

## Resource base

The resource base for the core technological processes of KGHM Polska Miedź S.A. is the largest deposit of copper ore in Europe, and one of the largest worldwide, situated between Lubin, Sieroszowice and Głogów. To exploit this deposit a mining zone of approximately 468 km<sup>2</sup> was established. The copper ore deposit currently extracted lies at a depth of 600 to 1 380 meters.

### Current mining areas

KGHM Polska Miedź S.A. holds licenses for the mining of copper ore from the following deposits:

"Lubin-Małomice"  
"Polkowice"  
"Sieroszowice"  
"Rudna"  
"Radwanice Wschód", and  
"Głogów Głęboki-Przemysłowy".

The concessions held by KGHM authorise the Company to conduct copper ore mining until the year 2013 in the mining regions of "Lubin", "Małomice", "Polkowice", "Sieroszowice" and "Rudna"; until 2015 in the region of "Radwanice Wschód"; until 2046 in the region of "Rudna II"; and until 2054 in the region of "Głogów Głęboki-Przemysłowy".

Bearing in mind the expiry of some of the mining concessions in 2013, KGHM, acting in conformance with the legal regulations in force in Poland, initiated in 2010 the procedure aimed at obtaining new mining concessions. The Regional Environmental Protection Director in Wrocław issued a decision specifying the applicable environmental requirements, on the basis of which formal applications were submitted to the licensing authority i.e. Minister of Environment

The estimated geological copper ore resources and reserves of KGHM are presented in the tables.

### Ore resources of copper and other metals (Cu, Ag) in areas covered by the concessions issued to KGHM Polska Miedź S.A. (as at 31 December 2012)

Ore in production	Ore resources [mt]	Cu [%]	Ag [g/t]	Amount of Cu [mt]	Amount of Ag [t]
"Lubin-Małomice"	391	1.32	55	5.15	21 527
"Polkowice"	113	2.33	47	2.64	5 333
"Sieroszowice"	289	2.62	61	7.57	17 781
"Radwanice Wschód"	7	1.92	26	0.14	189
"Rudna"	387	1.68	47	6.50	18 081
"Głogów Głęboki-Przemysłowy"	291	2.40	79	7.00	22 917
KGHM Polska Miedź S.A.	1 480	1.96	58	28.98	85 828

### Reserves of copper and other metals (Cu, Ag) in areas covered by the concessions issued to KGHM Polska Miedź S.A. (as at 31 December 2012)

Ore in production	Ore resources [mt]	Cu [%]	Ag [g/t]	Amount of Cu [mt]	Amount of Ag [t]
"Lubin-Małomice"	327	1.00	42	3.26	13 787
"Polkowice"	95	1.71	34	1.63	3 202
"Sieroszowice"	266	1.92	46	5.11	12 296
"Radwanice Wschód"	8	1.25	18	0.10	137
"Rudna"	238	1.57	44	3.73	10 530
"Głogów Głęboki-Przemysłowy"	233	1.90	61	4.42	14 316
KGHM Polska Miedź S.A.	1 166	1.56	47	18.24	54 268

\* Resource base – according to cadastres of 2012, prepared in accordance with the Regulation of the Minister of Environment of 15 November 2011 on cadastres and templates of notifications about mineral ore resources.

## Prospective areas

Apart from the areas covered by the issued mining concessions, the Company is also involved in wide-scale exploration work in the so-called Old Copper Belt ("Grodziecka Trough"), "Gaworzyce-Radwanice" and Szklary, as well as in Germany (Weisswasser project).

"Grodziecka Trough": a copper-silver ore deposit in the vicinity of Bolesławiec. Documentation of approximately 1.5 million tonnes of copper equivalent in the deposit is planned to allow for the construction of an underground mine. Drilling is currently underway (18 holes), aimed at precise examination of the existing copper ore resources as well as documentation of new resources.

"Gaworzyce-Radwanice": KGHM is evaluating this copper ore deposit under the currently held concessions. The purpose of this work is to conduct detailed

examination of the C1-category ore. During stage one, five holes were drilled. The irregular distribution of the copper ore means that the current pattern of exploratory C1 drillings may turn out to be insufficient and execution of additional drillings is very expensive and not necessarily effective.

Consequently, KGHM Polska Miedź S.A. submitted a request to the Minister of Environment for a change in the terms of concession i.e. resignation from exploratory drillings for the sake of geophysical studies.

“Szkłary”: this project involves the possibility of commencement of mining of a lateritic nickel ore deposit in the vicinity of Szklary in Lower Silesia. Advanced work is underway to examine the ore body and to develop a model for an open-pit mine as well as the ore processing technology.

“Weisswasser” Project: managed by a subsidiary KGHM Kupfer AG. This company has a mining concession for an area in Saxony, along the Polish border, where drillings conducted in the 1960s indicated the occurrence of copper mineralisation.