

Freeport-McMoRan Inc.
333 North Central Avenue
Phoenix, AZ 85004

Jerry Roose
Director, North America Environmental Operations
Telephone: (602) 366-8458

March 7, 2016

Certified Mail

Mr. Fernando Martinez
Division Director, Mining & Minerals Division
Energy, Minerals, and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Ms. Michelle Hunter
Chief, Ground Water Quality Bureau
New Mexico Environment Department
Harold Runnels Building
1190 South St. Francis Drive
Santa Fe, New Mexico 87502

**Re: Third Party Guarantees for the Chino, Tyrone, and Continental Mining Facilities
Mining and Minerals Division Permit Nos. GR009RE, GR010RE, and GR002RE
New Mexico Environment Department Discharge Permit Nos. 1340, 1341, and 1403**

Dear Mr. Martinez and Ms. Hunter:

In accordance with the terms of Section 5.B, Financial Soundness, and Section 11, Notice Procedure, of the Third Party Guarantees for the Chino, Tyrone and Continental Mining Facilities, Freeport-McMoRan Inc. ("FCX") hereby submits the financial information required by the Third Party Guarantees for the Chino, Tyrone and Continental Mining Facilities to the Mining and Minerals Division ("MMD") of the Energy, Minerals and Natural Resources Department and the New Mexico Environment Department ("NMED").

Enclosed please find one copy of FCX's independently audited annual financial statements contained in the Annual Report on Form 10-K filed with the United States Securities and Exchange Commission on February 26, 2016 and amended Certificates of Guarantor's Compliance. Two separate Certificates of Compliance are presented, both of which are based upon the "Alternative I financial soundness test" set forth in 19.10.12.1208.G(8)(a) NMAC. The first Certificate of Compliance is presented based upon the current amounts of the Third Party Guarantees for the Chino, Tyrone and Continental Mining Facilities. That Certificate of Compliance does not show compliance with the Alternative I financial soundness test.

The second Certificate of Compliance, which is presented *pro forma*, is based upon a reduction in the amount of the guarantee for the Chino Mine. As you are aware, the amount of funds in the Chino Trust Fund currently exceeds the amount for which Chino is credited under the current terms of Chino's Permit No. GR009RE. This *pro forma* Certificate of Compliance is based upon a reduction in the amount of the Third Party Guarantee for Chino commensurate with the recognition of an additional amount present in the Chino Trust Fund, but not currently recognized as part of the overall financial assurance in place for Chino.

Representatives of FCX and the Chino, Tyrone and Continental Mining Facilities are scheduled to meet with representatives of MMD and NMED on March 9, 2016 to discuss this report and the Certificates of Compliance. At that meeting, our representatives propose to discuss the procedural steps to be taken to recognize the additional amounts in the Chino Trust Fund toward Chino's financial assurance obligation, such that MMD and NMED can accept the *pro forma* Certificate of Compliance as demonstrating that the current FCX guarantees, along with the other forms of financial assurance provided for the Chino, Tyrone and Cobre Mining Facilities, fully satisfies their current financial assurance obligations.

Pursuant to the above-referenced New Mexico authorities, MMD and NMED should maintain the Attachment to the enclosed Certificates of Compliance as confidential and exempt from public records or disclosure laws. If a request is made for public review of the document or information, MMD and NMED must notify FCX and provide a reasonable opportunity for FCX to substantiate its claim that public disclosure of the document and information would harm the competitive position of FCX. Ultimately, if

FCX substantiates its claim of confidentiality, MMD and NMED must not release the document or information.

I appreciate the consideration of MMD and NMED in this regard. Please contact the undersigned if you have any questions regarding this submittal.

Sincerely,

A handwritten signature in cursive script that reads "Jerry Ellis for Jerry Roose".

Jerry R. Roose
Director, North American Environmental Operations

Cc: Mr. Kurt Vollbrecht, Manager, Mining Environmental Compliance Section