

## Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for December 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 the year 2020 the Group recorded an increase in copper production of 1% and in sales of copper by 3% compared to the corresponding period of 2019. Consequently the level of copper production by the Group did not substantially differ from the budget targets for 2020.

Production of silver was lower than the planned target for 2020 due to the lower silver content in ore extracted by KGHM Polska Miedź S.A. On the other hand, the targets for precious metals production as well as for sales of molybdenum were exceeded.

## Results of the KGHM Group in December 2020 - y/y:

Production and sales of the KGHM Group	December 2020	December 2019	I - XII 2020	I - XII 2019
<b>Production</b>				
Payable copper (kt)	64.5	59.3	709.2	701.6
- including KGHM Polska Miedź S.A.*	51.1	47.0	560.4	565.6
Payable silver (t)	125.6	129.3	1 350.5	1 414.8
TPM (koz t)	14.4	23.0	194.3	220.1
Molybdenum (mn lbs)	0.9	1.3	9.4	12.0
<b>Sales</b>				
Copper (kt)	75.8	61.9	715.3	691.9
Silver (t)	161.1	122.7	1404.7	1412.0
TPM (koz t)	17.9	25.8	203.4	211.2
Molybdenum (mn lbs)	1.1	0.8	10.0	12.6

\* Production of electrolytic copper

### Production of the KGHM Group:

- **Production of payable copper amounted to 64.5 thousand tonnes** - an increase by 5.2 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 a higher volume of ore, of higher copper content and with higher recovery, by Sierra Gorda.
- **Production of payable silver amounted to 125.6 tonnes**, or 3.7 tonnes (-3%) less than in the corresponding month of 2019 due to the lower content of silver in charge material processed by KGHM Polska Miedź S.A.
- **Production of TPM amounted to 14.4 thousand troy ounces**, or a decrease by 8.6 thousand troy ounces (-37%), mainly due to a decrease in the amount of gold produced by KGHM Polska Miedź S.A. and by the Robinson mine, as well as to a decrease in precious metals content in ore extracted in the Sudbury Basin.
- **Production of molybdenum amounted to 0.9 million pounds**, or a decrease in production by 0.4 million pounds (-31%) compared to December 2019 due to lower molybdenum content and recovery in Sierra Gorda.

### Sales of the KGHM Group:

- **Sales of copper amounted to 75.8 thousand tonnes** and were higher by 13.9 thousand tonnes than the level achieved in December 2019 (+22%). The main reason for the increase was a higher level of copper sales by KGHM Polska Miedź S.A. (+11.7 thousand tonnes). An increase in copper sales was also recorded by the other production assets (KGHM INTERNATIONAL LTD. and the Sierra Gorda mine).
- **Sales of silver amounted to 161.1 tonnes** and were higher by 38.4 tonnes (+31%) compared to sales in December 2019. The main reason for the increase was a higher level of silver sales by KGHM Polska Miedź S.A. than in the prior year. There was however a slight decrease recorded by KGHM INTERNATIONAL LTD.
- **Sales of TPM amounted to 17.9 thousand troy ounces** and were lower by 7.9 thousand troy ounces (-31%) compared to sales in the corresponding period of 2019. Sales of gold by the production assets in Poland and by the Sierra Gorda mine were lower than in the prior year, as were sales of platinum and palladium by KGHM INTERNATIONAL LTD.
- **Sales of molybdenum amounted to 1.1 million pounds** and were higher by 0.3 million pounds (+38%) compared to December 2019. The increase in molybdenum sales was mainly in respect of the Sierra Gorda mine.

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

Production and sales of KGHM Polska Miedź S.A.	December 2020	December 2019	I - XII 2020	I - XII 2019
<b>Mine production:</b>				
Copper in concentrate (kt)	28.1	26.8	392.7	398.9
Silver in concentrate (t)	88.2	85.0	1 218.2	1 249.0
<b>Metallurgical production:</b>				
Electrolytic copper (kt)	51.1	47.0	560.4	565.6
- including from own concentrate	42.2	36.4	413.3	418.3
Metallic silver (t)	123.5	127.9	1 322.9	1 400.2
TPM (koz t)	7.6	12.1	96.8	103.7
<b>Sales</b>				
Copper (kt)	59.9	48.2	561.0	556.9
Silver (t)	157.6	119.9	1369.1	1392.8
TPM (koz t)	9.8	13.9	100.1	101.4

### Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 28.1 thousand tonnes** and was higher by 1.3 thousand tonnes (+5%) compared to December 2019. The increase in production was due to higher processing of ore by the mines.
- **Production of silver in concentrate amounted to 88.2 tonnes** and was higher by 3.2 tonnes (+4%) compared to December 2019, due to a higher amount of ore processed.
- **Production of electrolytic copper amounted to 51.1 thousand tonnes** and was higher by 4.1 thousand tonnes (+9%) compared to December 2019. The increase in cathode production was due to the higher availability of the production lines.
- **Production of metallic silver amounted to 123.5 tonnes** and was lower by 4.4 tonnes (-3%) compared to December 2019. The decrease in metallic silver production was due to lower silver content in charge materials.
- **Production of TPM (metallic gold) amounted to 7.6 thousand troy ounces** and was lower by 4.5 thousand troy ounces (-37%) compared to 2019.

### Sales of KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 59.9 thousand tonnes** and were higher by 11.7 thousand tonnes (+24%) compared to the level of sales in December 2019. The increase was due to higher production of copper in December 2020 and to the schedule of shipments of copper cathodes agreed with customers.
- **Sales of silver amounted to 157.6 tonnes** and were higher by 37.7 tonnes (+31%) compared to December 2019. The increase was due to the plan of shipping material to customers during the year. In order to reduce logistical costs, sales of silver exported from Poland are usually made in single parties of approx. 20 tonnes. This means however, that any increase or decrease in the number of shipments by a single shipment has a great impact on the sales dynamic in the comparable time period.
- **Sales of TPM amounted to 9.8 thousand troy ounces** and were lower by 4.1 thousand troy ounces (-29%) compared to sales in December 2019. The lower sales were due to lower production and to the schedule of orders by customers.

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

Production and sales of KGHM INTERNATIONAL LTD.	December 2020	December 2019	I - XII 2020	I - XII 2019
<b>Production</b>				
Payable copper (kt)	6.1	6.6	67.0	76.5
TPM (koz t)	4.0	7.8	66.1	85.2
Molybdenum (mn lbs)	0.02	0.06	0.43	0.77
<b>Sales</b>				
Copper (kt)	7.7	5.9	73.1	73.8
TPM (koz t)	5.6	7.8	72.2	77.6
Silver (t)	0.7	0.9	8.0	4.4
Molybdenum (mn lbs)	0.09	0.05	0.65	0.87

### Production of KGHM INTERNATIONAL LTD.:

- **Production of copper amounted to 6.1 thousand tonnes** and was lower (by 0.5 thousand tonnes, or -8%) compared to December 2019. The higher production of payable copper by the Robinson mine did not offset lower production in the following mines:
  - Franke – lower by 0.5 thousand tonnes (-31%) mainly due to the lower quality of ore extracted (lower recovery due to high carbonate content),
  - Sudbury – lower by 0.08 thousand tonnes (-21%) due to lower copper content in ore.
- **Production of TPM amounted to 4.0 thousand troy ounces** and was lower by 3.8 thousand troy ounces (-49%) compared to December 2019. Lower production of precious metals was recorded both in the Sudbury Basin (-3.0 thousand troy ounces – lower TPM content in ore), and in the Robinson mine (-0.8 thousand troy ounces - lower gold content in ore).
- **Production of molybdenum in the Robinson mine amounted to 0.02 million pounds** and was lower by 0.04 million pounds (-67%) than the amount produced in December 2019 due to low molybdenum content in ore.

### Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 7.7 thousand tonnes** and were higher by 1.8 thousand tonnes (+31%) compared to sales in December 2019. This was mainly due to higher sales of copper from Robinson concentrate. The increase was due to a higher volume of copper concentrate sold (by approx. 13.9 thousand tonnes dry weight) mainly resulting from the agreed schedule of shipments. Lower sales of cathodes were recorded by the Franke mine (lower production). In the case of copper from the Sudbury Basin and of cathodes from the Carlota mine, sales were similar to the levels recorded in December 2019.
- **Sales of TPM amounted to 5.6 thousand troy ounces** and were lower by 2.2 thousand troy ounces (-28%) compared to the corresponding period of 2019. This was mainly due to TPM sales from the Sudbury Basin with lower content of platinum, palladium and gold. Sales of gold by the Robinson mine were higher in December 2020 by 0.7 thousand troy ounces.
- **Sales of silver amounted to 0.7 tonnes** and were lower by 0.2 tonnes (-22%) than sales in December 2019. The difference was due to lower sales of silver from Robinson concentrate resulting from lower payable silver content in material sold in December 2020. In the case of silver contained in Sudbury ore, sales were equivalent to the level achieved in the corresponding period of 2019.
- **Sales of molybdenum amounted to 0.09 million pounds** and were higher by 0.04 million pounds (+80%) compared to sales recorded in December 2019, as a result of the timetable of orders agreed with customers and the schedule of shipments.

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

Production and sales of Sierra Gorda (on a 55% basis)	December 2020	December 2019	I - XII 2020	I - XII 2019
<b>Production</b>				
Payable copper (kt)	7.3	5.7	81.8	59.5
Molybdenum (mn lbs)	0.9	1.2	9.0	11.2
Payable silver (t)	2.1	1.4	27.6	14.6
TPM (koz t)	2.8	3.1	31.4	31.2
<b>Sales</b>				
Copper (kt)	8.2	7.8	81.1	61.2
Molybdenum (mn lbs)	1.0	0.7	9.3	11.7
Silver (t)	2.8	1.9	27.8	14.8
TPM (koz t)	2.5	4.1	31.1	32.1

### Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 7.3 thousand tonnes** and was higher by 1.6 thousand tonnes (+28%) compared to December 2019. The increase in payable copper production in December 2020 as well as in the period from January to December 2020 compared to the corresponding periods of 2019 was due to a higher volume of ore processed, higher metal content in ore and to higher metal recovery.
- **Production of molybdenum amounted to 0.9 million pounds** and was lower by 0.3 million pounds (-25%) compared to December 2019. The decrease in molybdenum production in December 2020 and in the period from January to December 2020 compared to the corresponding periods of 2019 was due to lower metal content in extracted ore and to lower metal recoveries. This factor was partially offset by the higher volume of processed ore.

### Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 8.2 thousand tonnes** and were higher by 0.4 thousand tonnes (+5%) compared to sales in December 2019. This was due to a higher volume of copper concentrate sold in December 2020 (by approx. 5 thousand tonnes dry weight) due to higher production of copper and to the schedule of planned shipments.
- **Sales of molybdenum amounted to 1.0 million pounds** and were higher by 0.3 million pounds (+43%) compared to December 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 2.8 tonnes** and were higher by 0.9 tonnes (+47%). This was due to a higher amount of payable silver in copper concentrate and to a slightly higher volume of copper concentrate sold in December 2020.
- **Sales of TPM amounted to 2.5 thousand troy ounces** and were lower by 1.6 thousand troy ounces (-39%). The decrease was due to the lower content of gold in copper concentrate sold in December 2020.