

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

The following report contains preliminary monthly data – the final quarterly and annual 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.

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

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

Production and sales of the KGHM Group	February 2022	February 2021	I - II 2022	I - II 2021
Production				
Payable copper (kt)	62.0	58.0	129.4	119.7
- including KGHM Polska Miedź S.A.*	48.1	45.8	100.9	95.9
Payable silver (t)	106.8	99.4	229.0	217.2
TPM (koz t)	13.0	11.8	28.2	22.4
Molybdenum (mn lbs)	0.5	0.4	0.9	1.1
Sales				
Copper (kt)	55.9	62.9	114.9	109.1
Silver (t)	119.0	82.5	252.8	164.7
TPM (koz t)	12.5	6.9	24.4	19.2
Molybdenum (mn lbs)	0.1	0.7	0.6	1.3

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 62.0 thousand tonnes** - an increase in production compared to February 2021 by 4.0 thousand tonnes (+7%) with respect to all of the segments, including mainly KGHM Polska Miedź S.A.
- **Production of payable silver amounted to 106.8 tonnes**, or an increase by 7.4 tonnes (+7%) compared to the amount recorded in the corresponding month of 2021 due to the higher availability of charge materials at the Precious Metals Plant of the Głogów Copper Smelter and Refinery.
- **Production of TPM amounted to 13.0 thousand troy ounces** and was higher by 1.2 thousand troy ounces (+10%) compared to February 2021. The increase was in respect of all of the segments, including mainly KGHM INTERNATIONAL LTD. due to higher recovery of gold by the Robinson mine and higher precious metals content in ore extracted in the Sudbury Basin.
- **Production of molybdenum amounted to 0.5 million pounds**, or an increase by 0.1 million pounds (+25%) compared to February 2021 due to an increase in the volume of ore processed and higher recovery of molybdenum by the Sierra Gorda mine.

Sales of the KGHM Group:

- **Sales of copper amounted to 55.9 thousand tonnes** and were lower by 7.0 thousand tonnes (-11%) than sales in February 2021. Higher copper sales were recorded by the Sierra Gorda mine, with lower sales in KGHM Polska Miedź S.A. and KGHM INTERNATIONAL LTD.
- **Sales of silver amounted to 119.0 tonnes** and were higher by 36.5 tonnes (+44%) than sales in February 2021. This was due to higher sales of silver by KGHM Polska Miedź S.A. and by the Sierra Gorda mine.
- **Sales of TPM amounted to 12.5 thousand troy ounces** and were higher by 5.6 thousand troy ounces (+81%) than sales in the corresponding period of 2021. This was due to higher sales of gold by KGHM Polska Miedź S.A. and by the Sierra Gorda mine.
- **Sales of molybdenum amounted to 0.1 million pounds** and were lower by 0.6 million pounds (-86%) compared to February 2021. The decrease in molybdenum sales was in respect of the Sierra Gorda mine.

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

Production and sales of KGHM Polska Miedź S.A.	February 2022	February 2021	I - II 2022	I - II 2021
Mine production				
Copper in concentrate (kt)	31.5	31.0	64.6	62.2
Silver in concentrate (t)	104.5	100.0	212.9	199.4
Metallurgical production				
Electrolytic copper (kt)	48.1	45.8	100.9	95.9
- including from own concentrate	32.1	32.0	67.1	64.3
Metallic silver (t)	104.0	97.0	223.8	212.3
TPM (koz t)	6.2	6.0	13.7	11.0
Sales				
Copper (kt)	45.2	51.7	90.4	86.9
Silver (t)	116.4	80.3	246.8	160.2
TPM (koz t)	7.6	1.8	13.2	8.3

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 31.5 thousand tonnes** and was higher by 0.5 thousand tonnes (+2%) compared to February 2021. 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 104.5 tonnes** and was higher by 4.5 tonnes (+5%) compared to February 2021, due to the higher content of this metal in ore.
- **Production of electrolytic copper amounted to 48.1 thousand tonnes** and was higher by 2.3 thousand tonnes (+5%) compared to February 2021. The increase in cathode production was the result of the execution of adopted targets in the production plan for 2022.
- **Production of metallic silver amounted to 104.0 tonnes** and was higher by 7 tonnes (+7%) compared to February 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 45.2 thousand tonnes** and were lower by 6.5 thousand tonnes (-13%) compared to sales in February 2021. The decrease in sales was the result of the schedule of deliveries agreed with customers as well as logistical issues in maritime transport – delays of several days in the departure of ships from the end of February to March 2022.
- **Sales of silver amounted to 116.4 tonnes** and were higher by 36.1 tonnes (+45%) compared to February 2021. The difference was due to higher production in the first two months of 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 7.6 thousand troy ounces** and were higher by 5.8 thousand troy ounces (+322%) compared to sales in February 2021. The difference was due to higher production in the first two months of 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 February 2022 - y/y:

Production and sales of KGHM INTERNATIONAL LTD.	February 2022	February 2021	I - II 2022	I - II 2021
Production				
Payable copper (kt)	5.7	4.9	12.6	10.4
TPM (koz t)	4.6	3.7	10.1	7.0
Sales				
Copper (kt)	2.9	5.3	8.4	10.2
TPM (koz t)	2.8	3.3	6.8	6.5
Silver (t)	0.1	0.3	0.8	0.7

Production of KGHM INTERNATIONAL LTD.:

- **Production of copper amounted to 5.7 thousand tonnes** and was higher by 0.8 thousand tonnes (+16%) compared to February 2021 mainly due to higher production by the Robinson mine (+834 tonnes – higher copper content in ore and higher recovery), as well as in the Sudbury Basin (+37 tonnes – higher copper content in ore). Lower production of copper than in 2021 was recorded by the Franke mine (-81 tonnes – lower quality ore) and slightly lower by Carlota (-3 tonnes).
- **Production of TPM amounted to 4.6 thousand troy ounces** and was higher by 0.9 thousand troy ounces (+24%) compared to February 2021 both in the Robinson mine (+0.6 thousand troy ounces – higher recovery), as well as in the Sudbury Basin (+0.3 thousand troy ounces – higher TPM content in ore).

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 2.9 thousand tonnes** and were lower by 2.4 thousand tonnes (-45%) compared to sales in February 2021. The main reason was the lower volume of copper sales from Robinson concentrate, connected with the schedule of deliveries (in February 2022 there was one shipment of 9.5 thousand tonnes of concentrate dry weight, while in February 2021 there were two shipments, weighing around 18.9 thousand tonnes). There was also a decrease in sales of copper in the form of cathodes by the Franke and Carlota mines. Sales by the Sudbury Basin were slightly higher.
- **Sales of TPM amounted to 2.8 thousand troy ounces** and were lower by 0.5 thousand troy ounces (-15%) compared to February 2021. This was mainly due to the volume of copper concentrate sold and the amount of payable gold contained therein. On a year-to-year basis the Sudbury Basin recorded higher sales of platinum and palladium and a slightly lower level of gold sold.
- **Sales of silver amounted to 0.1 tonnes** and were lower by 0.2 tonnes (-67%) than sales in the corresponding period of 2021. The difference is directly connected with the amount of shipments and the content of silver in concentrate from the Robinson mine. Lower silver sales were also recorded by the Sudbury Basin.

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

Production and sales of Sierra Gorda (on a 55% basis)	February 2022	February 2021	I - II 2022	I - II 2021
Production				
Payable copper (kt)	8.2	7.3	15.9	13.4
Molybdenum (mn lbs)	0.5	0.4	0.8	1.0
Payable silver (t)	2.7	2.2	5.0	4.5
TPM (koz t)	2.2	2.1	4.4	4.4
Sales				
Copper (kt)	7.8	5.9	16.1	12.0
Molybdenum (mn lbs)	0.1	0.7	0.6	1.2
Silver (t)	2.5	1.9	5.2	3.8
TPM (koz t)	2.1	1.8	4.4	4.4

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 8.2 thousand tonnes** and was higher by 0.9 thousand tonnes (+12%) compared to February 2021. The increase in payable copper production in February 2022 compared to February 2021 was due to a higher volume of ore processed and higher metal recovery. The increase in payable copper production in the period January-February 2022 compared to the corresponding period of 2021 was due to higher copper content in mined ore, higher metal recovery and a higher volume of ore processed.
- **Production of molybdenum amounted to 0.5 million pounds** and was higher by 0.1 million pounds (+25%) compared to February 2021. The increase in molybdenum production in February 2022 compared to the corresponding period of 2021 was due to higher metal recovery and a higher volume of ore processed, despite the lower metal content in mined ore. The decrease in molybdenum production in the period January-February 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 7.8 thousand tonnes** and were higher by 1.9 thousand tonnes (+32%) compared to sales in February 2021. This was due to a higher volume of copper concentrate sold combined with higher copper production as well as due to the schedule of planned deliveries.
- **Sales of molybdenum amounted to 0.1 million pounds** and were lower by 0.6 million pounds (-86%) compared to February 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. It should be noted that the lower sales of molybdenum in February 2022 were mainly due to logistical issues – delays in ship sailings in Chile.
- **Sales of silver amounted to 2.5 tonnes** and were higher by 0.6 tonnes (+32%). The main reason was a higher volume of material sold in February 2022.
- **Sales of TPM amounted to 2.1 thousand troy ounces** and were higher by 0.3 thousand troy ounces (+17%). The increase was directly related to the higher volume of copper concentrate sold in February 2022 compared to sales in February 2021.