



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

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

In terms of copper and silver production, there was also an increase recorded, respectively by 9% and 3%, compared to the corresponding period of 2020.

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

Production and sales of the KGHM Group	August 2021	August 2020	I - VIII 2021	I - VIII 2020
Production				
Payable copper (kt)	64.6	57.9	510.3	466.1
- including KGHM Polska Miedź S.A.*	49.9	44.7	392.9	370.1
Payable silver (t)	109.5	58.6	901.3	875.5
TPM (koz t)	14.6	13.8	106.5	128.9
Molybdenum (mn lbs)	1.0	0.6	6.1	6.8
Sales				
Copper (kt)	56.1	58	478.7	462.5
Silver (t)	105.6	65.2	861.8	895.6
TPM (koz t)	17.5	23.8	101.6	139.5
Molybdenum (mn lbs)	0.8	0.6	5.24	6.6

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 64.6 thousand tonnes** - an increase, by 6.7 thousand tonnes (+12%) versus the corresponding month of 2020, in all segments combined.
- **Production of payable silver amounted to 109.5 tonnes**, or an increase by 50.9 tonnes (+87%) compared to the corresponding month of 2020, mainly due to maintenance at the Precious Metals Plant of the Głogów Copper Smelter and Refinery in August 2020, which this year is planned for September.
- **Production of TPM amounted to 14.6 thousand troy ounces**, or an increase by 0.8 thousand troy ounces (6%) compared to the corresponding month of 2020. The increase was in respect of KGHM Polska Miedź S.A. (gold), with lower production by KGHM INTERNATIONAL LTD. (lower extraction by the Sudbury Basin and lower gold content in the Robinson mine), while Sierra Gorda maintained its production level of the prior year.
- **Production of molybdenum amounted to 1.0 million pounds**, or an increase by 0.4 million pounds (+67%) compared to August 2020 due to higher molybdenum content and recovery and higher processing by the Sierra Gorda mine.

Sales of the KGHM Group:

- **Sales of copper amounted to 56.1 thousand tonnes** and were not substantially different from sales in August 2020 (-3%). The increase in copper sales recorded in August 2021 by KGHM Polska Miedź S.A. in combination with a slightly lower sales level of copper by KGHM INTERNATIONAL LTD. and by the Sierra Gorda mine led to the three-percent change in results for the entire KGHM Group.
- **Sales of silver amounted to 105.6 tonnes** and were higher by 40.4 tonnes (+62%) than sales achieved in August 2020. The increase is mainly due to higher sales of silver by the Polish production assets.
- **Sales of TPM amounted to 17.5 thousand troy ounces** and were lower by 6.3 thousand troy ounces (-26%) compared to sales in August 2020. The result was due to lower sales of gold by the Sierra Gorda mine and by KGHM INTERNATIONAL LTD.
- **Sales of molybdenum amounted to 0.8 million pounds** and were higher by 0.2 million pounds (+33%) compared to August 2020. The increase in molybdenum sales was in respect of the Sierra Gorda mine.

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

Production and sales of KGHM Polska Miedź S.A.	August 2021	August 2020	I - VIII 2021	I - VIII 2020
Mine production:				
Copper in concentrate (kt)	33.4	31.2	262.5	263.3
Silver in concentrate (t)	109.9	94.7	861.9	812.4
Metallurgical production:				
Electrolytic copper (kt)	49.9	44.7	392.9	370.1
- including from own concentrate	33.2	25.2	257.3	258.4
Metallic silver (t)	107.0	55.8	879.3	857.2
TPM (koz t)	7.4	5.0	52.2	57.8
Sales				
Copper (kt)	41.8	40.9	368.6	361.3
Silver (t)	103.0	60.8	840.6	872.7
TPM (koz t)	12.6	12.6	54.1	64.2

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 33.4 thousand tonnes** and was higher by 2.2 thousand tonnes (+7%) compared to August 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 109.9 tonnes** and was higher by 15.2 tonnes (+16%) compared to August 2020, due to the higher content of this metal in ore.
- **Production of electrolytic copper amounted to 49.9 thousand tonnes** and was higher by 5.2 thousand tonnes (+12%) compared to August 2020. The increase in the production of electrolytic copper in the form of cathodes was due to the availability of charge material and to the higher availability of the production lines.
- **Production of metallic silver amounted to 107.0 tonnes** and was higher by 51.2 tonnes (+92%) compared to August 2020. In August 2020 the Precious Metals Plant underwent maintenance, which this year is planned for September.

Sales of KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 41.8 thousand tonnes** and were comparable to the level of sales recorded in August 2020 (+2%).
- **Sales of silver amounted to 103.0 tonnes** and were higher by 42.2 tonnes compared to sales in August 2020. The higher level of sales was mainly due to higher silver production in August 2021 and to the schedule of customer orders.
- **Sales of TPM amounted to 12.6 thousand troy ounces** and were comparable to sales recorded in August 2020.

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

Production and sales of KGHM INTERNATIONAL LTD.	August 2021	August 2020	I - VIII 2021	I - VIII 2020
Production				
Payable copper (kt)	6.4	6.2	48.6	43.3
TPM (koz t)	4.8	6.4	35.2	50.0
Sales				
Copper (kt)	6.1	8.0	42.7	48.8
TPM (koz t)	2.5	7.9	28.3	54.0
Silver (t)	0.5	1.1	1.3	5.7

Production of KGHM INTERNATIONAL LTD.:

- **Production of copper amounted to 6.4 thousand tonnes** and was higher by 0.2 thousand tonnes (+3%) compared to August 2020. Higher production by the Robinson mine (+0.25 thousand tonnes – higher copper content in ore and higher recovery) and by the Carlota mine (+0.13 thousand tonnes – higher copper content in the Pregnant Leach Solution) offset lower production by the Franke mine (-0.16 thousand tonnes – lower quality ore) and in the Sudbury Basin (-0.05 thousand tonnes – lower extraction, lower copper content in ore).
- **Production of TPM amounted to 4.8 thousand troy ounces** and was lower by 1.6 thousand troy ounces (-25%) compared to August 2020. Lower production was also recorded by the Sudbury Basin (-1.2 thousand troy ounces – lower extraction), as well as by the Robinson mine (-0.5 thousand troy ounces - lower gold content in feed, despite higher recovery).

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 6.1 thousand tonnes** and were lower by 1.9 thousand tonnes (-24%) compared to sales in August 2020. The main reason was lower sales of copper recorded by the Robinson mine, due to a lower amount of copper concentrate sold by more than 10 thousand tonnes resulting from the schedule of deliveries agreed with customers. The amount of copper sold by the Carlota mine was higher (+0.2 thousand tonnes) due to higher production. Sales by the Franke mine were lower compared to those recorded in August 2020 (lower production). The Sudbury Basin recorded a slight decrease in copper sales (-0.1 thousand tonnes) due to lower copper content in ore.
- **Sales of TPM amounted to 2.5 thousand troy ounces** and were lower by 5.4 thousand troy ounces (-68%) compared to sales in August 2020. The sales result was affected by lower gold content in concentrate as well as the amount of copper concentrate sold by the Robinson mine and TPM from Sudbury Basin ore (a lower amount of ore delivered).
- **Sales of silver amounted to 0.5 tonnes** and were lower by 0.6 tonnes (-55%) compared to August 2020, due to the lower content of this metal in copper concentrate from the Robinson mine.

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

Production and sales of Sierra Gorda (on a 55% basis)	August 2021	August 2020	I - VIII 2021	I - VIII 2020
Production				
Payable copper (kt)	8.3	7.0	68.8	52.7
Molybdenum (mn lbs)	1.0	0.6	5.9	6.4
Payable silver (t)	2.3	2.6	20.5	17.2
TPM (koz t)	2.4	2.4	19.1	21.1
Sales				
Copper (kt)	8.2	9.1	67.4	52.4
Molybdenum (mn lbs)	0.8	0.6	5.2	6.1
Silver (t)	2.1	3.3	19.9	17.2
TPM (koz t)	2.4	3.3	19.2	21.3

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 8.3 thousand tonnes** and was higher by 1.3 thousand tonnes (+19%) compared to August 2020. The increase in payable copper production in August 2021 compared to August 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-August 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 1.0 million pounds** and was higher by 0.4 million pounds (+67%) compared to August 2020. The increase in molybdenum production in August 2021 compared to August 2020 was due to higher metal content in mined ore, higher metal recovery and a higher volume of ore processed. On the other hand, the decrease in molybdenum production in the period January-August 2021 compared to the corresponding period of 2020 was due to lower metal content in mined ore. This was partially offset by higher metal recovery and a higher volume of ore processed.

Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 8.2 thousand tonnes** and were lower by 0.9 thousand tonnes (-10%) compared to the corresponding period of 2020. The lower sales of copper were due to the lower volume of copper concentrate sold (by approx. 16.5 thousand tonnes dry weight) due to lower production and the schedule of deliveries.
- **Sales of molybdenum amounted to 0.8 million pounds** and were higher by 0.2 million pounds (+33%) compared to August 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 2.1 tonnes** and were lower by 1.2 tonnes (-36%) compared to sales recorded in August 2020.
- **Sales of TPM amounted to 2.4 thousand troy ounces** and were lower by 0.9 thousand troy ounces (-27%) compared to sales in August 2020. The decrease in silver and TPM sales was mainly due to the lower volume of copper concentrate sold in August 2021.