
Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for August 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-August 2018, production of copper, silver and precious metals (TPM) by the KGHM Group was higher than target amounts. There was a slight drop in molybdenum production versus the target amount. The sales plan target for all basic metals was exceeded.

Production results of the KGHM Group in August 2018 yoy:

- **Payable copper production amounted to 57.3 thousand tonnes**, or a decrease by 2% compared to August 2017, due to lower production in the international mines, including in particular in the Robinson mine, which in August extracted ore with less Cu content than in the prior year. Production of electrolytic copper by KGHM Polska Miedź S.A. increased as a result of higher production from own concentrate.
- **Silver production amounted to 128.6 t**, or an increase by 17% compared to August 2017.
- **TPM production amounted to 16.7 troy ounces**, or a decrease by 13% compared to August 2017 mainly due to the Robinson mine as a result of lower gold content in extracted ore.
- **Molybdenum production amounted to 1.1 million pounds**, or a decrease by 15% compared to August 2017 due to a planned decrease in molybdenum content in the ore currently being extracted by the Sierra Gorda mine.

Sales by the KGHM Group in August 2018 yoy:

- **Sales of payable copper amounted to 54.6 thousand tonnes** and were higher by 10% compared to August 2017.
- **Sales of silver amounted to 137.1 tonnes** and were higher by 17% compared to August 2017.
- **TPM sales amounted to 15.8 thousand troy ounces** and were higher by 1% compared to August 2017.
- **Molybdenum sales amounted to 1.7 million pounds** and were lower by 25% compared to August 2017.

KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 42.4 thousand tonnes** and were higher by 3.9 thousand tonnes (10%) compared to sales in August 2017. This difference was mainly due to the sale of approx. 2.3 thousand tonnes of copper in concentrate in August 2018 (in 2017 there were no sales of Cu concentrate).
- **Sales of silver amounted to 135.2 tonnes** and were higher by 18.5 tonnes (16%) compared to sales in August 2017. This difference was due among others to the sale of approx. 11.2 tonnes of silver in copper concentrate and to higher silver production in August 2018.
- **TPM sales amounted to 6.8 thousand troy ounces** and were lower by 0.5 thousand troy ounces (-7%) compared to sales in August 2017. This was due to lower gold production in August 2018.

KGHM International:

- **Sales of copper amounted to 8.9 thousand tonnes** and were higher by 2.2 thousand tonnes (32%) compared to sales in August 2017. The main factor was the higher volume of sales of concentrate by the Robinson mine compared to August 2017.
- **TPM sales amounted to 7.6 thousand troy ounces** and were higher by 1.9 thousand troy ounces (33%) compared to sales in August 2017. This was due to higher sales of concentrate by the Robinson mine, and in consequence gold in concentrate in August 2018.
- **Sales of silver amounted to 0.9 tonnes** and were higher by 1 tonne (867%) compared to sales in August 2017. The negative value of silver sales in August 2017 was due to adjustments of the provisional amount of metal content in previous deliveries made by the Robinson mine.
- **Molybdenum sales amounted to 0.05 million pounds** and were lower by 0.03 million pounds (-33%) compared to sales in August 2017. This was due to logistics considerations and to the schedule of deliveries of concentrate made by the Robinson mine.

Sierra Gorda (55%):

- **Sales of copper amounted to 3.3 thousand tonnes** and were lower by 1.2 thousand tonnes (-26%) compared to sales in the prior year. The lower level of copper sales in August 2018 was due to the postponement of a shipment of concentrate from August to the beginning of September 2018.
- **Molybdenum sales amounted to 1.6 million pounds** and were lower by 0.5 million pounds (-24%) compared to sales in the prior year due to lower production.
- **Sales of silver amounted to 1.0 tonne** and were comparable to sales in the prior year.
- **TPM sales amounted to 1.4 thousand troy ounces** and were lower by 1.3 thousand troy ounces (-49%) compared to sales in the prior year.

Production and sales of the KGHM Group	August 2018	August 2017	monthly change yoy*
Payable copper (kt)	57.3	58.5	-2%
Payable silver (t)	128.6	109.8	+17%
TPM (koz t)	16.7	19.1	-13%
Molybdenum (mn lbs)	1.1	1.3	-15%
Copper sales (kt)	54.6	49.7	10%
Silver sales (t)	137.1	117.6	17%
TPM sales (koz t)	15.8	15.7	1%
Molybdenum sales (mn lbs)	1.7	2.2	-25%

Production and sales of KGHM Polska Miedź S.A.	August 2018	August 2017	monthly change yoy*
<i>Mine production:</i>			
Copper in concentrate (kt)	33.9	35.7	-5%
Silver in concentrate (t)	108.7	107.9	1%
<i>Metallurgical production:</i>			
Electrolytic copper (kt)	46.8	45.7	2%
- including from own concentrate	36.9	31.4	18%
Metallic silver (t)	127.1	108.5	17%
TPM (koz t)	9.0	9.3	-4%
Copper sales (kt)	42.4	38.5	10%
Silver sales (t)	135.2	116.7	16%
TPM sales (koz t)	6.8	7.3	-7%

Production and sales of KGHM International	August 2018	August 2017	monthly change yoy*
Payable copper (kt)	5.9	7.7	-23%
TPM (koz t)	5.8	6.8	-14%
Molybdenum (mn lbs)	0.12	0.04	191%
Copper sales (kt)	8.9	6.7	32%
TPM sales (koz t)	7.6	5.7	33%
Silver sales (t)	0.9	-0.1	867%
Molybdenum sales (mn lbs)	0.05	0.08	-33%

Production and sales of Sierra Gorda (on a 55% basis)	August 2018	August 2017	monthly change yoy*
Payable copper (kt)	4.6	5.1	-8%
Molybdenum (mn lbs)	1.0	1.3	-29%
Payable silver (t)	1.5	1.3	12%
TPM (koz t)	1.9	3.0	-37%
Copper sales (kt)	3.3	4.5	-26%
Molybdenum sales (mn lbs)	1.6	2.1	-24%
Silver sales (t)	1.0	1.0	-1%
TPM sales (koz t)	1.4	2.7	-49%

* *percentage change on the basis of unrounded data*