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

In the period January-September 2018 production of copper, silver and precious metals (TPM) by the KGHM Group was higher than target amounts. There was a slight drop in molybdenum production versus the target amount. The sales plan target for all basic metals was exceeded.

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

- **Payable copper production amounted to 57.4 thousand tonnes.** The increase compared to September 2017 by 3% was in respect of production in Poland and by Sierra Gorda. The decrease recorded in KGHM International Ltd. was mainly due to the lower quality of ore extracted by the Robinson and Sudbury mines.
- **Silver production amounted to 124.0 tonnes,** or an increase compared to September 2017 by 28%. Improvement was recorded by both the Polish and international assets.
- **TPM production amounted to 15.8 thousand troy ounces.** The decrease by nearly 30% compared to September 2017 was mainly due to lower gold production by KGHM Polska Miedź S.A. and by KGHM International Ltd.
- **Molybdenum production amounted to 0.8 million pounds** and was at a comparable level to that recorded in September 2017.

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

- **Sales of payable copper amounted to 60.4 thousand tonnes** and were higher by 12% compared to September 2017.
- **Sales of silver amounted to 135.9 tonnes** and were higher by 125% compared to September 2017.
- **TPM sales amounted to 18.0 thousand troy ounces** and were lower by 27% compared to September 2017.
- **Molybdenum sales amounted to 1.6 million pounds** and were lower by 20% compared to September 2017.

### **KGHM Polska Miedź S.A.:**

- **Sales of copper amounted to 50.9 thousand tonnes** and were higher by 9.8 thousand tonnes (24%) compared to sales in September 2017. This difference was mainly due to the sale of approx. 2.2 thousand tonnes of copper in concentrate (in 2017 there were no sales of Cu concentrate) and to lower sales of copper in September 2017 due to the need to build wire rod inventories during the maintenance shutdown of the Cedynia wire rod plant in the fourth quarter of 2017.
- **Sales of silver amounted to 134.1 tonnes** and were higher by 75.9 tonnes (130%) compared to sales in September 2017. This difference was due among others to higher production compared to the corresponding period of 2017, the schedule of customer orders and to the sale of approx. 11.2 tonnes of silver in copper concentrate (in September 2017 there were no sales of Cu concentrate).
- **TPM sales amounted to 11.9 thousand troy ounces** and were lower by 1.4 thousand troy ounces (10%) compared to sales in September 2017. The difference was mainly due to lower production compared to September 2017.

### **KGHM International:**

- **Sales of copper amounted to 4.8 thousand tonnes** and were lower by 1.1 thousand tonnes (19%) compared to sales in September 2017. The main factor was the lower volume of sales of concentrate by the Robinson mine compared to September 2017, resulting from the schedule of deliveries as agreed with customers.
- **TPM sales amounted to 3.7 thousand troy ounces** and were lower by 3.3 thousand troy ounces (47%) compared to sales in September 2017, due to a lower volume of sales of concentrate produced by the Robinson mine compared to September 2017.
- **Sales of silver amounted to 0.34 tonnes** and were higher by 0.08 tonnes (32%) compared to sales in September 2017, due to the higher amount of payable silver in concentrate produced by the Robinson mine.
- **In September 2018 there were no sales of molybdenum by the Robinson mine**, resulting from the schedule of deliveries as agreed with the customer.

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

- **Sales of copper amounted to 4.7 thousand tonnes** and were lower by 1 thousand tonnes (17%) compared to sales in September 2017, due to logistics considerations (one shipment less in 2018 compared to 2017).
- **Molybdenum sales amounted to 1.6 million pounds** and were lower by 0.4 million pounds (22%) compared to sales in September 2017, due to lower production in 2018.
- **Sales of silver amounted to 1.4 tonnes** and were lower by 0.1 tonnes (4%) compared to sales in September 2017.
- **TPM sales amounted to 2.4 thousand troy ounces** and were lower by 1.4 thousand troy ounces (37%) compared to sales in September 2017 due to logistics considerations (one shipment less in September 2018 compared to 2017).

<b>Production and sales of the KGHM Group</b>	<b>September 2018</b>	<b>September 2017</b>	<b>monthly change* yoy</b>
Payable copper (kt)	57.4	55.6	+3%
Payable silver (t)	124.0	96.8	+28%
TPM (koz t)	15.8	22.6	-30%
Molybdenum (mn lbs)	0.8	0.8	-
Copper sales (kt)	60.4	53.9	12%
Silver sales (t)	135.9	60.3	125%
TPM sales (koz t)	18.0	24.6	-27%
Molybdenum sales (mn lbs)	1.6	1.9	-20%

<b>Production and sales of KGHM Polska Miedź S.A.</b>	<b>September 2018</b>	<b>September 2017</b>	<b>monthly change* yoy</b>
<b>Mine production:</b>			
Copper in concentrate (kt)	33.3	35.6	-6%
Silver in concentrate (t)	105.2	108.0	-3%
<b>Metallurgical production:</b>			
Electrolytic copper (kt)	46.9	44.4	6%
- including from own concentrate	37.9	30.3	25%
Metallic silver (t)	122.6	95.8	28%
TPM (koz t)	8.3	13.3	-37%
Copper sales (kt)	50.9	41.1	24%
Silver sales (t)	134.1	58.2	130%
TPM sales (koz t)	11.9	13.3	-10%

<b>Production and sales of KGHM International</b>	<b>September 2018</b>	<b>September 2017</b>	<b>monthly change* yoy</b>
Payable copper (kt)	5.6	7.2	-21%
TPM (koz t)	4.5	6.6	-32%
Molybdenum (mn lbs)	0.05	0.02	183%
Copper sales (kt)	4.8	5.9	-19%
TPM sales (koz t)	3.7	7.0	-47%
Silver sales (t)	0.34	0.26	32%
Molybdenum sales (mn lbs)	0.00	0.02	-99%

<b>Production and sales of Sierra Gorda (on a 55% basis)</b>	<b>September 2018</b>	<b>September 2017</b>	<b>monthly change* yoy</b>
Payable copper (kt)	4.9	4.0	22%
Molybdenum (mn lbs)	0.7	0.8	-16%
Payable silver (t)	1.4	1.0	40%
TPM (koz t)	3.0	2.7	11%
Copper sales (kt)	4.7	5.7	-17%
Molybdenum sales (mn lbs)	1.6	2.0	-22%
Silver sales (t)	1.4	1.5	-4%
TPM sales (koz t)	2.4	3.8	-37%

\* percentage change on the basis of unrounded data