



**FREEPORT-McMoRAN
COPPER & GOLD**

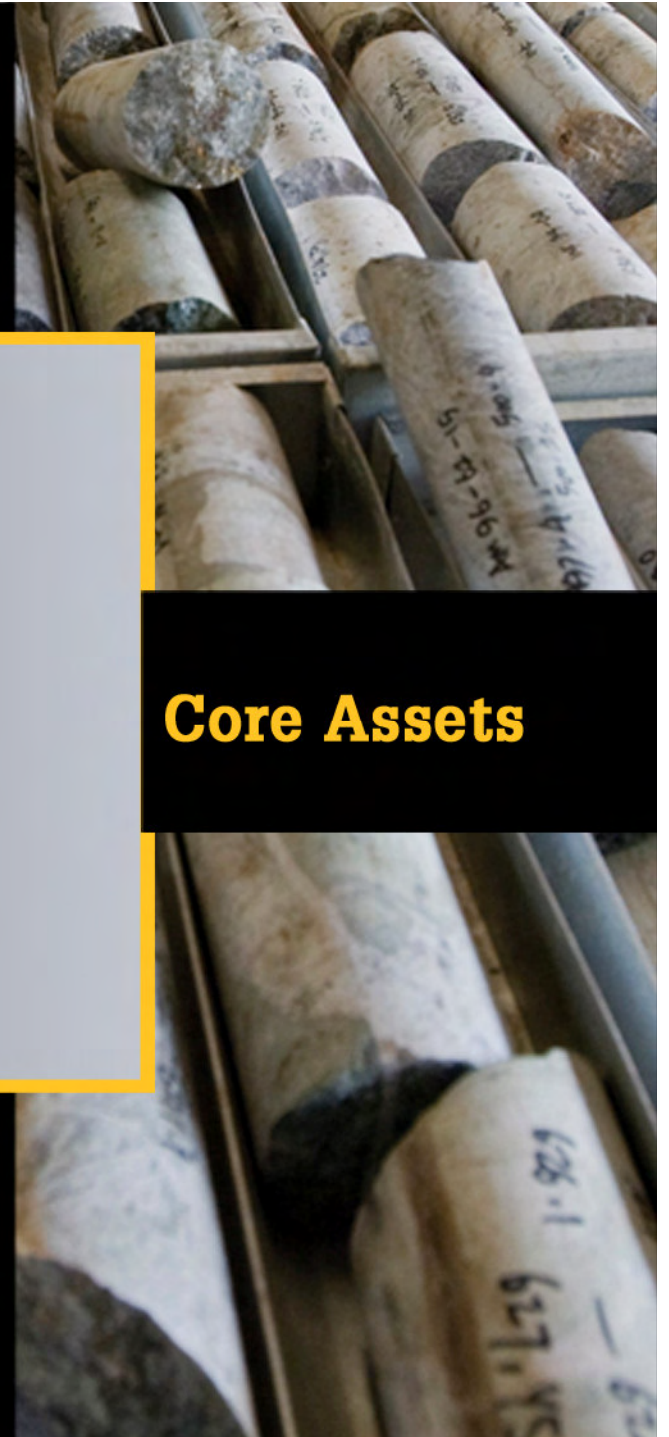
Mine For Closure

October 7, 2009

Core Assets

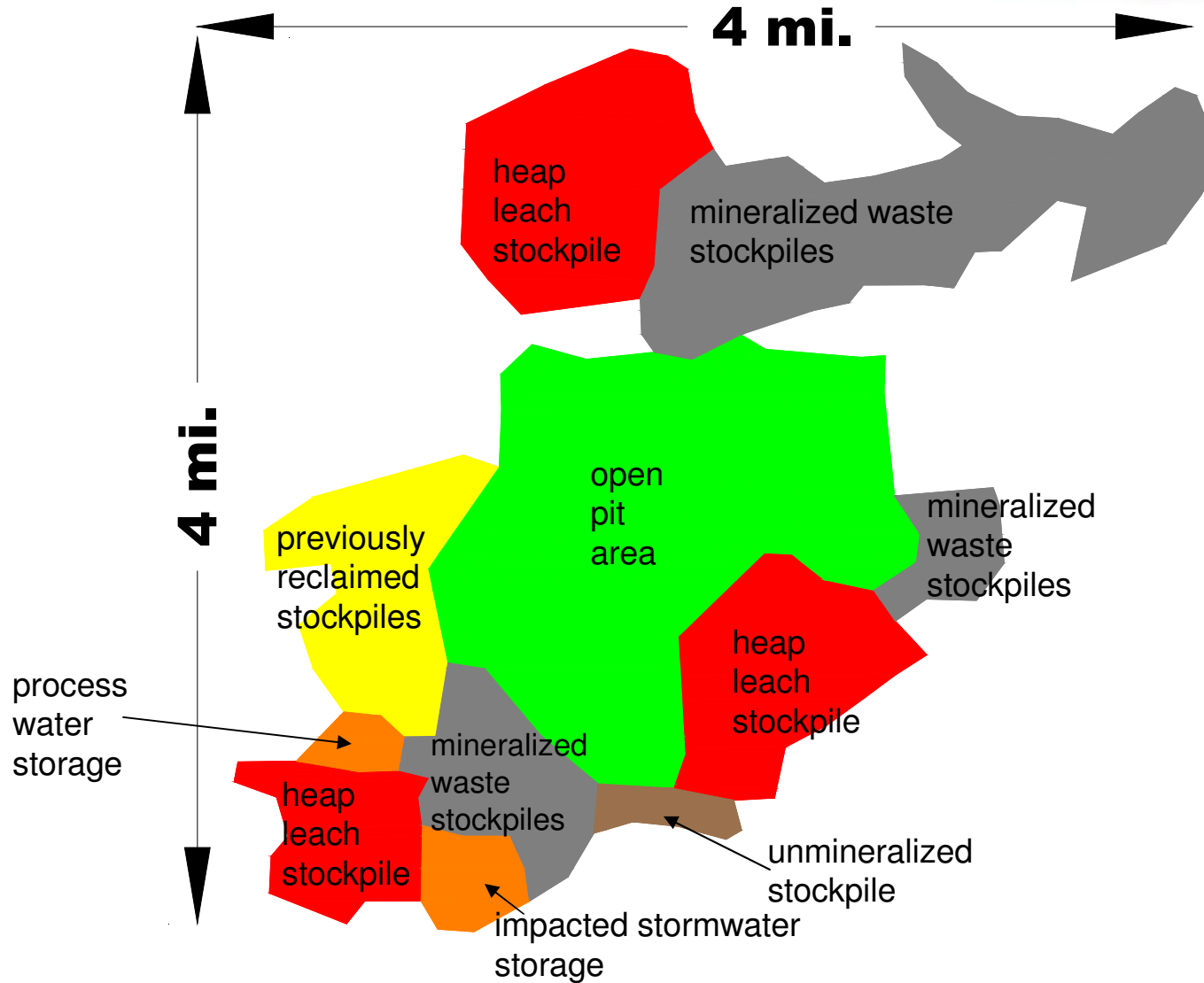
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A Hypothetical Mine Site



A Common Situation

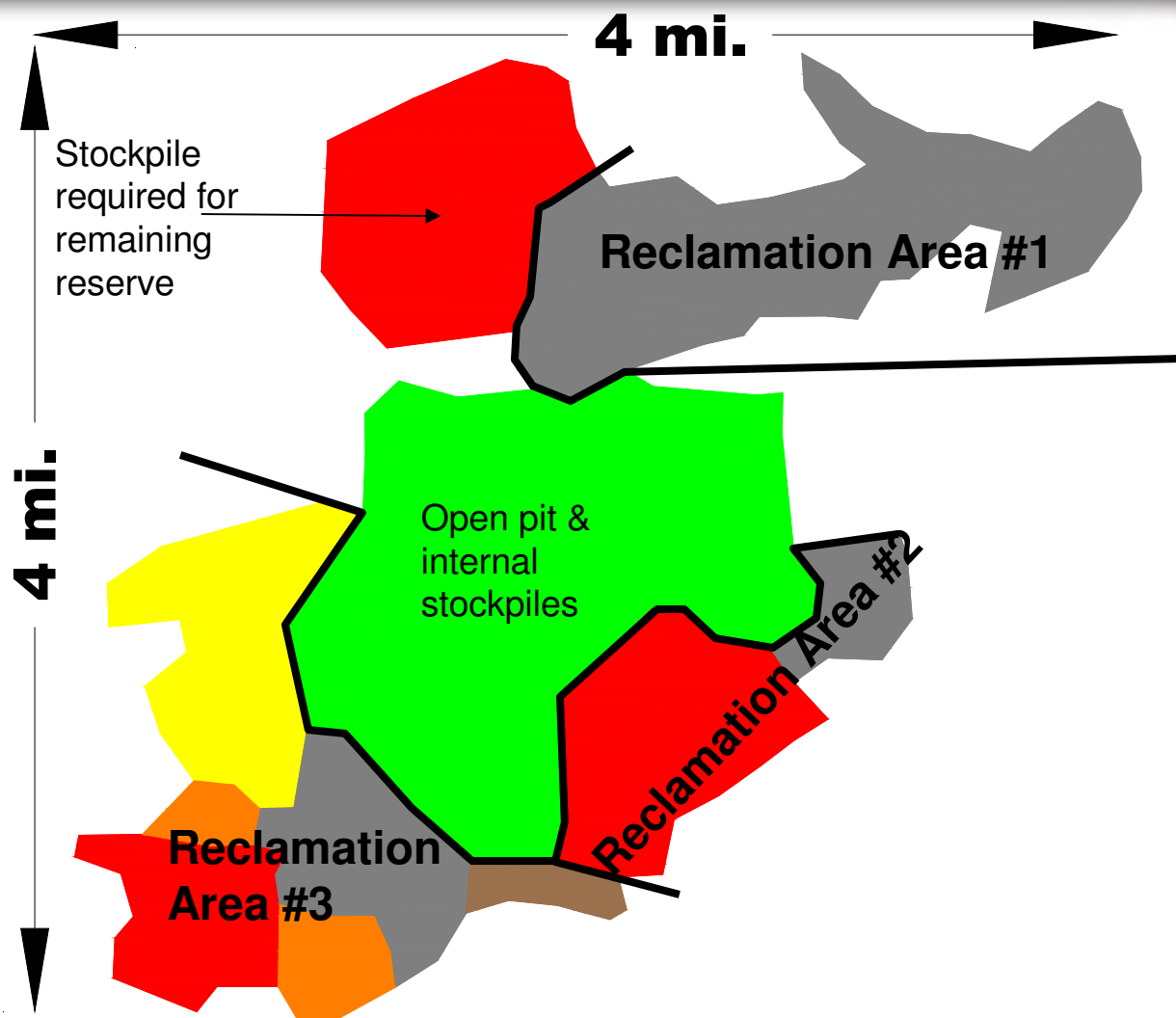
Core Assets

- Assumed Conditions
 - 100+ years of mining and processing
 - Has been in “care and maintenance” mode
 - 5 year mine life remaining
 - Stockpile construction
 - End dumped at slope angles between 1.4:1 to 2:1
 - All stockpiles are constructed over native ground
 - Multiple stockpiles constructed at or very near property boundaries
 - Existing “conceptual” Closure Plan
 - On-site containment of residual process and impacted waters
 - Reclamation scope tied to legal requirements; parts of site grand-fathered out of regulatory requirements

- Mine for Closure Evaluation Approach
 - Identify operation/reclamation synergies and opportunities
 - Residual copper assets?
 - Concurrent mining/reclamation opportunities – remaining stripping contains capping resource (previously unrealized value)
 - Improve impacted water management
 - Improve aesthetics
 - Post mine land use options/value creation



Separate "Elephant" into Bite-Sized Pieces



Mine for Closure Scope

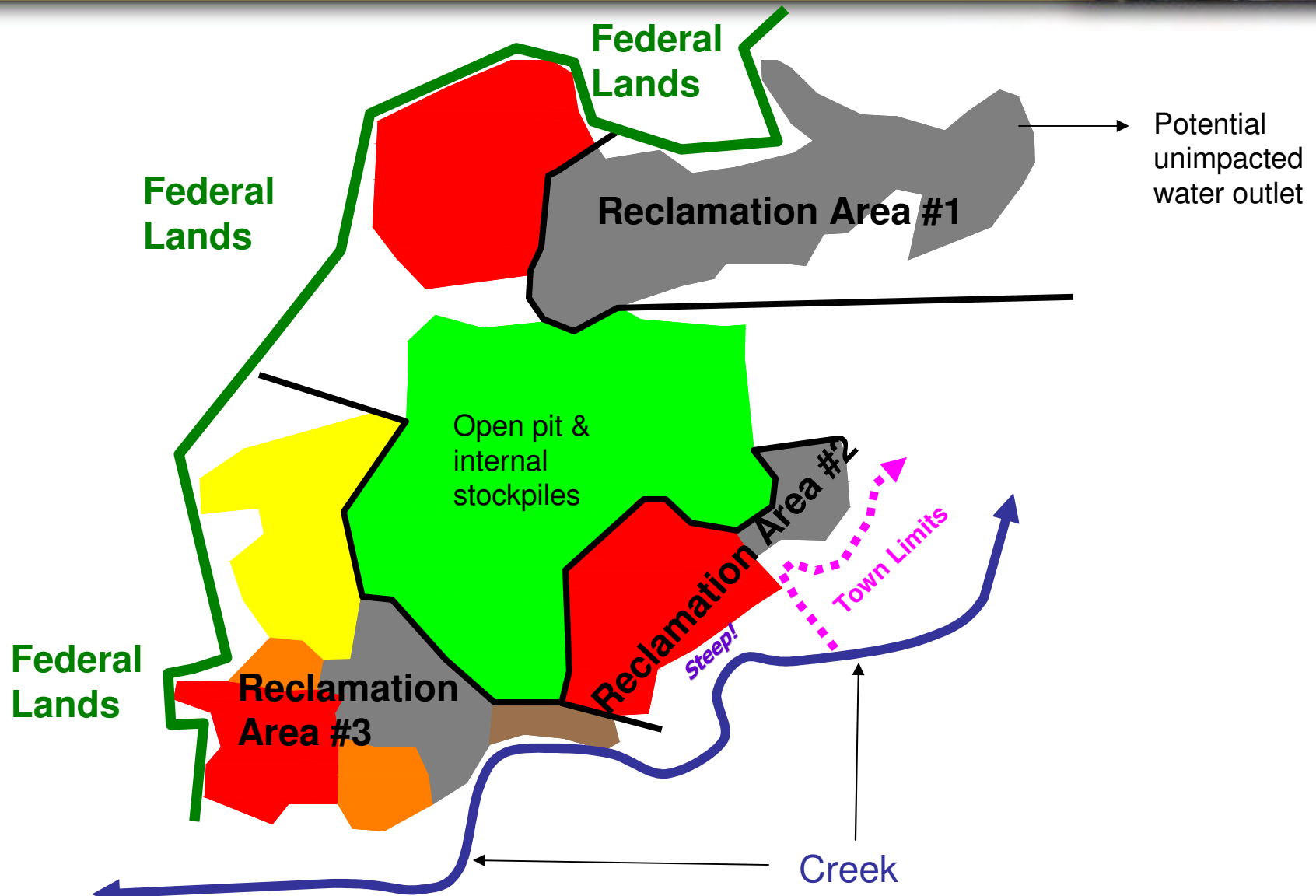
Core Assets

- Integrate Site Specific Best Management Practices (BMPs)
 - Some actions may exceed legal closure requirements

- Site Specific BMPs May Include:
 - Regrade stockpile slopes to site specific 3:1 configuration
 - Cap and revegetate stockpiles
 - Provide surface water source and migration control measures
 - Route unimpacted water off site
 - Reclaim considering post-mine land use value(s)
 - Industrial property
 - Commercial property
 - Natural habitat
 - Residential property
 - Other



Understand The Boundaries and Limitations



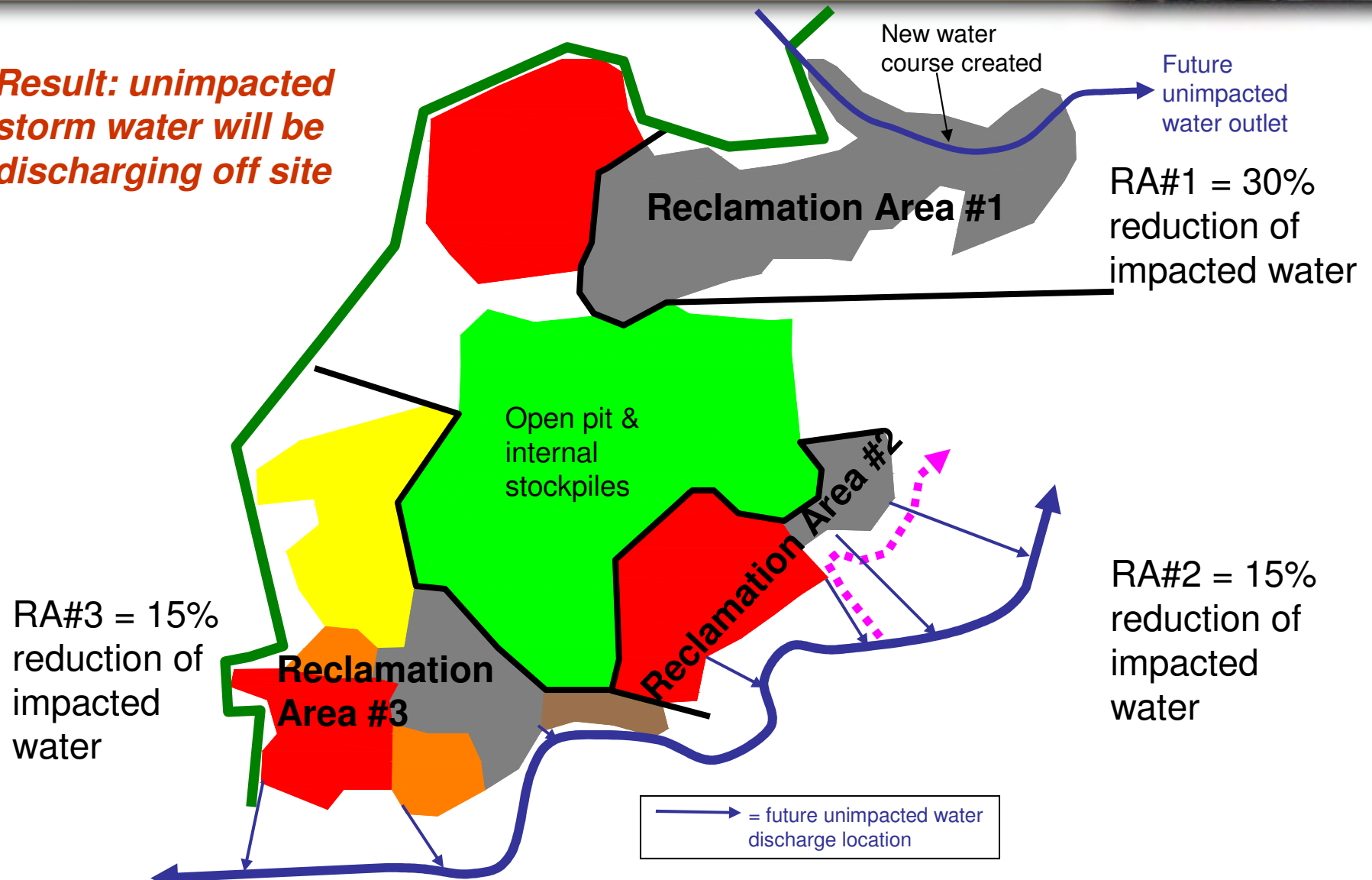
Effect of Boundaries & Limitations on Scope

- ** *"End dump at slope angles between 1.4:1 to 2:1"*
- ** *"Multiple stockpiles constructed at or very near property boundaries"*
- ** *"Regrade stockpile slopes to site specific 3:1 configuration"*

- Slopes that cannot be pushed down to reclamation configuration will have to be mined back
 - Leach material to heap leach areas only
 - Residual copper value?
 - Adequate capacity for slope mine back and remaining reserve?
 - Construction of remaining heap stockpile at current or reclamation configuration?
 - Mineralized waste material will have to be capped
 - Use as sub-grade on other proximal projects?
 - Other alternatives?
 - Non-mineralized waste material
 - Capping source for other proximal reclamation projects?

Water Management

Result: unimpacted storm water will be discharging off site



Potential Results of Evaluation

- Opportunity to Match Revenues With Reclamation Activities
 - Incremental copper recovery (revenue generation) opportunities in some leach stockpile slopes that must be mined back
 - Availability of suitable capping material in the remaining mine plan (model value assigned to that material)
 - The advantage of ***incremental haulage*** of capping material to reclamation areas
 - Construct remaining stockpiles utilized in mine plan to site specific reclamation configuration (i.e. 3:1 slopes)
 - Reduce reclamation and long-term operation/maintenance costs
- Opportunity for Improved Water Management
 - Reduce impacted water contained in hydrologic sink area
 - Reduce infiltration
 - Unimpacted storm water runoff directed off site
- Post Mine Land Use Opportunities (value creation)