

Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for March 2022

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 2022. 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.

Results of the KGHM Group in March 2022 - y/y:

Production and sales of the KGHM Group	March 2022	March 2021	I - III 2022	I - III 2021
Production				
Payable copper (kt)	63.9	65.8	193.2	185.5
- including KGHM Polska Miedź S.A.*	50.2	50.5	151.1	146.4
Payable silver (t)	118.6	89.8	347.6	307.0
TPM (koz t)	14.6	13.0	42.8	35.4
Molybdenum (mn lbs)	0.4	0.9	1.2	2.0
Sales				
Copper (kt)	66.1	66.6	181.0	175.7
Silver (t)	136.6	121.8	389.4	286.5
TPM (koz t)	17.5	18.1	41.9	37.3
Molybdenum (mn lbs)	0.2	1.1	0.8	2.5

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 63.9 thousand tonnes** - a decrease compared to March 2021 by 1.9 thousand tonnes (-3%), mainly with respect to the segment Sierra Gorda due to lower copper content in processed ore and lower copper recovery. Production of copper in the other segments did not differ significantly from the amounts recorded in March 2021.
- **Production of payable silver amounted to 118.6 tonnes**, or an increase by 28.8 tonnes (+32%) compared to the amount recorded in the corresponding month of 2021. Production of silver by KGHM Polska Miedź S.A. is highly dependent on the actual availability of charge materials at the Precious Metals Plant of the Głogów Copper Smelter and Refinery.
- **Production of TPM amounted to 14.6 thousand troy ounces** and was higher by 1.6 thousand troy ounces (+12%) compared to March 2021. The increase was in respect of the production of gold by KGHM Polska Miedź S.A. In the other operating segments the production of precious metals did not differ significantly from production recorded in the corresponding month of 2021.
- **Production of molybdenum amounted to 0.4 million pounds**, or a decrease by 0.5 million pounds (-56%) compared to March 2021 due to lower quality ore processed by the Sierra Gorda mine (a decrease in molybdenum content and recovery).

In the period January-March 2022 production of all of the main metals by the Group was above the levels set forth in the budget.

Sales of the KGHM Group:

- **Sales of copper amounted to 66.1 thousand tonnes** and were lower by 0.5 thousand tonnes (-1%) compared to March 2021. Higher sales results were recorded by KGHM Polska Miedź S.A. (+6%), with lower sales by KGHM INTERNATIONAL LTD. (-22%) and by the Sierra Gorda mine (-21%).
- **Sales of silver amounted to 136.6 tonnes** and were higher by 14.8 tonnes (+12%) than sales in March 2021. Higher sales were recorded by KGHM Polska Miedź S.A. (+13%) and KGHM INTERNATIONAL LTD. (+500%), with lower sales by the Sierra Gorda mine (-26%).
- **Sales of TPM amounted to 17.5 thousand troy ounces** and were lower by 0.6 thousand troy ounces (-3%) than sales in the corresponding period of 2021. This was due to higher sales of TPM by KGHM Polska Miedź S.A. alongside lower sales by the KGHM Group's international segments.
- **Sales of molybdenum amounted to 0.2 million pounds** and were lower by 0.9 million pounds (-82%) compared to March 2021. The decrease in molybdenum sales was in respect of both the Robinson and Sierra Gorda mines.

Results of KGHM Polska Miedź S.A. in March 2022 - y/y:

Production and sales of KGHM Polska Miedź S.A.	March 2022	March 2021	I - III 2022	I - III 2021
Mine production				
Copper in concentrate (kt)	35.4	34.7	100.0	96.9
Silver in concentrate (t)	117.5	113.5	330.3	313.0
Metallurgical production				
Electrolytic copper (kt)	50.2	50.5	151.1	146.4
- including from own concentrate	29.5	35.2	96.6	99.6
Metallic silver (t)	116.0	86.3	339.8	298.6
TPM (koz t)	7.4	5.6	21.1	16.6
Sales				
Copper (kt)	52.8	49.7	143.2	136.6
Silver (t)	133.7	118.6	380.5	278.8
TPM (koz t)	11.1	10.3	24.3	18.6

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 35.4 thousand tonnes** and was higher by 0.7 thousand tonnes (+2%) compared to March 2021. The increase in production was due to higher extraction of ore by the mines.
- **Production of silver in concentrate amounted to 117.5 tonnes** and was higher by 4 tonnes (+4%) compared to March 2021, due to the higher content of this metal in ore.
- **Production of electrolytic copper amounted to 50.2 thousand tonnes** and was lower by 0.3 thousand tonnes (-1%) compared to March 2021. The level of cathode production in March 2022 results from the production targets adopted for 2022.
- **Production of metallic silver amounted to 116.0 tonnes** and was higher by 29.7 tonnes (+34%) compared to March 2021. 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 52.8 thousand tonnes** and were higher by 3.1 thousand tonnes (+6%) compared to sales in March 2021. The increase in sales was mainly due to a deferral of seaborne shipments from February to March, as we announced in regulatory filing no. 8/2022 dated 22 March 2022.
- **Sales of silver amounted to 133.7 tonnes** and were higher by 15.1 tonnes (+13%) compared to sales in March 2021. The difference was due to higher production of silver in March 2022 compared to production in the corresponding period of 2021 as well as to the schedule of sales to customers.
- **Sales of TPM amounted to 11.1 thousand troy ounces** and were higher by 0.8 thousand troy ounces (+8%) compared to sales in March 2021. The difference was due to higher production in March 2022 compared to production in the corresponding period of 2021 as well as to the schedule of sales to customers.

Results of KGHM INTERNATIONAL LTD. in March 2022 - y/y:

Production and sales of KGHM INTERNATIONAL LTD.	March 2022	March 2021	I - III 2022	I - III 2021
Production				
Payable copper (kt)	5.7	5.8	18.2	16.2
TPM (koz t)	5.0	5.2	15.1	12.2
Sales				
Copper (kt)	5.6	7.2	14.0	17.4
TPM (koz t)	4.2	5.5	11.0	12.0
Silver (t)	0.6	0.1	1.4	0.8

Production of KGHM INTERNATIONAL LTD.:

- **Production of payable copper amounted to 5.7 thousand tonnes** and was lower by 0.1 thousand tonnes (-2%) compared to March 2021, mainly due to lower copper production by the Sudbury Basin (-184 tonnes – lower copper content in ore and lower extraction) and by the Robinson mine (-56 tonnes – lower recovery, which was not offset by higher copper content in ore), which was not offset by slightly higher-than-planned production by the Carlota mine (+44 tonnes) and by the Franke mine (+7 tonnes).
- **Production of TPM amounted to 5.0 thousand troy ounces** and was lower by 0.2 thousand troy ounces (-4%) compared to March 2021 due to lower TPM production by the Sudbury Basin (-0.84 thousand troy ounces – lower TPM content in ore and lower extraction), which was not offset by higher gold production by the Robinson mine (+0.67 thousand troy ounces – higher gold content in ore, despite lower recovery).

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 5.6 thousand tonnes** and were lower by 1.6 thousand tonnes (-22%) compared to sales in the corresponding month of 2021. The main factor impacting the generated level of sales was the lower volume of copper sales from Robinson concentrate (in March 2022 there were two shipments, with each of approx. 10 thousand tonnes of copper concentrate whereas in the prior year there were 3 shipments, each of a similar size; the difference in the number of shipments is mainly the result of logistical challenges involving the transportation of concentrate by land). Sales of copper in the form of cathodes by the Carlota mine were at a similar level to the results achieved in March 2021. Better results were recorded by the Franke mine (production of cathodes), with lower results by the Sudbury Basin due to a lower amount of ore extracted.
- **Sales of TPM amounted to 4.2 thousand troy ounces** and were lower by 1.3 thousand troy ounces (-24%) compared to the corresponding period of 2021. This result was mainly impacted by a lower amount of material sold, both in respect of the Robinson mine and the Sudbury Basin, as well as lower content of gold, platinum and palladium in ore from the Sudbury Basin. Worth noting is that in March 2022 copper concentrate from the segment Robinson had higher gold content, while the decrease in sales of this metal was due to a lower volume of sales of Robinson concentrate.
- **Sales of silver amounted to 0.6 tonnes** and were higher by 0.5 tonnes (+500%) compared to March 2021, due to a higher amount of payable silver recovered from Robinson concentrate (in prior-year shipments the amount of silver in concentrate did not exceed the level above which the payable amount of this metal is calculated, compared to shipments in 2022 in which the amount of silver was higher). A decrease in silver sales by approx. 0.2 tonnes was recorded by the Sudbury Basin – this is directly related to the lower volume of ore sales.

Results of Sierra Gorda S.C.M. in March 2022 - y/y:

Production and sales of Sierra Gorda (on a 55% basis)	March 2022	March 2021	I - III 2022	I - III 2021
Production				
Payable copper (kt)	8.0	9.5	23.9	22.9
Molybdenum (mn lbs)	0.4	0.9	1.1	1.9
Payable silver (t)	2.5	3.3	7.5	7.8
TPM (koz t)	2.2	2.2	6.6	6.6
Sales				
Copper (kt)	7.7	9.7	23.8	21.7
Molybdenum (mn lbs)	0.2	1.1	0.8	2.3
Silver (t)	2.3	3.1	7.5	6.9
TPM (koz t)	2.2	2.3	6.6	6.7

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 8.0 thousand tonnes** and was lower by 1.5 thousand tonnes (-16%) compared to March 2021. The decrease in payable copper production in March 2022 compared to March 2021 was due to the lower content of this metal in extracted ore and lower metal recovery. The increase in payable copper production in the period January-March 2022 compared to the corresponding period of 2021 was due to a higher volume of ore processed and higher metal recovery despite lower copper content in mined ore.
- **Production of molybdenum amounted to 0.4 million pounds** and was lower by 0.5 million pounds (-56%) compared to March 2021. The increase in molybdenum production in March 2022 compared to the corresponding period of 2021 was due to lower metal content in mined ore and lower metal recovery. The decrease in molybdenum production in the period January-March 2022 compared to the corresponding period of 2021 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 7.7 thousand tonnes** and were lower by 2.0 thousand tonnes (-21%) compared to sales in March 2021. This was due to a lower volume of copper concentrate sold resulting from the schedule of planned deliveries.
- **Sales of molybdenum amounted to 0.2 million pounds** and were lower by 0.9 million pounds (-82%) compared to March 2021. 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 2.3 tonnes** and were lower by 0.8 tonnes (-26%) compared to sales in March 2021. The main reason was a lower volume of material sold in March 2022.
- **Sales of TPM amounted to 2.2 thousand troy ounces** and were lower by 0.1 thousand troy ounces (-4%) compared to the corresponding period of 2021. This slight decrease is directly related to the amount of copper concentrate sold and the amount of gold contained therein.