

Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for November 2020

The following report contains preliminary monthly data – the final quarterly and annual production and sales results will be published in the consolidated annual report for 2020. 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.

In November 2020 the KGHM Group recorded a substantial increase in payable copper production compared to the corresponding month of 2019, due to the higher availability of the main production line in KGHM Polska Miedź S.A. and the processing of a higher volume of ore, of higher grade, by Sierra Gorda.

In the period January to November 2020 production and sales of copper by the Group were below plan, due to lower-than-planned production from purchased metal-bearing materials by KGHM Polska Miedź S.A. (mainly the effect of a limited supply of scrap in the first half of 2020) and lower production by the Franke mine in the segment KGHM INTERNATIONAL LTD. An analogous decrease was also recorded for silver, while the production and sales targets of the other main products were exceeded.

Results of the KGHM Group in November 2020 - y/y:

Production and sales of the KGHM Group	November 2020	November 2019	I - XI 2020	I - XI 2019
Production				
Payable copper (kt)	62.4	56.4	644.5	642.3
- including KGHM Polska Miedź S.A.*	48.4	45.7	509.3	518.6
Payable silver (t)	104.2	131.9	1 224.8	1 285.4
TPM (koz t)	18.0	21.3	179.8	197.0
Molybdenum (mn lbs)	0.6	1.1	8.5	10.7
Sales				
Copper (kt)	66.6	65.7	639.5	630.0
Silver (t)	105.3	122.3	1243.7	1289.3
TPM (koz t)	17.7	31.3	185.5	185.4
Molybdenum (mn lbs)	0.7	1.4	8.9	11.8

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 62.4 thousand tonnes** - an increase by 6.0 thousand tonnes (+11%) versus the corresponding month of 2019, due to the higher availability of the main production line in KGHM Polska Miedź S.A. and the processing of a higher volume of ore, of higher grade, by Sierra Gorda.
- **Production of payable silver amounted to 104.2 tonnes**, or a decrease by 27.7 tonnes (-21%) versus the corresponding month of 2019 due to the lower content of this metal in ore extracted by KGHM Polska Miedź S.A.
- **Production of TPM amounted to 18.0 thousand troy ounces**, or a decrease by 3.3 thousand troy ounces (-15%), mainly due to a decrease in precious metals content in the Sudbury Basin and to a decrease in gold content in the Robinson mine.
- **Production of molybdenum amounted to 0.6 million pounds**, or a decrease by 0.5 million pounds (-45%) compared to November 2019 due to lower molybdenum content in Sierra Gorda.

Sales of the KGHM Group:

- **Sales of copper amounted to 66.6 thousand tonnes** and were at the same level of sales as in November 2019 (+1%).
- **Sales of silver amounted to 105.3 tonnes** and were lower by 17.0 tonnes (-14%) compared to sales in November 2019. The decrease was mainly due to lower sales of silver by KGHM Polska Miedź S.A. than in the prior year. Sales of silver by the Sierra Gorda mine were higher.
- **Sales of TPM amounted to 17.7 thousand troy ounces** and were lower by 13.6 thousand troy ounces (-43%) compared to sales in the corresponding period of 2019. Sales of gold by the production assets in Poland were lower than in the prior year, as were sales of TPM by KGHM INTERNATIONAL LTD.
- **Sales of molybdenum amounted to 0.7 million pounds** and were lower by 0.7 million pounds (-50%) compared to November 2019. The decrease in sales was mainly in respect of the Sierra Gorda mine.

Results of KGHM Polska Miedź S.A. in November 2020 - y/y:

Production and sales of KGHM Polska Miedź S.A.	November 2020	November 2019	I - XI 2020	I - XI 2019
Mine production:				
Copper in concentrate (kt)	33.1	30.8	364.6	372.2
Silver in concentrate (t)	103.4	97.4	1 130.0	1 164.1
Metallurgical production:				
Electrolytic copper (kt)	48.4	45.7	509.3	518.6
- including from own concentrate	42.8	35.9	371.1	381.9
Metallic silver (t)	101.0	130.8	1 199.3	1 272.2
TPM (koz t)	11.5	10.9	89.2	91.6
Sales				
Copper (kt)	51.8	51.5	501.1	508.7
Silver (t)	101.1	120.5	1211.5	1272.9
TPM (koz t)	11.1	18.5	90.3	87.5

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 33.1 thousand tonnes** and was higher by 2.3 thousand tonnes (+7%) compared to November 2019. The increase in production was due to higher processing of ore by the mines.
- **Production of silver in concentrate amounted to 103.4 tonnes** and was higher by 6 tonnes (+6%) compared to November 2019, due to a higher amount of ore processed and to an increase in the content of this metal.
- **Production of electrolytic copper amounted to 48.4 thousand tonnes** and was higher by 2.7 thousand tonnes (+6%) compared to November 2019. The increase in cathode production was due to the higher availability of the main production line.
- **Production of metallic silver amounted to 101.0 tonnes** and was lower by 29.8 tonnes (-23%) compared to November 2019. The decrease in metallic silver production was due to lower silver content in charge materials and is related to the nature of the cycle of metallurgical production.
- **Production of TPM (metallic gold) amounted to 11.5 thousand troy ounces** and was higher by 0.6 thousand troy ounces (+6%) compared to 2019.

Sales of KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 51.8 thousand tonnes** and were at a similar level to sales in November 2019 (+1%).
- **Sales of silver amounted to 101.1 tonnes** and were lower by 19.4 tonnes (-16%) compared to November 2019. The decrease was due to lower production of silver in November 2020.
- **Sales of TPM amounted to 11.1 thousand troy ounces** and were lower by 7.4 thousand troy ounces (-40%) compared to sales in November 2019. The lower sales were due to a different schedule of orders in the fourth quarter of 2020 compared to the corresponding period of 2019.

Results of KGHM INTERNATIONAL LTD. in November 2020 - y/y:

Production and sales of KGHM INTERNATIONAL LTD.	November 2020	November 2019	I - XI 2020	I - XI 2019
Production				
Payable copper (kt)	6.0	6.1	60.8	69.9
TPM (koz t)	3.9	7.6	62.0	77.3
Molybdenum (mn lbs)	0.03	0.07	0.40	0.71
Sales				
Copper (kt)	5.5	9.9	65.4	67.9
TPM (koz t)	3.5	10.6	66.6	69.8
Silver (t)	0.6	0.8	7.3	3.5
Molybdenum (mn lbs)	0.04	0.07	0.6	0.8

Production of KGHM INTERNATIONAL LTD.:

- **Production of copper amounted to 6.0 thousand tonnes** and was slightly lower (by 0.1 thousand tonnes, or -2%) compared to November 2019. Lower production in the Franke mine due to lower recoveries, related to high carbonate content in the deposit. In the Sudbury Basin there was an accrued decrease in extraction compared to the corresponding period of 2019, due to the suspension of operations by the Morrison mine after Q1 2019.
- **Production of TPM amounted to 3.9 thousand troy ounces** and was lower by 3.7 thousand troy ounces (-49%) compared to November 2019. Lower production of precious metals was recorded both in the Sudbury Basin (-3.0 thousand troy ounces – lower TPM content in ore), and in the Robinson mine (-0.7 thousand troy ounces - lower gold content in ore).
- **Production of molybdenum in the Robinson mine amounted to 0.03 million pounds** and was lower by 0.04 million pounds (-57%) than the amount produced in November 2019 due to low molybdenum content in ore.

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 5.5 thousand tonnes** and were lower by 4.4 thousand tonnes (-44%) compared to sales in November 2019. This was mainly due to lower sales of copper from Robinson concentrate. The decrease was due to a lower volume of concentrate sold (by approx. 15.5 thousand tonnes dry weight) resulting from the schedule of shipments. Sales of cathodes by Franke were also slightly lower (lower production). In the case of copper from the Sudbury Basin and of cathodes from the Carlota mine, sales were similar to the levels recorded in November 2019.
- **Sales of TPM amounted to 3.5 thousand troy ounces** and were lower by 7.1 thousand troy ounces (-67%) compared to the corresponding period of 2019. This was mainly due to lower sales of gold contained in Robinson concentrate (due to a lower amount of material sold) as well as to lower content of platinum, palladium and gold and lower sales of TPM from the Sudbury Basin.
- **Sales of silver amounted to 0.6 tonnes** and were lower by 0.2 tonnes (-25%) than sales in November 2019. The difference was due to lower sales of silver from Robinson concentrate resulting from a lower volume of copper concentrate sold.
- **Sales of molybdenum amounted to 0.04 million pounds** and were lower by 0.03 million pounds (-43%) compared to sales recorded in November 2019. The decrease was due to lower molybdenum production in November 2020.

Results of Sierra Gorda S.C.M. in November 2020 - y/y:

Production and sales of Sierra Gorda (on a 55% basis)	November 2020	November 2019	I - XI 2020	I - XI 2019
Production				
Payable copper (kt)	8.0	4.6	74.4	53.8
Molybdenum (mn lbs)	0.6	1.0	8.1	10.0
Payable silver (t)	3.2	1.1	25.5	13.2
TPM (koz t)	2.6	2.8	28.6	28.1
Sales				
Copper (kt)	9.3	4.3	72.9	53.4
Molybdenum (mn lbs)	0.7	1.3	8.3	11.0
Silver (t)	3.6	1.0	25.0	12.9
TPM (koz t)	3.1	2.2	28.6	28.0

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 8.0 thousand tonnes** and was higher by 3.4 thousand tonnes (+74%) compared to November 2019. In November 2020, as well as in the period from January to November 2020, production of payable copper increased compared to the corresponding periods of 2019, due to higher metal content in extracted ore and to a higher volume of ore processed.
- **Production of molybdenum amounted to 0.6 million pounds** and was lower by 0.4 million pounds (-40%) compared to November 2019. The decrease in molybdenum production in November 2020 and in the period from January to November 2020 was due to lower metal content in extracted ore compared to the corresponding periods of 2019. This factor was partially offset by the higher volume of processed ore.

Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 9.3 thousand tonnes** and were higher by 5.0 thousand tonnes (116%) compared to sales in November 2019. This was due to a more than doubling of the volume of copper concentrate sold in November 2020 (by approx. 42 thousand tonnes dry weight) due to higher production of copper and to the schedule of planned shipments.
- **Sales of molybdenum amounted to 0.7 million pounds** and were lower by 0.6 million pounds (-46%) compared to November 2019. The volume 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 3.6 tonnes** and were higher by 2.6 tonnes (+260%).
- **Sales of TPM amounted to 3.1 thousand troy ounces** and were higher by 0.9 thousand troy ounces (+41%). The increase in sales of silver and gold was mainly due, similarly as in the case of copper, to a higher volume of sold copper concentrate.