit & Continental	—	—	—	—	—	—	—	—	—	—	—	
2900731	2900731	Surf Comp Continental Mill	—	—	—	—	—	—	—	—	No	No	2900731	Surf Comp Continental Mill	—	—	—	—	—	—	—	—	—	—	—	
0201656	0201656	Complex Copper Queen	—	—	—	—	—	—	—	—	No	No	0201656	Complex Copper Queen	—	—	—	—	—	—	—	—	—	—	—	
0202579	0202579	Branch Cyprus Tohono Corporation	—	—	—	—	—	—	—	—	No	No	0202579	Branch Cyprus Tohono Corporation	—	—	—	—	—	—	—	—	—	—	—	
0203262	0203262	Twin Buttes Mine	—	—	—	—	—	—	—	—	No	No	0203262	Twin Buttes Mine	—	—	—	—	—	—	—	—	—	—	—	
2902395	2902395	Chieftain 2100 Screening Plant	—	—	—	—	—	—	—	—	No	No	2902395	Chieftain 2100 Screening Plant	—	—	—	—	—	—	—	—	—	—	—	
0203254	0203254	Warrior 1800 Screening Plant	—	—	—	—	—	—	—	—	No	No	0203254	Warrior 1800 Screening Plant	—	—	—	—	—	—	—	—	—	—	—	

(1) MSHA assigns an identification number to each mine or operation and may or may not assign separate identification numbers to related facilities.

(2) Has not yet been classified by MSHA as either an independent medical episode or work-related as of August 3, 2023.

Pending Legal Actions. The following table provides a summary of legal actions pending before the Federal Mine Safety and Health Review Commission (the Commission) as of **June 30, 2023** **September 30, 2023**, as well as the aggregate number of legal actions instituted and resolved during **second-quarter** **third-quarter** 2023. The Commission is an independent adjudicative agency established by the Mine Act that provides administrative trial and appellate review of legal disputes arising under the Mine Act. These cases may involve, among other questions, challenges by operators to citations, orders and penalties they have received from MSHA, or complaints of discrimination by miners under Section 105 of the Mine Act.

The following provides additional information of the types of proceedings that may be brought before the Commission:

- **Contest Proceedings** - A contest proceeding may be filed by an operator to challenge the issuance of a citation or order issued by MSHA.
- **Civil Penalty Proceedings** - A civil penalty proceeding may be filed by an operator to challenge a civil penalty MSHA has proposed for a violation contained in a citation or order. FCX does not institute civil penalty proceedings based solely on the assessment amount of proposed penalties. Any initiated adjudications described in the table below address substantive matters of law and policy instituted on conditions that are alleged to be in violation of mandatory standards or the Mine Act.
- **Discrimination Proceedings** - Involves a miner's allegation that he or she has suffered adverse employment action because he or she engaged in an activity protected under the Mine Act, such as making a safety complaint. Also includes temporary reinstatement proceedings involving cases in which a miner has filed a complaint with MSHA stating that he or she has suffered discrimination and the miner has lost his or her position.
- **Compensation Proceedings** - A compensation proceeding may be filed by miners entitled to compensation when a mine is closed by certain closure orders issued by MSHA. The purpose of the proceeding is to determine the amount of compensation, if any, due to miners idled by the orders.
- **Temporary Relief** - Applications for temporary relief are applications filed under Section 105(b)(2) of the Mine Act for temporary relief from any modification or termination of any order.
- **Appeals** - An appeal may be filed by an operator to challenge judges decisions or orders to the Commission, including petitions for discretionary review and review by the Commission on its own motion.

Legal Actions Pending at June 30, 2023									
Mine ID ⁽¹⁾	Contest	Civil Penalty	Discrimination	Compensation	Temporary	Total	Legal Actions	Legal Actions	
	Proceedings	Proceedings	Proceedings	Proceedings	Relief		Instituted ⁽²⁾	Resolved ⁽³⁾	
0200137	—	—	—	—	—	—	—	—	
2900708	—	—	—	—	—	—	—	—	
0200112	—	—	—	—	—	—	—	—	
0200024	—	—	—	—	—	—	—	—	
0203131	—	—	—	—	—	—	—	—	
0200144	—	—	—	—	—	—	—	—	
2900159	—	—	—	—	—	—	—	—	
0500790	—	—	—	—	—	—	—	—	
0502256	—	—	—	—	—	—	—	—	
2900725	—	—	—	—	—	—	—	—	
2900731	—	—	—	—	—	—	—	—	
0201656	—	—	—	—	—	—	—	—	
0202579	—	—	—	—	—	—	—	—	
0203262	—	—	—	—	—	—	—	—	
2902395	—	—	—	—	—	—	—	—	
0203254	—	—	—	—	—	—	—	—	

Legal Actions Pending at September 30, 2023									
Mine ID ⁽¹⁾	Contest	Civil Penalty	Discrimination	Compensation	Temporary	Total	Legal Actions	Legal Actions	
	Proceedings	Proceedings	Proceedings	Proceedings	Relief		Instituted ⁽²⁾	Resolved ⁽³⁾	
0200137	—	—	—	—	—	—	—	—	
2900708	—	—	—	—	—	—	—	—	
0200112	—	—	—	—	—	—	—	—	
0200024	—	1	—	—	—	—	1	1	
0203131	—	—	—	—	—	—	—	—	
0200144	—	—	—	—	—	—	—	—	
2900159	—	—	—	—	—	—	—	—	
0500790	—	1	—	—	—	—	1	—	

0502256	—	—	—	—	—	—	—	—	—	—
2900725	—	—	—	—	—	—	—	—	—	—
2900731	—	—	—	—	—	—	—	—	—	—
0201656	—	—	—	—	—	—	—	—	—	—
0202579	—	—	—	—	—	—	—	—	—	—
0203262	—	—	—	—	—	—	—	—	—	—
2902395	—	—	—	—	—	—	—	—	—	—
0203254	—	—	—	—	—	—	—	—	—	—

(1) MSHA assigns an identification number to each mine or operation and may or may not assign separate identification numbers to related facilities. Refer to "Mine Safety Data" table for related mine or operation name.

(2) Legal actions pending at **June 30, 2023** **September 30, 2023**, and legal actions instituted during **second-quarter** **third-quarter** 2023 are based on the date that a docket number was assigned to the proceeding.

(3) Legal actions resolved during **second-quarter** **third-quarter** 2023 are based on the date that the settlement motion resolving disputed matters is filed with the Commission, and the matter is effectively closed by MSHA.

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