

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

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

Production of all of the main metals was above the levels set forth in the budget for January 2022, while in comparison to January 2021 there was an increase at the Group level in the production of copper (+9%), silver (+4%) and precious metals (+41%), with lower production of molybdenum.

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

Production and sales of the KGHM Group	January 2022	January 2021	monthly annualised change
Production			
Payable copper (kt)	67.4	61.7	+9%
- including KGHM Polska Miedź S.A.*	52.8	50.1	+5%
Payable silver (t)	122.3	117.8	+4%
TPM (koz t)	15.2	10.8	+41%
Molybdenum (mn lbs)	0.3	0.6	-50%
Sales			
Copper (kt)	59.0	46.2	28%
Silver (t)	133.8	82.2	63%
TPM (koz t)	11.9	12.3	-3%
Molybdenum (mn lbs)	0.5	0.6	-17%

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 67.4 thousand tonnes**, or an increase by 5.7 thousand tonnes (+9%) compared to the corresponding month of 2021, in all of the operating segments.
- **Production of payable silver amounted to 122.3 tonnes**, or an increase by 4.5 tonnes (+4%) compared to the amount recorded in the corresponding month of 2021 due to higher production by KGHM Polska Miedź S.A.
- **Production of TPM amounted to 15.2 thousand troy ounces**, or an increase by 4.4 thousand troy ounces (+41%), mainly due to higher production of gold by the Robinson mine and by KGHM Polska Miedź S.A.
- **Production of molybdenum amounted to 0.3 million pounds**, or a decrease by nearly 0.3 million pounds (-50%) compared to January 2021 due to the lower molybdenum content in ore processed by the Sierra Gorda mine.

Sales of the KGHM Group:

- **Sales of copper amounted to 59.0 thousand tonnes** and were higher by 12.8 thousand tonnes (+28%) compared to sales in January 2021. Sales in each of the Group's segments were higher compared to sales in January 2021.
- **Sales of silver amounted to 133.8 thousand tonnes** and were higher by 51.6 thousand tonnes (+63%) than sales in the corresponding period of 2021. The results show that sales of silver were higher in each of the Group's segments, with the largest increase – by 50.5 tonnes (+63%) – in KGHM Polska Miedź S.A.
- **Sales of TPM amounted to 11.9 thousand troy ounces** and were lower by 0.4 thousand troy ounces (-3%) than sales in the corresponding period of 2021. Higher sales were recorded by KGHM INTERNATIONAL LTD. (+25%), while lower sales were recorded by KGHM Polska Miedź S.A. (-14%) and Sierra Gorda (-12%).
- **Sales of molybdenum amounted to 0.5 million pounds** and were lower by 0.1 million pounds (-17%) compared to January 2021. The decrease in molybdenum sales was in respect of KGHM INTERNATIONAL LTD.

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

Production and sales of KGHM Polska Miedź S.A.	January 2022	January 2021	monthly annualised change
Mine production			
Copper in concentrate (kt)	33.1	31.2	+6%
Silver in concentrate (t)	108.4	99.4	+9%
Metallurgical production			
Electrolytic copper (kt)	52.8	50.1	+5%
- including from own concentrate	34.9	32.4	+8%
Metallic silver (t)	119.8	115.3	+4%
TPM (koz t)	7.5	5.1	+47%
Sales			
Copper (kt)	45.2	35.2	28%
Silver (t)	130.4	79.9	63%
TPM (koz t)	5.6	6.5	-14%

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 33.1 thousand tonnes** and was higher by 1.9 thousand tonnes (+6%) compared to January 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 108.4 tonnes** and was higher by 9 tonnes (+9%) compared to January 2021, due to the higher content of this metal in processed ore.
- **Production of electrolytic copper amounted to 52.8 thousand tonnes** and was higher by 2.7 thousand tonnes (+5%) compared to January 2021. The increase in cathode production was the result of the higher availability of the production line.
- **Production of metallic silver amounted to 119.8 tonnes** and was higher by 4.5 tonnes (+4%) compared to January 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 higher by 10 thousand tonnes (+28%) compared to sales in January 2021. The increase was mainly due to a very good situation on the processed products market and to the decisions taken to maximise production and inventories in December 2021, which resulted in the ability to favourably respond to customer orders in January and led to the sale of copper rod and wire in January 2022 in an amount which exceeded sales in January 2021 by approx. 6 thousand tonnes. The increase in copper sales was also the result of higher copper production in January 2022 (by approx. 2.7 thousand tonnes).
- **Sales of silver amounted to 130.4 tonnes** and were higher by 50.5 tonnes (+63%) compared to January 2021. Sales at this level were the result of the schedule of deliveries agreed with customers.
- **Sales of TPM amounted to 5.6 thousand troy ounces** and were lower by 0.9 thousand troy ounces (-14%) compared to sales in January 2021. Sales at this level were the result of the schedule of deliveries agreed with customers.

Results of KGHM INTERNATIONAL LTD. in January 2022 - y/y:

Production and sales of KGHM INTERNATIONAL LTD.	January 2022	January 2021	monthly annualised change
Production			
Payable copper (kt)	6.9	5.5	+25%
TPM (koz t)	5.5	3.3	+67%
Sales			
Copper (kt)	5.5	4.9	12%
TPM (koz t)	4.0	3.2	25%
Silver (t)	0.7	0.4	75%

Production of KGHM INTERNATIONAL LTD.:

- **Production of payable copper amounted to 6.9 thousand tonnes** and was higher by 1.4 thousand tonnes (+25%) compared to January 2021, mainly due to higher production by the Robinson mine by 1.6 thousand tonnes due to higher copper content in ore and higher recovery. Higher copper content in ore in the Sudbury Basin led to slightly higher (by 43 tonnes) payable copper production compared to January 2021. Lower production by the Franke mine by 224 tonnes was due to lower quality ore. The slightly lower (by 25 tonnes) production by the Carlota mine was due to lower copper content in solution following leaching through the PLS process.
- **Production of TPM amounted to 5.5 thousand troy ounces** and was higher by 2.2 thousand troy ounces (+67%) compared to January 2021, mainly due to higher gold production by the Robinson mine by 2.3 thousand troy ounces as a result of higher gold content in ore and higher recovery. Lower production by the Sudbury Basin (-0.1 thousand troy ounces) was due to lower precious metals content in ore.

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 5.5 thousand tonnes** and were higher by 0.6 thousand tonnes (+12%) compared to sales in January 2021. The main reason for this increase was the schedule of deliveries of copper concentrate from the Robinson mine: in January 2022 there were two shipments of concentrate of around 19 thousand tonnes dry weight, while in the corresponding period of 2021 there was only one (approx. 9.5 thousand tonnes). In addition, a larger amount of polymetallic ore delivered from the Sudbury Basin led to an increase in copper sales, while a decrease was recorded by the Carlota and Franke mines.
- **Sales of TPM amounted to 4.0 thousand troy ounces** and were higher by 0.8 thousand troy ounces (+25%) compared to the corresponding period of 2021. The main reason for this increase was higher sales of copper concentrate by the Robinson mine in January 2022, along with higher gold content. Based on information from the Sudbury Basin it can be seen that compared to data for 2021 there was an increase in gold sales and a decrease in sales of platinum and palladium.
- **Sales of silver amounted to 0.7 tonnes** and were higher by 0.3 tonnes (+75%) than sales in January 2021. This was mainly due to the sale of copper concentrate from the Robinson mine, which also had a major impact on the amount of silver sold. Data from the Sudbury Basin show a decrease in the amount of silver sold.

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

Production and sales of Sierra Gorda (on a 55% basis)	January 2022	January 2021	monthly annualised change
Production			
Payable copper (kt)	7.7	6.1	26%
Molybdenum (mn lbs)	0.3	0.6	-50%
Payable silver (t)	2.4	2.3	4%
TPM (koz t)	2.2	2.4	-8%
Sales			
Copper (kt)	8.3	6.1	36%
Molybdenum (mn lbs)	0.5	0.5	0%
Silver (t)	2.7	1.9	42%
TPM (koz t)	2.3	2.6	-12%

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 7.7 thousand tonnes** and was higher by 1.6 thousand tonnes (+26%) compared to January 2021. The increase in payable copper production in January 2022 compared to the corresponding period of 2021 was due to a higher volume of ore processed, higher metal recovery and higher copper content in mined ore.
- **Production of molybdenum amounted to 0.3 million pounds** and was lower by 0.3 million pounds (-50%) compared to January 2021. The decrease in molybdenum production in January 2022 compared to the corresponding period of 2021 was due to lower metal content in mined ore, which was partially offset by a higher volume of ore processed and higher metal recovery.

Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 8.3 thousand tonnes** and were higher by 2.2 thousand tonnes (+36%) compared to sales in January 2021. This was due to the higher volume (by around 17 thousand tonnes dry weight) of copper concentrate sold.
- **Sales of molybdenum amounted to 0.5 million pounds** and were at the same level as in the corresponding period of 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.
- **Sales of silver amounted to 2.7 tonnes** and were higher by 0.8 tonnes (+42%) compared to the corresponding period of 2021. This was due to higher sales of copper concentrate and higher silver content in concentrate.
- **Sales of TPM amounted to 2.3 thousand troy ounces** and were lower by 0.3 thousand troy ounces (-12%) than sales in January 2021. The decrease was due to lower payable gold content in ore.