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## Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for April 2018

*The following report contains preliminary monthly data – the final quarterly production and sales results will be published in the forthcoming consolidated periodic report. Data of the KGHM Polska Miedź S.A. Group contain the results of Sierra Gorda reflecting the 55% share held by KGHM Polska Miedź S.A.*

### **Production results of the KGHM Group in April 2018 yoy:**

- **Payable copper production by the Group amounted to 47.7 thousand tonnes**, or 6.7 thousand tonnes (-12%) less than the amount produced in April 2017. The decrease was mainly with respect to copper production in KGHM Polska Miedź S.A. and was due to the maintenance shutdown at the Głogów II Copper Smelter and Refinery, which began on 8 April 2018. International production of payable copper was slightly lower (-0.3 thousand tonnes, or -3%), mainly due to lower ore extraction and to a decrease in the amount of Cu in ore processed by the Sierra Gorda mine.
- **Silver production by the Group amounted to 87.8 tonnes**. The decrease by 17% was due to a decrease in electrolytic copper production, and at the same time to a lower amount of anode slimes containing silver.
- **TPM production by the Group amounted to 15.2 thousand troy ounces**, and is lower by 3.1 thousand troy ounces (-17%). The decrease was with respect to KGHM Polska Miedź S.A. (-7%) and the international mines (-25%), due to the mining of TPM-poor ore in the Sudbury basin, alongside higher TPM production by the Robinson mine (+26%).
- **Molybdenum production by the Group amounted to 1.0 million pounds**. The substantial decrease compared to the same period of 2017 (-68%) was due to lower molybdenum content in the ore processed by the Sierra Gorda mine.

### **Sales by the KGHM Group in April 2018 yoy:**

- **Sales of payable copper by the Group in April 2018 amounted to 48.0 thousand tonnes and were higher by 0.7 thousand tonnes (1%) compared to the same period of 2017**. Sales of copper in concentrate by Sierra Gorda were lower by 39%, though logistical considerations in the case of sales of copper concentrate had the greatest impact. Sales of copper concentrate are usually carried out in individual lots of approx. 11 thousand tonnes wet weight. Due to the large size of individual batches, monthly sales of concentrate may not always fully match monthly production. At the same time, an increase or decrease of concentrate sales for a given month by a single lot, when compared to the prior year, has a tremendous impact on the given amount of monthly sales yoy. In April there also occurred the first sale in 2018 of copper in concentrate from the production assets in Poland (approx. 4.5 thousand tonnes).

- **Sales of silver by the Group amounted to 98.1 tonnes and were lower by 6.2 tonnes (-6%),** due to the lower amount of production. Sales of silver in Polish copper concentrate amounted to 15.2 tonnes.
- **TPM sales by the Group amounted to 9.2 thousand troy ounces and were lower by 15.3 thousand troy ounces (-62%),** mainly due to lower production in the first months of 2018 in KGHM Polska Miedź S.A., the requirements of customers regarding the size of individual consignments and logistical considerations with respect to Cu concentrate, as mentioned in the point above regarding copper sales.
- **Molybdenum sales by the Group amounted to 1.3 million pounds and were lower by 0.3 million pounds (-20%),** due to lower production and to the schedule of consignments agreed with the main customers.

#### **KGHM Polska Miedź S.A.:**

The lower amount of copper and silver in concentrate as compared to April 2017 is directly due to the drop in ore extraction by the mines as a result of deteriorated geological and mining conditions, the occurrence of barren rock zones and the need to increase the scope of mine development work through these zones.

#### **KGHM International:**

- ore in the Robinson mine was characterised by high copper content, with improved recovery of gold by the processing plant,
- ore in the Sudbury Basin was of substantially poorer quality, with metal content (copper, nickel, TPM) in ore substantially lower than a year earlier – the drop in production by the Morrison mine was not completely offset by the higher production in the McCreedy mine.

<b>Production and sales of the KGHM Group</b>	<b>April 2018</b>	<b>April 2017</b>	<b>monthly change yoy</b>
Payable copper (kt)	47.7	54.4	-12%
Payable silver (t)	87.8	105.6	-17%
TPM (koz t)	15.2	18.2	-17%
Molybdenum (mn lbs)	1.0	3.0	-67%
Copper sales (kt)	48.0	47.3	1%
Silver sales (t)	98.1	104.3	-6%
TPM sales (koz t)	9.2	24.5	-62%
Molybdenum sales (mn lbs)	1.3	1.6	-20%

<b>Production of KGHM Polska Miedź S.A.</b>	<b>April 2018</b>	<b>April 2017</b>	<b>monthly change yoy</b>
<b>Mine production:</b>			
Copper in concentrate (kt)	33.0	34.8	-5%
Silver in concentrate (t)	101.7	107.0	-5%
<b>Metallurgical production:</b>			
Electrolytic copper (kt)	37.1	43.5	-15%
- including from own concentrate	28.3	30.6	-8%
Metallic silver (t)	87.0	104.5	-17%
TPM (koz t)	8.0	8.6	-7%
Copper sales (kt)	38.1	38.0	0%
Silver sales (t)	97.2	102.9	-6%
TPM sales (koz t)	2.5	15.3	-84%

<b>Production of KGHM International</b>	<b>April 2018</b>	<b>April 2017</b>	<b>monthly change yoy</b>
Payable copper (kt)	<b>6.9</b>	<b>7.0</b>	<b>-2%</b>
- Robinson mine	4.9	4.4	12%
- Sudbury Basin mines	0.4	0.9	-53%
- other (Carlota, Franke)	1.5	1.7	-10%
TPM (koz t)	<b>5.8</b>	<b>7.7</b>	<b>-25%</b>
- Robinson mine	3.6	2.8	26%
- Sudbury Basin mines	2.2	4.9	-55%
Payable nickel (kt)	<b>0.03</b>	<b>0.11</b>	<b>-73%</b>
Molybdenum (mn lbs)	<b>0.05</b>	<b>0.16</b>	<b>-71%</b>
Copper sales (kt)	7.9	6.1	30%
TPM sales (koz t)	6.0	7.5	-19%
Nickel sales (kt)	0.03	0.11	-73%
Silver sales (t)	0.51	0.46	11%
Molybdenum sales (mn lbs)	0.04	0.05	-25%

<b>Production of Sierra Gorda (on a 55% basis)</b>	<b>April 2018</b>	<b>April 2017</b>	<b>monthly change yoy</b>
Payable copper (kt)	3.7	3.9	-5%
Molybdenum (mn lbs)	0.9	2.8	-68%
Payable silver (t)	0.8	1.1	-27%
TPM (koz t)	1.4	1.9	-26%
<b>Sales of Sierra Gorda (on a 55% basis)</b>			
Copper sales (kt)	2.0	3.2	-39%
Molybdenum sales (mn lbs)	1.3	1.6	-20%
Silver sales (t)	0.3	0.9	-64%
TPM sales (koz t)	0.7	1.7	-58%