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

Production of payable copper and silver by the KGHM Group in the period January-May 2018 was in line with target amounts, while production of TPM and molybdenum was higher than the amounts planned for this period.

Sales of copper, silver, TPM and molybdenum by the KGHM Group in the period January-May 2018 were higher than planned.

Production results of the KGHM Group in May 2018 yoy:

- **Payable copper production amounted to 53.5 thousand tonnes**, or 3.7 thousand tonnes (-6%) less than in May 2017. The lower copper production (-12%) was mainly due to the shutdown to perform maintenance on the concentrate smelting installation at the Głogów II Copper Smelter and Refinery, which began on 8 April 2018. At present the flash furnace and electric furnace are being fired; the start-up of Głogów II's furnaces is expected at the end of June 2018.

Production of copper by the international assets was higher than in the prior year. In the case of KGHM International, the increase was mainly in respect of the Robinson mine and was due to higher copper content in extracted ore as well as to an increase in copper recovery during processing. Production by Sierra Gorda was higher by 5% compared to May 2017.

- **Silver production amounted to 101.5 tonnes**, or 17.3 tonnes (+21%) more than in the prior year. The increase in metallic silver production was due to the lower production of this metal in May 2017, due to the maintenance shutdown of the Precious Metals Plant at the Głogów Copper Smelter and Refinery during this period.
- **TPM production amounted to 15.8 thousand troy ounces**, or 0.7 thousand troy ounces (-4%) less due to lower production by KGHM Polska Miedź S.A. and by the Sierra Gorda mine. Production by KGHM International remained at the same level as in the prior year.
- **Molybdenum production amounted to 1.6 million pounds**, or 1.0 million pounds (-37%) less than in May 2017. A key factor responsible for this change in molybdenum production volume was the decrease in the content of this metal in the ore extracted from the Sierra Gorda mine.

Sales by the KGHM Group in May 2018 yoy:

- **Sales of payable copper in May 2018 amounted to 49.8 thousand tonnes** and were lower by 11% compared to May 2017.
- **Sales of silver amounted to 72.7 tonnes** and were lower by 31% compared to May 2017.
- **TPM sales amounted to 20.2 thousand troy ounces** and were higher by 76% compared to May 2017.
- **Molybdenum sales amounted to 1.7 million pounds** and were lower by 7% compared to May 2017.

Sales by KGHM Polska Miedź S.A.:

- **Sales of copper in May 2018 amounted to 40.0 thousand tonnes** and were lower by 3.8 thousand tonnes (-9%) compared to sales in May 2017. The main reason was the lower amount of electrolytic copper produced by the metallurgical plants of KGHM and optimisation of the logistics of deliveries of Polish copper concentrate.
- **Sales of silver amounted to 71.2 tonnes** and were lower by 32 tonnes (-31%) due to maintenance at the Precious Metals Plant planned for the second half of June and the need to build inventories to meet the need for silver deliveries planned in June.
- **Sales of TPM amounted to 13.7 thousand troy ounces** and were higher by 11.6 thousand troy ounces (552%) due to the sale of an accumulated amount of gold to a foreign customer.

Sales by KGHM International:

- **Sales of copper amounted to 4.3 thousand tonnes** and were lower by 2.5 thousand tonnes (-37%), mainly due to logistical considerations with respect to sales of concentrate by the Robinson mine.
- **Sales of TPM amounted to 4.3 thousand troy ounces** and were lower by 2.5 thousand troy ounces (-37%), mainly due to lower TPM content in Sudbury ore.
- **Sales of silver amounted to 0.1 tonnes** and were lower by 0.7 tonnes (-91%). This was mainly due to the adjustment, in May 2018, of the provisional amount of silver content compared to previous deliveries.
- **Sales of molybdenum amounted to 0.058 million pounds** and were lower by 0.092 million pounds (-60%). This was due to decreased molybdenum production by the Robinson mine.

Sales by Sierra Gorda (55%):

- **Sales of copper amounted to 5.6 thousand tonnes** and were similar to sales volume in the prior year.
- **Sales of molybdenum amounted to 1.7 million pounds** and were similar to sales volume in the prior year.
- **Sales of silver amounted to 1.5 tonnes** and were similar to sales volume in the prior year.
- **Sales of TPM amounted to 2.2 thousand troy ounces** and were lower by 0.33 thousand troy ounces (-13%). The lower sales were due to a lower content of gold in Sierra Gorda concentrate as compared to the prior year.

Production and sales of the KGHM Group	May 2018	May 2017	monthly change yoy
Payable copper (kt)	53.5	57.2	-6%
Payable silver (t)	101.5	84.2	21%
TPM (koz t)	15.8	16.5	-4%
Molybdenum (mn lbs)	1.6	2.6	-37%
Copper sales (kt)	49.8	56.1	-11%
Silver sales (t)	72.7	105.5	-31%
TPM sales (koz t)	20.2	11.5	76%
Molybdenum sales (mn lbs)	1.7	1.8	-7%

Production of KGHM Polska Miedź S.A.	May 2018	May 2017	monthly change yoy
Mine production:			
Copper in concentrate (kt)	35.2	34.7	2%
Silver in concentrate (t)	109.0	109.0	0%
Metallurgical production:			
Electrolytic copper (kt)	40.2	45.8	-12%
- including from own concentrate	28.6	30.4	-6%
Metallic silver (t)	100.3	83.0	21%
TPM (koz t)	7.2	7.6	-6%
Copper sales (kt)	40.0	43.8	-9%
Silver sales (t)	71.2	103.2	-31%
TPM sales (koz t)	13.7	2.1	552%

Production of KGHM International	May 2018	May 2017	monthly change yoy
Payable copper (kt)	8.8	7.1	24%
TPM (koz t)	6.8	6.8	0%
Molybdenum (mn lbs)	0.03	0.08	-63%
Copper sales (kt)	4.3	6.8	-37%
TPM sales (koz t)	4.3	6.8	-37%
Silver sales (t)	0.1	0.8	-91%
Molybdenum sales (mn lbs)	0.058	0.15	-60%

Production of Sierra Gorda (on a 55% basis)	May 2018	May 2017	monthly change yoy
Payable copper (kt)	4.5	4.3	5%
Molybdenum (mn lbs)	1.6	2.5	-36%
Payable silver (t)	1.2	1.2	0%
TPM (koz t)	1.8	2.1	-14%
Copper sales (kt)	5.6	5.5	1%
Molybdenum sales (mn lbs)	1.7	1.7	0%
Silver sales (t)	1.5	1.5	0%
TPM sales (koz t)	2.2	2.6	-13%