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

Production of payable copper, silver and molybdenum by the KGHM Group in the period January-June 2018 was in line with target amounts, while production of TPM was higher than the amount planned for this period. Metals sales in the first half of 2018 were also in line with targets.

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

- **Payable copper production amounted to 50.6 thousand tonnes**, or 5.9 thousand tonnes (-10%) less than in June 2017. The decrease was mainly due to the shutdown to perform maintenance on the concentrate smelting installation at the Głogów II Copper Smelter and Refinery, as announced by the Company in its regulatory filings providing preliminary production and sales data for April and May 2018. The maintenance was completed on 25 June 2018, or 8 days sooner than assumed in the schedule, which enabled the level of production targeted for June 2018 to be exceeded.

Production of copper by the international mines was 1.1 thousand tonnes (-9%) lower than the amount recorded in June 2017, mainly due to the lower Cu content and volume of ore extracted from the Robinson mine. Also lower was the volume of ore processed and copper recovery by the Sierra Gorda mine.

- **Silver production amounted to 52.8 tonnes**, or 53% lower than the amount recorded in June 2017. The significant decrease in production was due to the maintenance shutdown of the Precious Metals Plant at the Głogów Copper Smelter and Refinery. This maintenance was reflected in the Company's budget, while production of metallic silver in June 2018 exceeded the target amount.
- **TPM production amounted to 12.5 thousand troy ounces**, or 20% less compared to the results of the prior year. The drop in production was mainly due to the aforementioned maintenance of the Precious Metals Plant at the Głogów Copper Smelter and Refinery, the lower amount of ore processed by Sierra Gorda than in the prior year and to the decrease in gold content and in extraction by the Robinson mine.
- **Molybdenum production amounted to 1.3 million pounds**. The decrease compared to June 2017 by 55% was due to the lower volume of ore processed as well as to the extraction of ore containing a lower amount of Mo by the Sierra Gorda mine.

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

- **Sales of payable copper amounted to 60.4 thousand tonnes** and were higher by 11% compared to June 2017.
- **Sales of silver amounted to 111.9 tonnes** and were higher by 9% compared to June 2017.
- **TPM sales amounted to 11.1 thousand troy ounces** and were lower by 42% compared to June 2017.
- **Molybdenum sales amounted to 1.3 million pounds** and were lower by 10% compared to June 2017.

### **KGHM Polska Miedź S.A.:**

- **Sales of copper amounted to 49.0 thousand tonnes** and were higher by 5.4 thousand tonnes (+12%) compared to sales in June 2017. This difference was due to the sale of 3.5 thousand tonnes of copper in concentrate in June 2018 (in 2017 there were no sales of Cu concentrate) and to higher demand for copper cathodes in Europe in June 2018.
- **Sales of silver amounted to 110.3 tonnes** and were higher by 8.5 tonnes (+8%) due to sales in the current year of silver in Cu concentrate.
- **TPM sales amounted to 2.7 thousand troy ounces** and were lower by 7.8 thousand troy ounces (-74%). Due to the relatively low monthly level of gold production by KGHM Polska Miedź S.A., in order to optimise transport costs, gold is accumulated and at certain times is then shipped to international clients. In 2017 such a shipment was made in June, with another in May 2018.

### **KGHM International:**

- **Sales of copper amounted to 8.8 thousand tonnes** and were higher by 2.5 thousand tonnes (+40%). The main reason was the higher volume of sales of concentrate by the Robinson mine, followed by cathodes from the Franke mine and ore from the Sudbury mines.
- **TPM sales amounted to 7.4 thousand troy ounces** and were higher by 1.8 thousand troy ounces (+32%). Similarly as in the case of copper, sales were higher mainly as a result of a higher volume of sales of concentrate by the Robinson mine compared to the same period of the prior year.
- **Sales of silver amounted to 0.9 tonnes** and were higher by 0.8 tonnes (x11). This was mainly due to the adjustment, in June of 2017, of the provisional amount of silver content compared to previous deliveries of concentrate by the Robinson mine.
- **Molybdenum sales amounted to 0.02 million pounds** and were lower by 0.09 million pounds (-83%). This was mainly due to the lower amount of molybdenum produced by the Robinson mine than in the prior year.

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

- **Sales of copper amounted to 2.5 thousand tonnes** and were lower by 1.8 thousand tonnes (-42%) compared to sales in the prior year.
- **Molybdenum sales amounted to 1.3 million pounds** and were similar to the level of sales in the prior year.

- **Sales of silver amounted to 0.7 tonnes** and were lower by 0.5 tonnes (-43%) compared to the level of sales in the prior year.
- **TPM sales amounted to 1.0 thousand troy ounces** and were lower by 1.9 thousand troy ounces (-66%) compared to the level of sales in the prior year.

<b>Production and sales of the KGHM Group</b>	<b>June 2018</b>	<b>June 2017</b>	<b>monthly change yoy</b>
Payable copper (kt)	50.6	56.5	-10%
Payable silver (t)	52.8	112.2	-53%
TPM (koz t)	12.5	15.6	-20%
Molybdenum (mn lbs)	1.3	2.9	-55%
Copper sales (kt)	60.4	54.2	11%
Silver sales (t)	111.9	103.1	9%
TPM sales (koz t)	11.1	19.0	-42%
Molybdenum sales (mn lbs)	1.3	1.5	-10%

<b>Production of KGHM Polska Miedź S.A.</b>	<b>June 2018</b>	<b>June 2017</b>	<b>monthly change yoy</b>
<b>Mine production:</b>			
Copper in concentrate (kt)	34.0	34.8	-2%
Silver in concentrate (t)	106.9	114.4	-4%
<b>Metallurgical production:</b>			
Electrolytic copper (kt)	39.4	44.2	-11%
- including from own concentrate	28.4	29.8	-5%
Metallic silver (t)	51.7	110.8	-53%
TPM (koz t)	4.9	5.7	-14%
Copper sales (kt)	49.0	43.7	12%
Silver sales (t)	110.3	101.8	8%
TPM sales (koz t)	2.7	10.5	-74%

<b>Production of KGHM International</b>	<b><i>June 2018</i></b>	<b><i>June 2017</i></b>	<b><i>monthly change yoy</i></b>
Payable copper (kt)	6.9	7.4	-7%
TPM (koz t)	6.1	6.8	-9%
Molybdenum (mn lbs)	0.05	0.10	-47%
Copper sales (kt)	8.8	6.3	40%
TPM sales (koz t)	7.4	5.6	32%
Silver sales (t)	0.9	0.1	1 108%
Molybdenum sales (mn lbs)	0.02	0.11	-83%

<b>Production of Sierra Gorda (on a 55% basis)</b>	<b><i>June 2018</i></b>	<b><i>June 2017</i></b>	<b><i>monthly change yoy</i></b>
Payable copper (kt)	4.3	4.9	-12%
Molybdenum (mn lbs)	1.2	2.8	-57%
Payable silver (t)	1.1	1.4	-20%
TPM (koz t)	1.5	3.1	-52%
Copper sales (kt)	2.5	4.2	-42%
Molybdenum sales (mn lbs)	1.3	1.4	-4%
Silver sales (t)	0.7	1.2	-43%
TPM sales (koz t)	1.0	2.8	-66%