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

*The following report contains preliminary monthly data – the final quarterly and annual 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.*

In the period January-November 2018, production of copper, silver and precious metals (TPM) by the KGHM Group was at similar levels to the target amounts. With respect to molybdenum production, the target was not achieved due to lower-than-planned processing and molybdenum content in the ore extracted from the Sierra Gorda mine.

Copper sales volume was not significantly different from the amount planned for the KGHM Group for the period January to November 2018. With respect to other metals – with the exception of precious metals – the sales plan was exceeded.

### Production results of the KGHM Group in November 2018 yoy:

- **Payable copper production amounted to 54.2 thousand tonnes**, higher than in the comparable period of 2017 by 7%. Increases were recorded by KGHM Polska Miedź S.A. (+9%) and Sierra Gorda (+4%), while production by KGHM International was lower by 3%. The improvement in domestic production concerned the production from own concentrates, while in Sierra Gorda the main reason for the increase was the higher volume of processed ore. The drop in copper production by KGHM International concerned the Sudbury Basin mines and was mainly due to the lower grade of copper in extracted ore and to lower copper recovery (the remaining mines of KGHM International increased production compared to November 2017).
- **Silver production amounted to 113.7 tonnes**, or an increase compared to November 2017 by 43%, mainly in KGHM Polska Miedź S.A.
- **TPM production amounted to 15.1 thousand troy ounces**. The increase by nearly 6% compared to November 2017 came from KGHM Polska Miedź S.A. and Sierra Gorda, with lower production by KGHM International due to lower content of gold, platinum and palladium in the ore extracted from the Sudbury Basin.
- **Molybdenum production amounted to 1.4 million pounds** and was higher than the level achieved in November 2017 due to the higher volume of ore processed by the Sierra Gorda mine.

## Sales by the KGHM Group in November 2018 yoy:

- **Sales of payable copper amounted to 55.6 thousand tonnes** and were higher by 3.9 thousand tonnes (+8%) due to higher copper sales by KGHM Polska Miedź S.A.
- **Sales of silver amounted to 111.4 tonnes** and were higher by 50.5 tonnes (+83%) compared to November 2017. The main reason was higher silver sales by KGHM Polska Miedź S.A.
- **TPM sales amounted to 19.7 thousand troy ounces** and were comparable to the level of sales in November 2017 (+4%).
- **Molybdenum sales amounted to 1.3 million pounds** and were lower by 0.3 million pounds (20%) compared to November 2017. This was due to lower sales by Sierra Gorda.

### **KGHM Polska Miedź S.A.:**

- **Sales of copper amounted to 44.3 thousand tonnes** and were higher by 4.6 thousand tonnes (+12%). The difference was due to the sale of approx. 1.2 thousand tonnes of copper in concentrate (in 2017 there were no sales of copper concentrate) and to higher production of electrolytic copper by approx. 3.4 thousand tonnes in November 2018 compared to November 2017.
- **Sales of silver amounted to 109.5 tonnes** and were higher by 50.9 tonnes (+87%) compared to sales in November 2017. The difference was due among others to higher production compared to the comparable period of 2017, the schedule of orders by customers in the current year and to sales of silver in copper concentrate (in 2017 there were no sales of copper concentrate).
- **TPM sales amounted to 11.4 thousand troy ounces** and were higher by 2.2 thousand troy ounces (+24%) compared to sales in November 2017. The difference was due among others to higher production compared to the comparable period of 2017.

### **KGHM International:**

- **Sales of copper amounted to 6.7 thousand tonnes** and were lower by 0.9 thousand tonnes (-12%) compared to sales in November 2017. The main reason was lower sales by the Sudbury Basin (due to lower production of payable copper) and by the Robinson mine (due to the schedule of deliveries).
- **TPM sales amounted to 5.8 thousand troy ounces** and were lower by 1.9 thousand troy ounces (-25%) compared to sales in November 2017. Similarly as in the case of the volume of sales of payable copper, the main reason was the lower sales of ore from the Sudbury Basin and to the lower sale of copper concentrate by the Robinson mine.
- **Sales of silver amounted to 0.6 tonnes** and were lower by 0.6 tonnes (-50%) compared to sales in November 2017, mainly due to the lower amount of payable silver in concentrate produced by the Robinson mine and in ore from the Sudbury Basin.
- **Sales of molybdenum amounted to 0.04 million pounds** and were higher by 0.02 million pounds (+107%) compared to sales in November 2017, which was mainly due to substantially higher production by the Robinson mine.

**Sierra Gorda (55%):**

- **Sales of copper amounted to 4.7 thousand tonnes** and were higher by 0.3 thousand tonnes (+6%) compared to November 2017, due to slightly higher (by approx. 4.5 thousand tonnes dry weight) sales of copper concentrate.
- **Molybdenum sales amounted to 1.3 million pounds** and were lower by 0.3 million pounds (-21%) compared to sales in November 2017. Sales of molybdenum reflect the schedule of processing molybdenum concentrate and the return of molybdenum oxides designated for sale.
- **Sales of silver amounted to 1.3 tonnes** and were higher by 0.3 tonnes (+28%).
- **TPM sales amounted to 2.4 thousand troy ounces** and were higher by 0.4 thousand troy ounces (+24%).

The higher sales of silver and TPM, similarly as in the case of copper, were due to higher sales of copper concentrate in November 2018 compared to November 2017.

<b>Production and sales of the KGHM Group</b>	<b>November 2018</b>	<b>November 2017</b>	<b>monthly change* yoy</b>
Payable copper (kt)	54.2	50.7	7%
Payable silver (t)	113.7	79.7	43%
TPM (koz t)	15.1	14.3	6%
Molybdenum (mn lbs)	1.4	1.1	27%
Copper sales (kt)	55.6	51.7	8%
Silver sales (t)	111.4	60.9	83%
TPM sales (koz t)	19.7	18.9	4%
Molybdenum sales (mn lbs)	1.3	1.6	-20%

<b>Production and sales of KGHM Polska Miedź S.A.</b>	<b>November 2018</b>	<b>November 2017</b>	<b>monthly change* yoy</b>
<b>Mine production:</b>			
Copper in concentrate (kt)	32.8	34.3	-4%
Silver in concentrate (t)	104.8	104.1	1%
<b>Metallurgical production:</b>			
Electrolytic copper (kt)	43.5	40.0	9%
- including from own concentrate	33.3	29.0	15%
Metallic silver (t)	112.3	78.6	43%
TPM (koz t)	7.7	5.8	34%
Copper sales (kt)	44.3	39.7	12%
Silver sales (t)	109.5	58.6	87%
TPM sales (koz t)	11.4	9.2	24%

<b>Production and sales of KGHM International</b>	<b>November 2018</b>	<b>November 2017</b>	<b>monthly change* yoy</b>
Payable copper (kt)	5.7	5.9	-3%
TPM (koz t)	4.9	6.4	-24%
Molybdenum (mn lbs)	0.09	0.01	911%
Copper sales (kt)	6.7	7.6	-12%
TPM sales (koz t)	5.8	7.7	-25%
Silver sales (t)	0.6	1.2	-50%
Molybdenum sales (mn lbs)	0.04	0.02	107%

<b>Production and sales of Sierra Gorda (on a 55% basis)</b>	<b>November 2018</b>	<b>November 2017</b>	<b>monthly change* yoy</b>
Payable copper (kt)	5.0	4.8	4%
Molybdenum (mn lbs)	1.3	1.1	12%
Payable silver (t)	1.4	1.1	31%
TPM (koz t)	2.5	2.1	18%
Copper sales (kt)	4.7	4.4	6%
Molybdenum sales (mn lbs)	1.3	1.6	-21%
Silver sales (t)	1.3	1.0	28%
TPM sales (koz t)	2.4	2.0	24%

\* percentage change on the basis of unrounded data