

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

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

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

Production and sales of the KGHM Group	June 2022	June 2021	I - VI 2022	I - VI 2021
Production				
Payable copper (kt)	58.1	65.0	377.7	380.7
- including KGHM Polska Miedź S.A.*	46.7	48.4	296.3	293.2
Payable silver (t)	123.4	117.6	683.2	676.2
TPM (koz t)	15.3	15.6	91.2	78.7
Molybdenum (mn lbs)	0.3	0.8	2.0	4.7
Sales				
Copper (kt)	63.8	65.7	364.9	364.9
Silver (t)	138.1	121.5	731.8	634.5
TPM (koz t)	12.2	10.9	83.6	74.8
Molybdenum (mn lbs)	0.2	0.7	2.1	4.3

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 58.1 thousand tonnes** - a decrease compared to June 2021 by 6.9 thousand tonnes (-11%) and was in respect of all operating segments, including mainly the Sierra Gorda mine (-37%), due to the planned decrease in copper content in ore compared to the plans for 2021. The level of production by Sierra Gorda was also substantially affected by the decrease in the amount of ore processed resulting among others from a prolonged installation maintenance shutdown. The decrease in production by KGHM INTERNATIONAL LTD. (-23%) was mainly due to the exclusion of production for this month by the Franke mine, which was sold on 26 April 2022.
- **Production of payable silver amounted to 123.4 tonnes**, or by 5.8 tonnes (+5%) more than in the corresponding month of 2021.
- **Production of TPM amounted to 15.3 thousand troy ounces** and was at a similar level to that recorded in the prior year.
- **Production of molybdenum amounted to 0.3 million pounds**, or a decrease by 0.5 million pounds (-63%) compared to June 2021. The substantial decrease in production was due to the planned extraction from mining zones (Sierra Gorda) with a lower content of this metal compared to the situation in 2021.

In the period January-June 2022 production of all of the main metals by the Group was above the levels set in the budget as well as at a level higher than or similar to the amounts recorded in the first half of 2021.

Sales of the KGHM Group:

- **Sales of copper amounted to 63.8 thousand tonnes** and were lower by 1.9 thousand tonnes (-3%) compared to sales in June 2021. The main reason was lower sales of concentrate from the Sierra Gorda mine. An increase in copper sales in June 2022 was recorded by KGHM Polska Miedź S.A. and by KGHM INTERNATIONAL LTD.
- **Sales of silver amounted to 138.1 tonnes** and were higher by 16.6 tonnes (+14%) than the results in corresponding period of 2021. This was mainly due to higher silver sales by KGHM Polska Miedź S.A. and by KGHM INTERNATIONAL LTD.
- **Sales of TPM amounted to 12.2 thousand troy ounces** and were higher by 1.3 thousand troy ounces (+12%) compared to sales in June 2021. Despite the lower sales result by the Sierra Gorda mine, thanks to higher sales by KGHM INTERNATIONAL LTD. the combined result was better than in the corresponding period of 2021. Sales of gold by KGHM Polska Miedź S.A. were at a similar level.
- **Sales of molybdenum amounted to 0.2 million pounds** and were lower by 0.5 million pounds (-71%) compared to June 2021. The decrease in molybdenum sales was mainly in respect of the Sierra Gorda mine.

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

Production and sales of KGHM Polska Miedź S.A.	June 2022	June 2021	I - VI 2022	I - VI 2021
Mine production				
Copper in concentrate (kt)	33.1	33.0	198.9	195.1
Silver in concentrate (t)	110.4	109.2	662.2	640.3
Metallurgical production				
Electrolytic copper (kt)	46.7	48.4	296.3	293.2
- including from own concentrate	25.5	30.2	177.7	192.2
Metallic silver (t)	121.6	114.8	668.5	659.4
TPM (koz t)	7.4	7.9	40.9	38.1
Sales				
Copper (kt)	53.4	51.0	292.6	285.0
Silver (t)	135.4	118.0	713.5	619.2
TPM (koz t)	5.3	5.4	41.8	38.0

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 33.1 thousand tonnes** and was at a similar level as in June 2021.
- **Production of silver in concentrate amounted to 110.4 tonnes** and was higher by 1.2 tonnes (+1%) compared to June 2021, due to the higher amount of processed feed.
- **Production of electrolytic copper amounted to 46.7 thousand tonnes** and was lower by 1.7 thousand tonnes (-4%) compared to June 2021. Cathode production in June 2022 results from the production targets adopted for 2022.
- **Production of metallic silver amounted to 121.6 tonnes** and was higher by 6.8 tonnes (+6%) compared to June 2021. The increase in production of metallic silver was due to the higher availability of feed materials in the Precious Metals Plant.

Sales of KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 53.4 thousand tonnes** and were higher by 2.4 thousand tonnes (+5%) compared to sales in June 2021. The change in sales was mainly due to the logistical situation and was caused by the deferral of container shipment dates. Nonetheless there continues to be evident high demand for copper cathodes and copper products by European customers.
- **Sales of silver amounted to 135.4 tonnes** and were higher by 17.4 tonnes (+15%) compared to sales in June 2021. The difference was due to higher production and to the schedule of sales to customers.
- **Sales of TPM amounted to 5.3 thousand troy ounces** and were at a similar level to sales in June 2021 (lower by 0.1 thousand troy ounces (-2%)).

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

Production and sales of KGHM INTERNATIONAL LTD.	June 2022	June 2021	I - VI 2022	I - VI 2021
Production				
Payable copper (kt)	5.3	6.9	36.9	36.3
TPM (koz t)	5.4	5.0	34.7	26.3
Sales				
Copper (kt)	4.5	3.6	28.2	31.1
TPM (koz t)	4.3	2.3	26.9	22.6
Silver (t)	0.9	0.3	4.2	0.4

Production of KGHM INTERNATIONAL LTD.:

- **Production of payable copper amounted to 5.3 thousand tonnes** and was lower by 1.6 thousand tonnes (-23%) compared to June 2021, mainly due to the exclusion of production for this month by the Franke mine (a year-on-year difference of -0.85 thousand tonnes - the sale of this asset took place on 26 April 2022) and to lower production by the other mines of KGHM INTERNATIONAL LTD.:
 - in the Robinson mine (-0.55 thousand tonnes): lower recovery,
 - in the Sudbury Basin (-0.11 thousand tonnes): lower copper content in ore and lower extraction,
 - in the Carlota mine (-0.01 thousand tonnes): the processing of ore with lower copper content in solution (PLS grade).
- **Production of TPM amounted to 5.4 thousand troy ounces** and was higher by 0.4 thousand troy ounces (+8%) compared to June 2021 due to higher gold production by the Robinson mine (+0.47 thousand troy ounces – higher gold content in ore), which offset lower TPM production by the Sudbury Basin (-0.09 thousand troy ounces – lower extraction).

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 4.5 thousand tonnes** and were higher by 0.9 thousand tonnes (+25%) compared to sales in June 2021. The main reason was higher sales of copper concentrate by the Robinson mine: in June 2022 two shipments of around 19 thousand tonnes in total dry weight were made, while in 2021 one shipment of 9.5 thousand tonnes was made. Sales of cathodes by the Carlota mine remained at a similar level, while sales of copper from polymetallic ore from the Sudbury Basin were lower.
- **Sales of TPM amounted to 4.3 thousand troy ounces** and were higher by 2.0 thousand troy ounces (+87%) compared to the corresponding period of 2021. The main factor responsible for this increase was primarily the amount of copper concentrate from the Robinson mine sold and the amount of gold contained therein, despite the lower sales of gold and platinum from the Sudbury Basin.
- **Sales of silver amounted to 0.9 tonnes** and were higher by 0.6 tonnes compared to June 2021. This result was mainly due to the high sales of silver recorded by the Robinson mine, which, similarly as in the case of gold and copper, is connected with the higher volume of copper concentrate sold and with the higher payable silver content. Slightly lower silver sales were recorded by the Sudbury Basin.

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

Production and sales of Sierra Gorda (on a 55% basis)	June 2022	June 2021	I - VI 2022	I - VI 2021
Production				
Payable copper (kt)	6.1	9.7	44.5	51.2
Molybdenum (mn lbs)	0.3	0.8	1.9	4.6
Payable silver (t)	1.7	2.6	13.9	15.6
TPM (koz t)	2.5	2.7	15.6	14.3
Sales				
Copper (kt)	5.9	11.1	44.1	48.8
Molybdenum (mn lbs)	0.2	0.8	2.0	4.2
Silver (t)	1.8	3.2	14.1	14.9
TPM (koz t)	2.6	3.2	14.9	14.1

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 6.1 thousand tonnes** and was lower by 3.6 thousand tonnes (-37%) compared to June 2021. The decrease in payable copper production in June 2022 compared to June 2021 was due to the lower content of this metal in extracted ore, lower metal recovery and the lower volume of ore processed due to a prolonged maintenance shutdown. The decrease in payable copper production in the period January-June 2022 compared to the corresponding period of 2021 was due to lower copper content in extracted ore and lower metal recovery. This result was partially offset by 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 June 2021. The decrease in molybdenum production in June 2022 compared to the corresponding period of 2021 was due to lower metal content in mined ore and lower metal recovery as well as a lower volume of ore processed. The decrease in molybdenum production in the period January-June 2022 compared to the corresponding period of 2021 was due to lower metal content in mined ore and lower metal recovery, which was partially offset by a higher volume of ore processed.

Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 5.9 thousand tonnes** and were lower by 5.2 thousand tonnes (-47%) compared to sales recorded in June 2021. The difference was due to a lower volume of sales of copper concentrate (by approx. 34 thousand tonnes dry weight) in June 2022. The reason for this situation can be found in the production and sales dynamic of copper concentrate in the prior months of 2022 compared to the corresponding prior-year period – in the period January-May 2022 production was lower compared to the period January-May 2021 by approx. 3.1 thousand tonnes of copper in concentrate, alongside higher sales by approx. 0.5 thousand tonnes. In order to maintain sufficient inventory at the end of June 2022 enabling the safe realisation of shipments planned for subsequent months, it was necessary to restrict sales of copper concentrate in June 2022.
- **Sales of molybdenum amounted to 0.2 million pounds** and were lower by 0.6 million pounds (-75%) compared to June 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 1.8 tonnes** and were lower by 1.4 tonnes (-44%) compared to the corresponding prior-year period. This was due to the lower volume of copper concentrate sold in June 2022.
- **Sales of TPM amounted to 2.6 thousand troy ounces** and were lower by 0.6 thousand troy ounces (-19%). The decrease was due to lower sales of concentrate compared to the corresponding prior-year period. Due to the higher content of payable gold in copper concentrate, this decrease was substantially lower than the level of sales of copper concentrate would indicate.