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## Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for July 2018

*The following report contains preliminary monthly data – the final quarterly production and sales results will be published in the forthcoming consolidated periodic report. 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-July 2018 production of payable copper by the KGHM Group was higher than target amounts, while production of silver was in line with the target amount. Production of precious metals was higher than the amount planned, while there was a slight decrease with respect to molybdenum. In the first seven months of 2018, the volume of metals sales was in line with targets.

### **Production results of the KGHM Group in July 2018 yoy:**

- **Payable copper production amounted to 55.9 thousand tonnes**, or slightly lower than the one achieved in July 2017. The decrease in KGHM Polska Miedź S.A. amounted to 1%, although the target for Cu production in July was exceeded. The decrease in KGHM International amounted to 7% and was mainly in respect of the Robinson mine due to a lower amount of ore extracted. Copper production by the KGHM Group was positively impacted by Sierra Gorda, in which production increased by 9% as compared to July 2017.
- **Silver production amounted to 109.3 tonnes**, or 9% lower as compared to July 2017. The decrease was due to the planned maintenance shutdown of the Precious Metals Plant at the Głogów Copper Smelter and Refinery, which began in June and which continued through the first 5 days of July 2018.
- **TPM production amounted to 14.2 thousand troy ounces**, or 18% less compared to July 2017 and was in respect of KGHM Polska Miedź S.A. (maintenance of the Precious Metals Plant at the Głogów Copper Smelter and Refinery) and of Sierra Gorda, with slightly higher production by KGHM International.
- **Molybdenum production amounted to 1.5 million pounds**, or an increase by 15% compared to July 2017. In the case of the Sierra Gorda mine, the higher volume of Mo production was due to a higher volume of ore processed.

### **Sales by the KGHM Group in July 2018 yoy:**

- **Sales of payable copper amounted to 54.4 thousand tonnes** and were higher by 9% compared to July 2017.
- **Sales of silver amounted to 115.3 tonnes** and were higher by 36% compared to July 2017.
- **TPM sales amounted to 10.8 thousand troy ounces** and were lower by 29% compared to July 2017.

- **Molybdenum sales amounted to 1.4 million pounds** and were lower by 30% compared to July 2017.

#### **KGHM Polska Miedź S.A.:**

- **Sales of copper amounted to 43.8 thousand tonnes** and were higher by 2.7 thousand tonnes (7%) compared to sales in July 2017. This difference was due to the sale of approx. 2.3 thousand tonnes of copper in concentrate in July 2018 (in 2017 there were no sales of Cu concentrate).
- **Sales of silver amounted to 113.9 tonnes** and were higher by 30.7 tonnes (37%) compared to sales in July 2017. This difference was due among others to the sale of approx. 10.8 tonnes of silver in copper concentrate and to the optimisation of silver shipments in accordance with customers' requirements.
- **TPM sales amounted to 4.0 thousand troy ounces** and were lower by 4.6 thousand troy ounces (-53%) compared to sales in July 2017. The decrease was due to the lack of a large international shipment. Due to the relatively low monthly level of gold production by KGHM Polska Miedź S.A., gold is accumulated in appropriate amounts in order to optimise transport costs.

#### **KGHM International:**

- **Sales of copper amounted to 4.8 thousand tonnes** and were lower by 0.7 thousand tonnes (-13%) compared to sales in July 2017. The main factor was the lower volume of sales of cathodes by Franke and Carlota as compared to 2017.
- **TPM sales amounted to 4.8 thousand troy ounces** and were higher by 0.4 thousand troy ounces (10%) compared to sales in July 2017. This was due to higher sales of TPM from Sudbury in July 2017.
- **Sales of silver amounted to -0.06 tonnes** and were lower by 0.35 tonnes compared to sales in July 2017. This was mainly due to the adjustment, in July 2018, of the provisional amount of silver content compared to previous deliveries.
- **Molybdenum sales amounted to 0.04 million pounds** and were lower by 0.07 million pounds (-62%) compared to sales in July 2017. This was due to the lower amount of molybdenum produced by the Robinson mine.

#### **Sierra Gorda (55%):**

- **Sales of copper amounted to 5.8 thousand tonnes** and were higher by 2.5 thousand tonnes (74%) compared to sales in the prior year.
- **Molybdenum sales amounted to 1.4 million pounds** and were lower by 0.54 million pounds (-28%) compared to sales in the prior year due to lower production.
- **Sales of silver amounted to 1.5 tonnes** and were higher by 0.3 tonnes (30%) compared to sales in the prior year.
- **TPM sales amounted to 2.0 thousand troy ounces** and were lower by 0.3 thousand troy ounces (-12%) compared to sales in the prior year.

<b>Production and sales of the KGHM Group</b>	<b>July 2018</b>	<b>July 2017</b>	<b>monthly change yoy*</b>
Payable copper (kt)	55.9	56.4	-1%
Payable silver (t)	109.3	120.7	-9%
TPM (koz t)	14.2	17.4	-18%
Molybdenum (mn lbs)	1.5	1.3	15%
Copper sales (kt)	54.4	49.9	9%
Silver sales (t)	115.3	84.7	36%
TPM sales (koz t)	10.8	15.3	-29%
Molybdenum sales (mn lbs)	1.4	2.0	-30%

<b>Production of KGHM Polska Miedź S.A.</b>	<b>July 2018</b>	<b>July 2017</b>	<b>monthly change yoy*</b>
<b>Mine production:</b>			
Copper in concentrate (kt)	33.8	36.4	-7%
Silver in concentrate (t)	106.8	112.4	-5%
<b>Metallurgical production:</b>			
Electrolytic copper (kt)	45.2	45.5	-1%
- including from own concentrate	35.5	27.2	31%
Metallic silver (t)	108.1	119.5	-10%
TPM (koz t)	6.4	8.6	-26%
Copper sales (kt)	43.8	41.1	7%
Silver sales (t)	113.9	83.2	37%
TPM sales (koz t)	4.0	8.6	-53%

<b>Production of KGHM International</b>	<b>July 2018</b>	<b>July 2017</b>	<b>monthly change yoy*</b>
Payable copper (kt)	6.6	7.1	-7%
TPM (koz t)	6.3	6.1	3%
Molybdenum (mn lbs)	0.06	0.06	-4%
Copper sales (kt)	4.8	5.5	-13%
TPM sales (koz t)	4.8	4.4	10%
Silver sales (t)	-0.06	0.3	-121%
Molybdenum sales (mn lbs)	0.04	0.11	-62%

<b>Production of Sierra Gorda (on a 55% basis)</b>	<b>July 2018</b>	<b>July 2017</b>	<b>monthly change yoy*</b>
Payable copper (kt)	4.1	3.8	9%
Molybdenum (mn lbs)	1.4	1.2	16%
Payable silver (t)	1.2	1.2	-3%
TPM (koz t)	1.5	2.7	-42%
Copper sales (kt)	5.8	3.3	74%
Molybdenum sales (mn lbs)	1.4	1.9	-28%
Silver sales (t)	1.5	1.2	30%
TPM sales (koz t)	2.0	2.3	-12%

\* percentage change on the basis of unrounded data