

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

The following report contains preliminary monthly data – the final quarterly production and sales results will be published in the consolidated report for the first half 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 first half of 2021 the production and sales of all of the main metals by the Group were above the levels set forth in the budget for this period.

In terms of copper production, there was also recorded an increase by 9% compared to the amount achieved by the Group in the first half of 2020.

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

Production and sales of the KGHM Group	June 2021	June 2020	I - VI 2021	I - VI 2020
Production				
Payable copper (kt)	65.0	60.1	380.7	350.7
- including KGHM Polska Miedź S.A.*	48.4	45.9	293.2	280.8
Payable silver (t)	117.6	119.9	676.2	708.3
TPM (koz t)	15.6	15.4	78.7	100.0
Molybdenum (mn lbs)	0.8	1.2	4.7	5.3
Sales				
Copper (kt)	65.7	67.4	364.9	350.0
Silver (t)	121.5	123.9	634.5	725.2
TPM (koz t)	10.9	21.0	74.8	107.4
Molybdenum (mn lbs)	0.7	0.6	4.3	5.0

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 65.0 thousand tonnes** – an increase by 4.9 thousand tonnes (+8%) 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 production from purchased copper-bearing materials.
- **Production of payable silver amounted to 117.6 tonnes**, or a decrease by 2.3 tonnes (-2%) compared to the corresponding month of 2020, due to the lower availability of charge material in KGHM Polska Miedź S.A.
- **Production of TPM amounted to 15.6 thousand troy ounces**, or slightly higher than the amount recorded in the corresponding month of 2020 (+1%).
- **Production of molybdenum amounted to 0.8 million pounds**, or a decrease by 0.4 million pounds (-33%) compared to June 2020, mainly due to lower molybdenum content in ore extracted by the Sierra Gorda mine.

Sales of the KGHM Group:

- **Sales of copper amounted to 65.7 thousand tonnes** and were at a similar level to those recorded in June 2020 (-3%). The slight decrease in copper sales recorded in June 2021 by KGHM Polska Miedź S.A. and KGHM INTERNATIONAL LTD. in connection with higher copper sales by the Sierra Gorda mine led to the three-percent difference in results for the entire KGHM Group.
- **Sales of silver amounted to 121.5 tonnes** and did not differ substantially from sales in June 2020 (-2%).
- **Sales of TPM amounted to 10.9 thousand troy ounces** and were lower by 10.1 thousand troy ounces (-48%) compared to sales in the corresponding period of 2020. The result was due to lower sales of gold by KGHM Polska Miedź S.A.
- **Sales of molybdenum amounted to 0.7 million pounds** and were higher by 0.1 million pounds (+17%) compared to June 2020. The increase in molybdenum sales was in respect of the Sierra Gorda mine.

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

Production and sales of KGHM Polska Miedź S.A.	June 2021	June 2020	I - VI 2021	I - VI 2020
Mine production:				
Copper in concentrate (kt)	33.0	34.0	195.1	198.8
Silver in concentrate (t)	109.2	104.0	640.3	617.0
Metallurgical production:				
Electrolytic copper (kt)	48.4	45.9	293.2	280.8
- including from own concentrate	30.2	34.0	192.2	205.8
Metallic silver (t)	114.8	117.4	659.4	695.0
TPM (koz t)	7.9	6.0	38.1	45.6
Sales				
Copper (kt)	51.0	54.3	285.0	277.1
Silver (t)	118.0	120.5	619.2	709.2
TPM (koz t)	5.4	12.0	38.0	50.3

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 33.0 thousand tonnes** and were lower by 1.0 thousand tonnes (-3%) compared to June 2020. The decrease in production was due to the lower quality of the ore extracted from the mines.
- **Production of silver in concentrate amounted to 109.2 tonnes** and was higher by 5.2 tonnes (+5%) compared to June 2020, due to the higher content of this metal in ore.
- **Production of electrolytic copper amounted to 48.4 thousand tonnes** and was higher by 2.5 thousand tonnes (+5%) compared to June 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 114.8 tonnes** and was lower by 2.6 tonnes (-2%) compared to June 2020. The decrease in metallic silver production was due to the availability of charge material.

Sales of KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 51.0 thousand tonnes** and were lower by 3.3 thousand tonnes (-6%) compared to sales in June 2020. The decrease was due to the exceptionally high level of sales of copper in June 2020 as a result of very high demand for copper in China following the restriction of cathode deliveries in the prior months of 2020 in consequence of the peak of the coronavirus pandemic in this region. Sales in June 2021 did not differ substantially from sales in the prior months of 2021.
- **Sales of silver amounted to 118.0 tonnes** and were at the level of sales recorded in June 2020 (-2%).
- **Sales of TPM amounted to 5.4 thousand troy ounces** and were lower by 6.6 thousand troy ounces (-55%) compared to sales in June 2020. The lower sale of gold was due to the schedule of customer orders and to the lack of a large exported shipment.

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

Production and sales of KGHM INTERNATIONAL LTD.	June 2021	June 2020	I - VI 2021	I - VI 2020
Production				
Payable copper (kt)	6.9	6.7	36.3	30.7
TPM (koz t)	5.0	6.7	26.3	38.2
Sales				
Copper (kt)	3.6	5.2	31.1	35.0
TPM (koz t)	2.3	6.1	22.7	41.1
Silver (t)	0.3	0.8	0.4	3.9

Production of KGHM INTERNATIONAL LTD.:

- **Production of copper amounted to 6.9 thousand tonnes** and was higher by 0.2 thousand tonnes (+3%) compared to June 2020. Higher production of payable copper was recorded in all of the mines of KGHM INTERNATIONAL LTD., with the exception of the Franke mine (-0.4 thousand tonnes – lower quality ore).
- **Production of TPM amounted to 5.0 thousand troy ounces** and was lower by 1.7 thousand troy ounces (-25%) compared to June 2020. Lower production was also recorded by the Sudbury Basin (-1.2 thousand troy ounces – lower TPM content in ore and lower extraction), as well as by the Robinson mine (-0.5 thousand troy ounces – lower recovery).

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 3.6 thousand tonnes** and were lower by 1.6 thousand tonnes (-31%) compared to sales in June 2020. The main reason was lower sales of copper from the Robinson mine due to the lower amount of copper concentrate sold by approx. 10 thousand tonnes due to the schedule of deliveries agreed with customers. This decrease was partially offset by higher sales of copper by the Franke mine (+0.7 thousand tonnes).
- **Sales of TPM amounted to 2.3 thousand troy ounces** and were lower by 3.8 thousand troy ounces (-62%) compared to the corresponding period of 2020. This was due both to the lower sales of gold from Robinson concentrate (due to the lower volume of copper concentrate sold), as well as sales of TPM in ore from the Sudbury Basin (lower platinum and palladium content in ore and a lower volume of material sold).
- **Sales of silver amounted to 0.3 tonnes** and were lower by 0.5 tonnes compared to June 2020. This was mainly due to lower silver sales recorded by the Robinson mine which, similarly as in the case of gold, was the result of a lower volume of copper concentrate sold. Slightly higher silver sales were recorded by the Sudbury Basin (+0.1 tonnes), due to higher silver content in ore.

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

Production and sales of Sierra Gorda (on a 55% basis)	June 2021	June 2020	I - VI 2021	I - VI 2020
Production				
Payable copper (kt)	9.7	7.5	51.2	39.2
Molybdenum (mn lbs)	0.8	1.1	4.6	5.0
Payable silver (t)	2.6	2.4	15.6	12.5
TPM (koz t)	2.7	2.7	14.3	16.2
Sales				
Copper (kt)	11.1	7.9	48.8	37.9
Molybdenum (mn lbs)	0.8	0.6	4.2	4.6
Silver (t)	3.2	2.6	14.9	12.1
TPM (koz t)	3.2	2.9	14.1	16.0

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 9.7 thousand tonnes** and was higher by 2.2 thousand tonnes (+29%) compared to June 2020. The increase in payable copper production in June 2021 compared to June 2020, as well as in the period January-June 2021 compared to the corresponding period of 2020, was due to higher copper content in mined ore and higher metal recovery.
- **Production of molybdenum amounted to 0.8 million pounds** and was lower by 0.3 million pounds (-27%) compared to June 2020. The decrease in molybdenum production in June 2021 compared to June 2020, as well as in the period January-June 2021 compared to the corresponding period of 2020, was mainly due to lower metal content in mined ore.

Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 11.1 thousand tonnes** and were higher by 3.2 thousand tonnes (+41%) compared to sales in June 2020. The increase was due to a higher volume of copper concentrate sold in June 2021 (by approx. 15 thousand tonnes dry weight) as a result of the agreed schedule of deliveries and to higher copper content in concentrate.
- **Sales of molybdenum amounted to 0.8 million pounds** and were higher by 0.2 million pounds (+33%) compared to June 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.
- **Sales of silver amounted to 3.2 tonnes** and were higher by 0.6 tonnes (+23%).
- **Sales of TPM amounted to 3.2 thousand troy ounces** and were higher by 0.3 thousand troy ounces (+10%). The increase in silver and TPM sales was mainly due to a higher volume of copper concentrate sold in June 2021.