

Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name	KGHM International Ltd.					
Reporting Year	From	2022-01-01	To:	2022-12-31	Date submitted	2023-04-13
Reporting Entity ESTMA Identification Number	E431144	<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report				
Other Subsidiaries Included (optional field)	Robinson Nevada Mining Company, Carlota Copper Company, Sociedad Contractual Minera Franke, KGHM Chile Spa, DMC Mining Services UK Ltd.					
For Consolidated Reports - Subsidiary Reporting Entities Included in Report:	E401983 FNX Mining Company Inc.					
Not Substituted						
Attestation by Reporting Entity	<p><i>In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.</i></p>					
Full Name of Director or Officer of Reporting Entity	Wojciech Urbanczyk			Date	2023-04-13	
Position Title	Head of Finance					

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Reporting Entity Name	KGHM International Ltd.		Currency of the Report USD	
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Subsidiary Reporting Entities (if necessary)	E401983 FNX Mining Company Inc.			

Payments by Payee

Country	Payee Name ¹	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ³⁴
United States of America	County of White Pine	White Pine County Treasurer	2,906,442		152,400					3,058,842	
United States of America	State of Nevada	Nevada Department of Taxation	12,837,991							12,837,991	BUS. Tax amounted to \$954k, USE Tax amounted to \$694k
United States of America	City of Ely	Municipal Water Department			252,660					252,660	
United States of America	City of Ely	Ely Disposal Service			188,050					188,050	
United States of America	State of Nevada	State Collection and Disbursement unit			311,134					311,134	
United States of America	Government of the United States of America	Federal Bureau of Land Management			257,551					257,551	Payment from Robinson Nevada Mining Company amounted to \$175k, payment from Carlota Copper Company amounted to \$83k
United States of America	State of Nevada	Nevada Division of Water Resources			328,212					328,212	
United States of America	State of Nevada	Nevada Division of Environmental Protection			120,682					120,682	
United States of America	State of Nevada	Board of Regents Nevada System of Higher Education			181,275					181,275	
United States of America	State of Utah	State of Utah, Schools & Institution Trust Land			70,801					70,801	
United States of America	County of Gila	Gila County Treasurer	156,284							156,284	
United States of America	State of Utah	Utah State Tax Commision	105,000							105,000	
United States of America	Government of the United States of America	United States Department of Treasury - Internal Revenue Service	6,550,000							6,550,000	
Canada	Government of Ontario	Workplace Safety and Insurance Board			550,846					550,846	Payment made in Canadian dollars and reported in USD. [USD to CAD]: \$1 USD = \$1.2856 CAD,
Canada	Atikameksheng Anishnawbek First Nations				440,343					440,343	Payment made in Canadian dollars and reported in USD. [USD to CAD]: \$1 USD = \$1.3442 CAD,
Canada	Sagamok Anishnawbek First Nations				328,715					328,715	Payment made in Canadian dollars and reported in USD. [USD to CAD]: \$1 USD = \$1.3539 CAD,
Canada	City of Sudbury	Greater Sudbury Utilities	53,292		110,751					164,043	Payment made in Canadian dollars and reported in USD. [USD to CAD]: \$1 USD = \$1.2881 CAD, [USD to CAD]: \$1 USD = \$1.3464 CAD
Canada	Government of Canada	Canadian Revenue Agency			4,157,573					4,157,573	Payment made in Canadian dollars and reported in USD. [USD to CAD]: \$1 USD = \$1.2909 CAD
Chile	Government of Chile	General Treasury of the Republic	293,407							293,407	Payment made in Chilean Peso (CLP) and reported in USD. [USD to CLP]: \$1 USD = \$808.36 CLP, \$1 USD = \$626.64 CLP, \$1 USD = \$834.45 CLP Payment from Sociedad Contractual Minera Franke \$89k, payment from Minera Carrizalillo Ltda \$72k Payment from KGHM Chile SpA \$132k

Additional Notes: KGHM International ("KGHM") has formed a joint venture ("Sierra Gorda JV") with Sumitomo Metal Mining Co. Ltd. and Sumitomo Corporation to develop and operate the Sierra Gorda copper-molybdenum mine in Chile. On February 22, 2022 Sumitomo transferred their stake of the SG ownership to South 32. KGHM through its subsidiaries in Chile owns 55%. KGHM has determined that it does not control Sierra Gorda JV notwithstanding the fact that it owns more than 50% of the issued share capital of the Sierra Gorda JV. The owner's council is an independent body responsible for oversight and decision making for the Sierra Gorda JV. The factors that the Group considered in making the determination include the KGHM's right to appoint an equal number of members to the owners' council. The owners' council consists of three representatives from each joint venture partner. The three members are directly appointed by KGHM Polska Miedz S.A. (parent company of KGHM). KGHM cannot unilaterally control the decision-making and payments for the Sierra Gorda JV and joint venture partners need to agree on decisions at the owner's council. To ensure that the report is transparent in the payments made by the Sierra Gorda JV are included. The Sierra Gorda JV paid taxed of \$ 59,336,310.88 to Tesorería General de la República (Federal Government of Chile) and \$ 75,389.25 to Tesorería Municipal de Sierra Gorda (Municipal Authority). KGHM has a USD functional currency for all its subsidiaries that were reportable under ESTMA. The payments reported above were recorded at the exchange rate existing at the time the payment was made.

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Payments by Project

Country	Project Name ¹	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ²³
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				-						
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