

Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for October 2020

The following report contains preliminary monthly data – the final quarterly and annual production and sales results will be published in the consolidated annual report for 2020. 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 October 2020 better KGHM Group production and sales of payable copper compared to the corresponding prior-year month and period.

In the period January to October 2020 production and sales of copper by the Group were below plan, due to lower-than-planned mined production, a limited supply of scrap (in the first half of 2020) in KGHM Polska Miedź S.A. and lower production by KGHM INTERNATIONAL LTD. An analogous decrease was also recorded for silver, while the production and sales targets of the other main products were exceeded.

Results of the KGHM Group in October 2020 - y/y:

Production and sales of the KGHM Group	October 2020	October 2019	I - X 2020	I - X 2019
Production				
Payable copper (kt)	61.1	56.3	582.1	585.8
- including KGHM Polska Miedź S.A.*	48.9	45.2	460.8	472.8
Payable silver (t)	125.2	124.7	1 120.6	1 153.5
TPM (koz t)	16.6	18.7	161.8	175.7
Molybdenum (mn lbs)	0.6	0.7	7.9	9.5
Sales				
Copper (kt)	57.1	50.7	572.9	564.3
Silver (t)	123.5	124.8	1138.4	1167.0
TPM (koz t)	19.0	7.9	167.8	154.1
Molybdenum (mn lbs)	0.8	0.8	8.2	10.5

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 61.1 thousand tonnes** – an increase by 4.8 thousand tonnes (+9%) versus the corresponding month of 2019, due to the higher availability of the main production line in KGHM Polska Miedź S.A. and the processing of higher-grade ore by Sierra Gorda.
- **Production of silver amounted to 125.2 tonnes**, or at a level slightly higher than the one achieved in the corresponding month of 2019.
- **Production of TPM amounted to 16.6 thousand troy ounces**, or a decrease by 2.1 thousand troy ounces (-11%), mainly due to lower processing in Sudbury and the lower grade and recovery of gold by the Robinson mine.
- **Production of molybdenum amounted to 0.6 million pounds**, or a decrease in production by 0.1 million pounds (-14%) compared to October 2019 due to lower molybdenum content and a lower volume of ore processed by Sierra Gorda.

Sales of the KGHM Group:

- **Sales of copper amounted to 57.1 thousand tonnes** and were higher by 6.4 thousand tonnes (+13%) compared to sales of copper in October 2019. The main reason for this increase was higher sales of copper by the Sierra Gorda mine. The remaining production assets of the Group likewise recorded better copper sales results in October 2020 versus 2019.
- **Sales of silver amounted to 123.5 tonnes** and were at the same level of sales as in October 2019 (-1%).
- **Sales of TPM amounted to 19.0 thousand troy ounces** and were higher by 11.1 thousand troy ounces (+141%) compared to the corresponding period of 2019. The increase was due to sales of gold by KGHM Polska Miedź S.A.
- **Sales of molybdenum amounted to 0.8 million pounds** and were at the same level of sales as in October 2019.

Results of KGHM Polska Miedź S.A. in October 2020 - y/y:

Production and sales of KGHM Polska Miedź S.A.	October 2020	October 2019	I - X 2020	I - X 2019
Mine production:				
Copper in concentrate (kt)	34.7	36.5	331.5	341.4
Silver in concentrate (t)	109.8	114.5	1 026.7	1 066.6
Metallurgical production:				
Electrolytic copper (kt)	48.9	45.2	460.8	472.8
- including from own concentrate	41.2	32.9	328.3	346.1
Metallic silver (t)	122.9	123.5	1 098.3	1 141.4
TPM (koz t)	10.6	9.4	77.7	80.7
Sales				
Copper (kt)	44.4	42.6	449.4	457.2
Silver (t)	120.4	123.3	1 110.3	1 152.4
TPM (koz t)	11.9	0.3	79.3	69.1

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 34.7 thousand tonnes** and was lower by 1.8 thousand tonnes (-5%) compared to October 2019. The lower production was due to the processing of lower quality ore from the mines.
- **Production of silver in concentrate amounted to 109.8 tonnes** and was lower by 4.7 tonnes (-4%) compared to October 2019, due to the lower content of this mineral in the ore.
- **Production of electrolytic copper amounted to 48.9 thousand tonnes** and was higher by 3.7 thousand tonnes (+8%) compared to October 2019. The increase in cathode production was due to the higher availability of the main production line.
- **Production of metallic silver amounted to 122.9 tonnes** and was at a similar level to that recorded in October 2019.
- **Production of TPM (metallic gold) amounted to 10.6 thousand troy ounces** and was higher by 1.2 thousand troy ounces (+13%) compared to October 2019.

Sales of KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 44.4 thousand tonnes** and were at a similar level to sales in October 2019 (+4%). The slight increase was due to higher production of copper in October 2020.
- **Sales of silver amounted to 120.4 tonnes** and were at a similar level to October 2019 (-2%).
- **Sales of TPM amounted to 11.9 thousand troy ounces** and were higher by 11.6 thousand troy ounces compared to sales in October 2019. The increase in sales was due to the slightly higher production and, most of all, to a large shipment of exported gold. Exported shipments of gold are made in large parties (usually no less than 200 kg).

Results of KGHM INTERNATIONAL LTD. in October 2020 - y/y:

Production and sales of KGHM INTERNATIONAL LTD.	October 2020	October 2019	1 - X 2020	1 - X 2019
Production				
Payable copper (kt)	5.7	6.3	54.9	63.8
TPM (koz t)	3.7	6.8	58.1	69.7
Molybdenum (mn lbs)	0.002	0.047	0.37	0.64
Sales				
Copper (kt)	5.7	5.1	59.9	58.0
TPM (koz t)	4.6	5.7	63.1	59.2
Silver (t)	0.6	0.8	6.7	2.7
Molybdenum (mn lbs)	0.04	0.06	0.5	0.7

Production of KGHM INTERNATIONAL LTD.:

- **Production of copper amounted to 5.7 thousand tonnes** and was lower by 0.6 thousand tonnes (-10%) compared to October 2019. Production by Robinson and Carlota was at the same level as last year. The Franke and Sudbury Basin mines meanwhile recorded lower payable copper production:
 - lower production by the Franke mine (by 0.4 thousand tonnes) mainly due to lower recovery, due to high carbonates content in the deposit,
 - lower copper production by the Sudbury Basin (by 0.2 thousand tonnes) mainly due to extracting from a part of the deposit with lower copper content in ore,
 - in Sudbury accrued lower extraction compared to the corresponding prior-year period, also due to the suspension of work in the Morrison mine after Q1 2019.
- **Production of TPM amounted to 3.7 thousand troy ounces** and was lower by 3.1 thousand troy ounces (-46%) compared to October 2019. Lower production of precious metals was recorded both in the Sudbury Basin (-1.0 thousand troy ounces – lower extraction despite higher TPM content in ore), and in the Robinson mine (-2.1 thousand troy ounces - lower gold content in ore and lower recovery).
- **Production of molybdenum in the Robinson mine amounted to 0.002 million pounds** and was lower by 0.045 million pounds (-95%) than the amount produced in October 2019 due to mining in a transition zone with low molybdenum content.

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 5.7 thousand tonnes** and were higher by 0.6 thousand tonnes (+12%) compared to sales in October 2019. This was due to higher sales of copper from Robinson concentrate due to the higher tonnage of concentrate sold (by approx. 3.5 thousand tonnes dry weight). There was a slight decrease in copper extracted from the Sudbury Basin (lower production due to a lower tonnage of ore sold) as well as production of cathodes by the Franke and Carlota mines (in total by approx. 0.4 thousand tonnes).
- **Sales of TPM amounted to 4.6 thousand troy ounces** and were lower by 1.1 thousand troy ounces (-19%) compared to the corresponding period of 2019. This was mainly due to lower sales of TPM from the Sudbury Basin, resulting from the lower content of platinum and palladium and a lower amount of ore shipped.
- **Sales of silver amounted to 0.6 tonnes** and were lower by 0.2 tonnes (-25%) than sales in October 2019. The difference was due to lower sales of silver from Robinson concentrate resulting from lower content of this metal in sold material.
- **Sales of molybdenum amounted to 0.04 million pounds** and were lower by 0.02 million pounds (-33%) compared to sales recorded in October 2019. The decrease was due to lower molybdenum production in October 2020.

Results of Sierra Gorda S.C.M. in October 2020 - y/y:

Production and sales of Sierra Gorda (on a 55% basis)	October 2020	October 2019	I - X 2020	I - X 2019
Production				
Payable copper (kt)	6.5	4.8	66.4	49.2
Molybdenum (mn lbs)	0.6	0.7	7.5	8.9
Payable silver (t)	2.3	1.2	22.3	12.1
TPM (koz t)	2.3	2.5	26.0	25.3
Sales				
Copper (kt)	7.0	3.0	63.6	49.1
Molybdenum (mn lbs)	0.8	0.7	7.6	9.7
Silver (t)	2.5	0.7	21.4	11.9
TPM (koz t)	2.5	1.9	25.5	25.8

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 6.5 thousand tonnes** and was higher by 1.7 thousand tonnes (+35%) compared to October 2019.
- In October 2020 there was an increase in production of payable copper compared to October 2019 thanks to higher metal content in mined ore, despite the lower amount of ore processed. The increase in payable copper production in the period from January to October 2020 was due to higher ore throughput as well as to higher copper content in extracted ore compared to the corresponding period of 2019.
- **Production of molybdenum amounted to 0.6 million pounds** and was lower by 0.1 million pounds (-14%) compared to October 2019.
- The decrease in molybdenum production in October 2020 compared to October 2019 was due to lower metal content and to a lower volume of processed ore. In the period from January to October 2020 molybdenum production was lower due to lower content of this metal in ore compared to the corresponding period of 2019. The impact of this factor on the production results in this period was partially offset by the higher volume of processed ore.

Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 7.0 thousand tonnes** and were higher by 4.0 thousand tonnes (133%) compared to sales in October 2019. This was due to a more than doubling of the volume of copper concentrate sold in October 2020 (by approx. 34 thousand tonnes dry weight) due to higher production of copper and to the schedule of planned shipments.
- **Sales of molybdenum amounted to 0.8 million pounds** and were higher by 0.1 million pounds (+14%) compared to October 2019. The volume of sales of molybdenum reflects the schedule of processing molybdenum concentrate and the return of molybdenum oxides designated for sale as well as the planned and achieved level of molybdenum production by the Sierra Gorda mine.
- **Sales of silver amounted to 2.5 tonnes** and were higher by 1.8 tonnes (+257%).
- **Sales of TPM amounted to 2.5 thousand troy ounces** and were higher by 0.6 thousand troy ounces (+32%). The increase in sales of silver and gold was mainly due, similarly as in the case of copper, to a higher volume of sold copper concentrate.