



Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for March 2023

The following report contains preliminary monthly data – the final quarterly production and sales results will be published in the consolidated report for the first quarter of 2023. 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.

Results of the KGHM Group in March 2023 - y/y:

Production and sales of the KGHM Group	March 2023	March 2022	I - III 2023	I - III 2022
Production				
Payable copper (kt)	62.7	63.9	175.6	193.2
- including KGHM Polska Miedź S.A.*	52.9	50.2	149.1	151.1
Payable silver (t)	130.7	118.6	380.9	347.6
TPM (koz t)	15.9	14.6	47.4	42.8
Molybdenum (mn lbs)	0.7	0.4	1.0	1.2
Sales				
Copper (kt)	66.1	66.1	186.5	181.0
Silver (t)	144.4	136.6	380.1	389.4
TPM (koz t)	16.8	17.5	59.7	41.9
Molybdenum (mn lbs)	0.3	0.2	0.7	0.8

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 62.7 thousand tonnes** and was lower by 1.2 thousand tonnes (-2%) than in March 2022. Production was lower in the international segments KGHM INTERNATIONAL LTD. (-60%) and Sierra Gorda (-6%) with higher production by KGHM Polska Miedź S.A. (+5%).
- **Production of payable silver amounted to 130.7 tonnes**, or an increase by 12.1 tonnes (+10%) compared to March 2022.
- **Production of TPM amounted to 15.9 thousand troy ounces** and was higher by 1.3 thousand troy ounces (+9%) compared to March 2022.
- **Production of molybdenum amounted to 0.7 million pounds**, or an increase by 0.3 million pounds (+75%) compared to March 2022.

Copper production by the KGHM Polska Miedź S.A. Group was at the level assumed in the budget for the first quarter of 2023, while the plan was exceeded in the case of KGHM Polska Miedź S.A. and Sierra Gorda, with lower production versus the plan recorded in KGHM INTERNATIONAL LTD. Silver production was above the level foreseen in the plan.

Sales of the KGHM Group:

- **Sales of copper amounted to 66.1 thousand tonnes** and remained at the same level compared to sales in March 2022. Higher sales were recorded by KGHM Polska Miedź S.A. (+6%), with lower sales by KGHM INTERNATIONAL LTD. (-54%) and by the Sierra Gorda mine (-5%).
- **Sales of silver amounted to 144.4 tonnes** and were higher by 7.8 tonnes (+6%) than sales in March 2022. Higher sales were recorded by KGHM Polska Miedź S.A. (+6%) and KGHM INTERNATIONAL LTD. (+26%), with lower sales by the Sierra Gorda mine (-9%).
- **Sales of TPM amounted to 16.8 thousand troy ounces** and were lower by 0.7 thousand troy ounces (-4%) compared to sales in March 2022. This is due to higher TPM sales by the Sierra Gorda mine (+23%) with lower sales by KGHM Polska Miedź S.A. (-4%) and KGHM INTERNATIONAL LTD. (-17%).
- **Sales of molybdenum amounted to 0.3 million pounds** and were higher by 0.1 million pounds (+50%) compared to March 2022. Higher molybdenum sales were recorded by KGHM INTERNATIONAL LTD., while sales by the Sierra Gorda mine remained at a similar level.

Results of KGHM Polska Miedź S.A. in March 2023 - y/y:

Production and sales of KGHM Polska Miedź S.A.	March 2023	March 2022	I - III 2023	I - III 2022
Mine production				
Copper in concentrate (kt)	35.4	35.4	100.5	100.0
Silver in concentrate (t)	121.2	117.5	338.6	330.3
Metallurgical production				
Electrolytic copper (kt)	52.9	50.2	149.1	151.1
- including from own concentrate	36.0	29.5	99.2	96.6
Metallic silver (t)	128.4	116.0	374.9	339.8
TPM (koz t)	10.4	7.4	30.9	21.1
Sales				
Copper (kt)	56.2	52.8	156.9	143.2
Silver (t)	141.6	133.7	372.2	380.5
TPM (koz t)	10.6	11.1	39.9	24.3

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 35.4 thousand tonnes** and was at the same level as in March 2022.
- **Production of silver in concentrate amounted to 121.2 tonnes** and was higher by 3.7 tonnes (+3%) compared to March 2022, due to the higher content of silver in ore.
- **Production of electrolytic copper amounted to 52.9 thousand tonnes** and was higher by 2.7 thousand tonnes (+5%) compared to March 2022. The increase in cathode production was due to the realisation of targets set in the production plan for 2023.
- **Production of metallic silver amounted to 128.4 tonnes** and was higher by 12.4 tonnes (+11%) compared to March 2022. The increase in metallic silver production 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 56.2 thousand tonnes** and were higher by 3.4 thousand tonnes (+6%) compared to sales in March 2022. The higher sales mainly reflect the production results (+2.6 thousand tonnes in March 2023 compared to March 2022).
- **Sales of silver amounted to 141.6 tonnes** and were higher by 7.9 tonnes (+6%) compared to March 2022. The difference results from the agreed schedule of sales to customers.
- **Sales of TPM amounted to 10.6 thousand troy ounces** and were lower by 0.5 thousand troy ounces (-5%) compared to sales in March 2022. The difference results from the agreed schedule of sales to customers.

Results of KGHM INTERNATIONAL LTD. in March 2023 - y/y:

Production and sales of KGHM INTERNATIONAL LTD.	March 2023	March 2022	I - III 2023	I - III 2022
Production				
Payable copper (kt)	2.3	5.7	7.6	18.2
TPM (koz t)	2.9	5.0	9.0	15.1
Sales				
Copper (kt)	2.6	5.6	10.7	14.0
TPM (koz t)	3.5	4.2	12.0	11.0
Silver (t)	0.8	0.6	2.8	1.4

Production of KGHM INTERNATIONAL LTD.:

- **Production of payable copper amounted to 2.3 thousand tonnes** and was lower by 3.4 thousand tonnes (-60%) compared to March 2022, mainly due to lower production by the Robinson* mine by 2.8 thousand tonnes due to the extraction of lower-quality ore (high content of acid-soluble copper and zinc), which led to lower recovery. In addition, extreme weather conditions (heavy snowfalls and thaws) unfavourably affected production volumes. The lower production by KGHM INTERNATIONAL LTD. was also due to the fact that the production generated in March 2022 also includes the production by the Franke mine (difference in March y/y: -0.69 thousand tonnes). Higher year-on-year copper production was recorded by the Sudbury Basin (+0.38 thousand tonnes – high copper content in ore, higher extraction).
- **Production of TPM amounted to 2.9 thousand troy ounces** and was lower by 2.1 thousand troy ounces (-42%) compared to March 2022 due to lower gold production by the Robinson mine by 3.3 thousand troy ounces due to lower recovery and to lower extraction of ore with lower gold content, which was not offset by higher TPM production by the Sudbury Basin (+1.13 thousand troy ounces – higher precious metal content in ore, higher extraction).

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 2.6 thousand tonnes** and were lower by 3.0 thousand tonnes (-54%) compared to sales in March 2022. The main factor was a lower volume of sales of copper concentrate from the Robinson mine (in March 2023 there was one shipment by sea and one by land with a total weight of approx. 12 thousand tonnes dry weight, in March 2022 there were two shipments by sea of approx. 19 thousand tonnes dry weight) and lower content of payable copper in concentrate. Higher sales were recorded by the Sudbury Basin, with lower sales by the Carlota mine. The results in March 2023 do not include sales of the Franke mine, the shares of which were sold in April 2022.
- **Sales of TPM amounted to 3.5 thousand troy ounces** and were lower by 0.7 thousand troy ounces (-17%) compared to March 2022. This was mainly due to a lower amount of copper concentrate sold by the Robinson mine and lower gold content in concentrate. Sales of gold, platinum and palladium in ore from the Sudbury Basin were higher than in March 2022.
- **Sales of silver amounted to 0.8 tonnes** and were higher by 0.2 tonnes (+33%) compared to March 2022, related to the amount of payable silver in concentrate from the Robinson mine (in shipments made in 2022 the amount of silver in produced concentrate did not exceed the threshold above which the need to pay for this metal was incurred, in contrast to 2023 shipments, in which silver content was higher). Higher silver sales by approx. 0.2 tonnes were recorded by the Sudbury Basin – this is directly related to the volume of ore sold.

* Due to the lower production recorded by the Robinson mine in the first quarter of 2023, KGHM expects that production of the segment KGHM INTERNATIONAL LTD. will not reach the level planned in 2023. This results directly from changes in the sequencing of extraction from the Ruth West pit as well as a decrease in total extraction of material from the mine. The ore extracted in the first quarter of 2023 came from a transitional zone of lower-than-expected quality parameters. The deviation is mainly due to the high content of acid-soluble copper which resulted in lower metal recovery, as well as high zinc content. Another consequence of the change in sequencing are delays in accessing the Liberty deposit, which is connected with a substantial decrease in the capitalisation of stripping costs y/y. This is a factor which negatively impacts the operating result of the Robinson mine in the first quarter of 2023. These events in respect of the Robinson mine should be treated as temporary, affecting only the year 2023, while production in subsequent years will return to the levels assumed in the long-term plans for this asset.

Results of Sierra Gorda S.C.M. in March 2023 - y/y:

Production and sales of Sierra Gorda (on a 55% basis)	March 2023	March 2022	I - III 2023	I - III 2022
Production				
Payable copper (kt)	7.5	8.0	18.9	23.9
Molybdenum (mn lbs)	0.6	0.4	1.0	1.1
Payable silver (t)	2.0	2.5	5.3	7.5
TPM (koz t)	2.7	2.2	7.5	6.6
Sales				
Copper (kt)	7.3	7.7	18.9	23.8
Molybdenum (mn lbs)	0.2	0.2	0.6	0.8
Silver (t)	2.1	2.3	5.2	7.5
TPM (koz t)	2.7	2.2	7.7	6.6

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 7.5 thousand tonnes** and was lower by 0.5 thousand tonnes (-6%) compared to March 2022. The decrease in payable copper production in March 2023 compared to March 2022 was due to lower metal content in extracted ore and lower recovery, despite a higher volume of ore processed. The decrease in payable copper production in the period January-March 2023 compared to the corresponding period of 2022 was due to lower copper content in extracted ore, lower metal recovery and a lower volume of ore processed.
- **Production of molybdenum amounted to 0.6 million pounds** and was higher by 0.2 million pounds (+50%) compared to March 2022. The increase in molybdenum production in March 2023 compared to March 2022 was due to higher molybdenum content in mined ore and a higher volume of ore processed, despite lower recovery. The decrease in molybdenum production in the period January-March 2023 compared to the corresponding period of 2022 was due to lower metal recovery, as well as a lower volume of ore processed, despite the higher metal content in mined ore.

Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 7.3 thousand tonnes** and were lower by 0.4 thousand tonnes (-5%) compared to sales in March 2022. The reason for the decrease was the lower volume of copper concentrate sold by approx. 2 thousand tonnes dry weight, resulting from the schedule of planned shipments.
- **Sales of molybdenum amounted to 0.2 million pounds** and remained at the same level compared to sales in March 2022. The level of molybdenum sales 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 0.2 tonnes (-9%) than sales in March 2022. This was mainly the result of a lower volume of material sold in March 2023.
- **Sales of TPM amounted to 2.7 thousand troy ounces** and were higher by 0.5 thousand troy ounces (+23%) compared to March 2022. The increase in sales is related to the gold content in sold copper concentrate.