

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

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 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 2021 the production of all of the main metals by the Group was above the levels set forth in the budget.

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

Production and sales of the KGHM Group	December 2021	December 2020	I - XII 2021	I - XII 2020
Production				
Payable copper (kt)	57.6	64.5	753.7	709.2
- including KGHM Polska Miedź S.A.*	42.0	51.1	577.6	560.4
Payable silver (t)	131.0	125.8	1 366.1	1 352.3
TPM (koz t)	15.0	14.4	163.5	194.3
Molybdenum (mn lbs)	0.4	0.9	8.4	9.4
Sales				
Copper (kt)	58.4	75.8	730.0	715.3
Silver (t)	86.7	161.1	1 282.3	1 404.8
TPM (koz t)	10.7	17.9	153.1	203.4
Molybdenum (mn lbs)	0.7	1.1	8.1	10.0

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 57.6 thousand tonnes**, or a decrease by 6.9 thousand tonnes (-11%) compared to the amount recorded in the corresponding month of 2020 due to lower production by KGHM Polska Miedź S.A. (-18%) and by the segment KGHM INTERNATIONAL LTD. (-10%).
- **Production of payable silver amounted to 131.0 tonnes**, or an increase by 5.2 tonnes (+4%) compared to the amount recorded in the corresponding month of 2020, due to an increase in the amount of silver in concentrate produced by KGHM Polska Miedź S.A. as well as the greater availability of charge materials at the Precious Metals Plant of the Głogów Copper Smelter and Refinery.
- **Production of TPM amounted to 15.0 thousand troy ounces** and was higher by 0.6 thousand troy ounces (+4%) compared to December 2020. The increase mainly comprised the production of gold by KGHM Polska Miedź S.A.
- **Production of molybdenum amounted to 0.4 million pounds**, or a decrease by 0.5 million pounds (-56%) compared to December 2020 due to the lower molybdenum content in ore processed by the Sierra Gorda mine.

Sales of the KGHM Group:

- **Sales of copper amounted to 58.4 thousand tonnes** and were lower by 17.4 thousand tonnes compared to sales in December 2020, or a decrease by 23% y/y. Higher copper sales were recorded by the Sierra Gorda mine (+28%), with lower sales by KGHM Polska Miedź S.A. (-29%) and KGHM INTERNATIONAL LTD. (-29%). Despite this substantial decrease in copper sales in December 2021 compared to December 2020, sales for the full year 2021 were higher than in the prior year (by 14.7 thousand tonnes).
- **Sales of silver amounted to 86.7 tonnes** and were lower by 74.4 tonnes than sales in the corresponding period of 2020 (-46%). This was mainly the result of lower sales of silver by the Polish production assets. A substantial increase in sales was recorded however by KGHM INTERNATIONAL LTD. (+43%) and by the Sierra Gorda mine (+25%).
- **Sales of TPM amounted to 10.7 thousand troy ounces** and were lower by 7.2 thousand troy ounces (-40%) than sales in December 2020. This was due to lower sales by KGHM Polska Miedź S.A. (-57%) and by KGHM INTERNATIONAL LTD. (-41%). Higher sales were recorded by the Sierra Gorda mine (+28%).
- **Sales of molybdenum amounted to 0.7 million pounds** and were lower by 0.4 million pounds (-36%) compared to December 2020. Lower molybdenum sales were recorded by the Sierra Gorda mine as well as by the assets of KGHM INTERNATIONAL LTD.

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

Production and sales of KGHM Polska Miedź S.A.	December 2021	December 2020	I - XII 2021	I - XII 2020
Mine production				
Copper in concentrate (kt)	29.1	28.1	391.3	392.7
Silver in concentrate (t)	97.9	88.2	1 302.9	1 218.2
Metallurgical production				
Electrolytic copper (kt)	42.0	51.1	577.6	560.4
- including from own concentrate	26.8	42.2	381.4	413.3
Metallic silver (t)	127.3	123.5	1 332.2	1 322.9
TPM (koz t)	8.6	7.6	81.3	96.8
Sales				
Copper (kt)	42.4	59.9	561.5	561.0
Silver (t)	82.2	157.6	1 248.9	1 369.0
TPM (koz t)	4.2	9.8	78.0	100.2

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 29.1 thousand tonnes** and was higher by 1 thousand tonnes (+4.0%) compared to December 2020. The increase in production was due to higher extraction of ore by the mines and its processing by the Concentrators.
- **Production of silver in concentrate amounted to 97.9 tonnes** and was higher by 9.7 tonnes (+11%) compared to December 2020, due to the higher content of this metal in ore.
- **Production of electrolytic copper amounted to 42.0 thousand tonnes** and was lower by 9.1 thousand tonnes (-18%) compared to December 2020. The decrease in cathode production was the result of the execution of adopted targets in the production plan for 2021.
- **Production of metallic silver amounted to 127.3 tonnes** and was higher by 3.8 tonnes (+3%) compared to December 2020. The increase in production of metallic silver was due to the higher availability of charge materials at the Precious Metals Plant.

Sales of KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 42.4 thousand tonnes** and were lower by 17.5 thousand tonnes (-29%) compared to sales in December 2020. The decrease was due to lower copper production (by approx. 9.2 thousand tonnes) and to the decision taken to maximise production of copper wire rod in the second half of December 2021 given expected customer demand in 2022 (which led to an increase in wire rod inventory at year's end).
- **Sales of silver amounted to 82.2 tonnes** and were lower by 75.4 tonnes (-48%) compared to December 2020. This level of sales was the result of the schedule of deliveries agreed with customers.
- **Sales of TPM amounted to 4.2 thousand troy ounces** and were lower by 5.6 thousand troy ounces (-57%) compared to December 2020. This level of sales was the result of the schedule of deliveries agreed with customers.

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

Production and sales of KGHM INTERNATIONAL LTD.	December 2021	December 2020	I - XII 2021	I - XII 2020
Production				
Payable copper (kt)	5.5	6.1	71.7	67.0
TPM (koz t)	3.6	4.0	51.3	66.1
Sales				
Copper (kt)	5.5	7.7	66.2	73.1
TPM (koz t)	3.3	5.6	44.2	72.0
Silver (t)	1.0	0.7	2.7	8.0

Production of KGHM INTERNATIONAL LTD.:

- **Production of copper amounted to 5.5 thousand tonnes** and was lower by 0.6 thousand tonnes (-10%) compared to December 2020 due to lower production of copper by all of the mines of KGHM INTERNATIONAL LTD. The decrease in production by the Robinson mine by 170 tonnes was due to a lower volume of ore processed, which was partially offset by higher copper content in ore and higher recovery. Despite this decrease, the copper production target for 2021 was achieved. The lower production by the Franke mine by 320 tonnes was due to lower quality ore. Lower copper content in ore in the Sudbury Basin led to a decrease in payable copper production by 121 tonnes compared to December 2020. The slightly lower (by 36 tonnes) production by the Carlota mine was due to lower ore extraction and processing.
- **Production of TPM amounted to 3.6 thousand troy ounces** and was lower by 0.4 thousand troy ounces (-10%) compared to December 2020 due to lower production by the Sudbury Basin (-0.8 thousand troy ounces – lower precious metals content in ore), which was not offset by higher gold production by the Robinson mine.

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 5.5 thousand tonnes** and were lower by 2.2 thousand tonnes (-29%) compared to sales in December 2020. The main reason was the volume of copper sales recorded by the Robinson mine, which compared to December 2020 was lower by approx. 10.0 thousand tonnes dry weight due to the schedule of deliveries agreed with customers. Lower sales were recorded by the Carlota mine due to lower production of cathodes, as well as by the Sudbury Basin. Higher copper sales were recorded by the Franke mine (cathodes).
- **Sales of TPM amounted to 3.3 thousand troy ounces** and were lower by 2.3 thousand troy ounces (-41%) compared to sales in the corresponding period of 2020. The main reason was lower sales of copper concentrate by the Robinson mine in December 2021. The Sudbury Basin recorded a substantial decrease in sales of gold, platinum and palladium compared to sales in December 2020 due to the lower content of these minerals in ore.
- **Sales of silver amounted to 1.0 tonnes** and were higher by 0.3 tonnes compared to sales in December 2020. This was mainly due to the sale of copper concentrate from the Robinson mine with a higher silver content compared to shipments in the corresponding period of 2020. A decrease in silver sales was recorded by the Sudbury Basin (lower silver content in ore).

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

Production and sales of Sierra Gorda (on a 55% basis)	December 2021	December 2020	I - XII 2021	I - XII 2020
Production				
Payable copper (kt)	10.1	7.3	104.4	81.8
Molybdenum (mn lbs)	0.4	0.9	8.2	9.0
Payable silver (t)	3.5	2.1	31.9	27.6
TPM (koz t)	2.8	2.8	30.9	31.4
Sales				
Copper (kt)	10.5	8.2	102.4	81.2
Molybdenum (mn lbs)	0.7	1.0	8.0	9.3
Silver (t)	3.5	2.8	30.7	27.8
TPM (koz t)	3.2	2.5	30.9	31.1

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 10.1 thousand tonnes** and was higher by 2.8 thousand tonnes (+38%) compared to December 2020. The increase in payable copper production in December 2021 compared to December 2020 was due to higher copper content in mined ore and a higher volume of ore processed. The increase in payable copper production in the period January-December 2021 compared to the corresponding period of 2020 was due to higher copper content in mined ore, higher metal recovery and a higher volume of ore processed.
- **Production of molybdenum amounted to 0.4 million pounds** and was lower by 0.5 million pounds (-56%) compared to December 2020. The decrease in molybdenum production in December 2021 compared to December 2020 was due to lower metal content in mined ore, which was partially offset by higher metal recovery and a higher volume of ore processed. The decrease in molybdenum production in the period January-December 2021 compared to the corresponding period of 2020 was due to lower metal content in mined ore, which was partially offset by higher metal recovery and a higher volume of ore processed.

Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 10.5 thousand tonnes** and were higher by 2.3 thousand tonnes (+28%) compared to sales in the corresponding period of 2020. This was due to a higher volume of copper concentrate sold in December 2021 by 13.8 thousand tonnes dry weight, as well as due to the agreed schedule of deliveries.
- **Sales of molybdenum amounted to 0.7 million pounds** and were lower by 0.3 million pounds (-30%) compared to December 2020. The level 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 3.5 tonnes** and were higher by 0.7 tonnes (+25%) compared to sales in December 2020. The main reason was higher sales of copper concentrate and the higher content of this metal in concentrate.
- **Sales of TPM amounted to 3.2 thousand troy ounces** and were higher by 0.7 thousand troy ounces (+28%) compared to the corresponding period of 2020. This was due to the higher volume of copper concentrate sold and to higher gold content in ore.