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## Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for the 1<sup>st</sup> quarter of 2018

*The following report contains preliminary data – the final 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.*

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

- **Payable copper production by the Group amounted to 143 thousand tonnes and was lower by 19 thousand tonnes (-12%),** mainly reflecting lower production by KGHM Polska Miedź S.A. resulting from the setting aside of half-finished product inventories (anode copper) for the production of electrolytic copper (in the refining phase) during a shutdown to perform maintenance on the concentrates smelting installation of the Głogów 2 Copper Smelter and Refinery in the second quarter of 2018. International production of payable copper was similar to the level of the prior year: the main increase in production was recorded by the Robinson mine (+37%) due to higher copper content in ore and to higher recoveries during the floatation process, while the Sierra Gorda mine recorded lower production (-14%) mainly due to lower metals content in extracted ore.
- **Silver production by the Group amounted to 243 tonnes and was lower by 55 tonnes (-18%),** mainly in KGHM Polska Miedź S.A., due to the aforementioned process of accumulating anode copper inventories to be used during the maintenance shutdown at the Głogów 2 Copper Smelter and Refinery.
- **TPM production by the Group amounted to 39 thousand troy ounces (abbreviation: oz t) and was lower by 16 thousand troy ounces (-29%),** mainly due to the lower volume of purchased metal-bearing material processed by the metallurgical plants of KGHM Polska Miedź S.A. At the same time, KGHM International recorded a 9% increase in production related to the improved quality of the ore processed by the Robinson mine.
- **Molybdenum production by the Group amounted to 4.0 million pounds and was lower by 0.8 million pounds (-17%),** due to the lower molybdenum content in ore extracted by the Sierra Gorda mine.

### **KGHM Polska Miedź S.A.:**

- A lower amount of copper and silver in concentrate compared to the first quarter of 2017, which was directly due to lower extraction by the mines as a result of a deterioration in geological-mining conditions, the occurrence of barren rock zones in the areas of the deposit being mined and the need to increase the scope of mine development work.

<b>Production and sales of the KGHM Group</b>	<b>January 2018</b>	<b>February 2018</b>	<b>March 2018</b>	<b>1Q 2018</b>	<b>1Q 2017</b>	<b>1Q yoy</b>
Payable copper (kt)	48.8	45.5	48.9	142.9	161.8	-12%
Payable silver (t)	85.9	71.5	85.3	242.5	297.5	-18%
TPM (koz t)	13.4	13.1	12.1	38.6	54.3	-29%
Molybdenum (mn lbs)	1.1	1.4	1.5	4.0	4.8	-17%
Copper sales (kt)	36.5	44.5	52.4	133.4	151.3	-12%
Silver sales (t)	64.1	85.5	63.0	212.6	254.0	-16%
TPM sales (koz t)	18.5	8.2	12.5	39.1	52.1	-25%
Molybdenum sales (mn lbs)	1.3	1.5	1.4	4.1	2.7	55%

<b>Production of KGHM Polska Miedź S.A.</b>	<b>January 2018</b>	<b>February 2018</b>	<b>March 2018</b>	<b>1Q 2018</b>	<b>1Q 2017</b>	<b>1Q yoy</b>
<b>Mine production:</b>						
Copper in concentrate (kt)	33.8	32.8	36.1	102.7	107.7	-5%
Silver in concentrate (t)	105.4	103.1	113.3	321.8	332.3	-3%
<b>Metallurgical production:</b>						
Electrolytic copper (kt)	37.6	34.9	38.3	110.8	130.6	-15%
- incl. from own concentrate	30.3	27.3	28.5	86.0	93.1	-8%
Metallic silver (t)	84.9	70.3	84.2	239.3	293.5	-18%
TPM (koz t)	5.9	6.4	5.9	18.3	33.5	-45%
Copper sales (kt)	27.9	31.3	43.2	102.5	119.3	-14%
Silver sales (t)	62.7	83.1	61.2	207.0	247.1	-16%
TPM sales (koz t)	11.9	1.4	7.0	20.3	30.9	-36%

<b>Production of KGHM International</b>	<b>January 2018</b>	<b>February 2018</b>	<b>March 2018</b>	<b>1Q 2018</b>	<b>1Q 2017</b>	<b>1Q yoy</b>
Payable copper (kt)	7.5	6.3	6.3	20.1	17.2	17%
- Robinson mine	5.2	4.5	4.0	13.7	10.0	38%
- Sudbury Basin mines	0.9	0.4	0.6	1.8	1.9	-4%
- other (Carlota, Franke)	1.4	1.4	1.8	4.6	5.4	-15%
TPM (koz t)	6.4	5.1	4.3	15.8	14.5	9%
- Robinson mine	3.8	3.5	2.3	9.7	6.5	49%
- Sudbury Basin mines	2.6	1.6	2.0	6.2	8.0	-23%
Payable nickel (kt)	0.1	0.1	0.1	0.2	0.3	-18%
Molybdenum (mn lbs)	0.02	0.01	0.03	0.06	0.12	-50%
Copper sales (kt)	6.3	7.6	4.4	18.3	17.2	7%
TPM sales (koz t)	5.9	4.7	3.3	13.9	13.8	0%
Nickel sales (kt)	0.1	0.1	0.1	0.2	0.3	-18%
Molybdenum sales (mn lbs)	0.04	0.00	0.02	0.06	0.12	-48%

<b>Production of Sierra Gorda (on a 55% basis)</b>	<b>January 2018</b>	<b>February 2018</b>	<b>March 2018</b>	<b>1Q 2018</b>	<b>1Q 2017</b>	<b>1Q yoy</b>
Payable copper (kt)	3.6	4.2	4.2	12.0	14.0	-14%
Molybdenum (mn lbs)	1.1	1.4	1.5	4.0	4.8	-18%
Payable silver (t)	1.0	1.1	1.1	3.2	4.0	-20%
TPM (koz t)	1.1	1.6	1.9	4.6	6.3	-27%
<b>Sales of Sierra Gorda (on a 55% basis)</b>						
Copper sales (kt)	2.2	5.6	4.8	12.6	14.5	-13%
Molybdenum sales (mn lbs)	1.3	1.5	1.3	4.1	2.6	60%
Silver sales (t)	0.6	1.5	1.3	3.4	4.1	-18%
TPM sales (koz t)	0.7	2.1	2.2	4.9	6.5	-25%