

Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for July 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-July 2021 the production and sales of all of the main metals by the Group were above the levels set forth in the budget for this period.

In terms of copper production, there was also recorded an increase by 9% compared to the amount achieved by the Group in the corresponding period of 2020.

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

Production and sales of the KGHM Group	July 2021	July 2020	I - VII 2021	I - VII 2020
Production				
Payable copper (kt)	64.9	57.5	445.7	408.3
- including KGHM Polska Miedź S.A.*	49.7	44.7	343.0	325.5
Payable silver (t)	115.7	108.7	791.9	817.1
TPM (koz t)	13.3	15.1	91.9	115.1
Molybdenum (mn lbs)	0.3	0.8	5.0	6.1
Sales				
Copper (kt)	57.7	54.5	422.6	404.5
Silver (t)	121.7	105.2	756.2	830.4
TPM (koz t)	9.2	8.3	84.1	115.7
Molybdenum (mn lbs)	0.1	1.0	4.5	6.0

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 64.9 thousand tonnes** – an increase by 7.4 thousand tonnes (+13%) versus the corresponding month of 2020 in the segments KGHM Polska Miedź S.A. and Sierra Gorda. In KGHM INTERNATIONAL LTD. there was a decrease by 8%, mainly due to the quality of the ore in the Franke and Robinson mines.
- **Production of payable silver amounted to 115.7 tonnes**, or an increase by 7.0 tonnes (+6%) compared to the corresponding month of 2020.
- **Production of TPM amounted to 13.3 thousand troy ounces**, or a decrease by 1.8 thousand troy ounces (-12%) compared to the corresponding month of 2020, mainly due to lower production of precious metals by KGHM INTERNATIONAL LTD.
- **Production of molybdenum amounted to 0.3 million pounds**, or a decrease by 0.5 million pounds, i.e. by more than 60% compared to July 2020, mainly due to lower molybdenum content in ore extracted by the Sierra Gorda mine.

Sales of the KGHM Group:

- **Sales of copper amounted to 57.7 thousand tonnes** and were higher by 3.2 thousand tonnes (+6%) compared to July 2020. The significant increase, by +93%, in copper sales recorded in July 2021 by the Sierra Gorda mine combined with the small decrease in sales by KGHM Polska Miedź S.A. and by KGHM INTERNATIONAL LTD. led to the six-percent change in results for the entire KGHM Group.
- **Sales of silver amounted to 121.7 tonnes** and were higher by 16.5 tonnes compared to the corresponding period of 2020. The increase in silver sales by KGHM Polska Miedź S.A., despite the lower results recorded by KGHM INTERNATIONAL LTD., led to a total increase in silver sales of +16%.
- **Sales of TPM amounted to 9.2 thousand troy ounces** and were higher by 0.9 thousand troy ounces (+11%) compared to sales in July 2020. The result was due to higher sales of gold by KGHM Polska Miedź S.A. and by the Sierra Gorda mine, which offset lower TPM sales by KGHM INTERNATIONAL LTD.
- **Sales of molybdenum amounted to 0.1 million pounds** and were lower by 0.9 million pounds (-90%) compared to July 2020. The decrease in molybdenum sales was in respect of the Sierra Gorda mine.

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

Production and sales of KGHM Polska Miedź S.A.	July 2021	July 2020	I - VII 2021	I - VII 2020
Mine production:				
Copper in concentrate (kt)	33.9	33.3	229.1	232.1
Silver in concentrate (t)	111.7	100.7	752.0	717.7
Metallurgical production:				
Electrolytic copper (kt)	49.7	44.7	343.0	325.5
- including from own concentrate	31.9	27.3	224.1	233.1
Metallic silver (t)	112.9	106.4	772.3	801.5
TPM (koz t)	6.7	7.2	44.8	52.8
Sales				
Copper (kt)	41.8	43.3	326.8	320.4
Silver (t)	118.4	102.7	737.6	811.9
TPM (koz t)	3.4	1.3	41.5	51.6

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 33.9 thousand tonnes** and was higher by 0.6 thousand tonnes (+2%) compared to July 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 111.7 tonnes** and was higher by 11 tonnes (+11%) compared to July 2020, due to the higher content of this metal in ore.
- **Production of electrolytic copper amounted to 49.7 thousand tonnes** and was higher by 5 thousand tonnes (+11%) compared to July 2020. The increase in cathode production was due to the availability of charge material and to the higher availability of the production lines.
- **Production of metallic silver amounted to 112.9 tonnes** and was higher by 6.5 tonnes (+6%) compared to July 2020. The increase in metallic silver production was due to the availability of charge material in the Precious Metals Plant.

Sales of KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 41.8 thousand tonnes** and were comparable to sales recorded in July 2020 (-3%).
- **Sales of silver amounted to 118.4 tonnes** and were higher by 15.7 tonnes compared to sales in July 2020 (+15%). The higher level of sales was mainly due to higher silver production in July 2021 and to the schedule of customer orders.
- **Sales of TPM amounted to 3.4 thousand troy ounces** and were higher by 2.1 thousand troy ounces compared to sales in July 2020 (+162%). The increase was due to the schedule of customer orders.

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

Production and sales of KGHM INTERNATIONAL LTD.	July 2021	July 2020	I - VII 2021	I - VII 2020
Production				
Payable copper (kt)	5.9	6.4	42.2	37.1
TPM (koz t)	4.2	5.4	30.4	43.6
Sales				
Copper (kt)	5.5	5.8	36.6	40.8
TPM (koz t)	3.1	5.0	25.8	46.1
Silver (t)	0.4	0.7	0.8	4.6

Production of KGHM INTERNATIONAL LTD.:

- **Production of copper amounted to 5.9 thousand tonnes** and was lower by 0.5 thousand tonnes (-8%) compared to July 2020. Lower production of payable copper was recorded by:
 - the Franke mine (-0.36 thousand tonnes – lower quality ore),
 - the Robinson mine (-0.13 thousand tonnes – lower copper content in feed),
 - the Sudbury Basin (-0.03 thousand tonnes – lower extraction).
- **Production of TPM amounted to 4.2 thousand troy ounces** and was lower by 1.2 thousand troy ounces (-22%) compared to July 2020. Lower production was also recorded by the Sudbury Basin (-0.9 thousand troy ounces – lower extraction), as well as by the Robinson mine (-0.4 thousand troy ounces - lower gold content in feed).

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 5.5 thousand tonnes** and were lower by 0.3 thousand tonnes (-5%) compared to July 2020. The main reason was slightly lower sales of copper from the Franke mine (lower production) and from the Sudbury Basin (a lower volume of ore sold). There was however an increase in copper sales from the Robinson mine (a slightly higher volume of copper concentrate sold) and the Carlota mine.
- **Sales of TPM amounted to 3.1 thousand troy ounces** and were lower by 1.9 thousand troy ounces (-38%) compared to the corresponding period of 2020. The sales result was affected by lower sales of gold contained in Robinson concentrate (a slightly lower amount of copper concentrate sold) and of TPM from Sudbury Basin ore (lower platinum and palladium content in material sold).
- **Sales of silver amounted to 0.4 tonnes** and were lower by 0.3 tonnes compared to July 2020 (-43%), due to the lower content of this metal in copper concentrate from the Robinson mine.

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

Production and sales of Sierra Gorda (on a 55% basis)	July 2021	July 2020	I - VII 2021	I - VII 2020
Production				
Payable copper (kt)	9.3	6.4	60.5	45.7
Molybdenum (mn lbs)	0.3	0.8	4.9	5.8
Payable silver (t)	2.7	2.2	18.3	14.7
TPM (koz t)	2.4	2.5	16.7	18.7
Sales				
Copper (kt)	10.4	5.4	59.2	43.3
Molybdenum (mn lbs)	0.2	0.9	4.4	5.5
Silver (t)	2.9	1.8	17.8	13.9
TPM (koz t)	2.7	2.0	16.8	18.0

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 9.3 thousand tonnes** and was higher by 2.9 thousand tonnes (+45%) compared to July 2020. The increase in payable copper production in July 2021 compared to July 2020, as well as in the period January-July 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 0.3 million pounds** and was lower by 0.5 million pounds (-63%) compared to July 2020. The decrease in molybdenum production in July 2021 compared to July 2020, as well as in the period January-July 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 10.4 thousand tonnes** and were higher by 5.0 thousand tonnes (+93%) compared to sales in July 2020. The significant increase in copper sales was due to a higher volume of copper concentrate sold (by approx. 35 thousand tonnes dry weight) due to higher production and the schedule of deliveries.
- **Sales of molybdenum amounted to 0.2 million pounds** and were lower by 0.7 million pounds (-78%) compared to July 2020. The volume 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 2.9 tonnes** and were higher by 1.1 tonnes (+61%) compared to sales in July 2020.
- **Sales of TPM amounted to 2.7 thousand troy ounces** and were higher by 0.7 thousand troy ounces (+35%) compared to sales in July 2020. The increase in silver and TPM sales was mainly due to a higher volume of copper concentrate sold in July 2021.