

Climax Restarts: Molybdenum Mine Starts Commercial Production

PHOENIX, AZ, May 10, 2012 - Freeport-McMoRan's Climax mine near Leadville, Colo., is back in production after a 17-year hiatus. With a new mill and refurbished mining facilities and equipment, the first molybdenum concentrate, amounting to approximately 21,000 pounds of molybdenum, was shipped out the gate on May 10. The Climax Mine is now in commercial production.

First mined in 1916, almost 2 billion pounds of molybdenum have been produced from this historic mining operation. In 2007, Freeport-McMoRan announced plans to restart the Climax Mine, which had most recently been in operation in 1995. In 2008, in response to a sharp decline in molybdenum prices, those plans were placed on hold and construction activities were suspended. Construction restarted in 2010.

Molybdenum production is expected to ramp up to a rate of 20 million pounds per year during 2013 and, depending on market conditions, may be increased to 30 million pounds per year. Climax currently employs 300 people. Should the production rate increase to 30 million pounds per year, employment could increase to approximately 400.

Freeport-McMoRan intends to operate its Climax and Henderson molybdenum mines in a flexible manner to meet market requirements. Freeport-McMoRan believes that Climax is one of the most attractive primary molybdenum development projects in the world, with large-scale production capacity, attractive cash costs and future growth options.