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, 2024
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, 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, 2024, there were issued and outstanding 1,436,856,316 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)

	June 30, 2024	December 31, 2023
	(In Millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,273	$ 4,758
Restricted cash and cash equivalents	1,030	1,208
Trade accounts receivable	1,128	1,209
Income and other tax receivables	428	455
Inventories:		
Product	2,755	2,472
Materials and supplies, net	2,283	2,169
Mill and leach stockpiles	1,436	1,419
Other current assets	389	375
Total current assets	14,722	14,065
Property, plant, equipment and mine development costs, net	36,784	35,295
Long-term mill and leach stockpiles	1,286	1,336
Other assets	1,843	1,810
Total assets	$ 54,635	$ 52,506
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 3,910	$ 3,729
Accrued income taxes	898	786
Current portion of debt	768	766
Current portion of environmental and asset retirement obligations	342	316
Dividends payable	218	218
Total current liabilities	6,136	5,815
Long-term debt, less current portion	8,658	8,656
Environmental and asset retirement obligations, less current portion	5,083	4,624
Deferred income taxes	4,491	4,453
Other liabilities	1,581	1,648
Total liabilities	25,949	25,196
Equity:		
Stockholders' equity:		
Common stock	162	162
Capital in excess of par value	24,321	24,637
Accumulated deficit	(970)	(2,059)
Accumulated other comprehensive loss	(274)	(274)
Common stock held in treasury	(5,835)	(5,773)
Total stockholders' equity	17,404	16,693
Noncontrolling interests	11,282	10,617
Total equity	28,686	27,310
Total liabilities and equity	$ 54,635	$ 52,506

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In Millions, Except Per Share Amounts)			
Revenues	$ 6,624	$ 5,737	$ 12,945	$ 11,126
Cost of sales:				
Production and delivery	3,875	3,549	7,719	6,714
Depreciation, depletion and amortization	509	547	1,104	946
Total cost of sales	4,384	4,096	8,823	7,660
Selling, general and administrative expenses	123	115	267	241
Exploration and research expenses	40	42	77	73
Environmental obligations and shutdown costs	28	74	95	141
Total costs and expenses	4,575	4,327	9,262	8,115
Operating income	2,049	1,410	3,683	3,011
Interest expense, net	(88)	(171)	(177)	(322)
Net gain on early extinguishment of debt	—	5	—	5
Other income, net	69	24	198	112
Income before income taxes and equity in affiliated companies' net earnings	2,030	1,268	3,704	2,806
Provision for income taxes	(754)	(539)	(1,266)	(1,038)
Equity in affiliated companies' net earnings	4	2	4	12
Net income	1,280	731	2,442	1,780
Net income attributable to noncontrolling interests	(664)	(388)	(1,353)	(774)
Net income attributable to common stockholders	$ 616	$ 343	$ 1,089	$ 1,006
Net income per share attributable to common stockholders:				
Basic	$ 0.42	$ 0.24	$ 0.75	$ 0.70
Diluted	$ 0.42	$ 0.23	$ 0.75	$ 0.69
Weighted-average shares of common stock outstanding:				
Basic	1,438	1,434	1,437	1,434
Diluted	1,445	1,442	1,445	1,443
Dividends declared per share of common stock	$ 0.15	$ 0.15	$ 0.30	$ 0.30

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In Millions)			
Net income	$ 1,280	$ 731	$ 2,442	$ 1,780
Other comprehensive income, net of taxes:				
Defined benefit plans:				
Amortization of unrecognized amounts included in net periodic benefit costs	—	1	1	2
Foreign exchange (losses) gains	—	—	(1)	1
Other comprehensive income	—	1	—	3
Total comprehensive income	1,280	732	2,442	1,783
Total comprehensive income attributable to noncontrolling interests	(664)	(388)	(1,353)	(775)
Total comprehensive income attributable to common stockholders	$ 616	$ 344	$ 1,089	$ 1,008

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

Freeport-McMoRan Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Six Months Ended June 30,	
	2024	2023
	(In Millions)	
Cash flow from operating activities:		
Net income	$ 2,442	$ 1,780
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	1,104	946
Stock-based compensation	77	72
Net charges for environmental and asset retirement obligations, including accretion	300	237
Payments for environmental and asset retirement obligations	(97)	(114)
Net charges for defined pension and postretirement plans	16	31
Pension plan contributions	(38)	(6)
Net gain on early extinguishment of debt	—	(5)
Deferred income taxes	37	74
Change in deferred profit on PT Freeport Indonesia's sales to PT Smelting	—	(112)
Charges for social investment programs at PT Freeport Indonesia	51	36
Payments for social investment programs at PT Freeport Indonesia	(37)	(28)
Other, net	21	14
Changes in working capital and other:		
Accounts receivable	92	756
Inventories	(341)	(530)
Other current assets	21	(17)
Accounts payable and accrued liabilities	103	(203)
Accrued income taxes and timing of other tax payments	101	(208)
Net cash provided by operating activities	3,852	2,723
Cash flow from investing activities:		
Capital expenditures:		
North America copper mines	(480)	(378)
South America operations	(172)	(183)
Indonesia mining	(750)	(790)
Indonesia downstream processing facilities	(740)	(823)
Molybdenum mines	(63)	(22)
Other	(165)	(88)
Loans to PT Smelting for expansion	(28)	(61)
Proceeds from sales of assets and other, net	13	(20)
Net cash used in investing activities	(2,385)	(2,365)
Cash flow from financing activities:		
Proceeds from debt	1,281	681
Repayments of debt	(1,281)	(1,806)
Cash dividends and distributions paid:		
Common stock	(433)	(432)
Noncontrolling interests	(685)	(291)
Contributions from noncontrolling interests	—	50
Proceeds from exercised stock options	26	34
Payments for withholding of employee taxes related to stock-based awards	(35)	(47)
Other, net	(1)	(1)
Net cash used in financing activities	(1,128)	(1,812)
Net increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents	339	(1,454)
Cash and cash equivalents and restricted cash and cash equivalents at beginning of year	6,063	8,390
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 6,402	$ 6,936

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

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

	Stockholders' Equity									
	Common Stock				Accumulated Other Comprehensive Loss	Common Stock Held in Treasury		Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Number of Shares	At Par Value	Capital in Excess of Par Value	Accumulated Deficit		Number of Shares	At Cost			
	(In Millions)									
Balance at March 31, 2024	1,622	$ 162	$ 24,488	$ (1,586)	$ (274)	186	$ (5,817)	$ 16,973	$ 11,132	$ 28,105
Exercised and issued stock-based awards	2	—	31	—	—	—	—	31	—	31
Stock-based compensation, including the tender of shares	—	—	18	—	—	—	(18)	—	(2)	(2)
Dividends	—	—	(216)	—	—	—	—	(216)	(512)	(728)
Net income attributable to common stockholders	—	—	—	616	—	—	—	616	—	616
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	—	664	664
Balance at June 30, 2024	1,624	$ 162	$ 24,321	$ (970)	$ (274)	186	$ (5,835)	$ 17,404	$ 11,282	$ 28,686

	Stockholders' Equity									
	Common Stock				Accumulated Other Comprehensive Loss	Common Stock Held in Treasury		Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Number of Shares	At Par Value	Capital in Excess of Par Value	Accumulated Deficit		Number of Shares	At Cost			
	(In Millions)									
Balance at March 31, 2023	1,618	$ 162	$ 25,227	$ (3,244)	$ (319)	184	$ (5,769)	$ 16,057	$ 9,591	$ 25,648
Exercised and issued stock-based awards	—	—	3	—	—	—	—	3	—	3
Stock-based compensation, including the tender of shares	—	—	14	—	—	—	—	14	—	14
Dividends	—	—	(216)	—	—	—	—	(216)	(154)	(370)
Net income attributable to common stockholders	—	—	—	343	—	—	—	343	—	343
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	—	388	388
Other comprehensive income	—	—	—	—	1	—	—	1	—	1
Balance at June 30, 2023	1,618	$ 162	$ 25,028	$ (2,901)	$ (318)	184	$ (5,769)	$ 16,202	$ 9,825	$ 26,027

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

	Stockholders' Equity									
	Common Stock				Accumulated Other Comprehensive Loss	Common Stock Held in Treasury		Total Stockholders' Equity	Non-controlling Interests	Total Equity
	Number of Shares	At Par Value	Capital in Excess of Par Value	Accumulated Deficit		Number of Shares	At Cost			
	(In Millions)									
Balance at December 31, 2023	1,619	$ 162	$ 24,637	$ (2,059)	$ (274)	184	$ (5,773)	$ 16,693	$ 10,617	$ 27,310
Exercised and issued stock-based awards	5	—	53	—	—	1	—	53	—	53
Stock-based compensation, including the tender of shares	—	—	64	—	—	1	(62)	2	(3)	(1)
Dividends	—	—	(433)	—	—	—	—	(433)	(685)	(1,118)
Net income attributable to common stockholders	—	—	—	1,089	—	—	—	1,089	—	1,089
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	—	1,353	1,353
Balance at June 30, 2024	1,624	$ 162	$ 24,321	$ (970)	$ (274)	186	$ (5,835)	$ 17,404	$ 11,282	$ 28,686

	Stockholders' Equity									
	Common Stock				Accumulated Other Comprehensive Loss	Common Stock Held in Treasury		Total Stockholders' Equity	Non-controlling Interests	Total Equity
	Number of Shares	At Par Value	Capital in Excess of Par Value	Accumulated Deficit		Number of Shares	At Cost			
	(In Millions)									
Balance at December 31, 2022	1,613	$ 161	$ 25,322	$ (3,907)	$ (320)	183	$ (5,701)	$ 15,555	$ 9,316	$ 24,871
Exercised and issued stock-based awards	5	1	55	—	—	—	—	56	—	56
Stock-based compensation, including the tender of shares	—	—	60	—	—	1	(68)	(8)	(1)	(9)
Dividends	—	—	(433)	—	—	—	—	(433)	(291)	(724)
Contributions from noncontrolling interests	—	—	24	—	—	—	—	24	26	50
Net income attributable to common stockholders	—	—	—	1,006	—	—	—	1,006	—	1,006
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	—	774	774
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

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

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, 2023 (2023 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 period ended June 30, 2024, are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. Dollar amounts in tables are stated in millions, except per share amounts.

PT Smelting. In December 2023, PT Smelting completed an expansion of its facilities. The project was funded by PT Freeport Indonesia (PT-FI) with borrowings totaling $254 million that converted to equity effective June 30, 2024, increasing PT-FI's ownership in PT Smelting to 66% from 39.5%.

As discussed in Note 3 of FCX's 2023 Form 10-K, FCX has determined that PT Smelting, which is owned by PT-FI and Mitsubishi Materials Corporation, is a variable interest entity. Since mutual consent of both PT Smelting shareholders is required to make the decisions that most significantly impact the economic performance of PT Smelting, PT-FI is not the primary beneficiary. Accordingly, PT-FI will continue to account for its investment in PT Smelting under the equity method.

Attribution of PT Freeport Indonesia's Net Income or Loss. As discussed in Note 3 of FCX's 2023 Form 10-K, beginning January 1, 2023, the attribution of PT-FI's net income or loss is based on equity ownership percentages (48.76% for FCX, 26.24% for PT Mineral Industri Indonesia (MIND ID) and 25.00% for PT Indonesia Papua Metal Dan Mineral) with certain exceptions, as contemplated by the economics replacement agreement in the PT-FI shareholders agreement.

As further discussed in Note 3, in first-quarter 2024, PT-FI recorded net credits of $215 million associated with the closure of its 2021 corporate income tax audit and resolution of the framework for disputed tax matters. PT-FI's net income and cash dividends associated with the settlement of this historical tax matter that originated before December 31, 2022, were attributed approximately 81% to FCX.

As discussed in Note 3 of FCX's 2023 Form 10-K, because PT-FI did not achieve the Gold Target during the Initial Period (as defined in the PT-FI shareholders agreement), PT-FI's net income and cash dividends associated with the sale of approximately 190,000 ounces of gold during 2023 were attributed approximately 81% to FCX.

Subsequent Events. FCX evaluated events after June 30, 2024, 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:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	$ 1,280	$ 731	$ 2,442	$ 1,780
Net income attributable to noncontrolling interests	(664)	(388)	(1,353)	(774)
Undistributed dividends and earnings allocated to participating securities	(6)	(5)	(6)	(5)
Net income attributable to common stockholders	$ 610	$ 338	$ 1,083	$ 1,001
Basic weighted-average shares of common stock outstanding	1,438	1,434	1,437	1,434
Add shares issuable upon exercise or vesting of dilutive stock options and restricted stock units	7	8	8	9
Diluted weighted-average shares of common stock outstanding	1,445	1,442	1,445	1,443
Net income per share attributable to common stockholders:				
Basic	$ 0.42	$ 0.24	$ 0.75	$ 0.70
Diluted	$ 0.42	$ 0.23	$ 0.75	$ 0.69

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 any of the periods shown above.

NOTE 3. INCOME TAXES

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

	Six Months Ended June 30,	
	2024	2023
U.S.	$ (4)	$ 3
International	(1,262)	(1,041)
Total	$ (1,266)	$ (1,038)

FCX's consolidated effective income tax rate is a function of the various rates in the jurisdictions where it operates and was 34% for the first six months of 2024, including a net benefit of $182 million related to closure of PT-FI's 2021 corporate income tax audit and resolution of the framework for Indonesia disputed tax matters (see below for further discussion), and was 37% for the first six months of 2023. The 2023 effective income tax rate 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. At current copper prices, FCX expects its U.S. jurisdiction to generate net losses for the year 2024 that will not result in a realized tax benefit; accordingly, applicable accounting rules require FCX to adjust its estimated annual effective tax rate to exclude the impact of U.S. net losses.

PT-FI Historical Tax Matters. During the first six months of 2024, in conjunction with closure of PT-FI's 2021 corporate income tax audit and resolution of the framework for disputed tax matters, PT-FI recorded net credits of $215 million, including $199 million to provision for income taxes, $8 million to production and delivery and $8 million to interest expense, net. In addition, FCX recognized a charge of $17 million to provision for income taxes related to withholding taxes and a credit of $26 million in other income, net associated with the reduction in the related accrual to indemnify MIND ID from potential losses arising from historical tax disputes.

Resolution of the framework for disputed tax matters also resulted in a decrease of unrecognized tax benefits of $276 million and a decrease of $43 million in related interest and penalties, as well as a decrease in contingencies related to Indonesia tax matters of $179 million, including a $35 million decrease associated with penalties and interest. Refer to Notes 11 and 12 of FCX's 2023 Form 10-K for further discussion.

Uncertain Tax Positions. As further discussed in Note 7, in May 2024, an arbitration tribunal rejected FCX and Cerro Verde's claims relating to the assessment of mining royalties on ore processed by the Cerro Verde concentrator for the period from December 2006 to December 2013. Cerro Verde had previously paid the full amount of these disputed tax assessments, including the related interest and penalties, and a full reserve had been applied against these amounts; as such, the decision by the arbitration tribunal had no impact on FCX's consolidated financial statements. FCX has reduced its unrecognized tax benefits by $269 million and related interest and penalties by $319 million (refer to Note 11 of FCX's 2023 Form 10-K for a summary of unrecognized tax benefits and related interest and penalties).

U.S. Inflation Reduction Act of 2022. 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. 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 FCX's financial results for the first six months of 2024 or for the year 2023.

Although the Internal Revenue Service (IRS) and U.S. Department of the Treasury (Treasury) published guidance in 2023 that provided some additional clarity on these rules, regulations are yet to be published and uncertainty remains regarding the application of the CAMT to FCX. Future regulations and guidance released by the IRS and Treasury may differ from FCX's interpretations of the Act, which could be material and may further limit FCX's ability to realize future benefits from its U.S. net operating losses.

Pillar Two of the Global Anti-Base Erosion Rules. In December 2021, the Organisation for Economic Co-operation and Development (OECD) published a framework for Pillar Two of the Global Anti-Base Erosion Rules, which was designed to coordinate participating jurisdictions in updating the international tax system to ensure that large multinational companies pay a minimum level of income tax. Recommendations from the OECD regarding a global minimum income tax and other changes are being considered and/or implemented in jurisdictions where FCX operates. At current metals market prices, FCX believes enactment of the recommended framework in jurisdictions where it operates will result in minimal impacts to its financial results in the near term.

NOTE 4. DEBT AND EQUITY

The components of debt follow:

	June 30, 2024	December 31, 2023
Senior notes and debentures:		
Issued by FCX	$ 6,008	$ 6,005
Issued by PT-FI	2,981	2,980
Issued by Freeport Minerals Corporation	353	354
Other	84	83
Total debt	9,426	9,422
Less current portion of debt	(768)	(766)
Long-term debt	$ 8,658	$ 8,656

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 letters of credit issuance limited to $1.5 billion and PT-FI's capacity limited to $500 million. At June 30, 2024, FCX had $7 million in letters of credit issued under its revolving credit facility.

PT-FI has a $1.75 billion, unsecured revolving credit facility that matures in November 2028 and Cerro Verde has a $350 million, unsecured revolving credit facility that matures in May 2027.

At June 30, 2024, FCX, PT-FI and Cerro Verde had no borrowings outstanding under their respective revolving credit facilities and were in compliance with their respective covenants.

On July 31, 2024, PT-FI borrowed $250 million under its revolving credit facility to fund capital expenditures for PT-FI's new smelter and precious metals refinery (PMR) (collectively, the new downstream processing facilities).

Interest Expense, Net. Consolidated interest costs (before capitalization) totaled $181 million in second-quarter 2024, $234 million in second-quarter 2023, $356 million for the first six months of 2024 and $441 million for the first six months of 2023. Consolidated interest costs (before capitalization) in the 2023 periods includes $50 million in second-quarter 2023 and $74 million for the first six months of 2023 associated with Cerro Verde's contested tax rulings issued by the Peru Supreme Court.

Capitalized interest added to property, plant, equipment and mine development costs, net, totaled $93 million in second-quarter 2024, $62 million in second-quarter 2023, $179 million for the first six months of 2024 and $119 million for the first six months of 2023. The increase in capitalized interest costs in the 2024 periods compared to the 2023 periods, primarily resulted from increased construction and development costs for projects in process, primarily at PT-FI's new downstream processing facilities.

Share Repurchase Program and Dividends. In July 2024, FCX acquired 1.2 million shares of its common stock for a total cost of $59 million ($50.48 average cost per share) bringing total purchases under its $5.0 billion share repurchase program to 49.0 million shares of common stock for a cost of $1.9 billion ($38.64 average cost per share). 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 FCX's Board of Directors' (Board) discretion.

On June 26, 2024, FCX's 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 were paid on August 1, 2024, to common stockholders of record as of July 15, 2024. The declaration and payment of dividends (base or variable) are at the discretion of FCX's Board, and will depend on FCX's financial results, cash requirements, global economic conditions and other factors deemed relevant by FCX's Board.

NOTE 5. 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 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 periods ended June 30, 2024 and 2023. At June 30, 2024, FCX held copper futures and swap contracts that qualified for hedge accounting for 95 million pounds at an average contract price of $4.26 per pound, with maturities through March 2026.

Summary of Gains (Losses). A summary of realized and unrealized gains (losses) 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:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Copper futures and swap contracts:				
Unrealized gains (losses):				
Derivative financial instruments	$ 1	$ (25)	$ 10	$ (11)
Hedged item – firm sales commitments	(1)	25	(10)	11
Realized gains (losses):				
Matured derivative financial instruments	28	(5)	29	3

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, 2024, follows:

	Open Positions	Average Price Per Unit		Maturities Through
		Contract	Market	
Embedded derivatives in provisional sales contracts:				
Copper (millions of pounds)	371	$ 4.26	$ 4.33	November 2024
Gold (thousands of ounces)	93	2,333	2,344	September 2024
Embedded derivatives in provisional purchase contracts:				
Copper (millions of pounds)	115	4.39	4.33	September 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, 2024, Atlantic Copper held net copper forward sales contracts for 44 million pounds at an average contract price of $4.38 per pound, with maturities through August 2024.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Embedded derivatives in provisional sales contracts:[a]				
Copper	$ 181	$ (169)	$ 247	$ 61
Gold and other metals	45	(21)	89	22
Copper forward contracts[b]	(17)	1	(26)	(1)

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:

	June 30, 2024	December 31, 2023
Commodity Derivative Assets:		
Derivatives designated as hedging instruments:		
Copper futures and swap contracts	$ 18	$ 4
Derivatives not designated as hedging instruments:		
Embedded derivatives in provisional sales/purchase contracts	77	76
Copper forward contracts	5	—
Total derivative assets	$ 100	$ 80
Commodity Derivative Liabilities:		
Derivatives designated as hedging instruments:		
Copper futures and swap contracts	$ 4	$ —
Derivatives not designated as hedging instruments:		
Embedded derivatives in provisional sales/purchase contracts	43	23
Copper forward contracts	—	1
Total derivative liabilities	$ 47	$ 24

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.

A summary of these net unsettled commodity contracts in the balance sheet follows:

	Assets		Liabilities	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Gross amounts recognized:				
Commodity contracts:				
Embedded derivatives in provisional sales/purchase contracts	$ 77	$ 76	$ 43	$ 23
Copper derivatives	23	4	4	1
	100	80	47	24
Less gross amounts of offset:				
Commodity contracts:				
Embedded derivatives in provisional sales/purchase contracts	7	—	7	—
	7	—	7	—
Net amounts presented in balance sheet:				
Commodity contracts:				
Embedded derivatives in provisional sales/purchase contracts	70	76	36	23
Copper derivatives	23	4	4	1
	$ 93	$ 80	$ 40	$ 24
Balance sheet classification:				
Trade accounts receivable	$ 53	$ 76	$ 21	$ 2
Other current assets	22	4	—	—
Accounts payable and accrued liabilities	18	—	17	22
Other liabilities	—	—	2	—
	$ 93	$ 80	$ 40	$ 24

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, 2024, the maximum amount of credit exposure associated with derivative transactions was $100 million.

Other Financial Instruments. Other financial instruments include cash and 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 6 for the fair values of investment securities, legally restricted funds and debt). In addition, as of June 30, 2024, FCX had contingent consideration assets related to the sales of certain oil and gas properties (refer to Note 6 for the related fair values).

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

	June 30, 2024	December 31, 2023
Balance sheet components:		
Cash and cash equivalents[a]	$ 5,273	$ 4,758
Restricted cash and cash equivalents, current[b]	1,030	1,208
Restricted cash and cash equivalents, long-term - included in other assets	99	97
Total cash and cash equivalents and restricted cash and cash equivalents presented in the consolidated statements of cash flows	$ 6,402	$ 6,063

a. Includes (i) time deposits of $0.1 billion at June 30, 2024, and $0.3 billion at December 31, 2023, and (ii) cash designated for PT-FI's new downstream processing facilities totaling $0.2 billion at December 31, 2023.

b. Includes (i) $0.9 billion at June 30, 2024, and $1.1 billion at December 31, 2023, associated with 30% of PT-FI's export proceeds required to be temporarily deposited in Indonesia banks for 90 days in accordance with a regulation issued by the

Indonesia government and (ii) $0.1 billion at each of June 30, 2024, and December 31, 2023, in assurance bonds to support PT-FI's commitment for its new downstream processing facilities.

NOTE 6. 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 2024.

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 and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, accrued income taxes and dividends payable (refer to Note 5), follows:

	At June 30, 2024					
	Carrying Amount	Fair Value				
		Total	NAV	Level 1	Level 2	Level 3
Assets						
Investment securities:[a,b]						
U.S. core fixed income fund	$ 27	$ 27	$ 27	$ —	$ —	$ —
Equity securities	7	7	—	7	—	—
Total	34	34	27	7	—	—
Legally restricted funds:[a]						
U.S. core fixed income fund	65	65	65	—	—	—
Government mortgage-backed securities	49	49	—	—	49	—
Corporate bonds	35	35	—	—	35	—
Government bonds and notes	31	31	—	—	31	—
Money market funds	19	19	—	19	—	—
Asset-backed securities	13	13	—	—	13	—
Collateralized mortgage-backed securities	1	1	—	—	1	—
Total	213	213	65	19	129	—
Derivatives:[c]						
Embedded derivatives in provisional sales/purchase contracts in a gross asset position	77	77	—	—	77	—
Copper futures and swap contracts	18	18	—	11	7	—
Copper forward contracts	5	5	—	2	3	—
Total	100	100	—	13	87	—
Contingent consideration for the sale of the Deepwater GOM oil and gas properties[a]	47	39	—	—	—	39
Liabilities						
Derivatives:[c]						
Embedded derivatives in provisional sales/purchase contracts in a gross liability position	43	43	—	—	43	—
Copper futures and swap contracts	4	4	—	2	2	—
Total	47	47	—	2	45	—
Long-term debt, including current portion[d]	9,426	9,221	—	—	9,221	—

	At December 31, 2023					
	Carrying Amount	Fair Value				
		Total	NAV	Level 1	Level 2	Level 3
Assets						
Investment securities:[a,b]						
U.S. core fixed income fund	$ 27	$ 27	$ 27	$ —	$ —	$ —
Equity securities	6	6	—	6	—	—
Total	33	33	27	6	—	—
Legally restricted funds:[a]						
U.S. core fixed income fund	65	65	65	—	—	—
Government mortgage-backed securities	51	51	—	—	51	—
Government bonds and notes	37	37	—	—	37	—
Corporate bonds	29	29	—	—	29	—
Money market funds	17	17	—	17	—	—
Asset-backed securities	12	12	—	—	12	—
Collateralized mortgage-backed securities	1	1	—	—	1	—
Total	212	212	65	17	130	—
Derivatives:[c]						
Embedded derivatives in provisional sales/purchase contracts in a gross asset position	76	76	—	—	76	—
Copper futures and swap contracts	4	4	—	3	1	—
Total	80	80	—	3	77	—
Contingent consideration for the sale of the Deepwater GOM oil and gas properties[a]	50	42	—	—	—	42
Liabilities						
Derivatives:[c]						
Embedded derivatives in provisional sales/purchase contracts in a gross liability position	23	23	—	—	23	—
Copper forward contracts	1	1	—	1	—	—
Total	24	24	—	1	23	—
Long-term debt, including current portion[d]	9,422	9,364	—	—	9,364	—

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

b. Excludes amounts included in restricted cash and cash equivalents and other assets (which approximated fair value), primarily amounts associated with (i) PT-FI's export proceeds ($0.9 billion at June 30, 2024, and $1.1 billion at December 31, 2023), (ii) assurance bonds to support PT-FI's commitment for new downstream processing facilities ($0.1 billion at each of June 30, 2024, and December 31, 2023) and (iii) PT-FI's mine closure and reclamation guarantees ($0.1 billion at each of June 30, 2024, and December 31, 2023).

c. Refer to Note 5 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.

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 5 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 5 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 (to be received over time) that was recorded at the total amount under the loss recovery approach. 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, 2024, as compared with those techniques used at December 31, 2023.

NOTE 7. CONTINGENCIES AND COMMITMENTS

Environmental
Refer to Note 12 of FCX's 2023 Form 10-K for further discussion of FCX's environmental obligations.

FCX recorded net charges for adjustments to environmental obligations totaling $79 million for the first six months of 2024, primarily associated with changes in cost estimates for former processing facilities and historical smelter sites.

Asset Retirement Obligations
Refer to Note 12 of FCX's 2023 Form 10-K for further discussion of FCX's asset retirement obligations (AROs).

Mining Operations. FCX recorded net ARO additions at mining operations totaling $261 million for the first six months of 2024, primarily associated with revised closure plans and cost estimates to reflect FCX's commitment to the Global Industry Standard on Tailings Management (Tailings Standard). FCX may record additional ARO adjustments as it continues to update estimates to conform with the Tailings Standard.

Oil and Gas Properties. Freeport-McMoRan Oil & Gas (FM O&G) recorded net ARO additions totaling $105 million for the first six months of 2024 primarily for assumed oil and gas abandonment obligations resulting from bankruptcies of other companies, including $98 million that was charged to production and delivery costs. FM O&G, as a predecessor-in-interest in oil and natural gas leases, is in the chain of title with unrelated third parties either directly or by virtue of divestiture of certain oil and natural gas assets previously owned and assigned by its subsidiaries. Certain counterparties in these divestiture transactions or third parties in existing leases have filed for bankruptcy protection or undergone associated reorganizations and have not performed the required abandonment obligations. Accordingly, regulations or federal laws require that other working interest owners, including FM O&G, assume such obligations.

Litigation
There were no significant updates to previously reported legal proceedings included in Note 12 of FCX's 2023 Form 10-K, other than the matter 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. The settlement agreement to resolve these cases was fully executed in fourth-quarter 2022 but there was a delay in finalizing it as a result of a lawsuit challenging the settlement brought in first-quarter 2023 by a non-plaintiff coastal parish included in the settlement (Terrebonne Parish) titled Terrebonne Parish Consolidated Government v. Louisiana Department of Natural Resources et al., Docket No. 185576, 32nd Judicial District Court, Terrebonne Parish, State of Louisiana. During first-quarter 2024, Terrebonne Parish agreed to dismiss its lawsuit and FCX made the $15 million settlement payment in trust (which was accrued for in 2019) in accordance with the terms of the settlement agreement.

Indonesia Regulatory Matters
Refer to Notes 12, 13 and 14 of FCX's 2023 Form 10-K for further discussion of Indonesia regulatory matters.

Export Licenses. On May 31, 2024, export licenses expired for several exporters, including PT-FI. In second-quarter 2024, the Indonesia government issued various regulations to allow, under certain conditions, continued exports of copper concentrates and anode slimes through December 2024.

On July 2, 2024, PT-FI was granted copper concentrate and anode slimes export licenses, which are valid through December 2024 when the full ramp-up of PT-FI's new smelter is expected. PT-FI will continue to pay export duties on copper concentrates during the smelter ramp-up period pursuant to the Indonesia regulations. The applicable rate prescribed by regulations is 7.5% of the export value.

Special Mining License (IUPK). As further discussed in FCX's 2023 Form 10-K, PT-FI's IUPK enables it to conduct operations in the Grasberg minerals district through 2041. On May 30, 2024, the Indonesia government issued a regulation applicable to the country's mineral and coal industries which outlines requirements for the granting of IUPK extensions. The regulation provides that IUPK holders may be granted a life-of-mine extension provided certain conditions are met, including ownership of integrated downstream processing facilities that have entered the operational stage; domestic ownership of at least 51% and agreement with a state-owned enterprise for an additional 10% ownership; and commitments for additional exploration and increases in refining capacity, each as approved by the Ministry of Energy and Minerals. Application for extension may be submitted at any time up to one year prior to the current IUPK expiration. PT-FI expects to apply for an extension under this new regulation during 2024.

Tax Matters
Cerro Verde Royalty Dispute. As disclosed in Note 12 of FCX's 2023 Form 10-K, in 2020, FCX filed on its own behalf and on behalf of Cerro Verde, international arbitration proceedings against the Peruvian government under the United States-Peru Trade Promotion Agreement relating to the assessment of mining royalties on ore processed by the Cerro Verde concentrator for the period from December 2006 to December 2013. In May 2024, the arbitration tribunal rejected FCX and Cerro Verde's claims on the merits. The decision by the arbitration tribunal had no impact on FCX's consolidated financial statements. Refer to Note 3 for discussion of the reduction in unrecognized tax benefits related to Cerro Verde tax matters.

NOTE 8. BUSINESS SEGMENTS

FCX has organized its mining operations into four primary divisions – North America copper mines, South America operations, Indonesia operations 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 Morenci and Cerro Verde copper mines, the Indonesia operations (including the Grasberg minerals district and PT-FI's new downstream processing facilities), the Rod & Refining operations and Atlantic Copper Smelting & Refining.

For comparative purposes, the 2023 tables have been adjusted to conform with the current year presentation, primarily for the combination of the Grasberg minerals district and PT-FI's new downstream processing facilities. PT-FI substantially completed construction of the new smelter in June 2024 and has commenced commissioning operations. PT-FI's new downstream processing facilities will exclusively receive concentrate from the Grasberg minerals district, which reflects PT-FI's integrated and dependent operations within Indonesia (*i.e.*, Indonesia operations). The PMR will receive anode slimes from the smelter and from PT Smelting. FCX's Chief Executive Officer, identified as its chief operating decision maker under business segment accounting guidance, makes executive management decisions, including resource allocation and mine planning, for the Indonesia operations as a single business segment.

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, the timing of sales to unaffiliated customers and transportation premiums.

FCX defers recognizing profits on intercompany sales to Atlantic Copper 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.

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, some selling, general and administrative costs are not allocated to the operating divisions or individual segments. Accordingly, the following segment information 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.

Product Revenues. FCX's revenues attributable to the products it sold for the second quarter and first six months of 2024 and 2023 follow:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Copper:				
Cathode	$ 2,237	$ 1,670	$ 4,178	$ 3,181
Concentrate	1,595	1,873	3,413	3,276
Rod and other refined copper products	974	884	1,927	1,805
Purchased copper[a]	300	72	466	276
Gold	935	999	2,103	1,530
Molybdenum	476	491	897	1,083
Silver and other	139	171	288	303
Adjustments to revenues:				
Royalty expense[b]	(93)	(94)	(213)	(154)
Treatment charges	(90)	(142)	(219)	(243)
PT-FI export duties[c]	(75)	3 [d]	(231)	(14) [d]
Revenues from contracts with customers	6,398	5,927	12,609	11,043
Embedded derivatives[e]	226	(190)	336	83
Total consolidated revenues	$ 6,624	$ 5,737	$ 12,945	$ 11,126

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

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

c. Export duties of 2.5% were eliminated effective March 29, 2023, upon verification that construction progress of the new smelter exceeded 50% and reinstated at a rate of 7.5% in July 2023 under a revised regulation. As discussed in Note 7, PT-FI will continue to pay export duties of 7.5% on copper concentrates during the smelter ramp-up period pursuant to Indonesia regulations.

d. Includes credits associated with adjustments to prior-period export duties.

e. Refer to Note 5 for discussion of embedded derivatives related to FCX's provisionally priced copper concentrate and cathode sales contracts.

Financial Information by Business Segment

	North America Copper Mines			South America Operations								
	Morenci	Other	Total	Cerro Verde	Other	Total	Indonesia Operations	Molybdenum Mines	Rod & Refining	Atlantic Copper Smelting & Refining	Corporate, Other & Elimi-nations	FCX Total
Three Months Ended June 30, 2024												
Revenues:												
Unaffiliated customers	$ 13	$ 10	$ 23	$ 1,075	$ 254	$ 1,329	$ 2,185	$ —	$ 1,693	$ 898	$ 496 [a]	$ 6,624
Intersegment	587	926	1,513	182	—	182	83	138	11	2	(1,929)	—
Production and delivery	438	713	1,151	679 [b]	181	860	672	134	1,692	859	(1,493)	3,875
DD&A	45	61	106	97	17	114	248	16	1	7	17	509
Selling, general and administrative expenses	1	—	1	2	—	2	30	—	—	6	84	123
Exploration and research expenses	5	9	14	3	2	5	4	—	—	—	17	40
Environmental obligations and shutdown costs	—	—	—	—	—	—	—	—	—	—	28	28
Operating income (loss)	111	153	264	476	54	530	1,314	(12)	11	28	(86)	2,049
Interest expense, net	—	1	1	5	—	5	6	—	—	8	68	88
Other income, net	—	1	1	5	—	5	30	—	—	2	31	69
Provision for income taxes	—	—	—	191	23	214	490	—	—	1	49	754
Equity in affiliated companies' net earnings	—	—	—	—	—	—	3	—	—	—	1	4
Net income attributable to noncontrolling interests	—	—	—	142	22	164	463 [c]	—	—	—	37	664
Total assets at June 30, 2024	3,182	6,508	9,690	8,368	1,988	10,356	26,501	1,915	273	1,410	4,490	54,635
Capital expenditures	47	196	243	67	23	90	648	36	11	37	51	1,116
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	423	744	1,167	609	174	783	861 [d]	105	1,465	725	(1,557)	3,549
DD&A	42	57	99	117	15	132	275	14	1	7	19	547
Selling, general and administrative expenses	1	—	1	2	—	2	30	—	—	7	75	115
Exploration and research expenses	3	15	18	3	1	4	—	—	—	—	20	42
Environmental obligations and shutdown costs	—	1	1	—	—	—	—	—	—	—	73	74
Operating income (loss)	127	177	304	227	—	227	1,071	31	7	9	(239)	1,410
Interest expense, net	—	—	—	55 [e]	—	55	12	—	—	8	96	171
Net gain on early extinguishment of debt	—	—	—	—	—	—	—	—	—	—	5	5
Other (expense) income, net	(1)	(2)	(3)	(45)	4	(41)	28	(1)	—	—	41	24
Provision for income taxes	—	—	—	113	—	113	410	—	—	—	16	539
Equity in affiliated companies' net earnings	—	—	—	—	—	—	—	—	—	—	2	2
Net income attributable to noncontrolling interests	—	—	—	18	2	20	368 [c]	—	—	—	—	388
Total assets at June 30, 2023	3,167	5,754	8,921	8,444	1,890	10,334	23,446	1,717	280	1,127	5,082	50,907
Capital expenditures	67	115	182	57	26	83	841	13	2	11	31	1,163

Financial Information by Business Segment (continued)

(In Millions)

	North America Copper Mines			South America Operations								
	Morenci	Other	Total	Cerro Verde	Other	Total	Indonesia Operations	Molybdenum Mines	Rod & Refining	Atlantic Copper Smelting & Refining	Corporate, Other & Elimi-nations	FCX Total
Six Months Ended June 30, 2024												
Revenues:												
Unaffiliated customers	$ 50	$ 50	$ 100	$ 1,901	$ 462	$ 2,363	$ 4,833	$ —	$ 3,182	$ 1,571	$ 896 [a]	$ 12,945
Intersegment	1,127	1,811	2,938	284	—	284	260	283	21	2	(3,788)	—
Production and delivery	897	1,478	2,375	1,282 [b]	351	1,633	1,533	253	3,179	1,509	(2,763)	7,719
DD&A	93	125	218	189	33	222	583	32	2	14	33	1,104
Selling, general and administrative expenses	1	1	2	4	—	4	61	—	—	15	185	267
Exploration and research expenses	9	17	26	6	3	9	6	—	—	—	36	77
Environmental obligations and shutdown costs	—	—	—	—	—	—	—	—	—	—	95	95
Operating income (loss)	177	240	417	704	75	779	2,910	(2)	22	35	(478)	3,683
Interest expense, net	—	1	1	10	—	10	7	—	—	18	141	177
Other (expense) income, net	—	(1)	(1)	16	13	29	68	—	—	8	94	198
Provision for (benefit from) income taxes	—	—	—	282	35	317	899 [f]	—	—	(12)	62	1,266
Equity in affiliated companies' net earnings	—	—	—	—	—	—	1	—	—	—	3	4
Net income attributable to noncontrolling interests	—	—	—	218	36	254	1,063 [c]	—	—	—	36	1,353
Capital expenditures	91	389	480	127	45	172	1,490	63	16	60	89	2,370
Six Months Ended June 30, 2023												
Revenues:												
Unaffiliated customers	$ 58	$ 111	$ 169	$ 1,741	$ 424	$ 2,165	$ 3,238	$ —	$ 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	804	1,525	2,329	1,229	361	1,590	1,199 [d]	201	2,992	1,459	(3,056)	6,714
DD&A	85	117	202	208	31	239	423	34	2	14	32	946
Selling, general and administrative expenses	1	1	2	4	—	4	58	—	—	15	162	241
Exploration and research expenses	6	31	37	4	2	6	—	—	—	—	30	73
Environmental obligations and shutdown costs	—	22	22	—	—	—	—	—	—	—	119	141
Operating income (loss)	325	343	668	715	30	745	1,925	138	8	16	(489)	3,011
Interest expense, net	—	—	—	84 [e]	—	84	19	—	—	14	205	322
Net gain on early extinguishment of debt	—	—	—	—	—	—	—	—	—	—	5	5
Other (expense) income, net	(2)	1	(1)	(27)	(2)	(29)	60	(1)	(1)	(5)	89	112
Provision for (benefit from) income taxes	—	—	—	300	7	307	740	—	—	—	(9)	1,038
Equity in affiliated companies' net earnings	—	—	—	—	—	—	11	—	—	—	1	12
Net income (loss) attributable to noncontrolling interests	—	—	—	158	20	178	639 [c]	—	—	—	(43)	774
Capital expenditures	123	255	378	118	65	183	1,613	22	7	23	58	2,284

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 copper mines and South America operations.

b. Includes non-recurring costs totaling $65 million associated with labor-related charges at Cerro Verde.

c. Refer to Note 1 for further discussion of the attribution of PT-FI's net income or loss.

d. Includes a $55 million charge for a potential administrative fine. Refer to Note 12 of FCX's 2023 Form 10-K for further discussion.

e. Includes interest expense 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.

f. Includes a net benefit to income taxes totaling $182 million associated with the closure of PT-FI's 2021 corporate income tax audit and resolution of the framework for disputed tax matters.

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, 2024, the related consolidated statements of income, comprehensive income, and equity for the three- and six-month periods ended June 30, 2024 and 2023, the related consolidated statements of cash flows for the six-month periods ended June 30, 2024 and 2023, 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, 2023, 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, 2024, 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, 2023, 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 7, 2024

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, 2023 (2023 Form 10-K), filed with the United States (U.S.) Securities and Exchange Commission (SEC). The results of operations reported and summarized below include forward-looking statements that are not guarantees of future performance and 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. Any references to 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 metals company with the objective of being foremost in copper. Headquartered 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 operations in North America and South America, including the large-scale Morenci minerals district in Arizona and the Cerro Verde operation in Peru.

We remain focused on execution of our operating plans, enhancing productivity, controlling costs and initiatives to build and advance optionality in our organic growth portfolio. We continue to make progress on our leach innovation initiatives, with incremental copper production from these initiatives totaling 106 million pounds for the first six months of 2024, more than double amounts for the first six months of 2023. We have a favorable long-term outlook for copper, supported by copper's increasingly important role in the global economy and limited available supplies to meet growing demand.

During second-quarter 2024, PT Freeport Indonesia (PT-FI) began commissioning of its new copper smelter and is working to execute a safe and efficient ramp-up to full capacity by year-end 2024. Additionally, construction continues on the adjoining precious metals refinery (PMR) with full production expected by year-end 2024. Upon completion and full ramp-up of the new smelter and PMR (collectively, the new downstream processing facilities), PT-FI will be a fully integrated producer of refined copper and gold.

Our results for the second quarter and first six months of 2024 were impacted by previously announced shipping delays in Indonesia during June 2024 associated with the timing of renewing PT-FI's copper concentrate and anode slimes export licenses, which expired on May 31, 2024. On July 2, 2024, PT-FI was granted copper concentrate and anode slimes export licenses, which are valid through December 2024 when the full ramp-up of PT-FI's new smelter is expected.

Net income attributable to common stockholders totaled $616 million in second-quarter 2024 and $1.1 billion for the first six months of 2024, compared with $343 million in second-quarter 2023 and $1.0 billion for the first six months of 2023. The increase in the 2024 periods, compared to the 2023 periods, primarily reflects higher average realized prices on copper and gold sales, and lower interest expense as a result of interest charges in 2023 recognized for Cerro Verde's contested tax rulings issued by the Peruvian Supreme Court (refer to Note 4), partly offset by increased operating costs, and higher income tax expense and income attributable to noncontrolling interests at our South America and Indonesia operations. Refer to "Consolidated Results" for further discussion.

At June 30, 2024, we had consolidated debt of $9.4 billion and consolidated cash and cash equivalents of $5.3 billion, $6.2 billion including $0.9 billion of current restricted cash associated with a portion of PT-FI's export proceeds required to be temporarily deposited in Indonesia banks. Net debt totaled $0.3 billion, excluding $3.0 billion of debt for PT-FI's new downstream processing facilities. Refer to "Net Debt" for reconciliations of consolidated debt, consolidated cash and cash equivalents and current restricted cash associated with PT-FI's export proceeds to net debt.

At June 30, 2024, we had $3.0 billion of availability under our revolving credit facility, and PT-FI and Cerro Verde had $1.75 billion and $350 million, respectively, of availability under their revolving credit facilities.

Refer to Note 4 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 2023 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.

Consolidated Sales Volumes

Following are our projected consolidated sales volumes for the year 2024:

Copper (billions of recoverable pounds):	
North America copper mines	1.25
South America operations	1.17
Indonesia operations	1.67
Total	4.09
Gold (millions of recoverable ounces)	1.8
Molybdenum (millions of recoverable pounds)	82 [a]

a. Includes 50 million pounds produced by our North America copper mines and South America operations and 32 million pounds produced by our Molybdenum mines.

Consolidated sales volumes in third-quarter 2024 are expected to approximate 1.0 billion pounds of copper, 475 thousand ounces of gold and 20 million pounds of molybdenum. Consolidated copper and gold production volumes for the year 2024 are expected to exceed 2024 sales volumes, reflecting the deferral of approximately 100 million pounds of copper and 120 thousand ounces of gold that will be processed by PT-FI’s new downstream processing facilities and sold as refined metal in 2025.

Projected sales volumes are dependent on operational performance; the timing of the ramp-up of PT-FI’s new smelter in Indonesia; weather-related conditions; timing of shipments and other factors detailed in the “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 2023 Form 10-K.

Consolidated Unit Net Cash Costs

Consolidated unit net cash costs (net of by-product credits) for our copper mines are expected to average $1.63 per pound of copper for the year 2024 (including $1.71 per pound of copper in third-quarter 2024), based on achievement of current sales volume and cost estimates, and assuming average prices of $2,300 per ounce of gold and $20.00 per pound of molybdenum for the second half of 2024. Quarterly unit net cash costs vary with fluctuations in sales volumes and realized prices, primarily for gold and molybdenum. The impact of price changes on consolidated unit net cash costs for the year 2024 would approximate $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 per pound change in the average price of molybdenum for the second half of 2024.

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. Our consolidated operating cash flows are estimated to approximate $7.2 billion for the year 2024, based on current sales volume and cost estimates, and assuming average prices of $4.25 per pound of copper, $2,300 per ounce of gold and $20.00 per pound of molybdenum for the second half of 2024. Estimated consolidated operating cash flows for the year 2024 also reflect an estimated income tax provision of $2.7 billion (refer to “Consolidated Results – Income Taxes” for further discussion of our projected income tax rate for the year 2024). The impact of price changes for the second half of 2024 on consolidated operating cash flows would approximate $200 million for each $0.10 per pound change in the average price of copper, $80 million for each $100 per ounce change in the average price of gold and $50 million for each $2 per pound change in the average price of molybdenum.

Consolidated Capital Expenditures

Following is a summary of expected capital expenditures for the year 2024 (in billions):

Major mining projects	$ 2.3	[a]
PT-FI's new downstream processing facilities	1.0	[b]
Other	1.4	
Total	$ 4.7	

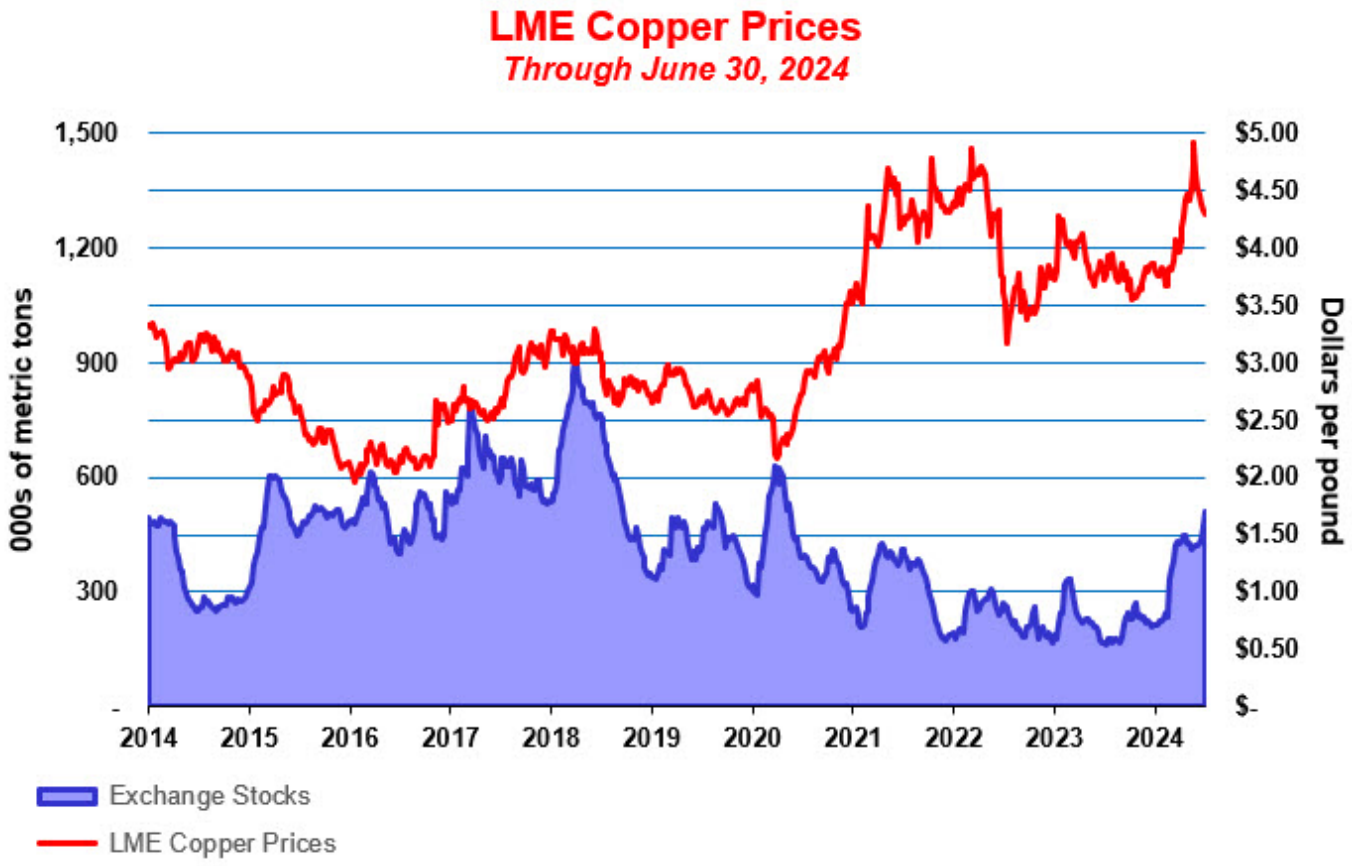
a. Primarily includes underground mine development, supporting mill and power capital costs in the Grasberg minerals district and expansion projects in North America.

b. Excludes capitalized interest and $0.3 billion of estimated commissioning and owner's costs. Capital expenditures for PT-FI's new downstream processing facilities are expected to be funded with PT-FI's cash flows from operations and availability under PT-FI's revolving credit facility.

We closely monitor market conditions and will adjust our operating plans, including capital expenditures, to protect our liquidity and preserve our asset values, as necessary.

MARKETS

Prices for copper, gold and molybdenum are affected by numerous factors beyond our control and can fluctuate significantly (for further discussion refer to "Risk Factors" contained in Part I, Item 1A. of our 2023 Form 10-K). The following graphs present the London Metal Exchange (LME) copper settlement price, the London Bullion Market Association (London) PM gold price, and the *Platts Metals Daily* Molybdenum Dealer Oxide weekly average price since January 2014.



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 2014 through June 2024. During second-quarter 2024, LME copper settlement prices ranged from a low of $4.05 per pound to a record high of $4.92 per pound, averaged $4.42 per pound and settled at $4.30 per pound on June 28, 2024. The decline in copper prices from the highs in May 2024, reflect market uncertainties in China. The LME copper settlement price was $4.09 per pound on July 31, 2024.

We believe fundamentals for copper are favorable with limited available supplies and growing demand supported by copper's critical role in the global transition to renewable power, electric vehicles and other carbon-reduction initiatives, continued urbanization in developing countries and growing connectivity globally.



This graph presents London PM gold prices from January 2014 through June 2024. During second-quarter 2024, London PM gold prices ranged from a low of $2,265 per ounce to a record high of $2,427 per ounce, averaged $2,338 per ounce and closed at $2,331 per ounce on June 28, 2024. Record high gold prices in second-quarter 2024 were propelled by U.S. interest rate cut expectations and strong safe-haven demand. The London PM gold price was $2,426 per ounce on July 31, 2024.



This graph presents the *Platts Metals Daily* Molybdenum Dealer Oxide weekly average price from January 2014 through June 2024. During second-quarter 2024, the weekly average price of molybdenum ranged from a low of $19.57 per pound to a high of $23.52 per pound, averaged $21.78 per pound and was $22.74 per pound on June 28, 2024. Overall global demand for molybdenum is driven by energy, power generation, aerospace, defense and construction sectors. We believe fundamentals for molybdenum are positive with favorable demand drivers and limited supply. The *Platts Metals Daily* Molybdenum Dealer Oxide weekly average price was $22.25 per pound on July 26, 2024.

CONSOLIDATED RESULTS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
SUMMARY FINANCIAL DATA	(in millions, except per share amounts)			
Revenues[a,b]	$ 6,624	$ 5,737	$ 12,945	$ 11,126
Operating income[a,c]	$ 2,049	$ 1,410	$ 3,683	$ 3,011
Net income attributable to common stock[b,c]	$ 616 [d]	$ 343 [e]	$ 1,089 [d]	$ 1,006 [e]
Diluted net income per share of common stock	$ 0.42	$ 0.23	$ 0.75	$ 0.69
Diluted weighted-average shares of common stock outstanding	1,445	1,442	1,445	1,443
Operating cash flows[f]	$ 1,956	$ 1,673	$ 3,852	$ 2,723
Capital expenditures	$ 1,116	$ 1,163	$ 2,370	$ 2,284
At June 30:				
Cash and cash equivalents	$ 5,273	$ 6,683	$ 5,273	$ 6,683
Restricted cash and cash equivalents, current	$ 1,030 [g]	$ 119	$ 1,030 [g]	$ 119
Total debt, including current portion	$ 9,426	$ 9,495	$ 9,426	$ 9,495

a. Refer to Note 8 for a summary of revenues and operating income by operating division.

b. Includes favorable (unfavorable) adjustments to prior period provisionally priced concentrate and cathode copper sales totaling $166 million ($56 million to net income attributable to common stock) in second-quarter 2024, $(118) million ($(45) million to net income attributable to common stock) in second-quarter 2023, $28 million ($9 million to net income attributable

to common stock) for the first six months of 2024 and $182 million ($61 million to net income attributable to common stock) for the first six months of 2023. Refer to Note 5 for further discussion.

c. We defer recognizing profits on intercompany sales until final sales to third parties occur. Changes in these deferrals attributable to variability in intercompany volumes resulted in net additions (reductions) to operating income totaling $137 million ($41 million to net income attributable to common stock) in second-quarter 2024, $(39) million ($(21) million to net income attributable to common stock) in second-quarter 2023, $120 million ($36 million to net income attributable to common stock) for the first six months of 2024 and $72 million ($27 million to net income attributable to common stock) for the first six months of 2023. Refer to “Operations – Smelting and Refining.”

d. Includes net charges totaling $51 million in second-quarter 2024 and $52 million for the first six months of 2024, primarily associated with revisions to environmental obligation estimates and related litigation reserves, and nonrecurring labor-contract charges at Cerro Verde. The first six months of 2024 also include charges associated with assumed oil and gas abandonment obligations resulting from bankruptcies of other companies, offset by international tax credits.

e. Includes net charges totaling $157 million in second-quarter 2023 and $251 million for the first six months of 2023, primarily associated with charges for contested tax rulings issued by the Peruvian Supreme Court, environmental obligations, an accrual for a potential administrative fine in Indonesia, and impairments and contract-cancellation costs.

f. Working capital and other sources (uses) totaled $73 million in second-quarter 2024, $250 million in second-quarter 2023, $(24) million for the first six months of 2024 and $(202) million for the first six months of 2023.

g. Includes $0.9 billion at June 30, 2024, associated with a portion of PT-FI’s export proceeds required to be temporarily deposited in Indonesia banks for 90 days in accordance with a regulation issued by the Indonesia government.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
SUMMARY OPERATING DATA				
Copper (millions of recoverable pounds)				
Production	1,037	1,067	2,122	2,032
Sales, excluding purchases	931	1,029	2,039	1,861
Average realized price per pound	$ 4.48	$ 3.84	$ 4.25	$ 3.91
Site production and delivery costs per pound[a]	$ 2.56	$ 2.39	$ 2.43	$ 2.47
Unit net cash costs per pound[a]	$ 1.73	$ 1.47	$ 1.61	$ 1.60
Gold (thousands of recoverable ounces)				
Production	443	483	992	888
Sales, excluding purchases	361	495	929	765
Average realized price per ounce	$ 2,299	$ 1,942	$ 2,236	$ 1,946
Molybdenum (millions of recoverable pounds)				
Production	20	21	38	42
Sales, excluding purchases	21	20	41	39
Average realized price per pound	$ 21.72	$ 24.27	$ 21.06	$ 27.24

a. 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 $6.6 billion in second-quarter 2024, $5.7 billion in second-quarter 2023, $12.9 billion for the first six months of 2024 and $11.1 billion for the first six months of 2023. Revenues from our mining operations and processing facilities primarily include the sale of copper cathode, copper in concentrate, copper rod, gold in concentrate and anode slimes, and molybdenum. Refer to Note 8 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
Consolidated revenues - 2023 period	$ 5,737	$ 11,126
(Lower) higher sales volumes:		
Copper	(378)	695
Gold	(262)	319
Molybdenum	20	50
Higher (lower) average realized prices:		
Copper	596	693
Gold	129	270
Molybdenum	(53)	(255)
Adjustments for prior period provisionally priced copper sales	284	(154)
Higher Atlantic Copper revenues	152	69
Higher revenues from purchased copper	228	190
Lower treatment charges	52	24
Higher royalties and export duties	(77)	(276)
Other, including intercompany eliminations	196	194
Consolidated revenues - 2024 period	$ 6,624	$ 12,945

Sales Volumes. Consolidated sales volumes for the second quarter and first six months of 2024 were impacted by previously announced shipping delays in Indonesia associated with the timing of renewing PT-FI's copper concentrate and anode slimes export licenses, which expired on May 31, 2024. On July 2, 2024, PT-FI was granted copper concentrate and anode slimes export licenses, which are valid through December 2024 when the full ramp-up of PT-FI's new smelter is expected. The increase in consolidated copper and gold sales volumes for the first six months of 2024, compared to the first six months of 2023, primarily reflects higher mining and milling rates and ore grades at PT-FI.

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 2024, compared with second-quarter 2023, were 17% higher for copper, 18% higher for gold and 11% lower for molybdenum. Average realized prices for the first six months of 2024, compared with the first six months of 2023, were 9% higher for copper, 15% higher for gold and 23% lower for molybdenum.

Average realized copper prices include net favorable (unfavorable) adjustments to current period provisionally priced copper sales totaling $15 million in second-quarter 2024, $(52) million in second-quarter 2023, $219 million for the first six months of 2024 and $(121) million for the first six months of 2023. As discussed in Note 5, substantially 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). 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 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) adjustments to prior periods' provisionally priced copper sales (*i.e.*, provisionally priced sales at March 31, 2024 and 2023, and December 31, 2023 and 2022) recorded in consolidated revenues totaled $166 million in second-quarter 2024, $(118) million in second-quarter 2023, $28 million for the first six months of 2024 and $182 million for the first six months of 2023. Refer to Notes 5 and 8 for a summary of total adjustments to prior period and current period provisionally priced sales.

At June 30, 2024, we had provisionally priced copper sales totaling 188 million pounds (net of intercompany sales and noncontrolling interests) recorded at an average of $4.33 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, 2024, recorded

provisional price would have an approximate $18 million effect on 2024 revenues ($6 million to 2024 net income attributable to common stock). The LME copper price settled at $4.09 per pound on July 31, 2024.

Atlantic Copper Revenues. Atlantic Copper revenues totaled $900 million in second-quarter 2024 and $1.6 billion for the first six months of 2024, compared with $748 million in second-quarter 2023 and $1.5 billion for the first six months of 2023. Higher revenues in the 2024 periods, compared with the 2023 periods, primarily reflect higher copper prices and sales volumes.

Purchased Copper. We purchase copper cathode primarily for processing by our Rod & Refining operations. Higher revenues associated with purchased copper in second-quarter 2024, compared to second-quarter 2023, primarily reflects higher volumes. The volumes of copper purchases vary depending on cathode production from our operations and totaled 64 million pounds in second-quarter 2024, 19 million pounds in second-quarter 2023, 106 million for the first six months of 2024 and 67 million for the first six months of 2023.

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 decrease in treatment charges in the 2024 periods, compared to the 2023 periods, primarily reflects lower copper concentrate sales volumes because of previously announced shipping delays in Indonesia associated with the timing of renewing PT-FI's copper concentrate export license.

Royalties and Export Duties. Royalties and export duties are primarily associated with PT-FI sales. Royalties will vary with the volume of metal sold and the prices of copper and gold. Indonesia export duties of 2.5% were eliminated effective March 29, 2023, upon verification that construction progress of the new smelter exceeded 50%, and were reinstated at a rate of 7.5% in July 2023 under a revised regulation. As discussed in Note 7, PT-FI will continue to pay export duties of 7.5% on copper concentrates during the smelter ramp-up period pursuant to Indonesia regulations. PT-FI incurred export duties totaling $75 million in second-quarter 2024, $231 million for the first six months of 2024 and $18 million for the first six months of 2023.

Production and Delivery Costs

Consolidated production and delivery costs totaled $3.9 billion in second-quarter 2024, $3.5 billion in second-quarter 2023, $7.7 billion for the first six months of 2024 and $6.7 billion for the first six months of 2023. Higher costs in the 2024 periods, compared to the 2023 periods, primarily reflect higher costs of copper purchases at our downstream operations. Additionally, the first six months of 2024 included higher operating rates at PT-FI and charges totaling $98 million associated with assumed oil and gas abandonment obligations resulting from bankruptcies of other companies (refer to Note 7 for further discussion).

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 $2.56 per pound of copper in second-quarter 2024, $2.39 per pound of copper in second-quarter 2023, $2.43 per pound of copper for the first six months of 2024 and $2.47 per pound of copper for the first six months of 2023. Refer to "Operations – Unit Net Cash Costs" and "Operations – Unit Net Cash (Credits) 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 $509 million in second-quarter 2024, $547 million in second-quarter 2023, $1.1 billion for the first six months of 2024 and $0.9 billion for the first six months of 2023.

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. Net revisions to long-term historical environmental obligations totaled

$23 million in second-quarter 2024, $60 million in second-quarter 2023, $79 million for the first six months of 2024 and $116 million for the first six months of 2023. Refer to Note 7 for further discussion.

Interest Expense, Net
Consolidated interest costs (before capitalization) totaled $181 million in second-quarter 2024 and $356 million for the first six months of 2024, compared to $234 million in second-quarter 2023 and $441 million for the first six months of 2023, which included $50 million in second-quarter 2023 and $74 million for the first six months of 2023 associated with Cerro Verde's contested tax rulings issued by the Peru Supreme Court.

Capitalized interest varies with the level of qualifying assets associated with our development projects and average interest rates on our borrowings. Capitalized interest totaled $93 million in second-quarter 2024, $62 million in second-quarter 2023, $179 million for the first six months of 2024 and $119 million for the first six months of 2023. The increase in capitalized interest costs in the 2024 periods, compared to the 2023 periods, resulted from increased construction and development projects in process, primarily related to PT-FI's new downstream processing facilities. Refer to "Capital Resources and Liquidity – Investing Activities" for discussion of capital expenditures associated with our major development projects.

Other Income, Net
Other income, net, totaled $69 million in second-quarter 2024, $24 million in second-quarter 2023, $198 million for the first six months of 2024 and $112 million for the first six months of 2023. The 2023 periods include a $69 million charge associated with Cerro Verde's contested tax rulings issued by the Peruvian Supreme Court. The first six months of 2024 include a credit of $26 million associated with the reduction in the accrual to indemnify PT Mineral Industri Indonesia (MIND ID) from potential losses arising from historical tax disputes (refer to Note 3).

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,					
	2024			2023		
	Income (Loss)[a]	Effective Tax Rate	Income Tax (Provision) Benefit	Income (Loss)[a]	Effective Tax Rate	Income Tax (Provision) Benefit
U.S.[b]	$ (271)	—% [c]	$ (4)	$ 250	—% [c]	$ 3
South America	800	40%	(317)	784	39%	(310)
Indonesia	2,977	36%	(1,081)	1,986	37%	(737)
Cerro Verde historical tax matters	—	N/A	—	(142) [d]	N/A	3
PT-FI historical tax matters	16 [e]	N/A	182 [e]	(5)	N/A	(3)
Eliminations and other	182	N/A	(49) [f]	(67)	N/A	21
Rate adjustment[g]	—	N/A	3	—	N/A	(15)
Consolidated FCX	$ 3,704	34%	$ (1,266)	$ 2,806	37%	$ (1,038)

a. Represents income (loss) before income taxes, equity in affiliated companies' net earnings, and noncontrolling interests.
b. In addition to our North America Copper Mines, which had operating income of $417 million for the first six months of 2024 and $668 million for the first six months of 2023 (refer to Note 8), the U.S. jurisdiction reflects non-operating sites and corporate-level expenses, which include interest expense associated with FCX's senior notes and general and administrative expenses. The U.S. jurisdiction also includes net charges associated with oil and gas abandonment obligations and revisions to environmental obligation estimates.
c. Includes a valuation allowance release on prior year unbenefited net operating losses.
d. Reflects net charges associated with contested tax rulings issued by the Peruvian Supreme Court.
e. Refer to Note 3 for further discussion of net credits associated with closure of PT-FI's 2021 corporate income tax audit and resolution of a framework for disputed tax matters.
f. Includes a tax benefit of $13 million associated with a favorable Supreme Court ruling in Spain, which reversed a 2016 tax law limiting Atlantic Copper's use of net operating losses.
g. In accordance with applicable accounting rules, we adjust our interim provision for income taxes equal to our consolidated tax rate.

Assuming achievement of current sales volume and cost estimates and average prices of $4.25 per pound of copper, $2,300 per ounce of gold and $20.00 per pound of molybdenum for the second half of 2024, we estimate our consolidated effective tax rate for the year 2024 would approximate 36% (which reflects an estimated effective

tax rate of 38% for the second half of 2024). Changes in projected sales volumes and average prices during 2024 would incur tax impacts at estimated effective rates of 39% for Peru, 36% for Indonesia and 0% for the U.S., which excludes any impact from the U.S. Inflation Reduction Act of 2022. Our projected estimated effective tax rate of 0% for the U.S. for the year 2024 may be adjusted as regulations and additional guidance are released by the Internal Revenue Service and U.S. Department of the Treasury on key provisions of the Act (refer to Note 3).

Noncontrolling Interests
Net income attributable to noncontrolling interests, which is primarily associated with our noncontrolling shareholders at PT-FI, Cerro Verde and El Abra, totaled $0.7 billion in second-quarter 2024, $0.4 billion in second-quarter 2023, $1.4 billion for the first six months of 2024 and $0.8 billion for the first six months of 2023 (refer to Note 8 for net income attributable to noncontrolling interests for each of our business segments).

Beginning January 1, 2023, our economic and ownership interest in PT-FI is 48.76%, except for net income associated with the settlement of historical tax matters in first-quarter 2024 and approximately 190 thousand ounces of gold sales in first-quarter 2023, which were attributed based on the economics prior to January 1, 2023 (*i.e.*, approximately 81% to FCX and 19% to MIND ID). Refer to Note 1 for further discussion.

Based on achievement of current sales volume and cost estimates, and assuming average prices of $4.25 per pound of copper, $2,300 per ounce of gold and $20.00 per pound of molybdenum for the second half of 2024, we estimate that net income attributable to noncontrolling interests will approximate $2.6 billion for the year 2024. The impact of price changes on net income attributable to noncontrolling interests for the year 2024 would approximate $0.1 billion for each $0.25 per pound change in the average price of copper for the second half of 2024. The actual amount will depend on many factors, including relative performance of each business segment, commodity prices, costs and other factors.

OPERATIONS

Responsible Production
The Copper Mark. We demonstrate our responsible production performance through the Copper Mark, a comprehensive assurance framework developed specifically for the copper industry, and recently extended to other metals including molybdenum. To achieve the Copper Mark, each site is required to complete an independent external assurance process to assess conformance with various environmental, social and governance criteria. Awarded sites must be revalidated every three years. We have achieved, and are committed to maintaining, the Copper Mark and/or Molybdenum Mark, as applicable, at all of our sites globally.

Leaching Innovation Initiatives
We are continuing to advance a series of initiatives across our North America and South America operations to incorporate new applications, technologies and data analytics to our leaching processes. In late 2023, we achieved our initial annual run rate target of approximately 200 million pounds of copper. Incremental copper production from these initiatives totaled 55 million pounds in second-quarter 2024 (compared with 29 million pounds in second-quarter 2023) and 106 million pounds for the first six months of 2024 (compared with 51 million pounds for the first six months of 2023). We are pursuing opportunities to apply recent operational enhancements on a larger scale and we are testing new innovative technology applications that we believe have the potential for significant increases in recoverable metal beyond the current run rate.

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 $38 million in second-quarter 2024, $51 million in second-quarter 2023, $72 million for the first six months of 2024 and $101 million for the first six months of 2023. We estimate the costs of these studies will approximate $200 million for the year 2024, subject to market conditions and other factors.

North America

We manage seven copper operations in North America – Morenci, Bagdad, Safford (including Lone Star), Sierrita and Miami in Arizona, and Chino and Tyrone in New Mexico. We also operate a copper smelter in Miami, Arizona. In addition to copper, certain of these operations produce molybdenum concentrate, gold and silver. All of the North America 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 operations include open-pit mining, sulfide-ore concentrating, leaching and solution extraction/electrowinning (SX/EW) facilities. A majority of the copper produced at our North America copper operations 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 operations.

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

We have a potential expansion project to more than double the concentrator capacity of the Bagdad operation in northwest Arizona. Bagdad's reserve life currently exceeds 80 years and supports an expanded operation. In late 2023, we completed technical and economic studies, which indicated the opportunity to construct new concentrating facilities to increase copper production by 200 to 250 million pounds per year, which is more than double Bagdad's current annual production rate. Estimated incremental project capital costs approximate $3.5 billion. Expanded operations would provide improved efficiency and reduce unit net cash costs through economies of scale. Project economics indicate that the expansion would require an incentive copper price in the range of $3.50 to $4.00 per pound and approximately three to four years to complete. The decision of whether to proceed and timing of the potential expansion will take into account overall copper market conditions, availability of labor and other factors, including progress on conversion of the existing haul truck fleet to autonomous and expanding housing alternatives to support long-range plans. In parallel, we are advancing activities for expanded tailings infrastructure projects required under long-range plans in order to advance the potential construction timeline.

We are completing projects at our Safford/Lone Star operation to increase volumes to achieve 300 million pounds of copper per year from oxide ores, which reflects expansion of the initial design capacity of 200 million pounds of copper per year. Additionally, positive drilling conducted in recent years indicates a large, mineralized district with opportunities to pursue a major expansion project. We have commenced pre-feasibility studies for a potential significant expansion and expect to complete these studies in late 2025. The decision of whether to proceed and timing of the potential expansion will take into account results of technical and economic studies, overall copper market conditions and other factors.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating Data, Net of Joint Venture Interests				
Copper (millions of recoverable pounds)				
Production	298	354	612	686
Sales, excluding purchases	292	339	623	671
Average realized price per pound	$ 4.63	$ 3.92	$ 4.28	$ 4.03
Molybdenum (millions of recoverable pounds)				
Production[a]	7	9	14	16
100% Operating Data				
Leach operations				
Leach ore placed in stockpiles (metric tons per day)	650,300	724,100	633,800	668,900
Average copper ore grade (%)	0.20	0.24	0.20	0.25
Copper production (millions of recoverable pounds)	209	239	420	473
Mill operations				
Ore milled (metric tons per day)	290,200	315,500	298,900	306,500
Average ore grade (%):				
Copper	0.29	0.33	0.30	0.34
Molybdenum	0.02	0.02	0.02	0.02
Copper recovery rate (%)	84.1	83.8	82.4	82.2
Copper production (millions of recoverable pounds)	138	172	291	326

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

Our consolidated copper sales volumes from North America totaled 292 million pounds in second-quarter 2024, 339 million pounds in second-quarter 2023, 623 million pounds for the first six months of 2024 and 671 million pounds for the first six months of 2023. Lower copper sales in the 2024 periods, compared with the 2023 periods, primarily reflect lower ore grades and planned mill maintenance, partly offset by improved leach recovery performance.

We continue to advance initiatives to enhance productivity and improve equipment reliability to offset declines in ore grades. North America copper sales are estimated to approximate 1.3 billion pounds for the year 2024. 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. 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.

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,					
	2024			2023		
	By-Product Method	Co-Product Method		By-Product Method	Co-Product Method	
		Copper	Molybdenum[a]		Copper	Molybdenum[a]
Revenues, excluding adjustments	$ 4.63	$ 4.63	$ 19.97	$ 3.92	$ 3.92	$ 23.08
Site production and delivery, before net noncash and other costs shown below	3.48	3.15	16.87	2.93	2.55	16.04
By-product credits	(0.43)	—	—	(0.55)	—	—
Treatment charges	0.14	0.13	—	0.13	0.13	—
Unit net cash costs	3.19	3.28	16.87	2.51	2.68	16.04
DD&A	0.36	0.33	1.21	0.29	0.26	1.15
Noncash and other costs, net	0.13 [b]	0.12	0.33	0.15 [b]	0.13	0.60
Total unit costs	3.68	3.73	18.41	2.95	3.07	17.79
Revenue adjustments, primarily for pricing on prior period open sales	0.01	0.01	—	(0.03)	(0.03)	—
Gross profit per pound	$ 0.96	$ 0.91	$ 1.56	$ 0.94	$ 0.82	$ 5.29
Copper sales (millions of recoverable pounds)	293	293		341	341	
Molybdenum sales (millions of recoverable pounds)[a]			7			9

	Six Months Ended June 30,					
	2024			2023		
	By-Product Method	Co-Product Method		By-Product Method	Co-Product Method	
		Copper	Molybdenum[a]		Copper	Molybdenum[a]
Revenues, excluding adjustments	$ 4.28	$ 4.28	$ 19.18	$ 4.03	$ 4.03	$ 25.52
Site production and delivery, before net noncash and other costs shown below	3.35	3.03	16.35	2.92	2.55	17.81
By-product credits	(0.40)	—	—	(0.57)	—	—
Treatment charges	0.13	0.13	—	0.13	0.12	—
Unit net cash costs	3.08	3.16	16.35	2.48	2.67	17.81
DD&A	0.35	0.32	1.22	0.30	0.26	1.24
Noncash and other costs, net	0.13 [b]	0.12	0.39	0.19 [b]	0.16	1.06
Total unit costs	3.56	3.60	17.96	2.97	3.09	20.11
Revenue adjustments, primarily for pricing on prior period open sales	—	—	—	0.02	0.02	—
Gross profit per pound	$ 0.72	$ 0.68	$ 1.22	$ 1.08	$ 0.96	$ 5.41
Copper sales (millions of recoverable pounds)	626	626		676	676	
Molybdenum sales (millions of recoverable pounds)[a]			14			16

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 $0.05 per pound of copper in second-quarter 2024 and for the first six months of 2024, and $0.08 per pound of copper in second-quarter 2023 and for the first six months of 2023 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 $3.19 per pound of copper in second-quarter 2024 and $3.08 per pound for the first six months of 2024 were higher than second-quarter 2023 unit net cash costs of $2.51 per pound and $2.48 per pound for the first six months of 2023, primarily reflecting the impact of lower copper production volumes, higher mining costs and lower molybdenum by-product credits.

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 unit net cash costs (net of by-product credits) for our North America copper mines are expected to approximate $3.10 per pound of copper for the year 2024, based on achievement of current sales volume and cost estimates, and assuming an average price of $20.00 per pound of molybdenum for the second half of 2024. North America’s average unit net cash costs for the year 2024 would change by approximately $0.02 per pound for each $2 per pound change in the average price of molybdenum for the second half of 2024.

South America

We manage two copper operations 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 operations includes open-pit mining, sulfide-ore concentrating, leaching and SX/EW facilities. Production from our South America operations is sold as copper concentrate or cathode under long-term contracts. Our South America operations 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.

Labor Matters. In April 2024, Cerro Verde reached a new four-year collective labor agreement (CLA) with one of its two unions and incurred nonrecurring charges of $65 million in second-quarter 2024 associated with the new CLA. Cerro Verde expects to begin negotiations with a second union group prior to the expiration of its CLA on August 31, 2024, and may incur additional charges in connection with these negotiations.

Development Activities. At the El Abra operations in Chile, we have completed substantial drilling and evaluations to model a large sulfide resource that would support a potential major mill project similar to the large-scale concentrator at Cerro Verde. We are engaged in planning for a potential submission of an environmental impact statement by year-end 2025, subject to ongoing stakeholder engagement and economic evaluations. In parallel, we are updating our technical studies and economic models to incorporate recent capital costs. Preliminary estimates, which remain under review, indicate that the project economics would be supported using an incentive copper price of less than $4.00 per pound. The decision of whether to proceed and timing of the potential project will take into account overall copper market conditions, required permitting and other factors.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Copper (millions of recoverable pounds)				
Production	298	307	578	611
Sales	302	304	586	606
Average realized price per pound	$ 4.39	$ 3.78	$ 4.27	$ 3.85
Molybdenum (millions of recoverable pounds)				
Production[a]	6	5	9	11
Leach operations				
Leach ore placed in stockpiles (metric tons per day)	176,100	203,600	173,300	203,800
Average copper ore grade (%)	0.39	0.33	0.40	0.33
Copper production (millions of recoverable pounds)	75	74	146	160
Mill operations				
Ore milled (metric tons per day)	426,100	425,500	411,700	415,300
Average ore grade (%):				
Copper	0.33	0.35	0.33	0.34
Molybdenum	0.01	0.01	0.01	0.01
Copper recovery rate (%)	83.8	82.6	83.6	83.2
Copper production (millions of recoverable pounds)	223	233	432	451

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

Our consolidated copper sales from South America operations totaled 302 million pounds in second-quarter 2024, 304 million pounds in second-quarter 2023, 586 million pounds for the first six months of 2024 and 606 million pounds for the first six months of 2023. The 2024 periods, compared to the 2023 periods reflect lower volumes of leach ore placed in stockpiles, partly offset by higher leach ore grades. The first six months of 2024, compared to the first six months of 2023, also reflect lower milling rates associated with mill maintenance.

Copper sales from South America operations are expected to approximate 1.2 billion pounds for the year 2024. 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.

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 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,			
	2024		2023	
	By-Product Method	Co-Product Method	By-Product Method	Co-Product Method
Revenues, excluding adjustments	$ 4.39	$ 4.39	$ 3.78	$ 3.78
Site production and delivery, before net noncash and other costs shown below	2.74 [a]	2.49	2.43	2.22
By-product credits	(0.45)	—	(0.37)	—
Treatment charges	0.16	0.16	0.21	0.21
Royalty on metals	0.01	0.01	0.01	0.01
Unit net cash costs	2.46	2.66	2.28	2.44
DD&A	0.38	0.34	0.44	0.39
Noncash and other costs, net	0.06 [b]	0.06	0.08 [b]	0.07
Total unit costs	2.90	3.06	2.80	2.90
Revenue adjustments, primarily for pricing on prior period open sales	0.29	0.29	(0.22)	(0.22)
Gross profit per pound	$ 1.78	$ 1.62	$ 0.76	$ 0.66
Copper sales (millions of recoverable pounds)	302	302	304	304

	Six Months Ended June 30,			
	2024		2023	
	By-Product Method	Co-Product Method	By-Product Method	Co-Product Method
Revenues, excluding adjustments	$ 4.27	$ 4.27	$ 3.85	$ 3.85
Site production and delivery, before net noncash and other costs shown below	2.68 [a]	2.48	2.49	2.25
By-product credits	(0.33)	—	(0.45)	—
Treatment charges	0.17	0.17	0.19	0.19
Royalty on metals	0.01	0.01	0.01	0.01
Unit net cash costs	2.53	2.66	2.24	2.45
DD&A	0.38	0.35	0.40	0.35
Noncash and other costs, net	0.06 [b]	0.06	0.08 [b]	0.07
Total unit costs	2.97	3.07	2.72	2.87
Revenue adjustments, primarily for pricing on prior period open sales	0.05	0.05	0.11	0.11
Gross profit per pound	$ 1.35	$ 1.25	$ 1.24	$ 1.09
Copper sales (millions of recoverable pounds)	586	586	606	606

a. Includes $0.22 per pound of copper in second-quarter 2024 and $0.11 per pound of copper for the first six months of 2024 associated with nonrecurring labor-related charges at Cerro Verde associated with a new CLA.

b. Includes charges totaling $0.04 per pound of copper in second-quarter 2024, second-quarter 2023, and for the first six months of 2024, and $0.03 per pound of copper for the first six months of 2023, each for feasibility and optimization studies.

Our South America operations 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 operations of $2.46 per pound of copper in second-quarter 2024 and $2.53 per pound for the first six months of 2024 were higher than second-quarter 2023 unit net cash costs of $2.28 per pound and $2.24 per pound for the first six months of 2023, primarily reflecting nonrecurring labor-contract charges at Cerro Verde associated with a new CLA and higher mining costs. Second-quarter 2024 unit net cash costs benefited from the impact of higher molybdenum by-product credits, while the first six months of 2024 had lower molybdenum by-product credits and copper volumes.

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.

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. Higher DD&A rates per pound of copper in the 2023 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 unit net cash costs (net of by-product credits) for South America operations are expected to approximate $2.47 per pound of copper for the year 2024, based on achievement of current sales volume and cost estimates, and assuming an average price of $20.00 per pound of molybdenum for the second half of 2024.

Indonesia

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 operations. PT-FI's results are consolidated in our financial statements. Upon completion and full ramp-up of PT-FI’s new downstream processing facilities, PT-FI will be a fully integrated producer of refined copper and gold. Other than copper concentrate delivered to PT Smelting and PT-FI’s new smelter for further processing into refined products, most of PT-FI’s copper concentrate is sold under long-term contracts.

Labor Matters. In April 2024, PT-FI reached a new two-year CLA with its three employee unions at its Grasberg minerals district operations. PT-FI did not recognize any significant nonrecurring costs associated with the new CLA.

Regulatory Matters and Mining Rights. On May 31, 2024, export licenses expired for several exporters, including PT-FI. In second-quarter 2024, the Indonesia government issued various regulations to allow, under certain conditions, continued exports of copper concentrates and anode slimes through December 2024.

On July 2, 2024, PT-FI was granted copper concentrate and anode slimes export licenses, which are valid through December 2024 when the full ramp-up of PT-FI's new smelter is expected. PT-FI will continue to pay a 7.5% export duty on copper concentrates during the smelter ramp-up period pursuant to Indonesia regulations.

As further discussed in FCX's 2023 Form 10-K, PT-FI's current special mining license (IUPK) enables it to conduct operations in the Grasberg minerals district through 2041. On May 30, 2024, the Indonesia government issued a regulation applicable to the country's mineral and coal industries which outlines requirements for the granting of IUPK extensions. The regulation provides that IUPK holders may be granted a life-of-mine extension provided certain conditions are met, including ownership of integrated downstream processing facilities that have entered the operational stage; domestic ownership of at least 51% and agreement with a state-owned enterprise for an additional 10% ownership; and commitments for additional exploration and increases in refining capacity, each as approved by the Ministry of Energy and Minerals. Application for extension may be submitted at any time up to one year prior to the current IUPK expiration. PT-FI expects to apply for an extension under this new regulation during 2024. An extension 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 underground mines in the Grasberg minerals district (Grasberg Block Cave, Deep Mill Level Zone and Big Gossan). Milling rates averaged 196,900 metric tons of ore per day during second-quarter 2024, which reflected reduced rates in June 2024 because of the delay in obtaining PT-FI's export licenses, and 208,200 metric tons of ore per day for the first six months of 2024, a 12% increase from 186,100 metric tons of ore per day for the first six months of 2023. PT-FI is completing a mill recovery project with the installation of a new copper cleaner circuit, which is expected to begin commissioning in the second half of 2024.

Natural Gas Facilities. PT-FI plans to transition its existing energy source from coal to liquefied natural gas, which would meaningfully reduce PT-FI's Scope 1 greenhouse gas emissions at the Grasberg minerals district. PT-FI's planned investments in a new gas-fired combined cycle facility is expected to be incurred over the next four years, at a cost of approximately $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 7 billion pounds of copper and 6 million ounces of gold between 2029 and the end of 2041. An extension of PT-FI's operating rights beyond 2041 would extend the life of the project. 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 560 million pounds of copper and 520 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.

Downstream Processing Facilities. PT-FI substantially completed construction of its new smelter in June 2024 and commenced commissioning operations. The new smelter has a capacity to process approximately 1.7 million metric tons of copper concentrate per year and is expected to begin producing copper cathodes in the coming months with ramp-up to full production targeted by year-end 2024 in line with previous expectations.

The PMR is being constructed to process gold and silver from the new smelter and PT Smelting. Construction is in progress with full production expected by year-end 2024.

During the first six months of 2024, capital expenditures for the new downstream processing facilities totaled $0.7 billion and are expected to approximate $1.0 billion for the year 2024, excluding capitalized interest and $0.3 billion

of estimated commissioning and owner's costs. As of June 30, 2024, $3.8 billion has been incurred to date for the projects.

In December 2023, PT Smelting completed an expansion of its capacity by 30% to 1.3 million metric tons of copper concentrate per year. The project was funded by PT-FI with borrowings totaling $254 million that converted to equity effective June 30, 2024, increasing PT-FI's ownership in PT Smelting to 66% from 39.5%. As discussed in Note 1, PT-FI continues to account for its investment in PT Smelting under the equity method.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Copper (millions of recoverable pounds)				
Production	441	406	932	735
Sales	337	386	830	584
Average realized price per pound	$ 4.44	$ 3.82	$ 4.23	$ 3.83
Gold (thousands of recoverable ounces)				
Production	437	479	982	881
Sales	356	492	920	758
Average realized price per ounce	$ 2,299	$ 1,942	$ 2,236	$ 1,946
Ore extracted and milled (metric tons per day):				
Grasberg Block Cave underground mine	123,500	114,800	131,400	102,300
Deep Mill Level Zone underground mine	64,400	80,200	65,900	75,100
Big Gossan underground mine	7,500	8,200	8,300	7,600
Other adjustments	1,500	3,900	2,600	1,100
Total	196,900	207,100	208,200	186,100
Average ore grades:				
Copper (%)	1.30	1.15	1.31	1.16
Gold (grams per metric ton)	0.99	1.05	1.06	1.06
Recovery rates (%):				
Copper	88.8	88.9	89.1	89.5
Gold	77.0	76.7	77.3	77.4

PT-FI's consolidated copper and gold sales volumes for the second quarter and first six months of 2024 were impacted by previously announced shipping delays in Indonesia associated with the timing of renewing PT-FI's copper concentrate and anode slimes export licenses, which expired on May 31, 2024. On July 2, 2024, PT-FI was granted copper concentrate and anode slimes export licenses, which are valid through December 2024 when the full ramp-up of PT-FI's new smelter is expected.

PT-FI's consolidated copper sales volumes totaled 337 million pounds in second-quarter 2024, 386 million pounds in second-quarter 2023, 830 million pounds for the first six months of 2024 and 584 million pounds for the first six months of 2023. PT-FI's consolidated copper sales volumes for the 2024 periods benefited from higher ore grades and higher consolidated copper sales volumes for the first six months of 2024 also reflect higher mining and milling rates.

PT-FI's consolidated gold sales volumes totaled 356 thousand ounces in second-quarter 2024, 492 thousand ounces in second-quarter 2023, 920 thousand ounces for the first six months of 2024 and 758 thousand ounces for the first six months of 2023. PT-FI's consolidated gold sales volumes for the first six months of 2024 benefited from higher mining and milling rates.

Consolidated sales volumes from PT-FI are expected to approximate 1.7 billion pounds of copper and 1.8 million ounces of gold for the year 2024. Consolidated copper and gold production volumes from PT-FI for the year 2024 are expected to exceed 2024 sales volumes, reflecting the deferral of approximately 100 million pounds of copper and 120 thousand ounces of gold that will be processed by the new downstream processing facilities and sold as refined metal in 2025. Projected sales volumes are dependent on operational performance; the timing of ramp-up of PT-FI's new smelter; weather-related conditions; and other factors detailed in the "Cautionary Statement" below.

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.

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 per pound to production and delivery costs applicable to sales reported in our consolidated financial statements.

	Three Months Ended June 30,					
	2024			2023		
	By-Product Method	Co-Product Method		By-Product Method	Co-Product Method	
		Copper	Gold		Copper	Gold
Revenues, excluding adjustments	$ 4.44	$ 4.44	$ 2,299	$ 3.82	$ 3.82	$ 1,942
Site production and delivery, before net noncash and other costs shown below	1.59	1.01	523	1.88	1.12	569
Gold, silver and other by-product credits	(2.66)	—	—	(2.60)	—	—
Treatment charges	0.36	0.23	119	0.39	0.23	118
Export duties[a]	0.23	0.14	74	—	—	—
Royalty on metals	0.27	0.17	90	0.24	0.14	72
Unit net cash (credits) costs	(0.21)	1.55	806	(0.09)	1.49	759
DD&A	0.74	0.47	242	0.71	0.42	216
Noncash and other costs, net	0.19 [b,c]	0.12	62	0.20 [c,d]	0.12	60
Total unit costs	0.72	2.14	1,110	0.82	2.03	1,035
Revenue adjustments, primarily for pricing on prior period open sales	0.28	0.28	86	(0.14)	(0.14)	1
Gross profit per pound/ounce	$ 4.00	$ 2.58	$ 1,275	$ 2.86	$ 1.65	$ 908
Copper sales (millions of recoverable pounds)	337	337		386	386	
Gold sales (thousands of recoverable ounces)			356			492

	Six Months Ended June 30,					
	2024			2023		
	By-Product Method	Co-Product Method		By-Product Method	Co-Product Method	
		Copper	Gold		Copper	Gold
Revenues, excluding adjustments	$ 4.23	$ 4.23	$ 2,236	$ 3.83	$ 3.83	$ 1,946
Site production and delivery, before net noncash and other costs shown below	1.55	0.96	508	1.93	1.14	578
Gold, silver and other by-product credits	(2.59)	—	—	(2.68)	—	—
Treatment charges	0.36	0.22	116	0.38	0.23	115
Export duties[a]	0.28	0.17	91	0.03	0.02	9
Royalty on metals	0.25	0.16	85	0.26	0.15	73
Unit net cash (credits) costs	(0.15)	1.51	800	(0.08)	1.54	775
DD&A	0.70	0.43	230	0.72	0.43	217
Noncash and other costs, net	0.10 [b,c]	0.07	34	0.18 [c,d]	0.11	55
Total unit costs	0.65	2.01	1,064	0.82	2.08	1,047
Revenue adjustments, primarily for pricing on prior period open sales	0.01	0.01	(7)	0.19	0.19	22
PT Smelting intercompany profit	—	—	—	0.19	0.11	58
Gross profit per pound/ounce	$ 3.59	$ 2.23	$ 1,165	$ 3.39	$ 2.05	$ 979
Copper sales (millions of recoverable pounds)	830	830		584	584	
Gold sales (thousands of recoverable ounces)			920			758

a. Export duties of 2.5% were eliminated effective March 29, 2023, upon verification that construction progress of the new smelter exceeded 50%, and were reinstated at a rate of 7.5% in July 2023 under a revised regulation. As discussed above and in Note 7, PT-FI will continue to pay export duties of 7.5% on copper concentrates during the smelter ramp-up period pursuant to Indonesia regulations.
b. Includes charges totaling $0.10 per pound of copper in second-quarter 2024 and $0.04 per pound of copper for the first six months of 2024 for amounts capitalized in prior years associated with construction of the new downstream processing facilities.
c. Includes charges totaling $0.06 per pound of copper in second-quarter 2024 and $0.04 per pound of copper for the first six months of 2024 for operational readiness and startup costs associated with the new downstream processing facilities and $0.03 per pound of copper in second-quarter 2023 and $0.04 per pound of copper for the first six months of 2023 for feasibility and optimization studies.
d. Includes charges totaling $0.14 per pound of copper in second-quarter 2023 and $0.09 per pound of copper for the first six months of 2023 associated with a potential administrative fine.

PT-FI's unit net cash credits (including gold, silver and other by-product credits) were $0.21 per pound of copper in second-quarter 2024 and $0.15 per pound of copper for the first six months of 2024, compared to $0.09 per pound of copper in second-quarter 2023 and $0.08 per pound of copper for the first six months of 2023. Favorable unit net cash credits in the 2024 periods, compared with the 2023 periods, primarily reflect lower costs associated with timing of sales related to previously announced shipping delays, partly offset by higher export duties.

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. PT-FI's royalties totaled $90 million in second-quarter 2024, $92 million in second-quarter 2023, $209 million for the first six months of 2024 and $150 million for the first six months of 2023.

Export duties totaled $75 million in second-quarter 2024, $231 million for the first six months of 2024 and $18 million for the first six months of 2023. Refer to Note 7 for further discussion of PT-FI's export duties.

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 DD&A rate per pound of copper is expected to be higher in the second half of 2024, compared with the 2024 and 2023 periods, as the downstream processing facilities are placed into service.

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.

PT Smelting's intercompany profit for the first six months of 2023 represents the change in the deferral of 39.5% of PT-FI's profit on sales to PT Smelting. Beginning in 2023, PT-FI's commercial arrangement with PT Smelting changed to a tolling arrangement and there are no further sales from PT-FI to PT Smelting. Refer to Note 1 for further discussion of PT-FI's equity investment in PT Smelting.

Average unit net cash credits (including gold, silver and other by-product credits) for PT-FI are expected to approximate $0.07 per pound of copper for the year 2024, based on achievement of current sales volumes and cost estimates, and assuming an average price of $2,300 per ounce of gold for the second half of 2024. PT-FI's average unit net cash credits for the year 2024 would change by approximately $0.06 per pound of copper for each $100 per ounce change in the average price of gold for the second half of 2024.

PT-FI's projected sales volumes and unit net cash credits for the year 2024 are dependent on operational performance; the timing of the ramp-up of PT-FI's new smelter in Indonesia; weather-related conditions; timing of shipments; and other factors. Refer to "Cautionary Statement" below, and Item 1A. "Risk Factors" contained in Part I of our 2023 Form 10-K for further discussion of factors that could cause results to differ materially from projections.

Molybdenum

We operate two wholly owned primary molybdenum operations 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 copper mines and South America operations, is processed at our conversion facilities.

Operating and Development Activities. Production from the primary molybdenum operations totaled 7 million pounds of molybdenum in each of second-quarter 2024 and 2023 and 15 million pounds during both the first six months of 2024 and 2023. Refer to “Consolidated Results” for our consolidated molybdenum operating data, which includes sales of molybdenum produced at our primary molybdenum operations and from our North America copper mines and South America operations. 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 primary molybdenum operations of $19.41 per pound of molybdenum in second-quarter 2024 and $17.50 per pound for the first six months of 2024 were higher than average unit net cash costs of $15.99 per pound in second-quarter 2023 and $13.95 per pound for the first six months of 2023, primarily reflecting higher transitional contract-labor costs and operating and maintenance supply costs. Average unit net cash costs for the primary molybdenum operations are expected to approximate $17.00 per pound of molybdenum for the year 2024, based on achievement of current sales volumes and cost estimates. 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

Through our downstream integration, we are able to assure placement of a significant portion of our copper concentrate production. We wholly own and operate the Miami smelter in Arizona, Atlantic Copper (a smelter and refinery in Spain), and the El Paso refinery in Texas.

In June 2024, PT-FI substantially completed construction of its new smelter in Indonesia and commenced commissioning operations. Further, PT-FI expects to complete its new PMR by year-end 2024. The new smelter will smelt and refine copper concentrate from PT-FI and the PMR will process anode slimes from the new smelter and PT Smelting. PT-FI also has a 66% (39.5% prior to June 30, 2024) ownership interest in PT Smelting, a copper smelter and refinery in Gresik, Indonesia (refer to Note 1). As a result, PT-FI’s operations will be fully integrated and treatment charges reflecting the cost of smelting and refining operations will be recorded in production and delivery costs (refer to “Indonesia Operations – Downstream Processing Facilities” above).

Atlantic Copper smelts and refines copper concentrate and markets refined copper and precious metals in slimes. During the first six months of 2024, Atlantic Copper’s copper concentrate purchases included 30% from our copper mining operations and 70% from third parties. Atlantic Copper’s treatment charges, which consist of a base rate per pound of copper and per ounce of gold, are generally fixed and represent a cost to our mining operations and income to Atlantic Copper (*i.e.*, higher treatment charges benefit our Atlantic Copper 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.

We defer recognizing profits on sales from our mining operations to Atlantic Copper until final sales to third parties occur. Changes in these deferrals attributable to variability in intercompany volumes resulted in net additions (reductions) to operating income totaling $137 million ($41 million to net income attributable to common stock) in second-quarter 2024, $(39) million ($(21) million to net income attributable to common stock) in second-quarter 2023, $120 million ($36 million to net income attributable to common stock) for the first six months of 2024 and $72 million ($27 million to net income attributable to common stock) for the first six months of 2023. Our net deferred profits on our inventories at Atlantic Copper to be recognized in future periods’ operating income totaled $97 million ($30 million to net income attributable to common stock) at June 30, 2024. 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. FCX currently expects the deferral of profit recognition on sales to Atlantic Copper in third-quarter 2024 to result in a reduction to operating income of approximately $50 million (approximately $15 million to

net income attributable to common stock), which will be recognized in future periods as Atlantic Copper sells final refined products to third parties.

In May 2024, the U.S. Environmental Protection Agency (EPA) amended its rule establishing standards for hazardous air pollutant emissions from primary copper smelters. We are evaluating this final rule to determine to what extent we would need to modify our processes and equipment and the costs involved, which could be significant. We expect that this final rule will impact our Miami, Arizona smelter operations, which processes a significant portion of the copper concentrate produced by our North America copper mines. We have appealed the EPA's final rule to the Court of Appeals for the D.C. Circuit, and we have filed a petition for reconsideration to EPA, including updated information on cost and implementation of the final rule. Refer to "Governmental Regulations – Environmental and Reclamation Matters" in Items 1 and 2. "Business and Properties" contained in Part I of our 2023 Form 10-K for additional information on new and revised environmental regulatory requirements that may result in substantial increased costs for our business.

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.

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 solid 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 $7.2 billion for the year 2024 exceed our expected consolidated capital expenditures of $4.7 billion (which includes $2.3 billion for major mining projects and $1.0 billion for PT-FI's new downstream processing facilities) for the year 2024.

We have cash on hand and the financial flexibility to fund capital expenditures and our other cash requirements for the 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, 2024, we had $5.3 billion in consolidated cash and cash equivalents, and FCX, PT-FI and Cerro Verde have $3.0 billion, $1.75 billion and $350 million, respectively, of availability under their revolving credit facilities.

On July 31, 2024, PT-FI borrowed $250 million under its revolving credit facility to fund capital expenditures for PT-FI's new downstream processing facilities.

At June 30, 2024, we had $1.0 billion in current restricted cash and cash equivalents, including $0.9 billion associated with PT-FI's export proceeds temporarily deposited in Indonesia banks for 90 days in accordance with a regulation issued by the Indonesia government.

Financial Policy. Our financial policy is aligned with our strategic objectives of maintaining a solid 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 debt for PT-FI's new downstream processing facilities). Our Board of Directors (Board) reviews the structure of the performance-based payout framework at least annually.

At June 30, 2024, FCX's net debt, excluding $3.0 billion of debt for PT-FI's new downstream processing facilities, totaled $0.3 billion (which was net of $0.9 billion of current restricted cash associated with PT-FI's export proceeds). Refer to "Net Debt" for further discussion.

On June 26, 2024, 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 were paid on August 1, 2024, to common stockholders of record as of July 15, 2024. Based on current market conditions, the base and variable dividends on our common stock are anticipated to total $0.60 per share for 2024 (including the dividends paid on February 1, 2024, May 1, 2024, and August 1, 2024), 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) are 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.

In July 2024, FCX acquired 1.2 million shares of its common stock for a total cost of $59 million ($50.48 average cost per share) bringing total purchases under its $5.0 billion share repurchase program to 49.0 million shares of common stock for a cost of $1.9 billion ($38.64 average cost per share). 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.

Cash
Following is a summary of the U.S. and international components of consolidated cash and cash equivalents available to the parent company, net of noncontrolling interests' share, taxes and other costs at June 30, 2024 (in billions):

Cash at domestic companies	$	2.6
Cash at international operations		2.7 [a]
Total consolidated cash and cash equivalents		5.3
Noncontrolling interests' share		(1.3)
Cash, net of noncontrolling interests' share		4.0
Withholding taxes		(0.1)
Net cash available	$	3.9

a. Excludes $0.9 billion of current restricted 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 a regulation issued by the Indonesia government.

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, 2024, consolidated debt totaled $9.4 billion, with a weighted-average interest rate of 5.2%. Substantially all of our outstanding debt is fixed rate.

We have $0.7 billion in scheduled senior note maturities in November 2024 with no further senior note maturities until 2027. Our total debt has an average remaining duration of approximately 10 years.

Refer to Note 4 for further discussion.

Operating Activities
We generated operating cash flows of $3.9 billion for the first six months of 2024 and $2.7 billion for the first six months of 2023. Higher operating cash flows for the first six months of 2024, compared with the first six months of 2023, primarily reflects higher copper and gold sales volumes and higher average realized prices.

Investing Activities
Capital Expenditures. Capital expenditures, including capitalized interest, totaled $2.4 billion for the first six months of 2024 and $2.3 billion for the first six months of 2023, including amounts for major mining projects ($0.9 billion for the first six months of 2024 and $0.8 billion for the first six months of 2023), primarily associated with underground development activities in the Grasberg minerals district and for PT-FI's new downstream processing facilities ($0.7 billion for the first six months of 2024 and $0.8 billion for the first six months of 2023).

Financing Activities
Debt Transactions. Net repayments of debt totaling $1.1 billion for the first six months of 2023 reflected the repayment of our 3.875% Senior Notes that matured in March 2023.

Cash Dividends on Common Stock. We paid cash dividends on our common stock totaling $0.4 billion during each of the first six months of 2024 and 2023. 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 4, Item 1A. “Risk Factors” contained in Part I of our 2023 Form 10-K, “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 $0.7 billion (including $0.6 billion from PT-FI) for the first six months of 2024 and $0.3 billion (including $0.2 billion from PT-FI) for the first six months of 2023. Cash dividends and distributions to noncontrolling interests vary based on the operating results and cash requirements of our consolidated subsidiaries.

CONTRACTUAL OBLIGATIONS

There have been no material changes in our contractual obligations since December 31, 2023. Refer to Note 13 and Part II, Items 7. and 7A. in our 2023 Form 10-K for information regarding our contractual obligations.

CONTINGENCIES

Environmental Obligations and AROs
Our current and historical operating activities are subject to various environmental laws and regulations. We perform a comprehensive annual review of our environmental obligations and AROs and also review changes in facts and circumstances associated with these obligations at least quarterly.

As discussed in Note 7, we recorded net charges totaling $79 million for the first six months of 2024, primarily associated with changes in cost estimates for former processing facilities and historical smelter sites. In addition, we recorded net ARO additions totaling $0.4 billion in the first six months of 2024, including $0.3 billion at mining operations primarily associated with revised closure plans and cost estimates to reflect our commitment to the Global Industry Standard on Tailings Management and $0.1 billion at our oil and gas properties primarily associated with assumed abandonment obligations resulting from bankruptcies of other companies.

Refer to Note 12 of our 2023 Form 10-K for further information about contingencies associated with environmental matters and AROs.

Litigation and Other Contingencies
There have been no significant updates to our contingencies associated with legal proceedings, environmental and other matters since December 31, 2023, other than as disclosed in Note 7. Refer to Note 12 and “Legal Proceedings” contained in Part I, Item 3. of our 2023 Form 10-K, as updated by Note 7, 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 2023 Form 10-K.

CRITICAL ACCOUNTING ESTIMATES

MD&A is based on our consolidated financial statements, which have been prepared in conformity with U.S. GAAP. The preparation of these statements requires that we make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. We base these estimates on historical experience and on assumptions that we consider reasonable under the circumstances; however, reported results could differ from those based on the current estimates under different assumptions or conditions. For a description of our critical accounting estimates that require us to make the most difficult, subjective or complex judgments, refer to our 2023 Form 10-K. We have not changed any of these policies from those previously disclosed in that report.

NET DEBT

We believe that net debt 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 debt for PT-FI's new downstream processing facilities. 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, 2024	
Current portion of debt	$ 0.8	
Long-term debt, less current portion	8.7	
Consolidated debt	9.4	[a]
Less: consolidated cash and cash equivalents	5.3	
Less: current restricted cash associated with PT-FI's export proceeds[b]	0.9	
FCX net debt	3.3	[a]
Less: debt for PT-FI's new downstream processing facilities[c]	3.0	
FCX net debt, excluding debt for PT-FI's new downstream processing facilities	$ 0.3	

a. Does not foot because of rounding.

b. 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 are presented as current restricted cash and cash equivalents in our consolidated balance sheet. As the 90-day holding period is the only restriction on the cash, we have included such amount in the calculation of net debt.

c. Represents senior notes issued by PT-FI.

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 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. 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, consist of items such as accretion of AROs, inventory write-offs and adjustments, 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.

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

Three Months Ended June 30, 2024 (In millions)	By-Product Method	Co-Product Method			
		Copper	Molybdenum[a]	Other[b]	Total
Revenues, excluding adjustments	$ 1,357	$ 1,357	$ 130	$ 42	$ 1,529
Site production and delivery, before net noncash and other costs shown below	1,022	925	110	33	1,068
By-product credits	(126)	—	—	—	—
Treatment charges	40	38	—	2	40
Net cash costs	936	963	110	35	1,108
DD&A	106	96	8	2	106
Noncash and other costs, net	37 [c]	34	2	1	37
Total costs	1,079	1,093	120	38	1,251
Other revenue adjustments, primarily for pricing on prior period open sales	3	3	—	—	3
Gross profit	$ 281	$ 267	$ 10	$ 4	$ 281
Copper sales (millions of recoverable pounds)	293	293			
Molybdenum sales (millions of recoverable pounds)[a]			7		
Gross profit per pound of copper/molybdenum:					
Revenues, excluding adjustments	$ 4.63	$ 4.63	$ 19.97		
Site production and delivery, before net noncash and other costs shown below	3.48	3.15	16.87		
By-product credits	(0.43)	—	—		
Treatment charges	0.14	0.13	—		
Unit net cash costs	3.19	3.28	16.87		
DD&A	0.36	0.33	1.21		
Noncash and other costs, net	0.13 [c]	0.12	0.33		
Total unit costs	3.68	3.73	18.41		
Other revenue adjustments, primarily for pricing on prior period open sales	0.01	0.01	—		
Gross profit per pound	$ 0.96	$ 0.91	$ 1.56		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	$ 1,529	$ 1,068	$ 106
Treatment charges	—	40	—
Noncash and other costs, net	—	37	—
Other revenue adjustments, primarily for pricing on prior period open sales	3	—	—
Eliminations and other	4	6	—
North America copper mines	1,536	1,151	106
Other mining[d]	6,521	4,217	386
Corporate, other & eliminations	(1,433)	(1,493)	17
As reported in our consolidated financial statements	$ 6,624	$ 3,875	$ 509

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 $14 million ($0.05 per pound of copper) for feasibility and optimization studies.

d. Represents the combined total for our other segments as presented in Note 8.

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

Three Months Ended June 30, 2023 (In millions)	By-Product Method	Co-Product Method			
		Copper	Molybdenum[a]	Other[b]	Total
Revenues, excluding adjustments	$ 1,337	$ 1,337	$ 200	$ 51	$ 1,588
Site production and delivery, before net noncash and other costs shown below	999	870	139	51	1,060
By-product credits	(190)	—	—	—	—
Treatment charges	46	43	—	3	46
Net cash costs	855	913	139	54	1,106
DD&A	99	87	10	2	99
Noncash and other costs, net	52 [c]	46	5	1	52
Total costs	1,006	1,046	154	57	1,257
Other revenue adjustments, primarily for pricing on prior period open sales	(11)	(11)	—	—	(11)
Gross profit (loss)	$ 320	$ 280	$ 46	$ (6)	$ 320
Copper sales (millions of recoverable pounds)	341	341			
Molybdenum sales (millions of recoverable pounds)[a]			9		
Gross profit per pound of copper/molybdenum:					
Revenues, excluding adjustments	$ 3.92	$ 3.92	$ 23.08		
Site production and delivery, before net noncash and other costs shown below	2.93	2.55	16.04		
By-product credits	(0.55)	—	—		
Treatment charges	0.13	0.13	—		
Unit net cash costs	2.51	2.68	16.04		
DD&A	0.29	0.26	1.15		
Noncash and other costs, net	0.15 [c]	0.13	0.60		
Total unit costs	2.95	3.07	17.79		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.03)	(0.03)	—		
Gross profit per pound	$ 0.94	$ 0.82	$ 5.29		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	$ 1,588	$ 1,060	$ 99
Treatment charges	(3)	43	—
Noncash and other costs, net	—	52	—
Other revenue adjustments, primarily for pricing on prior period open sales	(11)	—	—
Eliminations and other	16	12	—
North America copper mines	1,590	1,167	99
Other mining[d]	5,756	3,939	429
Corporate, other & eliminations	(1,609)	(1,557)	19
As reported in our consolidated financial statements	$ 5,737	$ 3,549	$ 547

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 ($0.08 per pound of copper) for feasibility and optimization studies.

d. Represents the combined total for our other segments as presented in Note 8.

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

Six Months Ended June 30, 2024 (In millions)	By-Product Method	Co-Product Method			
		Copper	Molybdenum[a]	Other[b]	Total
Revenues, excluding adjustments	$ 2,676	$ 2,676	$ 265	$ 81	$ 3,022
Site production and delivery, before net noncash and other costs shown below	2,096	1,898	226	65	2,189
By-product credits	(253)	—	—	—	—
Treatment charges	83	80	—	3	83
Net cash costs	1,926	1,978	226	68	2,272
DD&A	217	197	17	3	217
Noncash and other costs, net	82 [c]	76	5	1	82
Total costs	2,225	2,251	248	72	2,571
Gross profit	$ 451	$ 425	$ 17	$ 9	$ 451
Copper sales (millions of recoverable pounds)	626	626			
Molybdenum sales (millions of recoverable pounds)[a]			14		
Gross profit per pound of copper/molybdenum:					
Revenues, excluding adjustments	$ 4.28	$ 4.28	$ 19.18		
Site production and delivery, before net noncash and other costs shown below	3.35	3.03	16.35		
By-product credits	(0.40)	—	—		
Treatment charges	0.13	0.13	—		
Unit net cash costs	3.08	3.16	16.35		
DD&A	0.35	0.32	1.22		
Noncash and other costs, net	0.13 [c]	0.12	0.39		
Total unit costs	3.56	3.60	17.96		
Gross profit per pound	$ 0.72	$ 0.68	$ 1.22		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	$ 3,022	$ 2,189	$ 217
Treatment charges	(2)	81	—
Noncash and other costs, net	—	82	—
Eliminations and other	18	23	1
North America copper mines	3,038	2,375	218
Other mining[d]	12,799	8,107	853
Corporate, other & eliminations	(2,892)	(2,763)	33
As reported in our consolidated financial statements	$ 12,945	$ 7,719	$ 1,104

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 $30 million ($0.05 per pound of copper) for feasibility and optimization studies.

d. Represents the combined total for our other mining operations as presented in Note 8.

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

Six Months Ended June 30, 2023 (In millions)	By-Product Method	Co-Product Method			
		Copper	Molybdenum[a]	Other[b]	Total
Revenues, excluding adjustments	$ 2,723	$ 2,723	$ 412	$ 86	$ 3,221
Site production and delivery, before net noncash and other costs shown below	1,975	1,720	288	78	2,086
By-product credits	(387)	—	—	—	—
Treatment charges	88	83	—	5	88
Net cash costs	1,676	1,803	288	83	2,174
DD&A	202	178	20	4	202
Noncash and other costs, net	127 [c]	108	17	2	127
Total costs	2,005	2,089	325	89	2,503
Other revenue adjustments, primarily for pricing on prior period open sales	13	13	—	—	13
Gross profit (loss)	$ 731	$ 647	$ 87	$ (3)	$ 731
Copper sales (millions of recoverable pounds)	676	676			
Molybdenum sales (millions of recoverable pounds)[a]			16		
Gross profit per pound of copper/molybdenum:					
Revenues, excluding adjustments	$ 4.03	$ 4.03	$ 25.52		
Site production and delivery, before net noncash and other costs shown below	2.92	2.55	17.81		
By-product credits	(0.57)	—	—		
Treatment charges	0.13	0.12	—		
Unit net cash costs	2.48	2.67	17.81		
DD&A	0.30	0.26	1.24		
Noncash and other costs, net	0.19 [c]	0.16	1.06		
Total unit costs	2.97	3.09	20.11		
Other revenue adjustments, primarily for pricing on prior period open sales	0.02	0.02	—		
Gross profit per pound	$ 1.08	$ 0.96	$ 5.41		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	$ 3,221	$ 2,086	$ 202
Treatment charges	(9)	79	—
Noncash and other costs, net	—	127	—
Other revenue adjustments, primarily for pricing on prior period open sales	13	—	—
Eliminations and other	35	37	—
North America copper mines	3,260	2,329	202
Other mining[d]	11,068	7,441	712
Corporate, other & eliminations	(3,202)	(3,056)	32
As reported in our consolidated financial statements	$ 11,126	$ 6,714	$ 946

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 8.

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

Three Months Ended June 30, 2024 (In millions)	By-Product Method	Co-Product Method		
		Copper	Other[a]	Total
Revenues, excluding adjustments	$ 1,326	$ 1,326	$ 147	$ 1,473
Site production and delivery, before net noncash and other costs shown below	828 [b]	754	88	842
By-product credits	(136)	—	—	—
Treatment charges	48	48	—	48
Royalty on metals	3	2	1	3
Net cash costs	743	804	89	893
DD&A	114	102	12	114
Noncash and other costs, net	19 [c]	19	—	19
Total costs	876	925	101	1,026
Other revenue adjustments, primarily for pricing on prior period open sales	87	87	3	90
Gross profit	$ 537	$ 488	$ 49	$ 537
Copper sales (millions of recoverable pounds)	302	302		
Gross profit per pound of copper:				
Revenues, excluding adjustments	$ 4.39	$ 4.39		
Site production and delivery, before net noncash and other costs shown below	2.74 [b]	2.49		
By-product credits	(0.45)	—		
Treatment charges	0.16	0.16		
Royalty on metals	0.01	0.01		
Unit net cash costs	2.46	2.66		
DD&A	0.38	0.34		
Noncash and other costs, net	0.06 [c]	0.06		
Total unit costs	2.90	3.06		
Other revenue adjustments, primarily for pricing on prior period open sales	0.29	0.29		
Gross profit per pound	$ 1.78	$ 1.62		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	$ 1,473	$ 842	$ 114
Treatment charges	(48)	—	—
Royalty on metals	(3)	—	—
Noncash and other costs, net	—	19	—
Other revenue adjustments, primarily for pricing on prior period open sales	90	—	—
Eliminations and other	(1)	(1)	—
South America operations	1,511	860	114
Other mining[d]	6,546	4,508	378
Corporate, other & eliminations	(1,433)	(1,493)	17
As reported in our consolidated financial statements	$ 6,624	$ 3,875	$ 509

a. Includes silver sales of 0.9 million ounces ($29.63 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 nonrecurring charges totaling $65 million ($0.22 per pound of copper) associated with labor-related charges at Cerro Verde associated with a new CLA.

c. Includes charges totaling $12 million ($0.04 per pound of copper) for feasibility studies.

d. Represents the combined total for our other segments as presented in Note 8.

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

Three Months Ended June 30, 2023 (In millions)	By-Product Method	Co-Product Method		
		Copper	Other[a]	Total
Revenues, excluding adjustments	$ 1,153	$ 1,153	$ 128	$ 1,281
Site production and delivery, before net noncash and other costs shown below	741	678	82	760
By-product credits	(109)	—	—	—
Treatment charges	62	62	—	62
Royalty on metals	2	2	—	2
Net cash costs	696	742	82	824
DD&A	132	118	14	132
Noncash and other costs, net	24 [b]	23	1	24
Total costs	852	883	97	980
Other revenue adjustments, primarily for pricing on prior period open sales	(69)	(69)	—	(69)
Gross profit	$ 232	$ 201	$ 31	$ 232
Copper sales (millions of recoverable pounds)	304	304		
Gross profit per pound of copper:				
Revenues, excluding adjustments	$ 3.78	$ 3.78		
Site production and delivery, before net noncash and other costs shown below	2.43	2.22		
By-product credits	(0.37)	—		
Treatment charges	0.21	0.21		
Royalty on metals	0.01	0.01		
Unit net cash costs	2.28	2.44		
DD&A	0.44	0.39		
Noncash and other costs, net	0.08 [b]	0.07		
Total unit costs	2.80	2.90		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.22)	(0.22)		
Gross profit per pound	$ 0.76	$ 0.66		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	$ 1,281	$ 760	$ 132
Treatment charges	(62)	—	—
Royalty on metals	(2)	—	—
Noncash and other costs, net	—	24	—
Other revenue adjustments, primarily for pricing on prior period open sales	(69)	—	—
Eliminations and other	—	(1)	—
South America operations	1,148	783	132
Other mining[c]	6,198	4,323	396
Corporate, other & eliminations	(1,609)	(1,557)	19
As reported in our consolidated financial statements	$ 5,737	$ 3,549	$ 547

a. Includes silver sales of 1.1 million ounces ($23.02 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 ($0.04 per pound of copper) for feasibility studies.

c. Represents the combined total for our other segments as presented in Note 8.

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

Six Months Ended June 30, 2024 (In millions)	By-Product Method	Co-Product Method		
		Copper	Other[a]	Total
Revenues, excluding adjustments	$ 2,499	$ 2,499	$ 219	$ 2,718
Site production and delivery, before net noncash and other costs shown below	1,571 [b]	1,456	142	1,598
By-product credits	(192)	—	—	—
Treatment charges	99	99	—	99
Royalty on metals	4	4	—	4
Net cash costs	1,482	1,559	142	1,701
DD&A	222	204	18	222
Noncash and other costs, net	37 [c]	36	1	37
Total costs	1,741	1,799	161	1,960
Other revenue adjustments, primarily for pricing on prior period open sales	32	32	—	32
Gross profit	$ 790	$ 732	$ 58	$ 790
Copper sales (millions of recoverable pounds)	586	586		
Gross profit per pound of copper:				
Revenues, excluding adjustments	$ 4.27	$ 4.27		
Site production and delivery, before net noncash and other costs shown below	2.68 [b]	2.48		
By-product credits	(0.33)	—		
Treatment charges	0.17	0.17		
Royalty on metals	0.01	0.01		
Unit net cash costs	2.53	2.66		
DD&A	0.38	0.35		
Noncash and other costs, net	0.06 [c]	0.06		
Total unit costs	2.97	3.07		
Other revenue adjustments, primarily for pricing on prior period open sales	0.05	0.05		
Gross profit per pound	$ 1.35	$ 1.25		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	$ 2,718	$ 1,598	$ 222
Treatment charges	(99)	—	—
Royalty on metals	(4)	—	—
Noncash and other costs, net	—	37	—
Other revenue adjustments, primarily for pricing on prior period open sales	32	—	—
Eliminations and other	—	(2)	—
South America operations	2,647	1,633	222
Other mining[d]	13,190	8,849	849
Corporate, other & eliminations	(2,892)	(2,763)	33
As reported in our consolidated financial statements	$ 12,945	$ 7,719	$ 1,104

a. Includes silver sales of $1.8 million ounces ($28.49 per ounce average realized price). Also reflects sales of molybdenum produced by Cerro Verde to FCX's molybdenum sales company at market-based pricing.

b. Includes nonrecurring charges totaling $65 million ($0.11 per pound of copper) associated with labor-related charges at Cerro Verde associated with a new CLA.

c. Includes charges totaling $23 million ($0.04 per pound of copper) for feasibility studies.

d. Represents the combined total for our other mining operations as presented in Note 8.

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

Six Months Ended June 30, 2023 (In millions)	By-Product Method	Co-Product Method		
		Copper	Other[a]	Total
Revenues, excluding adjustments	$ 2,331	$ 2,331	$ 301	$ 2,632
Site production and delivery, before net noncash and other costs shown below	1,508	1,363	179	1,542
By-product credits	(270)	—	—	—
Treatment charges	118	118	—	118
Royalty on metals	4	3	1	4
Net cash costs	1,360	1,484	180	1,664
DD&A	239	212	27	239
Noncash and other costs, net	50 [b]	46	4	50
Total costs	1,649	1,742	211	1,953
Other revenue adjustments, primarily for pricing on prior period open sales	71	71	3	74
Gross profit	$ 753	$ 660	$ 93	$ 753
Copper sales (millions of recoverable pounds)	606	606		
Gross profit per pound of copper:				
Revenues, excluding adjustments	$ 3.85	$ 3.85		
Site production and delivery, before net noncash and other costs shown below	2.49	2.25		
By-product credits	(0.45)	—		
Treatment charges	0.19	0.19		
Royalty on metals	0.01	0.01		
Unit net cash costs	2.24	2.45		
DD&A	0.40	0.35		
Noncash and other costs, net	0.08 [b]	0.07		
Total unit costs	2.72	2.87		
Other revenue adjustments, primarily for pricing on prior period open sales	0.11	0.11		
Gross profit per pound	$ 1.24	$ 1.09		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	$ 2,632	$ 1,542	$ 239
Treatment charges	(118)	—	—
Royalty on metals	(4)	—	—
Noncash and other costs, net	—	50	—
Other revenue adjustments, primarily for pricing on prior period open sales	74	—	—
Eliminations and other	—	(2)	—
South America operations	2,584	1,590	239
Other mining[c]	11,744	8,180	675
Corporate, other & eliminations	(3,202)	(3,056)	32
As reported in our consolidated financial statements	$ 11,126	$ 6,714	$ 946

a. Includes silver sales of 2.1 million ounces ($23.20 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 ($0.03 per pound of copper) for feasibility studies.

c. Represents the combined total for our other mining operations as presented in Note 8.

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

Three Months Ended June 30, 2024

(In millions)

	By-Product Method	Co-Product Method			
		Copper	Gold	Silver & Other[a]	Total
Revenues, excluding adjustments	$ 1,495	$ 1,495	$ 818	$ 42	$ 2,355
Site production and delivery, before net noncash and other costs shown below	536	340	186	10	536
Gold, silver and other by-product credits	(895)	—	—	—	—
Treatment charges	123	78	43	2	123
Export duties	75	48	26	1	75
Royalty on metals	90	57	32	1	90
Net cash (credits) costs	(71)	523	287	14	824
DD&A	248	158	86	4	248
Noncash and other costs, net	64 [b]	40	22	2	64
Total costs	241	721	395	20	1,136
Other revenue adjustments, primarily for pricing on prior period open sales	93	93	31	4	128
Gross profit	$ 1,347	$ 867	$ 454	$ 26	$ 1,347
Copper sales (millions of recoverable pounds)	337	337			
Gold sales (thousands of recoverable ounces)			356		
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	$ 4.44	$ 4.44	$ 2,299		
Site production and delivery, before net noncash and other costs shown below	1.59	1.01	523		
Gold, silver and other by-product credits	(2.66)	—	—		
Treatment charges	0.36	0.23	119		
Export duties	0.23	0.14	74		
Royalty on metals	0.27	0.17	90		
Unit net cash (credits) costs	(0.21)	1.55	806		
DD&A	0.74	0.47	242		
Noncash and other costs, net	0.19 [b]	0.12	62		
Total unit costs	0.72	2.14	1,110		
Other revenue adjustments, primarily for pricing on prior period open sales	0.28	0.28	86		
Gross profit per pound/ounce	$ 4.00	$ 2.58	$ 1,275		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	$ 2,355	$ 536	$ 248
Treatment charges	(50)	73 [c]	—
Export duties	(75)	—	—
Royalty on metals	(90)	—	—
Noncash and other costs, net	—	64	—
Other revenue adjustments, primarily for pricing on prior period open sales	128	—	—
Eliminations and other	—	(1)	—
Indonesia operations	2,268	672	248
Other mining[d]	5,789	4,696	244
Corporate, other & eliminations	(1,433)	(1,493)	17
As reported in our consolidated financial statements	$ 6,624	$ 3,875	$ 509

a. Includes silver sales of 1.3 million ounces ($28.70 per ounce average realized price).

b. Includes charges totaling $34 million ($0.10 per pound of copper) related to the reversal of previously capitalized land lease depreciation, which related to prior years. Also, includes charges totaling $20 million ($0.06 per pound of copper) for PT-FI's new downstream processing facilities' operational readiness and startup costs.

c. Represents tolling costs paid to PT Smelting.

d. Represents the combined total for our other segments as presented in Note 8.

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

Three Months Ended June 30, 2023

(In millions)

	By-Product Method	Co-Product Method			
		Copper	Gold	Silver & Other[a]	Total
Revenues, excluding adjustments	$ 1,473	$ 1,473	$ 956	$ 45	$ 2,474
Site production and delivery, before net noncash and other costs shown below	725	432	280	13	725
Gold, silver and other by-product credits	(1,002)	—	—	—	—
Treatment charges	151	90	58	3	151
Royalty on metals	92	55	36	1	92
Net cash (credits) costs	(34)	577	374	17	968
DD&A	275	164	106	5	275
Noncash and other costs, net	77 [b]	46	30	1	77
Total costs	318	787	510	23	1,320
Other revenue adjustments, primarily for pricing on prior period open sales	(54)	(54)	1	—	(53)
Gross profit	$ 1,101	$ 632	$ 447	$ 22	$ 1,101
Copper sales (millions of recoverable pounds)	386	386			
Gold sales (thousands of recoverable ounces)			492		
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	$ 3.82	$ 3.82	$ 1,942		
Site production and delivery, before net noncash and other costs shown below	1.88	1.12	569		
Gold, silver and other by-product credits	(2.60)	—	—		
Treatment charges	0.39	0.23	118		
Royalty on metals	0.24	0.14	72		
Unit net cash (credits) costs	(0.09)	1.49	759		
DD&A	0.71	0.42	216		
Noncash and other costs, net	0.20 [b]	0.12	60		
Total unit costs	0.82	2.03	1,035		
Other revenue adjustments, primarily for pricing on prior period open sales	(0.14)	(0.14)	1		
Gross profit per pound/ounce	$ 2.86	$ 1.65	$ 908		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	$ 2,474	$ 725	$ 275
Treatment charges	(92)	59 [c]	—
Royalty on metals	(92)	—	—
Noncash and other costs, net	—	77	—
Other revenue adjustments, primarily for pricing on prior period open sales	(53)	—	—
Indonesia operations	2,237	861	275
Other mining[d]	5,109	4,245	253
Corporate, other & eliminations	(1,609)	(1,557)	19
As reported in our consolidated financial statements	$ 5,737	$ 3,549	$ 547

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

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

c. Primarily represents tolling costs paid to PT Smelting.

d. Represents the combined total for our other mining operations as presented in Note 8.

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

Six Months Ended June 30, 2024 (In millions)	By-Product Method	Co-Product Method			
		Copper	Gold	Silver & Other[a]	Total
Revenues, excluding adjustments	$ 3,512	$ 3,512	$ 2,056	$ 102	$ 5,670
Site production and delivery, before net noncash and other costs shown below	1,289	799	467	23	1,289
Gold, silver and other by-product credits	(2,152)	—	—	—	—
Treatment charges	295	183	107	5	295
Export duties	231	143	84	4	231
Royalty on metals	209	128	78	3	209
Net cash (credits) costs	(128)	1,253	736	35	2,024
DD&A	583	361	212	10	583
Noncash and other costs, net	87 [b]	54	31	2	87
Total costs	542	1,668	979	47	2,694
Other revenue adjustments, primarily for pricing on prior period open sales	7	7	(5)	(1)	1
Gross profit	$ 2,977	$ 1,851	$ 1,072	$ 54	$ 2,977
Copper sales (millions of recoverable pounds)	830	830			
Gold sales (thousands of recoverable ounces)			920		
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	$ 4.23	$ 4.23	$ 2,236		
Site production and delivery, before net noncash and other costs shown below	1.55	0.96	508		
Gold, silver and other by-product credits	(2.59)	—	—		
Treatment charges	0.36	0.22	116		
Export duties	0.28	0.17	91		
Royalty on metals	0.25	0.16	85		
Unit net cash (credits) costs	(0.15)	1.51	800		
DD&A	0.70	0.43	230		
Noncash and other costs, net	0.10 [b]	0.07	34		
Total unit costs	0.65	2.01	1,064		
Other revenue adjustments, primarily for pricing on prior period open sales	0.01	0.01	(7)		
Gross profit per pound/ounce	$ 3.59	$ 2.23	$ 1,165		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	$ 5,670	$ 1,289	$ 583
Treatment charges	(138)	157 [c]	—
Export duties	(231)	—	—
Royalty on metals	(209)	—	—
Noncash and other costs, net	—	87	—
Other revenue adjustments, primarily for pricing on prior period open sales	1	—	—
Indonesia operations	5,093	1,533	583
Other mining[d]	10,744	8,949	488
Corporate, other & eliminations	(2,892)	(2,763)	33
As reported in our consolidated financial statements	$ 12,945	$ 7,719	$ 1,104

a. Includes silver sales of 3.4 million ounces ($26.76 per ounce average realized price)

b. Includes charges totaling $34 million ($0.04 per pound of copper) related to the reversal of previously capitalized land lease depreciation, which related to prior years. Also, includes charges totaling $35 million ($0.04 per pound of copper) for PT-FI's new downstream processing facilities' operational readiness and startup costs.

c. Represents tolling costs paid to PT Smelting.

d. Represents the combined total for our other mining operations as presented in Note 8.

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

Six Months Ended June 30, 2023 (In millions)	By-Product Method	Co-Product Method			
		Copper	Gold	Silver & Other[a]	Total
Revenues, excluding adjustments	$ 2,238	$ 2,238	$ 1,474	$ 73	$ 3,785
Site production and delivery, before net noncash and other costs shown below	1,124	665	438	21	1,124
Gold, silver and other by-product credits	(1,564)	—	—	—	—
Treatment charges	224	133	87	4	224
Export duties	18	10	7	1	18
Royalty on metals	150	92	55	3	150
Net cash (credits) costs	(48)	900	587	29	1,516
DD&A	423	250	165	8	423
Noncash and other costs, net	107 [b]	63	42	2	107
Total costs	482	1,213	794	39	2,046
Other revenue adjustments, primarily for pricing on prior period open sales	114	114	18	(1)	131
PT Smelting intercompany profit	112	66	44	2	112
Gross profit	$ 1,982	$ 1,205	$ 742	$ 35	$ 1,982
Copper sales (millions of recoverable pounds)	584	584			
Gold sales (thousands of recoverable ounces)			758		
Gross profit per pound of copper/per ounce of gold:					
Revenues, excluding adjustments	$ 3.83	$ 3.83	$ 1,946		
Site production and delivery, before net noncash and other costs shown below	1.93	1.14	578		
Gold, silver and other by-product credits	(2.68)	—	—		
Treatment charges	0.38	0.23	115		
Export duties	0.03	0.02	9		
Royalty on metals	0.26	0.15	73		
Unit net cash (credits) costs	(0.08)	1.54	775		
DD&A	0.72	0.43	217		
Noncash and other costs, net	0.18 [b]	0.11	55		
Total unit costs	0.82	2.08	1,047		
Other revenue adjustments, primarily for pricing on prior period open sales	0.19	0.19	22		
PT Smelting intercompany profit	0.19	0.11	58		
Gross profit per pound/ounce	$ 3.39	$ 2.05	$ 979		

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Totals presented above	$ 3,785	$ 1,124	$ 423
Treatment charges	(143)	81 [c]	—
Export duties	(18)	—	—
Royalty on metals	(150)	—	—
Noncash and other costs, net	—	107	—
Other revenue adjustments, primarily for pricing on prior period open sales	131	—	—
PT Smelting intercompany profit	—	(112)	—
Eliminations and other	—	(1)	—
Indonesia operations	3,605	1,199	423
Other mining[d]	10,723	8,571	491
Corporate, other & eliminations	(3,202)	(3,056)	32
As reported in our consolidated financial statements	$ 11,126	$ 6,714	$ 946

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

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

c. Primarily represents tolling costs paid to PT Smelting.

d. Represents the combined total for our other mining operations as presented in Note 8.

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

(In millions)	Three Months Ended June 30, 2024	2023
Revenues, excluding adjustments[a]	$ 144	$ 156
Site production and delivery, before net noncash and other costs shown below	129	101
Treatment charges and other	6	6
Net cash costs	135	107
DD&A	16	14
Noncash and other costs, net	5	4
Total costs	156	125
Gross (loss) profit	$ (12)	$ 31
Molybdenum sales (millions of recoverable pounds)[a]	7	7
Gross (loss) profit per pound of molybdenum:		
Revenues, excluding adjustments[a]	$ 20.71	$ 23.28
Site production and delivery, before net noncash and other costs shown below	18.53	15.13
Treatment charges and other	0.88	0.86
Unit net cash costs	19.41	15.99
DD&A	2.30	2.01
Noncash and other costs, net	0.71	0.59
Total unit costs	22.42	18.59
Gross (loss) profit per pound	$ (1.71)	$ 4.69

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Three Months Ended June 30, 2024			
Totals presented above	$ 144	$ 129	$ 16
Treatment charges and other	(6)	—	—
Noncash and other costs, net	—	5	—
Molybdenum mines	138	134	16
Other mining[b]	7,919	5,234	476
Corporate, other & eliminations	(1,433)	(1,493)	17
As reported in our consolidated financial statements	$ 6,624	$ 3,875	$ 509
Three Months Ended June 30, 2023			
Totals presented above	$ 156	$ 101	$ 14
Treatment charges and other	(6)	—	—
Noncash and other costs, net	—	4	—
Molybdenum mines	150	105	14
Other mining[b]	7,196	5,001	514
Corporate, other & eliminations	(1,609)	(1,557)	19
As reported in our consolidated financial statements	$ 5,737	$ 3,549	$ 547

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 8. 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 copper mines and South America operations.

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

(In millions)	Six Months Ended June 30, 2024	2023
Revenues, excluding adjustments[a]	$ 296	$ 386
Site production and delivery, before net noncash and other costs shown below	245	192
Treatment charges and other	13	13
Net cash costs	258	205
DD&A	32	34
Noncash and other costs, net	8	9
Total costs	298	248
Gross (loss) profit	$ (2)	$ 138
Molybdenum sales (millions of recoverable pounds)[a]	15	15
Gross (loss) profit per pound of molybdenum:		
Revenues, excluding adjustments[a]	$ 20.05	$ 26.36
Site production and delivery, before net noncash and other costs shown below	16.63	13.10
Treatment charges and other	0.87	0.85
Unit net cash costs	17.50	13.95
DD&A	2.19	2.32
Noncash and other costs, net	0.51	0.64
Total unit costs	20.20	16.91
Gross (loss) profit per pound	$ (0.15)	$ 9.45

Reconciliation to Amounts Reported

	Revenues	Production and Delivery	DD&A
Six months ended June 30, 2024			
Totals presented above	$ 296	$ 245	$ 32
Treatment charges and other	(13)	—	—
Noncash and other costs, net	—	8	—
Molybdenum mines	283	253	32
Other mining[b]	15,554	10,229	1,039
Corporate, other & eliminations	(2,892)	(2,763)	33
As reported in our consolidated financial statements	$ 12,945	$ 7,719	$ 1,104
Six months ended June 30, 2023			
Totals presented above	$ 386	$ 192	$ 34
Treatment charges and other	(13)	—	—
Noncash and other costs, net	—	9	—
Molybdenum mines	373	201	34
Other mining[b]	13,955	9,569	880
Corporate, other & eliminations	(3,202)	(3,056)	32
As reported in our consolidated financial statements	$ 11,126	$ 6,714	$ 946

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 8. 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.

CAUTIONARY STATEMENT

Our discussion and analysis contains forward-looking statements in which we discuss our potential future 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 (credits) and operating costs; capital expenditures; operating plans (including mine sequencing); cash flows; liquidity; PT-FI's commissioning and ramp up of its new smelter and completion and full production at the PMR; potential extension of PT-FI's IUPK beyond 2041; export licenses; export duties; export volumes; timing of shipments of inventoried production; 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 our 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 our Board or management, as applicable. Our 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 through full ramp-up of its new downstream processing facilities; changes in export duties; achieving full ramp-up of new downstream processing facilities; completion and full production at the PMR; 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; 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, including the ability to smelt and refine; 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; process relating to the extension of PT-FI's IUPK beyond 2041; cybersecurity risks; any major public health crisis; labor relations, including labor-related work stoppages and increased costs; compliance with applicable environmental, health and safety laws and regulations; weather- and climate-related risks; environmental risks, including availability of secure water 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 2023 Form 10-K.

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 undertake no obligation to update any forward-looking statements, which speak only as of the

date made, notwithstanding any changes in our assumptions, changes in business plans, actual experience or other changes.

This report on Form 10-Q also contains measures such as net debt and unit net cash costs (credits) per pound of copper and molybdenum, which are not recognized under U.S. GAAP. Refer to “Operations – Unit Net Cash Costs” and “Operations – Unit Net Cash (Credits) 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 (credits) 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, consolidated cash and cash equivalents, and current restricted cash associated with PT-FI’s export proceeds to net debt. For forward-looking unit net cash costs (credits) per pound of copper and molybdenum measures, we are unable to provide a reconciliation to the most comparable GAAP measure without unreasonable effort because estimating such GAAP measures and providing a meaningful reconciliation is extremely difficult and requires a level of precision that is unavailable for these future periods and the information needed to reconcile these measures is dependent upon future events, many of which are outside of our control as described above. Forward-looking non-GAAP measures are estimated consistent with the relevant definitions and assumptions.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes in our market risks during the six-month period ended June 30, 2024. For additional information on market risks, refer to “Disclosures About Market Risks” included in Part II, Items 7. and 7A. of our 2023 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, 2024.

(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, 2024, 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 2023 Form 10-K, as updated by Note 7 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 2023 Form 10-K. Refer to Note 7 for an update on our Louisiana parishes coastal erosion cases.

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 2023 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

There were no unregistered sales of equity securities during the quarter ended June 30, 2024.

The following table sets forth information with respect to shares of FCX common stock purchased by us during the quarter ended June 30, 2024, 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, 2024	—		$ —	—	$ 3,164,642,228
May 1-31, 2024	210,044	[b]	$ 52.41	—	$ 3,164,642,228
June 1-30, 2024	—		$ —	—	$ 3,164,642,228
Total	210,044		$ —	—	

a. On November 1, 2021, our Board approved a share repurchase program authorizing repurchases of up to $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.

b. Represents shares delivered to FCX by attestation in payment of the exercise price of employee stock options.

Item 4. Mine Safety Disclosures.

Our highest priority is the health, safety and well-being of our workforce. We believe health and safety considerations are integral to, and fundamental for, all other functions in our organization, and we understand that the health and safety of our workforce is critical to our operational efficiency and long-term success. Our global health and safety strategy, “Safe Production Matters,” is focused on fatality prevention, eliminating systemic root causes of incidents and continuous improvement through robust management systems, which are supported by leaders empowering our teams to work safely. Foundational to our Safe Production Matters strategy is our Fatal Risk Management (FRM) program. The goal of our FRM program is to achieve zero workplace fatalities by raising awareness to fatal risks and the measures necessary to mitigate them. 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 June 30, 2024, 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.

Item 6. Exhibits.

Exhibit Number	Exhibit Title	Filed with this Form 10-Q	Incorporated by Reference		
			Form	File No.	Date Filed
2.1	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
2.2	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
3.1	Composite Certificate of Incorporation of FCX.	X			
3.2	Amended and Restated By-Laws of FCX, effective as of June 11, 2024.		8-K	001-11307-01	6/12/2024
4.1	Description of Common Stock of FCX.	X			
15.1	Letter from Ernst & Young LLP regarding unaudited interim financial statements.	X			
22.1	List of Subsidiary Guarantors and Subsidiary Issuers of Guaranteed Securities.		10-K	001-11307-01	2/16/2024
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).	X			
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).	X			
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350.	X			
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C Section 1350.	X			
95.1	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 and contained in Exhibit 101.	X			

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 7, 2024