

Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for January 2021

The following report contains preliminary monthly data – the final quarterly production and sales results will be published in the consolidated quarterly report for the first quarter of 2021. 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.

The Group's targets for January 2021 respecting the production and sales of copper, silver and precious metals were achieved in line with expectations. As compared to January 2020, copper production was higher by 6% and silver by 39% alongside lower production of precious metals and molybdenum.

Results of the KGHM Group in January 2021 - y/y:

Production and sales of the KGHM Group	January 2021	January 2020	monthly annualised change
Production			
Payable copper (kt)	61.7	58.4	+6%
- including KGHM Polska Miedź S.A.*	50.1	48.2	+4%
Payable silver (t)	115.5	83.0	+39%
TPM (koz t)	10.8	15.6	-31%
Molybdenum (mn lbs)	0.6	0.8	-25%
Sales			
Copper (kt)	46.2	46.8	-1%
Silver (t)	82.2	84.1	-2%
TPM (koz t)	12.3	8.7	+41%
Molybdenum (mn lbs)	0.6	0.9	-33%

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 61.7 thousand tonnes** - an increase by 3.3 thousand tonnes (+6%) versus the corresponding month of 2020 in KGHM Polska Miedź S.A., KGHM INTERNATIONAL LTD. and Sierra Gorda.
- **Production of payable silver amounted to 115.5 tonnes**, or higher by 32.5 tonnes (+39%) than in the corresponding month of 2020 due to the higher content of silver in charge material processed by KGHM Polska Miedź S.A.
- **Production of TPM amounted to 10.8 thousand troy ounces**, or a decrease by 4.8 thousand troy ounces (-31%), mainly due to a lower amount of gold produced by KGHM Polska Miedź S.A. and by the Robinson mine, as well as to lower extraction and lower precious metals content in ore extracted in the Sudbury Basin.
- **Production of molybdenum amounted to 0.6 million pounds**, or a decrease by nearly 0.2 million pounds (-25%) compared to January 2020 due to lower processing of ore and to lower molybdenum recovery by Sierra Gorda.

Sales of the KGHM Group:

- **Sales of copper amounted to 46.2 thousand tonnes** and were at the level recorded in January 2020 (-1%).
- **Sales of silver amounted to 82.2 tonnes** and were comparable to the level of sales recorded in January 2020 (-2%).
- **Sales of TPM amounted to 12.3 thousand troy ounces** and were higher by 3.6 thousand troy ounces (+41%) compared to sales in the corresponding period of 2020. The increase was mainly due to higher sales of gold by the production assets in Poland.
- **Sales of molybdenum amounted to 0.6 million pounds** and were lower by 0.3 million pounds (-33%) compared to January 2020. The decrease in molybdenum sales was in respect of the Sierra Gorda mine.

Results of KGHM Polska Miedź S.A. in January 2021 - y/y:

Production and sales of KGHM Polska Miedź S.A.	January 2021	January 2020	monthly annualised change
Mine production:			
Copper in concentrate (kt)	31.2	31.9	-2%
Silver in concentrate (t)	99.4	101.5	-2%
Metallurgical production:			
Electrolytic copper (kt)	50.1	48.2	+4%
- including from own concentrate	32.4	33.2	-2%
Metallic silver (t)	113.2	81.5	+39%
TPM (koz t)	5.1	7.6	-33%
Sales			
Copper (kt)	35.2	36.9	-5%
Silver (t)	79.9	82.4	-3%
TPM (koz t)	6.5	0.6	+983%

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 31.2 thousand tonnes** and was lower by 0.7 thousand tonnes (-2%) compared to January 2020. The decrease in production was due to the lower quality of ore processed by the mines.
- **Production of silver in concentrate amounted to 99.4 tonnes** and was lower by 2.1 tonnes (-2%) compared to January 2020, due to lower silver content in processed ore.
- **Production of copper and silver in concentrate** in KGHM Polska Miedź S.A. in line with the assumptions for 2021.
- **Production of electrolytic copper amounted to 50.1 thousand tonnes** and was higher by 1.9 thousand tonnes (+4%) compared to January 2020. The increase in cathode production was due to the higher availability of the production lines.
- **Production of metallic silver amounted to 113.2 tonnes** and was higher by 31.7 tonnes (+39%) compared to January 2020. The increase in metallic silver production was due to the higher amount and content of silver in charge materials.
- **Production of TPM (metallic gold) amounted to 5.1 thousand troy ounces** and was lower by 2.5 thousand troy ounces (-33%) compared to 2020.

Sales of KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 35.2 thousand tonnes** and were lower by 1.7 thousand tonnes (-5%) compared to sales in January 2020. The slight decrease was due to logistical issues in January 2021 – the postponement by several days of the sailing of a shipment of 1500 tonnes of cathodes from the end of January to February 2021.
- **Sales of silver amounted to 79.9 tonnes** and were lower by 2.5 tonnes (-3%) compared to January 2020. The slight decrease was due to amendment of the schedule of customer orders.
- **Sales of TPM amounted to 6.5 thousand troy ounces** and were higher by 5.9 thousand troy ounces (+983%) compared to January 2020. The higher sales were due among others to a large exported shipment. In order to reduce logistical costs, sales of exported gold are made in large, single parties (usually no less than 200 kg).

Results of KGHM INTERNATIONAL LTD. in January 2021 - y/y:

Production and sales of KGHM INTERNATIONAL LTD.	January 2021	January 2020	monthly annualised change
Production			
Payable copper (kt)	5.5	4.6	+20%
TPM (koz t)	3.3	5.3	-38%
Sales			
Copper (kt)	4.9	5.6	-13%
TPM (koz t)	3.2	5.9	-46%
Silver (t)	0.4	0.6	-33%

Production of KGHM INTERNATIONAL LTD.:

- **Production of copper amounted to 5.5 thousand tonnes** and was higher by 0.9 thousand tonnes, or +20% compared to January 2020. The higher production of payable copper by the Robinson mine offset lower production in the other mines of KGHM INTERNATIONAL LTD.:
 - Sudbury Basin – lower by 25 tonnes (-15%) due to lower extraction and lower copper content in ore,
 - Franke – lower by 13 tonnes (-1%) mainly due to the lower quality of ore extracted,
 - Carlota – lower by 9 tonnes (-2%) – lower extraction.
- **Production of TPM amounted to 3.3 thousand troy ounces** and was lower by 2.0 thousand troy ounces (-38%) compared to January 2020. Lower production of precious metals was recorded both in the Sudbury Basin (-1.8 thousand troy ounces – lower extraction and lower TPM content in ore), and in the Robinson mine (-0.2 thousand troy ounces - lower gold content in ore).

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 4.9 thousand tonnes** and were lower by 0.7 thousand tonnes (-13%) compared to sales in January 2020. The main reason was lower sales of copper from Robinson concentrate. The decrease was due to a lower volume of copper concentrate sold (by approx. 9.3 thousand tonnes dry weight) mainly resulting from the schedule of shipments agreed with customers. Due to the lower production of payable copper (lower copper content in ore and a lower volume of material sold) sales were also lower in the case of copper from the Sudbury Basin. Higher cathode sales were however recorded by the Franke mine. In the case of copper from the Carlota mine (cathodes) sales were similar to the level recorded in January 2020.
- **Sales of TPM amounted to 3.2 thousand troy ounces** and were lower by 2.7 thousand troy ounces (-46%) compared to the corresponding period of 2020. This was due to both to TPM sales from the Sudbury Basin (due to lower content of platinum, palladium and gold in ore) as well as sales of gold by the Robinson mine due to a lower volume of concentrate sold.
- **Sales of silver amounted to 0.4 tonnes** and were lower by 0.2 tonnes (-33%) than sales in January 2020. The difference was due to lower sales of silver from Robinson concentrate resulting from lower silver content in material sold and to a lower volume of copper concentrate sold in January 2021. In the case of silver contained in Sudbury ore, sales were higher by approx. 0.1 tonnes (higher silver content in ore).

Results of Sierra Gorda S.C.M. in January 2021 - y/y:

Production and sales of Sierra Gorda (on a 55% basis)	January 2021	January 2020	monthly annualised change
Production			
Payable copper (kt)	6.1	5.6	+9%
Molybdenum (mn lbs)	0.6	0.7	-14%
Payable silver (t)	2.3	1.5	+53%
TPM (koz t)	2.4	2.7	-11%
Sales			
Copper (kt)	6.1	4.3	+42%
Molybdenum (mn lbs)	0.5	0.9	-44%
Silver (t)	1.9	1.1	+73%
TPM (koz t)	2.6	2.2	+18%

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 6.1 thousand tonnes** and was higher by 0.5 thousand tonnes (+9%) compared to January 2020. The increase in payable copper production in January 2021 compared to January 2020 was due to higher metal content in mined ore, despite a lower volume of ore processed.
- **Production of molybdenum amounted to 0.6 million pounds** and was lower by 0.1 million pounds (-14%) compared to January 2020. The decrease in molybdenum production in January 2021 compared to January 2020 was due to lower metal recovery and to a lower volume of ore processed.

Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 6.1 thousand tonnes** and were higher by 1.8 thousand tonnes (+42%) compared to sales in January 2020. The reason for the increase was a higher volume of copper concentrate sold in January 2021 (by approx. 13.9 thousand tonnes dry weight) due to higher production of copper and to the schedule of planned shipments.
- **Sales of molybdenum amounted to 0.5 million pounds** and were lower by 0.4 million pounds (-44%) compared to January 2020. 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. The lower level of sales in January 2021 was also due to logistical issues – delays in ship movements due to atmospheric conditions and to limitations at Chilean ports.
- **Sales of silver amounted to 1.9 tonnes** and were higher by 0.8 tonnes (+73%). This was due to higher payable silver content in copper concentrate and to a higher volume of concentrate sold in January 2021.
- **Sales of TPM amounted to 2.6 thousand troy ounces** and were higher by 0.4 thousand troy ounces (+18%). Similarly as in the case of copper sales, the increase was due to a higher volume of concentrate sold in January 2021.