

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

In the period January-March 2021, production and sales of copper, silver and precious metals by the Group were higher than expected in the budget for this period. Molybdenum production was lower due to a lower amount of ore processed as well as the lower-than-planned content of this metal in the Sierra Gorda mine.

As compared to the corresponding period of 2020, copper production was higher.

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

Production and sales of the KGHM Group	March 2021	March 2020	I - III 2021	I - III 2020
Production				
Payable copper (kt)	65.8	60.4	185.5	174.1
- including KGHM Polska Miedź S.A.*	50.5	48.3	146.4	141.0
Payable silver (t)	89.6	126.7	306.4	334.9
TPM (koz t)	13.0	20.2	35.4	51.5
Molybdenum (mn lbs)	0.9	0.2	2.0	1.8
Sales				
Copper (kt)	66.6	57.4	175.7	165.1
Silver (t)	121.8	163.3	286.5	351.7
TPM (koz t)	18.1	25.3	37.3	58.9
Molybdenum (mn lbs)	1.1	0.4	2.5	2.8

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 65.8 thousand tonnes** - an increase by 5.4 thousand tonnes (+9%) versus the corresponding month of 2020 in all of the operating segments. As regards the segment KGHM Polska Miedź S.A., the increase was due to higher production of purchased copper-bearing materials.
- **Production of payable silver amounted to 89.6 tonnes**, or 37.1 tonnes (-29%) less than in the corresponding month of 2020, mainly due to the planned maintenance conducted at the Precious Metals Plant.
- **Production of TPM amounted to 13.0 thousand troy ounces**, or a decrease by 7.2 thousand troy ounces (-36%), due to lower production of gold by KGHM Polska Miedź S.A.
- **Production of molybdenum amounted to 0.9 million pounds**, or an increase by 0.7 million pounds compared to March 2020 due to higher molybdenum content in ore and to higher recovery by the Sierra Gorda mine.

Sales of the KGHM Group:

- **Sales of copper amounted to 66.6 thousand tonnes** and were higher by 9.2 thousand tonnes (+16%) compared to sales in March 2020. Higher sales were recorded by nearly all of the Group's production assets (Sierra Gorda +4.5 thousand tonnes, KGHM Polska Miedź S.A. +2.8 thousand tonnes, KGHM INTERNATIONAL LTD. +1.9 thousand tonnes).
- **Sales of silver amounted to 121.8 tonnes** and were lower by 41.5 thousand tonnes than sales in March 2020 (-25%). The decrease was mainly due to lower silver sales by the production assets in Poland.
- **Sales of TPM amounted to 18.1 thousand troy ounces** and were lower by 7.2 thousand troy ounces (-28%) compared to sales in the corresponding period of 2020. The decrease was mainly due to lower sales of gold by KGHM Polska Miedź S.A.
- **Sales of molybdenum amounted to 1.1 million pounds** and were higher by 0.7 million pounds (+175%) compared to March 2020. The increase in molybdenum sales was in respect of the Sierra Gorda mine.

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

Production and sales of KGHM Polska Miedź S.A.	March 2021	March 2020	I - III 2021	I - III 2020
Mine production:				
Copper in concentrate (kt)	34.7	34.3	96.9	99.1
Silver in concentrate (t)	113.5	106.8	313.0	312.0
Metallurgical production:				
Electrolytic copper (kt)	50.5	48.3	146.4	141.0
- including from own concentrate	35.2	38.6	99.6	103.0
Metallic silver (t)	86.3	124.5	298.6	329.2
TPM (koz t)	5.6	10.6	16.6	25.2
Sales				
Copper (kt)	49.7	46.9	136.6	132.1
Silver (t)	118.6	161.0	278.8	345.3
TPM (koz t)	10.3	15.9	18.6	30.4

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 34.7 thousand tonnes** and was higher by 0.4 thousand tonnes (+1%) compared to March 2020. The increase in production was due to higher extraction of ore by the mines and its processing by the concentrator plants.
- **Production of silver in concentrate amounted to 113.5 tonnes** and was higher by 6.7 tonnes (+6%) compared to March 2020, due to the higher content of this metal in ore.
- **Production of electrolytic copper amounted to 50.5 thousand tonnes** and was higher by 2.2 thousand tonnes (+5%) compared to March 2020. The increase in cathode production was due to the availability of charge material and to the higher availability of the production lines.
- **Production of metallic silver amounted to 86.3 tonnes** and was lower by 38.2 tonnes (-31%) compared to March 2020. The decrease in metallic silver production was due to the planned, 12-day maintenance shutdown of the Precious Metals Plant.

Sales of KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 49.7 thousand tonnes** and were higher by 2.8 thousand tonnes (+6%) compared to sales in March 2020. The level of sales achieved reflects the higher level of production by 2.2 thousand tonnes in March 2021.
- **Sales of silver amounted to 118.6 tonnes** and were lower by 42.4 tonnes (-26%) compared to March 2020. The decrease was due to the 31% lower production of silver in March 2021 due to the aforementioned maintenance shutdown of the Precious Metals Plant.
- **Sales of TPM amounted to 10.3 thousand troy ounces** and were lower by 5.6 thousand troy ounces (-35%) compared to sales in March 2020. Similarly as in the case of silver, the lower sales were due to nearly two times lower production of gold in March 2021 by nearly 2x.

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

Production and sales of KGHM INTERNATIONAL LTD.	March 2021	March 2020	I - III 2021	I - III 2020
Production				
Payable copper (kt)	5.8	5.0	16.2	14.1
TPM (koz t)	5.2	6.8	12.2	17.8
Sales				
Copper (kt)	7.2	5.3	17.4	18.0
TPM (koz t)	5.5	7.0	12.0	21.2
Silver (t)	0.1	0.7	0.8	2.1

Production of KGHM INTERNATIONAL LTD.:

- **Production of copper amounted to 5.8 thousand tonnes** and was higher by 0.8 thousand tonnes (+16%) compared to March 2020. The higher production of payable copper by the Robinson and Carlota mines offset lower production in the following mines:
 - Franke – lower by 0.39 thousand tonnes (-36%) mainly due to the lower quality of the ore extracted,
 - Sudbury – lower by 0.01 thousand tonnes (-4%) mainly due to lower extraction.
- **Production of TPM amounted to 5.2 thousand troy ounces** and was lower by 1.6 thousand troy ounces (-24%) compared to March 2020. Higher production by the Robinson mine (+0.8 thousand troy ounces) did not offset lower production of precious metals in the Sudbury Basin (-2.4 thousand troy ounces – lower TPM content in ore and lower extraction).

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 7.2 thousand tonnes** and were higher by 1.9 thousand tonnes (+36%) compared to sales in March 2020. The main reason was higher sales of copper from Robinson concentrate. The increase was due to a higher amount of copper concentrate sold (by approx. 8.1 thousand tonnes dry weight) resulting from higher production and the schedule of shipments. A comparable level of copper sales compared to March 2020 was recorded by the Carlota and Sudbury Basin mines. Lower sales were recorded by the Franke mine (lower cathode production).
- **Sales of TPM amounted to 5.5 thousand troy ounces** and were lower by 1.5 thousand troy ounces (-21%) compared to the corresponding period of 2020. This result was impacted by the lower content of gold, platinum and palladium in ore and to the lower amount of ore shipped from the Sudbury Basin. Sales of gold from Robinson concentrate were however higher in March 2021.
- **Sales of silver amounted to 0.1 tonnes** and were lower by 0.6 tonnes (-86%) compared to March 2020, which was related to sales of silver from Robinson concentrate. The main reason for the decrease was the adjustment in March 2021 of the provisional amount of silver in copper concentrate with respect to previous shipments. An increase in silver sales by approx. 0.1 tonnes was recorded by the Sudbury Basin (higher silver content in ore).

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

Production and sales of Sierra Gorda (on a 55% basis)	March 2021	March 2020	I - III 2021	I - III 2020
Production				
Payable copper (kt)	9.5	7.1	22.9	19.0
Molybdenum (mn lbs)	0.9	0.2	1.9	1.6
Payable silver (t)	3.3	2.2	7.8	5.7
TPM (koz t)	2.2	2.8	6.6	8.5
Sales				
Copper (kt)	9.7	5.2	21.7	14.8
Molybdenum (mn lbs)	1.1	0.3	2.3	2.6
Silver (t)	3.1	1.6	6.9	4.4
TPM (koz t)	2.3	2.4	6.7	7.2

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 9.5 thousand tonnes** and was higher by 2.4 thousand tonnes (+34%) compared to March 2020. The increase in payable copper production in March and in the period January-March 2021 compared to the corresponding periods of 2020 was achieved thanks to higher copper content in mined ore, as well as to higher metal recovery, despite a lower volume of ore processed.
- **Production of molybdenum amounted to 0.9 million pounds** and was higher by 0.7 million pounds (+350%) compared to March 2020. The increase in molybdenum production in March 2021 compared to March 2020 was achieved thanks to higher metal content in mined ore, as well as to higher metal recovery, despite a lower volume of ore processed. The increase in molybdenum production in the period January-March 2021 compared to the corresponding period of 2020 was due to higher metal recovery during this period, despite the lower volume of ore processed.

Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 9.7 thousand tonnes** and were higher by 4.5 thousand tonnes (+87%) compared to sales in March 2020. The increase was due to a higher volume of copper concentrate sold in March 2021 (by approx. 28.7 thousand tonnes dry weight) resulting from higher production of copper and to the schedule of planned shipments.
- **Sales of molybdenum amounted to 1.1 million pounds** and were higher by 0.8 million pounds (+267%) compared to March 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 higher sales in March 2021 were also the result of logistical issues – the gradual sailing of ships which had been delayed in previous months (poor weather and port restrictions in Chile as described in the report on January sales).
- **Sales of silver amounted to 3.1 tonnes** and were higher by 1.5 tonnes (+94%), due to higher payable silver content in copper concentrate and to a higher volume of concentrate sold in March 2021.
- **Sales of TPM amounted to 2.3 thousand troy ounces** and were lower by 0.1 thousand troy ounces (-4%). The slight decrease was due to lower gold content in copper concentrate sold in March 2021.