

REPORT FROM OPIC PROJECT TEAM TO BOARD OF DIRECTORS

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country:	The Democratic Republic of Congo
Name of Borrower/Company:	Tenke Fungurume Mining S.A.R.L., a company organized and existing under the laws of the Democratic Republic of Congo
U.S. Sponsor/Investor:	Phelps Dodge Corporation (a wholly-owned subsidiary of Freeport-McMoRan Copper & Gold Inc.)
Foreign Sponsor:	Tenke Mining Corp. (Canada)
Foreign Investor:	La Générale des Carrières et des Mines (a public enterprise of the Democratic Republic of Congo owned 100% by the Democratic Republic of Congo)
Project Description:	The development, construction and operation of the mining and processing of the Tenke Fungurume ore deposit (the " Project ") to be implemented under an Amended and Restated Mining Convention. The Project involves the development of one of the world's largest, highest-grade undeveloped copper resources in the world. The ore reserves for the first phase of the Project are expected to last about 41 years. Cobalt is a significant by-product of the operation.
Initial Project costs:	\$962.2 million (including initial project capital, working capital, financing costs, and accumulated costs to date)
Proposed OPIC Loan:	\$250 million with a total term of 14 years
Investment Amount and Type:	\$253.54 million of equity and subordinated debt.
Proposed Insurance:	Up to \$250 million of inconvertibility, expropriation, and political violence coverage, subject to an aggregate limit of \$400 million for total OPIC financing and insurance provided to the Project. The term of the coverage would be 20 years.
Private Insurer Participation :	The Project currently has limited short-term private market coverage expiring in 2008. Phelps Dodge Corporation is seeking longer-term coverage and additional capacity from OPIC to be provided on a co-insurance basis with private market participation.
Developmental Effects:	The Project will inject a substantial amount into a struggling economy and is expected to create over 800 permanent local jobs. During construction, the Project is expected to procure over \$50 million in goods and services in the host country. There will also be a substantial amount of local procurement during operations. The Project will promote a high level of corporate social responsibility by offering healthcare to all employees and their dependents through on-site medical facilities, in a country in which the majority of the population has little

	or no access to health care. Through a local development fund, the Project will support a wide range of programs. The Project is expected to provide significant fiscal benefits for the host country by paying approximately \$100 million annually in duties, taxes, royalties, and other payments to the local and federal governmental institutions.
Environment:	The Project has been screened as Category A.