

Summary of questions raised at the Results Conference for the 1st quarter of 2021

- 1. Why the decision to look for investors for the Franke mine in Chile and Carlota in the USA if we are seeing record copper prices? Will KGHM remain the main shareholder?**

Answer KGHM, just like other companies in the mining industry, periodically reviews its assets portfolio in terms of whether they are suitable to the business model. In our review we decided that some of the mines are not strategic, they are supporting resources. At the same time, we developed procedures for the disposal of this type of asset. We investigated the investor market and waited for the right moment to come up with an offer. It seems like today is the right time to optimize our portfolio. So we started activities aimed at selling two smaller mines with a short life of mine and a size not matching the scale of the Group.

At present, the stage is too early to predict how the transaction will proceed, whether it will be successful and with what effect, e.g. in terms of capital commitment.

- 2. How will the Company's situation change as a result of gaining control over the Bytom Odrzański and Kulów-Luboszyce deposits?**

Answer The area covered by the exploration concession of Bytom Odrzański, along with the Głogów and Retków-Ścinawa concessions which have belonged to the Company since 2013, contain documented deposits which were explored by KGHM from the 1970s to the 1990s. They represent so-called reserve areas for the Company's resource base existing within the area of the current mining concessions and for years have represented a natural direction for the Company's development.

Apart from the area of the documented Bytom Odrzański deposit, in the area of both newly acquired concessions, there are areas with high deposit potential, referred to in the literature as prospective or prognostic deposits, which require preliminary documentation and then further recognition and examination of geological and mining conditions for the purposes of future mining access. We have high hopes that these areas will extend the life of KGHM past 2055.

- 3. What are the planned investments related to them?**

Answer These concessions were granted to our the Company for a period of nearly 9 years (Bytom Odrzański) and nearly 8 years (Kulów Luboszyce). During this time, we will carry out the designed geological work, mainly consisting in a detailed examination of the potential of the deposits by drilling. This work will be supported by additional research: geophysical, hydrogeological, geotechnical and many others, which will allow for a detailed analysis of these areas in terms of future mining access. The first and most important element of almost every mining investment is to carry out, first of all, thorough and reliable geological works. The results of geological work will be the basis for further

analyses and decisions. Investments in the expansion of existing installations or the construction of a new mine (beyond the Odra), along with installations for the production of concentrate, is a business decision that will depend on the abundance and availability of documented deposits. We targeted this development path in the strategy of KGHM.

4. What is the current situation related to the construction of the GG-2 material and personnel shaft in the Żukowice municipality?

Answer We have completed the stage of purchasing the necessary land for the implementation of this investment, so in the near future we will begin the implementation of the design work.

5. Would you consider the sale of other mines of KGHM International if there were potential buyers?

Answer That depends on whether the offer is attractive and whether it is in line with our Strategy.

6. May I ask for information on whether there is any progress in the process of the sale of Sierra Gorda by Sumitomo?

Answer This question may be directed to Sumitomo. From our knowledge the process is progressing. It is not our role to comment on this process.

7. Do you have a stability agreement in Sierra Gorda which would keep taxation/royalties at a stable level if Chile goes forward with the new copper royalties? If so, when does it expire?

Answer Just like most if not all new mining projects, the same is the case for Sierra Gorda which also has such an agreement, but due to the fact that disclosing its details requires consultation with our partner in the JV we cannot provide them at this time.

8. Considering the high price of copper, can you give us some updated information regarding the Sierra Gorda Oxide project? How quickly could the project deliver the first production after approval?

Answer All of the projects in the Group's portfolio are subject to regular review, including the potential timeframes for bringing them into production, but in the case of the Oxide project its advanced nature does not yet allow us to announce specific dates.

9. How much was the cost of restructuring of the hedge position in 2Q'21?

Answer Today we're talking about first quarter results. We have to wait a bit for any update on the second quarter. Of course, there will be time to talk about trends in the second quarter, so we'll be able to discuss that.

10. Sierra Gorda – great first quarter 2021 results. Isn't it worth taking a step forward to think about implementing the second phase of the mine to increase production?

Answer So far we have conducted the process of low-cost optimizations of Sierra Gorda. This has brought those effects visible in this macroeconomic environment we've been in to date. We obviously do have identified options for the development of Sierra Gorda. However, at the moment we are not planning any capital-intensive investments of this kind. That's not to say that we don't have a set of improvements ready that will allow us to increase daily throughput, because that's what it comes down to at Sierra Gorda.

11. The change in mining taxes in Chile; do you have any estimates on how the change might affect Sierra Gorda?

Answer We are very engaged in this process. We are participating in many expert groups. Our people are heavily involved. Of course, we have estimates for different variations of this tax. However, the legal situation of this project itself is highly uncertain at this point. Part of the legislative process has been completed. The next phase will open in the Senate. There appears to be a significant legal flaw in this bill, bordering on the unconstitutionality of this bill. Therefore, at this point, communicating this type of estimate or quote, in my opinion, makes no sense. There is another factor that can be mentioned. Well, Sierra Gorda has certain regulations for foreign investors (e.g. so-called stability agreements) that mitigate the timing of that potential additional charge to our profit and loss statement, to our results. Accordingly, there is no reason for this type of broader communication on our part at this time. As I say, we are in a process. There appear to be significant legal flaws with this bill. The current proposal makes many mines in Chile unprofitable. It seems that this project will be significantly modified and then we will be able, at a later stage, when this solution will have crystallized, to communicate what impact it will have on Sierra Gorda.

12. Is it possible to say already today what capex would have to be allocated in order to open these deposits, i.e. Bytom Odrzański and Kulów-Luboszyce? Is it possible to use the existing infrastructure to open these deposits. Please expand a bit on the subject of the concession for the new deposit in the lubuski voivodeship. What area does it concern, are there already specific dates for the commencement of work related to the opening of this deposit?

Answer As far as the Capex for the project is concerned, it will only be possible, as mentioned by President Chłodziński, after the stage of appraisal of the exploration concession, then we will be able to talk about the Capex to be allocated. However, it should be emphasized that these concessions lie directly in the areas of concessions that we already hold. So those expenses won't be as big as if we had to build a new mine. We will also expand the infrastructure we already have; these expenses will not be as significant as if we had to build the whole technological sequence from the beginning. As regards the deadlines, the concessions have terms of 8 years 10 months for Bytom Odrzański and 7 years 8 months for the Kulów Luboszyce exploration concession. At the moment, we will be performing the work immediately. We will proceed as soon as

possible, without delay. Also, I think that after these first drillholes and the first results we will be able to say something about the future and the mining plan.

13. KGHM planned to develop its own renewable sources, is this plan still valid? What are KGHM's plans for renewable energy through 2025/2030, if any?

Answer Indeed, this plan is definitely still standing. These are our strategic assumptions that we have communicated; they are in the process of implementation, at the investment process stage. Let me remind you that's 50% from our own resources, including renewables, from 2030 on. Of course, all of this also depends on how we approach natural gas. For the time being, we do not assume that natural gas in our Strategy is the target fuel in the context of long-term investments. This is also due to the regulatory policy of the European Union, which is still quite sceptical about natural gas as one that can be classified as having no impact on the environment. We are in the course of discussions with bidders. The ways to achieve this goal vary. You can buy projects - finished projects - that are legally prepared but are before the investment phase. Together with other partners you can implement the investment phase and also build your own projects; we do operate in all these areas and paths, including the last one where a part, the beginning is already complete. This year there will be other investments, you can say symbolically started by driving a shovel, but not only symbolically, because these projects last, especially when it comes to photovoltaics, not very long. Some will be started and completed this year, so this investment phase of proprietary projects is also ongoing in addition to potential acquisitions. So we are consistently working on this area.

14. Do you plan to declare climate neutrality in the near future, as more and more companies in the mining sector are doing?

Answer As for climate neutrality and the mining sector, I find it rather difficult to assume that they actually proclaim climate neutrality; at most they proclaim minimizing environmental impact. This is absolutely something that we do constantly and continuously. I would like to remind you that in the context, for example, of our obligations under BAT, best available technologies, we spend several hundred million PLN annually on environmental investments in many areas, be it metallurgy or mining. So we are continuing to move in the direction that is expected of us. As far as legal requirements are concerned, in terms of EU law or national law which usually follows from EU law, we are also in compliance with the regulations and standards that apply in Europe. That is why we can function, and because of the fact that more and more is being demanded of this sector in the long term, we have strategies in the context of energy, in the context of own renewable sources, in the context of the acquisition of renewable sources. But also all technologies that can serve to reduce our environmental impact. Both in terms of technology, metallurgy, all kinds of filters, all kinds of installations that reduce our emissions into the air. But also in the context of the impact of underground mining. We are continue testing of different electric solutions and are implementing them, these machines, wherever they prove to be applicable - in the field of electric engines. So it's a broad program of different types of actions that aims not only to work within the framework of the regulations that are already in place and that we are meeting,

but also to get ahead of reality and where we can do it today, tomorrow, the day after tomorrow, to make investments that will bring us in line with what's going to happen in the future in terms of regulations.

15. Will we see flows from Sierra Gorda to owners (loan repayments) as early as this year?

Answer I think we should not use this opportunity to determine the decisions that will be made. However, as a rule, the financial space of Sierra Gorda is expanding and, obviously, a decision will have to be made as to where this cash flow, this financial surplus, should be directed. And there is also the possibility that Sierra Gorda's various liabilities to its owners will be satisfied.

16. Is KGHM considering diversification in metals, for example platinum, palladium, nickel. I mean mine acquisition of mining projects to mine other "green transition" metals?

Answer The question is a good one, but our goal is to operate in areas that are natural to us, where we actually have deposits and these metals, so we operate in Poland in very specific geological conditions. Here it is rather difficult to obtain the metals mentioned. Acquisitions, yes, but the main question is: is the peak in prices the best time and place for an acquisition? That is, if we have the highest metal prices, and we do have some, is this the best time to buy projects. I'm afraid not, because that's usually when we buy projects at the highest price. So perhaps we will need to wait with such decisions until other times.

17. Project Victoria: When can we expect some milestones in this project?

Answer We are still preparing the project so that it will be possible to take actions, including accounting ones, consisting in reversing the write-offs originally made. However, here it is a question of negotiating agreements that need to be amended so that we can realistically think about the development of this project.

18. A question about cost drivers, cost inflation in the following expenses by nature: energy and wage costs. How do we see the dynamics, the inflation in these cost groups? Very general question. Factors that influence performance in these cost groups.

Answer We are not free from the inflationary cost pressures that exist throughout the economy. We all know from everyday experience that the prices of energy and fuel are rising, as are wages, and also - and we may not necessarily see this every day, but we do feel it - carbon dioxide emission rights. And here we apply both preventive and anticipatory measures to minimize this impact and to extend in time their possible negative effects. But it is well known that rising costs cannot be completely avoided except by avoiding the consumption of these costly materials. With this in mind, our attention goes towards reducing electricity consumption and reducing fuel consumption. As the President said, we also need to consider changes in the structure of obtaining electricity. On the other hand, these costs obviously had a negative impact on the result,

above all, in KGHM S.A., but also partially in other countries, because there is inflationary pressure everywhere. We offset this with increased production efficiency and reduced consumption of the highest-cost components.

19. How does the Management Board view the demand for copper in China? There has been information that cable producers in China are having problems with financing working capital (banks are increasing credit) due to the increase in copper prices, and are shutting down some production lines? A substitute for copper in cables could be aluminium, whose price isn't rising as quickly - how does the Management Board assess the risk of substitution?

Answer Rapidly rising prices are a big challenge for the entire copper processing industry operating on a limited processing margin and require the involvement of more and more working capital. Therefore, this is not an issue that only affects cable manufacturers in China. Nevertheless, in recent months, a slowdown in the growth rate of demand for copper in China has been observed - visible mainly in the exceptionally low physical premiums and the growing level of metal inventories in Asia. In addition, some financial institutions see the possibility of a continuation of price increases in the coming periods, which may even deepen the problems with access to working capital. It is worth noting, however, that it is not the price level itself, but its high volatility that causes the greatest problems for entities in the metal industry. Substitution is not a process that starts at any particular price level or price difference for products made of different materials. It is a constant phenomenon, which, however, may increase its intensity under certain price conditions. The large price difference between copper and aluminum actually stimulates discussions about the possible intensification of substitution, but it should be remembered that for many reasons, such as safety, technology and regulation, it is limited in scope. In many applications, the price of metal is much less important than technological parameters, high conductivity or reliability. Environmental protection elements are also becoming more and more important, and in this respect, the production of copper remains less energy-intensive than aluminum, and therefore potentially less damaging to the environment. Therefore, there are elements related to the growing importance of ESG, which are also increasingly important for a growing number of customers. However, it should be remembered that the longer prices remain high, the greater the incentive will be to develop alternative technologies that limit the use of expensive material.