

## Resource base

The resource base for the core business of KGHM Polska Miedź S.A. is the largest deposit of copper ore in Europe, and one of the largest globally, situated between Lubin, Sieroszowice and Głogów. To exploit this deposit a mining zone of approximately 468 km<sup>2</sup> was created. The copper ore deposit currently being worked lies at a depth of 600 to 1380 meters.

The amount of documented copper ore resources in areas licensed by KGHM Polska Miedź S.A. gives Poland 7th place globally in terms of its copper resources, and 3rd place in terms of its silver resources (per the 2012 U.S. Geological Survey).

### Current mining areas

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

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

The licenses held by the Company entitle it to conduct copper ore mining until the year 2013 in the regions Lubin, Małomice, Polkowice, Sieroszowice and Rudna, until 2015 in the region Radwanice Wschód, until 2046 in the region Rudna II and until 2054 in the region Głogów Głęboki-Przemysłowy.

In 2010, in accordance with Polish law, KGHM Polska Miedź S.A. began the process of obtaining new mining licenses for those which expire in 2013.

The estimated geological copper ore resources and reserves of KGHM Polska Miedź S.A. are presented in the following tables.

### Ore resources of copper and other metals (Cu, Ag) in areas licensed by KGHM Polska Miedź S. A. (at 31 December 2011)

Ore in production	Ore resources [mln t]	Cu [%]	Ag [g/Mg]	Amount of Cu [mln t]	Amount of Ag [t]
Lubin-Małomice	388	1.32	56	5.14	21 563
Polkowice	115	2.33	48	2.67	5 484
Sieroszowice	298	2.61	65	7.77	19 309
Radwanice Wschód	7	1.92	26	0.14	189
Rudna	398	1.79	47	6.76	18 815
Głogów Głęboki-Przemysłowy	292	2.40	79	7.00	22 939
KGHM Polska Miedź S.A.	1 498	1.97	59	29.48	88 298

### Reserves of copper and other metals (Cu, Ag) in areas licensed by KGHM Polska Miedź S.A. (at 31 December 2011)

Ore in production	Ore resources [mln t]	Cu [%]	Ag [g/Mg]	Amount of Cu [mln t]	Amount of Ag [t]
Lubin-Małomice	324	1.00	42	3.24	13 760
Polkowice	97	1.71	34	1.66	3 315
Sieroszowice	273	1.93	50	5.27	13 501
Radwanice Wschód	8	1.25	18	0.10	137
Rudna	246	1.60	45	3.94	11 103
Głogów Głęboki-Przemysłowy	233	1.90	61	4.42	14 330
KGHM Polska Miedź S.A.	1 181	1.58	48	18.62	56 148

### Potential areas

Adjoining the area of the deposit currently being worked by KGHM Polska Miedź S.A. are the documented ore zones of Gaworzycze and Radwanice Zachód, containing copper ore resources. These are treated at present as areas which may in the near future be brought into operation.

Following exhaustion of the ore, in a north-westerly direction from the ore currently being worked and from the Głogów Głęboki-Przemysłowy deposit which is being prepared for exploitation, at a depth of up to 1500m occur regions of proven increased copper mineralisation: Głogów, Bytom Odrzański and Retków.

Apart from the licensed areas, the Company is also involved in intensive exploration in the so-called Old Copper Belt (Grodziecka trough), Gaworzycze – Radwanice and Szklary, as well as in Germany (Weisswasser project).

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

Gaworzycze-Radwanice: the Company is furthering its knowledge of this copper ore deposit within currently-licensed areas. The goal of this work is to further the Company's knowledge of the C1-category ore. During phase one, 5 holes were drilled. The irregular occurrence of the copper ore means that the exploratory C1-category exploratory already performed may be insufficient, although performing additional drilling is very expensive and ineffective.

