HAWK THORNE™

INSIGHTS · RESEARCH REPORT

3 November 2026

COMPANY · KGHM POLSKA MIEDŹ S.A. (WSE: KGH)

KGHM: Who Profits from Expensive Copper

Narrative, risk and investment opportunity analysis

Copper priced in złoty costs almost half as much again as its 2025 average, yet KGHM's share price stands where it began the year. The gap has three sources: silver, which has lost 57% since its January peak; the state, which captures high metal prices through the mining tax; and an investment programme that turns record profit into assets rather than cash for shareholders.

CLOSING PRICE, 3 NOV 2026	SINCE 1 JAN: KGHM VS COPPER IN PLN	MINING TAX, 2026 FORECAST	EBITDA-TO-CASH CONVERSION, H1 2026
PLN 275.35	**−1.5%**	**PLN 8.0bn**	**28%**
−29.8% from the 17 Jun peak	copper in PLN +22.8%, silver −29.4%	budget plan PLN 3.2bn · 2025: PLN 4.8bn	EBITDA PLN 9.0bn · operating cash flow PLN 2.56bn

Scope. 699 unique publications about KGHM and 27,796 copper and silver headlines from a corpus of 1.39 million news items (23 Feb–3 Nov 2026), 6,200 full texts, ESPI filings, the KNF short-position register, futures positioning, ETF flows, prices since 2015, quarterly financial statements and macro data from the NBP, ECB and Eurostat.

Nature of this material. An analysis of exposure, narrative and the conditions under which the thesis would change. It contains no buy or sell recommendation and does not consider any investor's circumstances. Sources with links: pp. 24–26.

SUMMARY SHEET

Thesis, valuation and risks at a glance

The report's key numbers in one place. Detail, method and sources follow in the chapters below.

	AS OF 3 NOV 2026
Thesis	A copper company in the income statement, a silver company in the return distribution; the value of high metal prices is captured by the mining tax, working capital and capex.
New finding	Silver is now below the threshold at which the tax rate starts to fall (about $52.6/oz): the tax absorbs about 92% of every further dollar of decline. Copper is above the rate cap (from about $13.26k/t): every dollar of upside stays with the company.
What the market prices	EV PLN 59.8bn; at the peer-median multiple, a sustainable EBITDA of about PLN 7.9bn (≈ 2025). Sum of the parts: PLN 62bn–PLN 102bn.
Anomaly	Since 1 July the share price has lost 31% more than copper, silver, USD/PLN and the Polish market explain (out-of-sample model).
Catalyst	18 Nov: Q3 results. Our model: adjusted EBITDA about PLN 2.9bn (±0.5), EPS about PLN 7.6; consensus PLN 7.75. Historical two-day move on results: ±3.4% on average.
Hedge	Betas (Jul 2025–Jun 2026): copper 0.32, silver 0.38, USD/PLN −1.13, Poland 0.56; out-of-sample variance reduction 53%.
Liquidity	20-session average turnover PLN 235m; USD 100m takes about 8 sessions at 20% of volume.
Falsifiers	OCF/EBITDA > 60% in H2 and inventories back to about PLN 9.6bn; a dividend > 30% of 2026 profit; the factor-model residual returns to zero with no change in state policy.
Negative result	Extreme silver positioning did not historically predict KGHM returns (n = 12, mean −1.3% over 13 weeks, p = 0.80).

Figure A. Where high metal prices fail to reach the shareholder: H1 2026.



PLN bn. Group adjusted EBITDA (9.20) plus the mining tax (4.06); CIT and working capital: parent company; capex: group spending on property, plant and equipment. Approximation from the H1 2026 results presentation; excludes interest, leases and other items. The dividend (0.30) was paid in July.

Key indicators

44%: the mining tax as a share of H1 adjusted EBITDA (PLN 4.06bn, twice the year-earlier figure).

$52.6/oz: the silver threshold below which the state absorbs most of a price decline; silver now trades at $49.8.

31%: the share-price loss since July beyond the factor model; the market is pricing something other than metals.

> **Nature of this material.** The figures describe exposure and the conditions under which the assessment would change. They are not a recommendation, a price target or a share-price forecast.

00 SUMMARY

The metal gets dearer, the shareholder waits

Year to date KGHM has moved −1.5% in złoty and −10.3% in dollars, while Freeport-McMoRan gained +20.6% and copper in złoty +22.8%. This report asks where the gap comes from, whether it is an opportunity or the price of a real risk, and how to tell when it is closing.

The distinction behind the assessment

The market merges two questions: **how much KGHM earns from the metal price** and **how much of that reaches the minority shareholder**. In 2026 the answers diverged more than ever: operating profit rises with the price, but between the metal and the shareholder stand the mining tax, working capital, the investment programme and an owner that earns more from the tax than from the dividend. This distinction is the axis of the whole report.

Thesis

> **KGHM is a copper company in its income statement but a silver company in its return distribution. The market prices it as if record metal prices would never reach shareholders. For now it is largely right.**

The gap between the copper price and the share price is therefore not a market error ripe for quick arbitrage. It will close only when one of the three value-capture mechanisms changes (pp. 9–10).

What would disprove this assessment

1. **Cash.** If operating cash flow in H2 2026 exceeds 60% of EBITDA and inventories return to around PLN 9.6bn (end-2025), the weak value-capture thesis weakens.
2. **Dividend.** A commitment to pay out more than 30% of 2026 profit would mean the owner is shifting from tax to dividend.
3. **Silver.** If for three months the rolling R^2 of the share price against silver stays clearly below the R^2 against copper while silver is stable, the silver-tail thesis loses its basis.

Weakest point of the analysis. We model the mining tax from the statutory formula (4% calibration error against H1), but we know only the volumes and horizons of the hedges, not their strike prices; the derivatives result (−PLN 917m in H1) could therefore move a quarterly forecast by several hundred million złoty. The segment valuation uses judgemental multiples, not a NAV from mine plans.

Ranked verdict

DIMENSION	ASSESSMENT	BASIS (DATA TO 3 NOV 2026)
Copper exposure	STRONG	Copper in PLN: PLN 55.7k/t, +49% vs the 2025 average. Share-price beta to copper in 2026: 1.04.
Silver exposure	SOURCE OF THE TAIL	On 19 of KGHM's 20 largest daily moves in 2026, silver moved more than copper. Below about $53/oz, however, profit is almost indifferent to silver (the tax).
Value captured by shareholders	WEAK	EBITDA-to-cash conversion 28% in H1 2026; dividend PLN 1.50 (0.5% yield); the mining tax is about 79× the State Treasury's dividend.
Valuation	DISCOUNTS NORMALISATION	At the peer-median EV/EBITDA (7.6×) the share price implies EBITDA of about PLN 7.9bn, the 2025 level; trailing four-quarter EBITDA: PLN 14.5bn.
Market narrative	REACTIVE, BLIND TO SILVER	39% of publications are session reports; silver appears in 1.9% of texts about KGHM, copper in 17%.
Positioning	CLEARED OUT IN SILVER	Speculative funds in silver at the 4th percentile of three years; in copper the net position has halved since the 22 Sep record. No short positions above the KNF threshold since 29 Apr.
State and governance	ELEVATED RISK	Management and board turnover, amended Articles (EGM 28 Oct), five Best Practice principles not applied, a windfall-tax precedent being extended from fuel to gas.

The assessment is split: high-quality exposure to the metal, low-quality value capture for the minority shareholder. The verbal ratings describe state and direction of change; they are not a trading signal.

01 KEY FINDINGS

Eight findings that change the picture of the company

Each finding rests on figures from Hawk Thorne's data platform and market prices; calculations follow in the chapters below, sources with links on pp. 24–26.

01 **Silver, not copper, drives the tail of the distribution.** In 2026 copper explains the share price's drift (beta 1.04), but silver explains the biggest days: on 19 of the 20 largest moves, silver changed more than copper. The worst session of the year (30 Jan, −10.7%) fell on a day silver dropped 31%. With planned output of 1,290 t of silver (41.5m oz), silver at its peak accounted for 33% of combined copper and silver revenue; today 17%.

02 **Record EBITDA did not turn into cash.** In H1 2026 EBITDA was PLN 9.0bn, operating cash flow PLN 2.56bn (28%) and free cash flow PLN −0.09bn. Working capital absorbed PLN 3.8bn, of which inventories PLN 2.3bn. Inventories (PLN 12.2bn) equal 87 days of revenue.

03 **The state captures the metal price through the tax, not the dividend.** Receipts from the tax on extraction of certain minerals are expected to reach PLN 8.0bn in 2026 against PLN 3.2bn in the budget act; about 94% comes from copper and silver [1]. The State Treasury (31.8% of shares) received about PLN 95m in dividends in 2026. The owner earns about 79 times more from expensive metal through the tax than through the dividend, so its incentives differ from the minority shareholder's.

04 **The valuation treats half of profit as transitory.** KGHM trades at 4.1× trailing four-quarter EBITDA (PLN 14.5bn) and 6.6× earnings against a median of 16.1× for the largest WSE companies. At the peer-median EV/EBITDA the share price implies EBITDA of PLN 7.9bn, so the market treats about 46% of current EBITDA as transitory.

05 **The media narrative is about copper; the share price is about silver.** In 699 publications about KGHM silver appears in 1.9%, copper in 17%, and 39% are session reports. Headline tone correlates with the same day's move (0.34) but not the next day's (0.07; 95% interval: −0.07…0.21). The media describe the move rather than anticipate it.

06 **The global copper narrative has shifted to supply.** Copper headlines per thousand news items rose from 6.2 in March to 10.1 in September; the supply-disruption theme doubled its share in October (6.8%) after a wave of strikes and accidents in Chile. About 15% of the silver narrative is the Fed, the dollar and rates: silver trades as a monetary asset, not an industrial one.

07 **Silver positioning is cleared out, but that is not a signal for KGHM.** Managed money holds a net 2.9k contracts in silver (4th percentile of three years), and USD 1.18bn has flowed into silver ETFs since 20 Jul. Tests since 2015 show, however, that such extremes did not predict KGHM returns (p. 18). In copper the net position fell from a record 82.6k (22 Sep) to 40.4k (27 Oct), and LME stocks have risen 43% since August.

08 **The act turns silver into an option, and the market does not price it.** The statutory formula shows the silver tax rate sat at its cap in 2026, and below about $52.6/oz the tax absorbs about 92% of every dollar of price decline. The copper rate is at its cap, so copper upside stays with the company in full. Even so, since July the share price has lost 31% beyond the factor model (pp. 10, 18). Our Q3 model gives EPS of about PLN 7.6, in line with the reduced consensus (p. 8).

Catalyst calendar

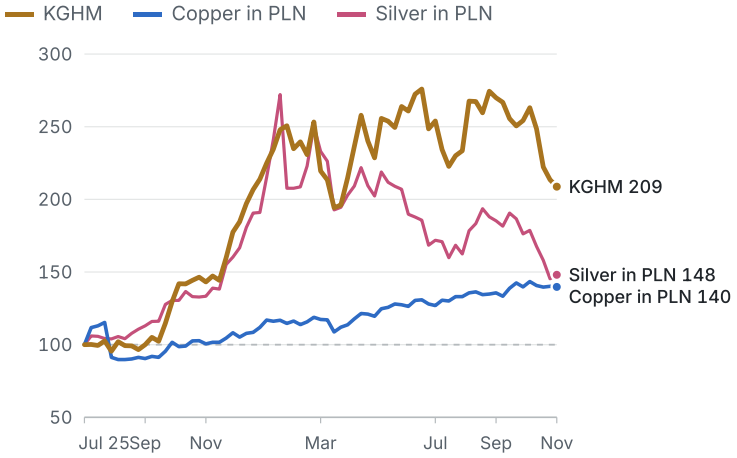
DATE	EVENT	WHY IT MATTERS
18 Nov 2026	Q3 2026 results	consensus EPS PLN 7.75 (n = 2), revenue PLN 12.0bn; a test of cash conversion and inventories
c. 20–23 Nov	Preliminary October production data	copper sales in Aug and Sep lower y/y (−3% and −4%)
weekly	COT report and ETF flows	fund positioning in silver at the 4th percentile: any rebound starts with short covering
autumn 2026	New windfall-tax draft; 2027 budget	precedent being extended from fuel to gas; the budget counts on PLN 8bn from the mining tax
2029–2030	Fourth processing line at Sierra Gorda	+20% copper output from the mine; USD 725m capex (100%)

02 MARKET

The year KGHM came unstuck from copper

Until June KGHM moved with the metals. Since its 17 Jun peak (PLN 392) it has lost 29.8%, while copper in złoty kept rising. Over the same period silver gave back most of its gains from the turn of the year.

Figure 1. Since July 2025 KGHM has looked more like silver than copper: a shared peak at the turn of the year, a shared slide in the autumn.



Index: 4 Jul 2025 = 100, weekly closes. Copper and silver: COMEX futures converted to złoty at the USD/PLN rate (COMEX includes a US tariff premium; KGHM settles on the LME; the difference does not change the direction).

Interpretation. The reflex reading is: "KGHM is cheap because it lags copper." The data show something else. The share price tracks a metals basket in which silver carries far more weight than its share of revenue suggests, plus a discount for how little of the high prices reaches the shareholder. Pure copper plays (Freeport, Southern Copper, Teck) gained 20–29%; producers with heavy exposure to silver, gold and high-risk jurisdictions (Zijin, Ivanhoe, First Quantum) fell.

Year to date the dollar has gained 9.8% against the złoty. For KGHM's accounts that is a tailwind (revenue in USD, costs in PLN); for a foreign investor it is a loss: in dollars KGHM is down 10.3%.

Table 1. Returns to 3 Nov 2026

SECURITY	1M	3M	YTD	12M
KGHM (PLN)	−17.9%	−12.0%	−1.5%	+45.0%
KGHM (USD)	−18.9%	−16.7%	−10.3%	+35.7%
Copper in PLN	−0.0%	+4.0%	+22.8%	+35.6%
Silver in PLN	−15.9%	−8.8%	−29.4%	+11.0%
Copper (USD)	−1.3%	−1.7%	+11.9%	+26.9%
Silver (USD)	−17.0%	−13.7%	−35.7%	+3.9%
USD/PLN	+1.3%	+5.7%	+9.8%	+6.8%
Freeport-McMoRan	−14.6%	−3.3%	+20.6%	+50.5%
Southern Copper	−14.8%	−4.1%	+26.1%	+34.6%
Teck	−9.9%	+2.7%	+29.3%	+45.3%
Glencore	−10.1%	−6.3%	+24.2%	+41.5%
Antofagasta	−17.4%	−14.7%	−5.3%	+14.4%
Lundin Mining	−15.5%	−14.7%	+0.6%	+32.3%
Boliden	−4.0%	+4.8%	−1.0%	+20.6%
First Quantum	−18.6%	−17.5%	−12.5%	+12.5%
Zijin Mining	−14.1%	−17.3%	−20.7%	−11.6%
Copper miners ETF	−16.6%	−9.7%	−0.8%	+22.2%
Poland ETF (USD)	−0.7%	−0.4%	+22.5%	+31.8%
PKO BP	−3.9%	+6.8%	+41.1%	+56.5%
Orlen	−0.1%	−3.2%	+59.3%	+54.5%

Closes adjusted for dividends. Foreign companies in their trading currency. Banks and Orlen as a WIG20 reference: in 2026 the Polish market was led by banks and fuels, not commodities.

03 FACTOR DECOMPOSITION

Copper sets the trend, silver sets the tail

Regressing KGHM's daily returns on copper, silver, USD/PLN and the Polish equity market shows which factors the market actually prices. The result is split, and that is what makes it useful.

Table 2. Sensitivity of KGHM daily returns (beta, t-statistic in brackets)

PERIOD	COPPER	SILVER	USD/PLN	POLAND	R^2 TOTAL	R^2 COPPER	R^2 SILVER	N
2021 – H1 2025	0.66 (15.4)	0.21 (5.9)	−0.43 (−5.0)	0.46 (14.0)	47%	29%	17%	1,124
H2 2025	0.20 (3.8)	0.29 (4.6)	−0.45 (−1.4)	0.37 (3.1)	40%	21%	21%	126
2026 (to 3 Nov)	1.04 (8.9)	0.25 (5.7)	−1.32 (−4.2)	0.55 (5.1)	70%	48%	47%	213

Copper and silver in USD (COMEX), USD/PLN, Polish market: Poland ETF converted to złoty. R^2 copper and silver: single-factor regressions on the metals in PLN.

Figure 2. The share of KGHM volatility explained by silver caught up with copper in H2 2025 and has been racing it since.



Rolling 63-session R^2 of KGHM daily returns against copper and silver in złoty (single-factor regression), weekly readings since 2024.

Table 3. KGHM's worst sessions in 2026 and factor moves on the day

SESSION	KGHM	SILVER	COPPER	POLAND (PLN)
30 Jan	−10.7%	−31.3%	−4.5%	−1.9%
15 May	−8.6%	−9.1%	−4.8%	−2.3%
3 Mar	−8.3%	−6.1%	−2.1%	−4.0%
10 Sep	−8.2%	−5.4%	−4.9%	−0.9%
5 Feb	−7.1%	−9.1%	−0.5%	−2.4%
30 Oct	−7.1%	−5.9%	−1.9%	−3.5%
24 Jun	−6.9%	−6.4%	−3.2%	−1.4%
8 Jul	−6.7%	−4.5%	−1.9%	+1.5%

Three conclusions from the table

Copper is back as the main trend factor. In 2026 the beta to copper rose to 1.04 from 0.66 in 2021–2025, and the model explains 70% of volatility. KGHM responds to copper more fully than at any point in the sample.

Silver is the source of the tail. Its beta is lower (0.25) because silver moves 2.6 times as much as copper (70% against 27% a year). On big shock days it decides the outcome: on 19 of the 20 largest share-price moves silver moved more than copper.

A weaker złoty hurts the share price while helping results. The beta to USD/PLN is −1.32 (t = −4.2): a 1% stronger dollar cuts the share price by about 1.3% at constant metal prices and a constant market. The market treats a strong dollar as a risk-off signal, although every 10 groszy on USD/PLN adds about PLN 1.24bn of annual revenue. This is a second-order effect the income statement does not show.

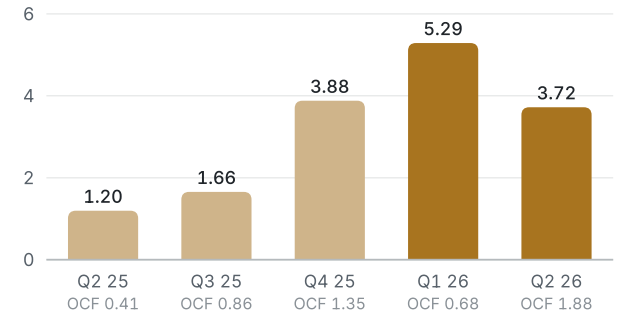
> **Decision threshold.** A $5/oz move in silver changes KGHM's annual revenue by about PLN 0.82bn, as much as a 13 cents/lb move in copper (about 2%). After the mining tax, with silver now below the threshold, profit changes by only a fraction of that (p. 10). Silver's fall since its 26 Jan peak equals, annualised, about PLN 10.7bn of gross revenue, roughly the average annual EBITDA set out in the strategy (PLN 12bn).

04 FUNDAMENTALS

Record EBITDA, ordinary cash

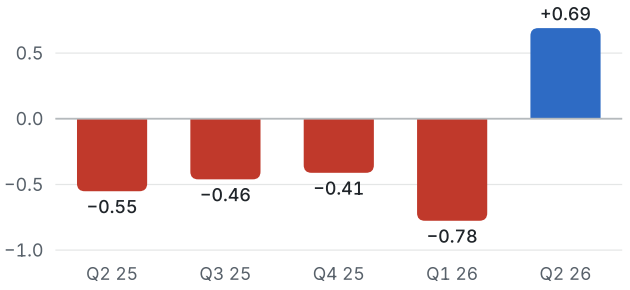
KGHM's 2026 income statement shows the scale of the price boom. The cash flow statement shows where the boom stopped.

Figure 3. EBITDA in Q1 2026 (PLN 5.29bn) was 4.4 times the Q2 2025 figure; operating cash flow (OCF) did not keep up.



PLN bn, consolidated (EBITDA on the data vendor's standardised definition; the company's adjusted EBITDA may differ). Below the bars: operating cash flow.

Figure 4. Free cash flow was negative in four of the last five quarters, despite record prices.



PLN bn; operating cash flow minus capital expenditure. Red: negative value.

Table 4. Quarterly results, PLN bn

QUARTER	REVENUE	COST OF SALES	GROSS MARGIN	NET PROFI
Q2 25	8.61	7.09	18%	0.2
Q3 25	8.31	6.90	17%	0.4
Q4 25	10.49	8.80	16%	2.6
Q1 26	11.87	7.37	38%	3.5
Q2 26	12.84	10.13	21%	2.0

Three things the headlines miss

Inventories ate the boom. In Q1 inventories rose by PLN 2.65bn, and in February copper sales fell 18% y/y while production rose. Part of this is the revaluation of work in progress at higher prices, part is physical metal waiting to be sold. If inventories return to their end-2025 level, they will release about PLN 2.6bn (about PLN 13 per share).

Cost of sales is rising faster than revenue. In Q2 revenue rose +8.1% q/q and cost of sales +37.5%. The gross margin fell from 38% to 21%. KGHM books the mining tax in costs, and the tax rises progressively with the price; on top of that come dearer purchased feed (scrap, concentrates) and energy.

The Q3 consensus is already low. Average EPS was cut within 30 days from PLN 11.43 to PLN 7.75, and for 2027 analysts expect PLN 32.26 (−25% vs 2026). At that level the 2027 P/E is 8.5×.

Table 5. Quarterly average metal prices

QUARTER	COPPER $/LB	SILVER $/OZ	USD/PLN	COPPER PLN K/T
Q1 2025	4.58	32.3	3.991	40.2
Q2 2025	4.72	33.6	3.758	39.1
Q3 2025	4.84	39.5	3.640	38.9
Q4 2025	5.13	53.7	3.641	41.1
Q1 2026	5.79	83.2	3.615	46.1
Q2 2026	6.18	73.3	3.652	49.7
Q3 2026	6.48	62.8	3.755	53.6
Q4 2026	6.55	56.5	3.907	56.4

Q4 2026: to 3 Nov. Daily averages of COMEX futures.

04A Q3 RESULTS PREVIEW

The consensus cut was justified: silver volumes are to blame

We build our own bridge from Q2 to Q3 earnings using KGHM's monthly production reports, average LME and silver prices at the NBP rate, and the mining-tax model. This corrects our earlier hypothesis that metal prices alone could not explain the consensus cut.

Table 19. Inputs: Q2 vs Q3 2026

ITEM	Q2	Q3	CHANGE
KGHM PM copper sales, kt	151.1	140.8	−6.8%
KGHM PM silver sales, t	374.2	320.6	−14.3%
LME copper, PLN k/t	48.7	53.0	+9.0%
Silver, PLN/kg	8,608	7,580	−11.9%
Mining tax (model), PLN m	2,079	2,266	+9.0%
Group copper sales, kt	181.8	170.0	−6.5%
Group silver sales, t	383.4	330.4	−13.8%

Volumes: KGHM preliminary monthly reports (Apr–Sep 2026) [17]. Prices: daily averages, LME copper cash settlement, silver in PLN/kg.

Conclusion

Silver sales at KGHM Polska Miedź fell 14% q/q in Q3 and the silver price in złoty fell 12%. Together that is about PLN 791m less revenue. The higher copper price (+9%) offset lower volume (−7%), and the mining tax rose because the copper rate reached its cap. Our model gives EPS of about PLN 7.6, practically in line with consensus.

Upside risks to the model: silver puts for May–Sep 2026 (4.2m oz) were in the money in Q3, and the H1 hedging loss (−PLN 917m) may have shrunk with silver. **Downside:** energy costs, purchased feed and impairments.

Table 20. Earnings bridge Q2 → Q3 2026, PLN m

ITEM	AMOUNT
KGHM PM adjusted EBITDA, Q2	2,322
+ change in copper revenue (volume × price)	+116
+ change in silver revenue (volume × price)	−791
− increase in the mining tax	−187
= KGHM PM EBITDA, Q3 (model)	**1,460**
+ Sierra Gorda (55%), scaled by volume and price	970
+ KGHM International and other (as in Q2)	460
= Group adjusted EBITDA, Q3 (model)	**2,890** (Q2: 3,734)
Net profit (D&A 545, effective CIT 35%)	1,524 (1,199–1,849)
EPS, PLN	**7.62** vs consensus 7.75

How the market reacts to KGHM results. Across 47 results releases since 2014, the average share-price move over a two-session window was ±3.4% (median 2.9%, 75th percentile 4.6%), against ±2.8% for any two-session window. Results therefore add little beyond ordinary volatility; correlation of the move with the EPS surprise: 0.27. At 2026 volatility, one standard deviation over two sessions is ±5.2%. Implied volatility of silver (ETF, nearest expiries): 44%, against realised 41% over 20 sessions and 70% for all of 2026.

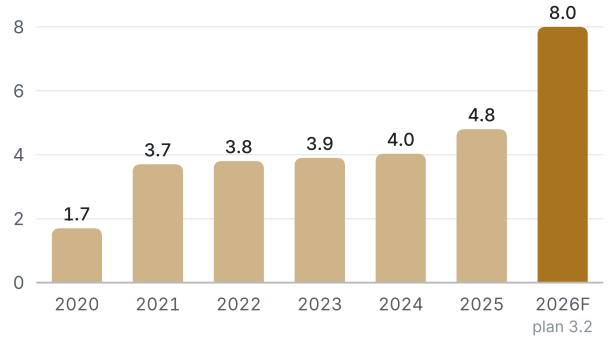
Window: close before the release date → close after it (covers releases before and after the session). Dates and EPS surprises from market data.

05 VALUE CAPTURE

Who profits from expensive copper

Between the metal price and the minority shareholder stand three capturing mechanisms. In 2026 each of them took more than usual.

Figure 5. Mining tax: PLN 8bn in 2026, twice the 2021–2024 average and 2.5 times what the budget assumed.



PLN bn, budget receipts from the tax on extraction of certain minerals; 2026F: outturn forecast from the draft 2027 budget. In 2024, 94% of receipts came from copper and silver, mainly from KGHM. After July 2026 receipts were PLN 4.73bn, 147.8% of the annual plan [1,2].

Table 6. Where the value of high metal prices goes, PLN bn (order of magnitude, annual)

STREAM	AMOUNT	NOTES	BENEFICIARY
State Treasury: mining tax (copper and silver)	c. 7.5	2026 outturn forecast; rises progressively with price	state
Investment programme (2026–2030 strategy)	c. 6.4	PLN 32bn over 5 years, "may increase" (M&A, Sierra Gorda)	company
Working capital, H1 2026	3.8	of which inventories 2.3	company
Total dividend (from 2025 profit)	0.30	PLN 1.50 per share; no payout for 2024	all shareholders
of which the State Treasury	0.095	31.8% of shares	state
of which minority shareholders	0.205	68.2% of shares	market

The owner's asymmetry

The State Treasury holds 31.8% of the shares, but its economic share in a high metal price is many times larger, because the mining tax is levied on volume and price, not on profit. In 2026 the state will receive about PLN 7.5bn in tax from KGHM and about PLN 95m in dividends, that is **79 złoty of tax for every złoty of dividend**.

The conclusion is not obvious: from the budget's point of view, a higher dividend is mainly a transfer to minority shareholders (68% of the payout), while capital spending sustains jobs, the supply chain and the future tax base. **The owner has a rational reason to prefer tax and capex to dividends.** The CEO says KGHM "wants to be a dividend company" [6], yet PLN 300m of the PLN 1.95bn standalone profit for 2025 went to dividends, and nothing for 2024.

Second-order effect: the tax as a shock absorber

The same progressivity works both ways. When silver falls, the tax falls faster than revenue, so the budget absorbs part of the price shock. For the shareholder that is a buffer. For the state it is a hole: the budget already counts on PLN 8bn from the mining tax, and silver is 57% below its January level. The bigger the hole, the greater the temptation to look for money elsewhere.

> **A warning signal from another sector.** In 2026 the government took through the Sejm a windfall tax on fuel companies, applied retroactively from 1 March [26]. The President referred the act to the Constitutional Tribunal [27], and the state assets minister announced a second attempt that would also cover gas suppliers [28]. KGHM is not covered today, but the "crisis windfall" precedent is spreading. A company paying PLN 8bn in mining tax with record EBITDA is a natural candidate for that conversation.

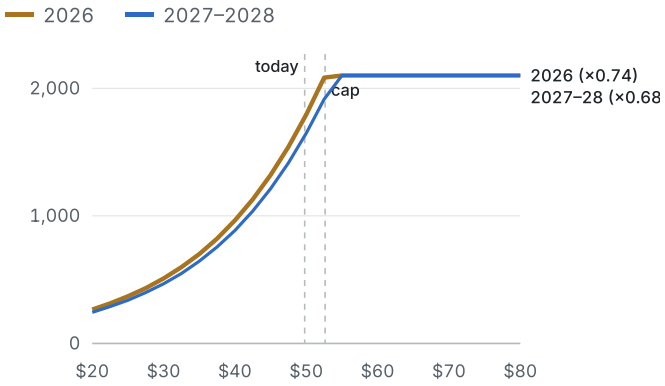
The values in Table 6 differ in nature (annual flow, planned spending, change in balance); we set them side by side to show orders of magnitude, not to add them up.

05A MINING TAX: THE STATUTORY MODEL

The state is a partner only in the middle of the price range

We rebuild the tax on copper and silver extraction month by month from the statutory formula (Journal of Laws 2026, item 454, Art. 7 and Art. 22b), average LME prices and silver in złoty at the NBP rate, and monthly payable metal in concentrate from KGHM's reports. The model matches the tax KGHM reported for H1 to within 4%.

Figure 14. The silver rate rises with the fourth power of the price up to the PLN 2,100/kg cap at about $52.6/oz. Silver has just fallen below that threshold.



Tax rate, PLN per kg of silver, as a function of the silver price in USD/oz at USD/PLN 3.953. Formula: [0.125·P + (0.001·P)⁴]·k, max. PLN 2,100/kg; P: previous month's average price in PLN/kg.

Table 16. Tax thresholds and parameters (law as of 2026)

PARAMETER	VALUE	WHAT IT MEANS TODAY
Copper: the PLN 16,000/t rate cap is reached at	PLN 52.4k/t ≈ $13,261/t	today PLN 56.8k/t: rate at the cap, marginal 0%
Silver: the PLN 2,100/kg cap is reached at	PLN 6,689/kg ≈ $52.6/oz	today PLN 6,324/kg: below the cap, marginal 84% of a PLN price change
Silver: cap from 2027 (×0.68)	≈ $54.1/oz	rate at today's price: PLN 1,625 instead of 1,769/kg
Investment relief (Art. 10b)	40% of qualifying capex	capex from 2026–2028 deductible only from the January 2029 tax

Table 17. Sensitivity of KGHM Polska Miedź annual profit, PLN m (pre-CIT)

CHANGE	REVENUE	MINING TAX	NET
Silver ±$1/oz	164	150	14
Copper ±10c/lb	636	0	636

Table 18. Monthly tax model, 2026

MONTH	CU PLN K/T	CU RATE	AG PLN/KG	AG RATE	TAX
Jan 2026	42.5	9,770	7,382	2,100	604
Feb 2026	46.9	12,321	10,470	2,100	642
Mar 2026	46.2	11,887	9,344	2,100	736
Apr 2026	46.2	11,865	9,253	2,100	670
May 2026	46.7	12,191	8,878	2,100	707
Jun 2026	49.1	13,698	9,125	2,100	702
Jul 2026	50.1	14,402	7,844	2,100	731
Aug 2026	51.1	15,077	7,133	2,100	729
Sep 2026	53.4	16,000	7,805	2,100	806
Oct 2026*	54.7	16,000	7,832	2,100	808
Nov 2026*	56.8	16,000	7,169	2,100	808
Dec 2026*	56.7	16,000	6,374	1,811	774

Previous month's prices (as the act requires). *Volumes Oct–Dec: Jan–Sep average. Calibration ×1.044 to the H1 tax (PLN 4,061m). Model for full-year 2026: about PLN 8.7bn.

What follows

Silver no longer drives the tail of profit, but it still drives the share price. Throughout 2026 the silver rate sat at the cap, so the slide from $115 to about $53 hit profit in full. Below about $52.6, each dollar of decline cuts revenue by about PLN 164m but the tax by about PLN 150m. Profit exposure to silver now works like a call option struck at the cap.

Copper works the other way. The rate has been at the cap since September, so every dollar of copper upside stays with the company, and a fall to about $13,261/t (−8% from today) would also hit profit in full. Only below that does the cushion start to work.

> **Valuation implication.** The market still reacts to silver (beta 0.38), although at today's price profit is almost indifferent to it. If this gap is a pricing error, it should close over the coming quarters. In addition, from 2027 the multiplier falls from 0.74 to 0.68 (about PLN 196m a year less at today's prices), and from 2029 the investment relief will give a deduction of PLN 1.5–3.4bn (30–70% of PLN 4.1bn annual capex qualifying), which the consensus does not include.

06 VALUATION

The market values KGHM as if it were 2025

Instead of a price target we reverse the question: what sustainable EBITDA does today's market value assume at different multiples? That says more about the asymmetry than another P/E ratio.

Table 7. Market multiples, as of 3 Nov 2026

COMPANY	P/E	FWD P/E	EV/ EBITDA	P/B	DIV. YIELD
KGHM	6.3	12.8	5.9	1.39	0.5%
Freeport-McMoRan	25.9	14.4	10.7	4.11	0.9%
Southern Copper	23.0	22.9	13.9	11.25	2.9%
Teck	11.1	15.1	4.6	1.46	0.6%
Antofagasta	25.1	21.7	7.4	3.85	1.8%
Glencore	14.8	10.6	7.7	1.90	2.4%
Lundin Mining	13.8	14.2	12.3	2.58	0.4%
Boliden	9.9	16.4	5.7	1.66	2.1%
BHP	20.2	16.3	7.3	3.90	5.0%
Zijin Mining	9.2	7.0	6.3	2.91	3.4%
First Quantum	–	11.9	16.7	1.65	0.0%

P/E on trailing 12-month earnings; forward P/E on the consensus available in market data. For KGHM the forward P/E (12.8×) rests on an outdated estimate; on the average 2027 EPS consensus (PLN 32.26) it is 8.5×.

The discount has reasons, but it also has a price

KGHM has always traded at a discount to global copper producers. The reasons are well known: state control, the mining tax, deep and costly underground mines in Poland, a low dividend payout. What is new is that the discount **widens as prices rise**: a P/E of 6.6× against a median of 16.1× for the 23 largest WSE companies, and EV/EBITDA of 4.1× on four-quarter data against a peer median of 7.6×.

Analysts are divided: 3 buy, 3 hold and 5 sell ratings. In 2026 JP Morgan and Morgan Stanley downgraded the stock [21,22].

Table 8. EBITDA implied by the current enterprise value

EV/EBITDA	IMPLIED SUSTAINABLE EBITDA	REFERENCE POINT
4×	PLN 14.9bn	≈ last 4 quarters
5×	PLN 12.0bn	≈ 2026–30 strategy
6×	PLN 10.0bn	
7×	PLN 8.5bn	
8×	PLN 7.5bn	≈ 2025 EBITDA

Market capitalisation PLN 55.1bn + net debt PLN 4.68bn (30 Jun 2026) = EV PLN 59.8bn. EBITDA: 2025 PLN 8.0bn; last four quarters PLN 14.5bn; H1 2026 annualised PLN 18.0bn; strategy: PLN 12bn a year on average. Illustrative model, not a forecast or a price target.

> **Decision threshold.** At the peer median (7.6×) the current share price assumes a sustainable EBITDA of about PLN 7.9bn, less than in 2025, when copper in złoty was 49% cheaper. Anyone who believes KGHM will sustain even the strategy average (PLN 12bn) is assuming the market applies a multiple of 5.0×. Anyone who believes high metal prices will not reach the shareholder anyway (p. 9) has an argument that the discount is fair.

A hidden balance-sheet item

Inventories at 30 Jun 2026 stood at PLN 12.2bn, PLN 2.6bn more than at the end of 2025. Normalising them would release about PLN 13 of cash per share, about 4.7% of market capitalisation. The Q3 report will show whether the metal is leaving the warehouse or staying there at lower silver prices.

06A SUM OF THE PARTS, CAPITAL ALLOCATION AND ESG

Sierra Gorda is worth more than a quarter of the company

A full mine-by-mine NAV requires resource and mine-plan data that fall outside the public scope of this report. Instead we show a sum-of-the-parts valuation on H1 2026 segment adjusted EBITDA, with the multiples stated explicitly.

Table 23. Sum of the parts, PLN bn (H1 2026 segment EBITDA, annualised)

SEGMENT	EBITDA	MULTIPLE	VALUE
KGHM Polska Miedź	13.12	3.0–5.0×	39.3–65.6
Sierra Gorda (55%)	3.32	5.0–8.0×	16.6–26.5
KGHM International	1.56	3.0–5.0×	4.7–7.8
Other	0.40	4.0–6.0×	1.6–2.4
Total (EV)	18.40		**62.2–102.3**

Multiples: Polish mines at a discount for the mining tax and the cost of underground mining; Sierra Gorda close to Chilean producers; KGHM International at a discount for declining output. Segment EBITDA: KGHM H1 2026 results presentation. Illustrative model, not a price target.

> **Decision threshold.** The current EV (PLN 59.8bn) is below the bottom of the range. If Sierra Gorda and KGHM International are worth the midpoint, the market is paying about 2.3× H1 EBITDA for the Polish mines. That is a multiple for an asset in run-off, not for an ore body with a horizon to 2055. At this number the argument comes down to whether the record H1 EBITDA is repeatable.

Capital allocation record: an external calibration

In 2012 KGHM bought Canada's Quadra FNX (owner of 55% of Sierra Gorda) for about PLN 9.1bn [54]. Poland's Supreme Audit Office later found that the valuations rested on the seller's overly optimistic assumptions, and Sierra Gorda SCM's losses in 2015–2018 exceeded PLN 19.6bn [55]. For 2016 KGHM wrote down PLN 5.19bn of foreign assets [56]. Today the same Sierra Gorda delivers more than PLN 1.6bn of EBITDA in a half-year. The market is right to read the announcement of "possible acquisitions in North America" through the lens of 2012 rather than 2026.

ESG and operational risks

- **Safety and seismicity.** A rock burst at the Rudna mine on 29 November 2016 killed 8 miners and injured 21 [57]. Mining at ever greater depths raises the rock-burst hazard; every serious incident means halted sections and regulatory risk.
- **Tailings.** Żelazny Most is one of the largest tailings facilities in Europe. Investors applying the GISTM standard expect disclosure on its stability; we found no publications on the subject in the report's corpus, which is itself an information gap.
- **Energy and CO_2.** The energy intensity of the mines and smelters means emission allowance and gas prices feed into C1 cost; KGHM has hedged part of its gas (TTF) to March 2027 and plans to raise its own generating capacity by at least 50%.
- **Governance.** Five Best Practice principles not applied, frequent management changes, state control (31.8%). For funds with engagement policies this is a matter for dialogue, not exclusion.

Shareholders and flows

The State Treasury holds 31.8% of the shares; institutional investors about 35% of the capital (about 51% of the free float). The largest disclosed fund holdings are a copper miners ETF (about 2%), developed- and emerging-market index funds and a Poland ETF. Passive flows (index rebalancing, outflows from sector ETFs) are therefore a mechanical source of demand and supply, independent of fundamentals.

07 NARRATIVE ANALYSIS

What the coverage of KGHM discusses, and what it leaves out

We analyse 699 unique publications about KGHM from 24 Feb to 3 Nov 2026 (486 in Polish), selected from a corpus of 1.39 million news items. Each is assigned to eleven themes by a deterministic dictionary (Polish and English); a publication can carry several themes.

Figure 6. Since July, strategy and capex have dominated the KGHM debate (up to 28% of publications); silver does not even get its own row, appearing in under 2% of texts.

	Mar	Apr*	May*	Jun	Jul	Aug	Sep	Oct
Strategy and capex	11	5	5	7	28	16	17	25
Metal prices (copper/silver)	21	8	9	7	11	14	16	9
Results and forecasts	27	10	14	2	7	14	7	12
Taxes and the state	14	21	0	5	2	16	6	13
Geopolitics and macro	4	13	0	15	6	14	14	8
Foreign assets	5	13	0	2	6	0	8	11
Energy and costs	13	5	9	1	6	3	6	5
Governance and management	5	5	14	1	4	5	3	6
Production and sales	12	0	14	3	5	3	2	4
Dividend	7	0	0	7	6	2	3	1
Analyst recommendations	0	5	0	0	5	2	2	1

Share of KGHM publications in a given month carrying the theme. Rows ordered by share over the whole period. *April and May: gaps in the corpus (9–13 Apr, 22–27 Apr, 1–10 May), low counts (39 and 22 publications), readings indicative. Colour rises with the share; the numbers in the cells carry the information.

The blind spot: silver

Silver appears in 1.9% of publications about KGHM, copper in 17%. The Polish press writes about a "copper giant", while the market prices a company in which silver decides the biggest moves (p. 6). The media described the worst session of the year, 30 Jan, as a fall in KGHM and the WIG20, rarely linking it to the one-day 31% crash in silver.

The practical consequence: an investor who follows KGHM through the Polish media systematically underestimates the factor responsible for the tail of the distribution. Separate monitoring of silver (price, positioning, ETF flows) is a cheaper source of edge here than yet another copper analysis.

Strategy instead of dividend

Since the 2055+ strategy was announced (3 Jul), "strategy and capex" has taken 16–28% of monthly coverage and the dividend 1–6%. Projects dominate: Sierra Gorda, polyhalite near Puck, Victoria in Canada, EU strategic project status. Management's narrative is one of building, not of returning capital.

The media describe; they do not anticipate

39% of publications are session reports ("KGHM leads WIG20 losers"). Average daily headline tone correlates with the same day's share-price move at 0.34, with the next day's at 0.07 (bootstrap, 95% interval: −0.07...0.21), and with the next five sessions at −0.10 (n = 129 days). The number of publications rises with the size of the move (correlation 0.34). Tone is not a timing signal.

Table 9. Most frequent sources of publications about KGHM

SOURCE	PUBLICATIONS
news aggregators (various portals)	342
PAP Biznes	86
Bankier.pl	83
Puls Biznesu	69
Money.pl	8

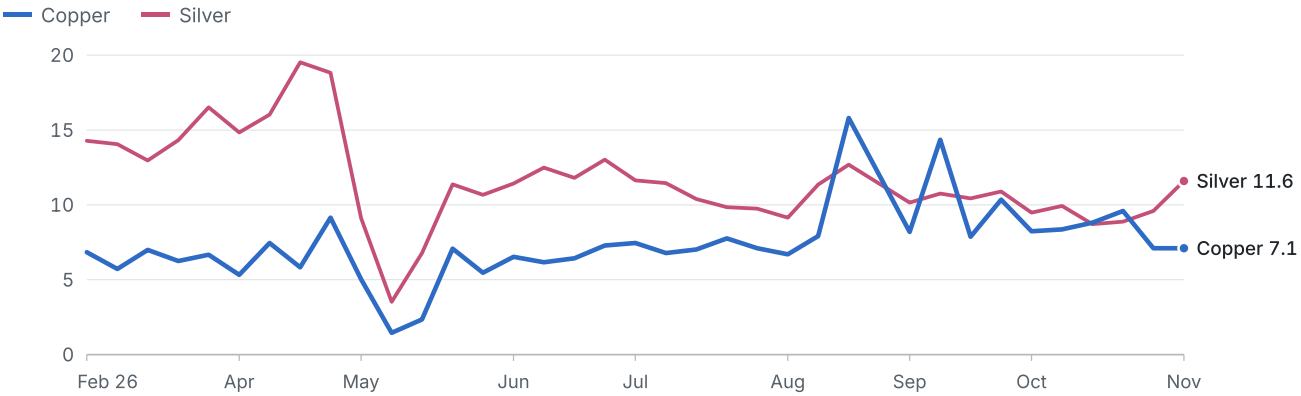
Where the value of narrative analysis lies. Not in tone but in structure: which themes are rising (capex, the state), which are fading (the dividend) and which factor is missing (silver). It is a map of what the market will have to start pricing.

07 NARRATIVE ANALYSIS (CONT.)

Two metals, two different stories

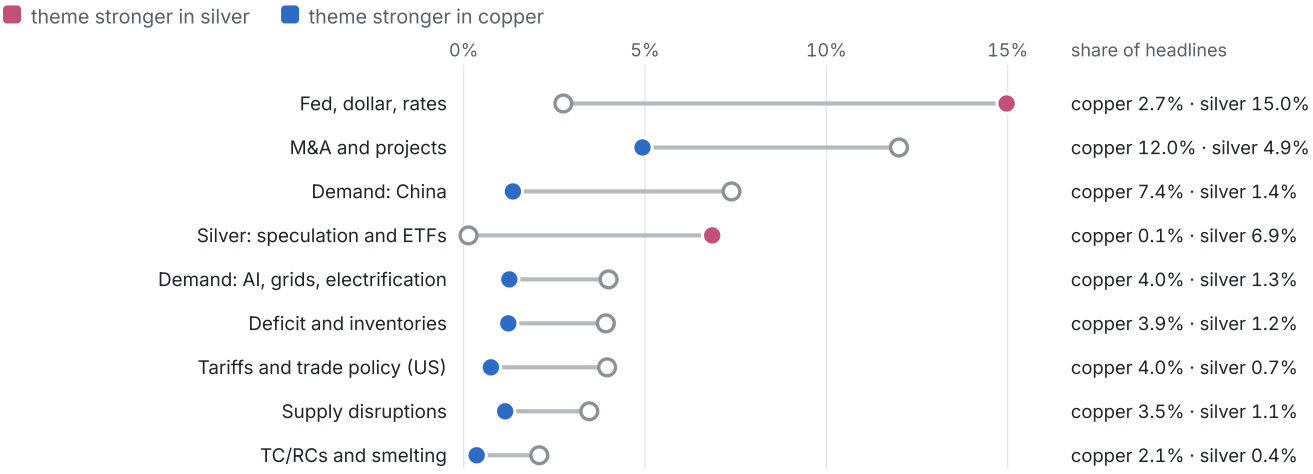
We study the global coverage of KGHM's metals on 27,796 unique headlines (10,415 on copper, 16,047 on silver). Attention is measured as headlines per thousand news items in the whole corpus on the day; days with corpus gaps are omitted, not replaced with zeros.

Figure 7. Media attention has moved from silver to copper: in September there were 10.1 copper headlines per thousand news items, against 6.2 in March.



Metal headlines per 1,000 news items in the corpus, weeks ending Friday. Weeks with corpus gaps omitted (days with fewer than 1,500 news items).

Figure 8. The silver narrative is mainly the Fed, the dollar and rates, plus speculation; the copper narrative is China, projects and supply.



Share of headlines about each metal carrying the theme, 23 Feb–3 Nov 2026. Open circle: copper; filled: silver (pink when the theme is stronger in silver, blue when stronger in copper).

Silver trades as a monetary asset

The Fed, the dollar or interest rates appear in 15% of silver headlines, while industrial themes (solar, AI, China) get about 1% each. This matters for KGHM: silver is a by-product of its copper mines, but its price depends on US monetary policy. The Fed raised rates in September (upper bound 4.00%) and the dollar strengthened. The same shock hits KGHM twice: through silver and through the beta to USD/PLN (p. 6).

Copper: from demand to supply

In October the supply-disruption theme appeared in 6.8% of copper headlines, twice as often as in previous months. The US tariff thread peaked in September (8%). Demand from AI and power grids holds a steady 4% or so of coverage: background, not the engine of the narrative. For KGHM this means the copper price now hangs on supply events that can vanish faster than they appeared (p. 15).

08 SUPPLY AND SECOND-ORDER EFFECTS

The copper price rests on events that may disappear

September and October brought the densest run of copper supply disruptions in 2026. That supported the price, but built it on events with a short half-life. Below is what follows for KGHM that is not visible at first glance.

Table 10. Chronicle of supply disruptions and the retreat, 23 Sep–3 Nov 2026

DATE	EVENT	SIGNIFICANCE
23 Sep	Fatal accident halts Escondida (BHP)	the world's largest mine; restarted after a few days [38]
7 Oct	Strike at Centinela (Antofagasta)	more than 700 workers; ended with an agreement on 17 Oct [37]
8 Oct	Disruptions threaten 5% of Chile's output	ageing deposits, weather, wage disputes [36]
12 Oct	Landslide at El Teniente (Codelco)	two fatalities; part of operations halted [44]
14 Oct	Escondida avoids a strike	agreement with supervisors; risk premium falls
20 Oct	Copper falls for a third day	US inflation shock, strike risk eases [45]
24 Oct	Strike at Highland Valley (Teck, Canada)	Canada's largest copper mine [39]
3 Nov	LME copper below $14,000/t	KGHM the weakest WIG20 stock [46]

Interpretation. The COMEX copper peak ($6.80/lb) came on 9 Sep, before the disruptions in Chile culminated. As strike risk eased (14–17 Oct) the price fell, although the structural problems of Chilean mines had not gone away. The market prices events, not trends, so further wage agreements could lower the copper price even with a persistent deficit.

US tariffs → COMEX premium → higher LME price. Tariff arbitrage pulled metal out of LME warehouses into the US, lifting the price at which KGHM settles. That is now reversing: LME stocks rose from 205kt (14 Aug) to 294kt (2 Nov), and the COMEX premium over the LME fell from about 7% (2025 average) to 0.3%. The bonus is disappearing without any change in demand.

A wave of disruption in Chile: KGHM is on both sides. A high price is profit for the mines in Poland, but the same causes (falling grades, wage pressure at high prices, weather) apply to Sierra Gorda, in which KGHM holds 55%. The memorandum with BHP Spence explicitly cites falling grades and lower output at both mines [8].

Strikes at record prices → wage pressure in Poland. When prices rise, unions around the world demand a share of the profit (Centinela, Escondida, Highland Valley). KGHM has 34,000 employees and strong unions; every year of high prices raises labour costs for years to come, including after prices fall.

China resumes sulphuric acid exports to Chile. After a three-month halt (Mining Weekly, 20 Oct), acid supply is rising and its price, high in 2026, may fall. KGHM sells sulphuric acid as a smelting by-product, so this is a small but real headwind for by-product revenue.

Oil shock → energy costs and rates in Poland. Brent crude is up 67% year to date. KGHM has hedged more than 50% of its gas for the coming quarters [31], but the Polish 10-year yield rose from 5.10% in January to 6.23% in September, raising the cost of capital for the whole Polish market.

Copper miners ETF: a mechanical seller. KGHM makes up about 5.8% of the portfolio of one of the largest copper miners ETFs [35], and the fund holds about 2% of the company's shares. In October the ETF lost 17%; outflows from passive funds reach KGHM regardless of its fundamentals.

09 POSITIONING

Speculators have left silver; long-term capital is coming in

Data on futures positions, short selling and fund flows show who is behind the price move. One of the less obvious opportunities in this report lies here.

Figure 9. Managed money cut its net copper position from a record 82.6k contracts (R, 22 Sep) to 40.4k.



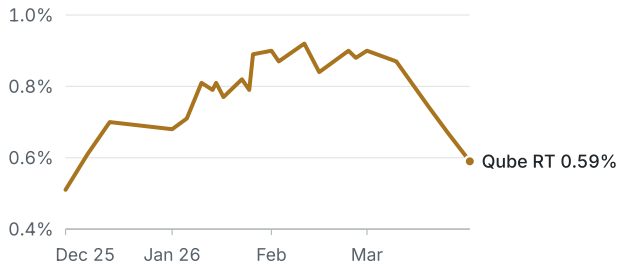
Net position of managed money in copper futures (COMEX), thousand contracts, weekly reports since 2025. Latest reading: 27 Oct; 56th percentile of three years.

Figure 10. In silver the speculative position has shrunk to 2.9k contracts, the 4th percentile of three years.



Net position of managed money in silver futures (COMEX), thousand contracts. Three-year maximum: 50.0k (17 Jun 2025).

Figure 11. The only significant short position in KGHM in 2026 (Qube Research & Technologies) reached 0.92% of shares on 13 Feb and fell below the reporting threshold on 29 Apr.



Net short position as a % of share capital according to the KNF register; positions from 0.5% are published. Since 29 Apr 2026 no active positions above the threshold.

Table 11. ETF flows, USD m

FUND	JUL*	AUG	SEP	OCT	TOTAL
Silver ETF	156	492	10	521	1,179
Gold ETF	447	5,039	1,895	−1,762	5,619
Poland ETF	31	90	−16	213	318
Miners ETF (broad)	−62	203	29	−41	130
Metals and mining ETF (US)	−59	389	−200	−185	−56

*From 20 Jul 2026. Flows implied from changes in units outstanding and net asset value.

Interpretation. As the silver price fell from July, speculators left futures while long-term capital flowed into silver ETFs (USD 1.18bn). Such a set-up (speculative positions cleared out, inflows into physical instruments) usually reduces the risk of further forced selling. It does not guarantee a rebound, but it changes the asymmetry: another big fall in silver would require new short positions, not the closing of longs. The absence of KGHM short selling above the KNF threshold means, in turn, that the October fall was selling by holders, not an attack; there is also no fuel for a violent short squeeze.

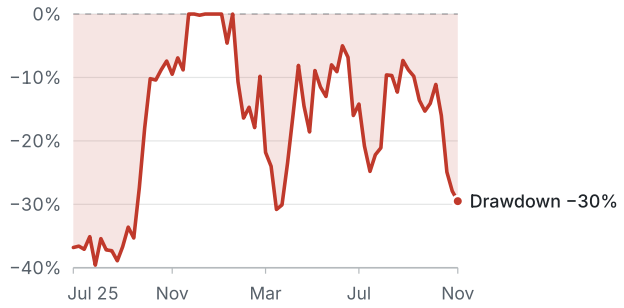
In 2026 the WSE recorded 3 block trades in KGHM shares (13 and 20 Aug), about PLN 14.1m in total, including one (20 Aug) at PLN 201.50, about 44% below that day's price, whose nature the data do not explain; on 30 Oct turnover reached PLN 456m, more than twice the October median (PLN 206m).

10 MARKET RISK

The volatility of a silver company in a copper wrapper

KGHM's volatility in 2026 (58% a year) is about 23 percentage points above its ten-year median and closer to silver's volatility than to copper's. For a 2026 risk budget KGHM is a different instrument from the one it was in 2021–2024.

Figure 12. The drawdown from the peak reaches 30%; for the second time this year the stock has lost more than 25% from a local high (previously 29 Jan–20 Mar: −31%).



Share-price decline from its running maximum, weekly readings since July 2025.

Table 12. Risk measures

MEASURE	VALUE
Annual volatility 2026 (daily, annualised)	58.4%
20-session volatility (3 Nov)	47.2%
Median 20-session volatility, 10 years	35.9%
Silver / copper volatility in 2026	70% / 27%
VaR 95% (1 day, historical, 12 months)	−5.8%
Expected shortfall beyond VaR 95% (ES)	−7.3%
VaR 99% (1 day)	−8.2%
Sessions with moves beyond ±5% in 12 months	38
Drawdown from the 17 Jun 2026 peak	−29.8%
Beta to copper / silver / USD/PLN (2026)	1.04 / 0.25 / −1.32

Table 13. Sensitivity of annual revenue, PLN bn (gross)

CHANGE	REVENUE	BASIS
Copper ±10 cents/lb (about ±1.6%)	±0.63	730kt of payable copper a year (strategy)
Silver ±$1/oz (about ±2%)	±0.16	1,290 t = 41.5m oz a year
Silver ±$5/oz	±0.82	equivalent to about 13 cents on copper
USD/PLN ±PLN 0.10	±1.24	metal revenue about USD 12.4bn a year
Silver: 26 Jan peak → today	−10.7	$115.08 → $49.76/oz, annualised
Silver: Q1 2026 average → today	−5.5	$83.2 → $49.8/oz

Net sensitivities after the mining tax: p. 10 (silver ±$1 is now about PLN 14m net instead of PLN 164m gross). Volumes from the 2026–2030 strategy; prices and exchange rate as of 3 Nov 2026. Gross sensitivity: before the mining tax (progressive, so it dampens part of the change), before hedging and before equity-method accounting for Sierra Gorda. It shows proportions, not the net result.

How to read these numbers

For a risk manager the key is the proportion in the last rows. Silver's fall from its peak equals, annualised, about PLN 10.7bn of revenue, comparable to the strategy's average annual EBITDA. Part of it comes back through a lower mining tax, but the scale explains why in January and February the share price reacted more strongly to silver than to copper.

The second conclusion concerns the currency. The sensitivity to USD/PLN (about PLN 1.24bn per 10 groszy) exceeds that to 10 cents on copper, and year to date the dollar has gained PLN 0.35. This tailwind will reach results with a lag and through hedging, but the share price already reacts to it the opposite way (p. 6). **If the dollar starts to weaken, KGHM could gain on its share price while losing in its income statement.**

> **Event liquidity risk.** In the last 12 months there were 38 sessions with moves beyond ±5%. With typical turnover of about PLN 200m a day, a position worth a few percent of turnover may take several sessions to exit on a shock day, which is worth reflecting in limits.

10A QUANTITATIVE LAYER

What survived testing, and what did not

We test the report's theses out of sample, with sample sizes and statistical significance. Negative results are reported alongside positive ones.

Figure 15. Since 1 July 2026 KGHM has lost 31% beyond the factor model: a company-specific loss, not a metals loss.



Cumulative residual of KGHM daily returns against the model (copper, silver, USD/PLN, Poland) estimated on Jul 2025–Jun 2026 and applied out of sample from 1 July 2026 (n = 90 sessions); 1 July 2026 = 100.

Table 21. Factor hedge (betas from the Jul 2025–Jun 2026 sample)

MEASURE	IN SAMPLE	OUT OF SAMPLE
KGHM volatility, annual	51.6%	46.5%
Volatility after hedging	32.6%	32.0%
Variance reduction	–	53%
Return: raw / residual	–	−16.9% / −31.0%

Betas: copper 0.32, silver 0.38, USD/PLN −1.13, Poland (PLN) 0.56.

Liquidity

20-session average turnover: PLN 235m (759k shares). At 20% of volume, building or exiting a position of 1% of the share capital takes about 13 sessions, and a USD 100m position about 8 sessions.

Table 22. Signal tests since 2015 (non-overlapping observations)

SIGNAL → TARGET, HORIZON	N	MEAN RETURN	HIT RATE	NO SIGNAL	P
Silver: funds <10th pctl → KGHM, 13 wks	12	−1.3%	42%	+4.8%	0.80
Silver: funds <10th pctl → silver, 13 wks	12	+7.3%	75%	+3.9%	0.21
Silver: funds <10th pctl → KGHM, 26 wks	8	−6.1%	25%	+9.9%	0.91
Copper: fund position −40% in 5 wks → KGHM, 13 wks	29	+2.5%	48%	+4.8%	0.68

p: share of 4,000 bootstrap draws from the unconditional distribution with a mean at least as high. With n < 30 these are signals, not results.

Negative result. Extremely low fund positioning in silver has historically preceded silver gains (mean +7.3% over 13 weeks, hit rate 75%, not significant at n = 12), but it **did not carry over to KGHM** (−1.3%). Silver positioning is therefore not a signal for KGHM. It remains context for silver itself, and with today's tax (p. 10) its effect on profit is limited too.

Figure 16. LME copper stocks rose from 205kt (14 Aug) to 294kt; the COMEX premium over LME fell from 7.1% (2025 average) to 0.3%.



Stocks in LME warehouses, thousand tonnes, weekly readings. Metal returning to the LME and the disappearing COMEX premium mark the unwinding of the tariff arbitrage that had lifted the LME price (p. 15).

11 STATE AND GOVERNANCE

An owner that is also the tax collector

In a state-controlled company political risk is not an event but a standing parameter. In 2026 its intensity rose, because high metal prices made KGHM one of the most important sources of budget revenue.

Table 14. Chronicle of corporate and ownership events, 2026

DATE	EVENT	SIGNIFICANCE FOR THE MINORITY SHAREHOLDER
24 Feb	New CEO	another change of leadership at a state-controlled company
26 Feb	CEO: streamlining the group, monitoring growth options abroad	M&A signalled [41]
26 Feb	Former vice-president under KNF scrutiny over trading in another company's shares while in office	reputational risk (Bankier.pl)
9 Jun	AGM appoints supervisory board members	dividend PLN 1.50; PLN 1.65bn to reserve capital
3 Jul	Strategy 2055+; the Prime Minister announces a review of supervisory boards at state-owned companies	owner supervision tightened [5,25]
14 Jul	KGHM does not apply 5 principles of Best Practice 2021	principles 2.4, 4.1, 4.8, 4.9.1, 6.4 [20]
19 Aug	Supreme Court overturns an acquittal in an extortion case against KGHM	an old case; a signal about internal control [23]
16 Sep	Vice-president for corporate affairs, previously at the Ministry of State Assets	shorter distance between the company and its owner [24]
28 Oct	EGM: amendments to the Articles, registered 3 Nov	content of the amendments in an annex to the current report [18,19]

Three channels of state influence

1. **Fiscal.** The mining tax (PLN 8bn in 2026) and the windfall-tax precedent. The 2027 budget is being written on the assumption of high receipts; the fall in silver reduces them.
2. **Allocation.** The strategy earmarks more than PLN 32bn for investment in 2026–2030, including projects of an industrial-policy nature: a polyhalite mine near Puck [13], an increase in own generating capacity of at least 50%, and an investment in high-energy materials by the subsidiary Nitroerg (about PLN 300m). These projects may make strategic sense, but their rate of return is not the only criterion.
3. **Personnel.** Turnover on the management and supervisory boards, moves from the ministry to the company. Every change of government lengthens the strategy's implementation horizon by months.

The other side of the coin

The state as owner is also an advantage, and it should be named fairly. KGHM obtained EU strategic project status for the Retków–Grodziszcze deposit and the conversion of the Legnica smelter into a recycling plant (about PLN 9.5bn in total) [11,42], and the Victoria project made Ontario's list of strategic investments [12]. Faster permits and preferential financing lower the execution risk of capex that a private producer could not cut as easily.

> **Criterion for changing the assessment.** Will the next złoty from high metal prices go to tax, to capex or to dividends? Today the answer is: mainly the first two. A change will be signalled by the dividend proposal for 2026 (spring 2027) and the first year in which free cash flow is durably positive.

12 OPPORTUNITIES

Seven opportunities the headlines miss

An opportunity here means an asymmetry between what the market prices and what the data show. It is not a signal to take a position. Each has an indicator that will confirm or refute it.

1 Silver: profit almost indifferent below the threshold

FACT

Below about $52.6/oz the mining tax absorbs about 92% of a change in the silver price; above the threshold the whole gain stays with the company. The share price still reacts to silver (beta 0.38).

MECHANISM

Profit exposure to silver works like a call option struck at the rate cap: further declines are absorbed by the budget, a rebound above the threshold goes to the company. If the share price comes to reflect this, its beta to silver should fall.

HOW WE WILL KNOW

the rolling share-price beta to silver falls; silver above $53

2 Copper in złoty at a record

FACT

PLN 55.7k/t, +49% vs the 2025 average; the dollar +10% against the złoty year to date.

MECHANISM

The currency effect reaches results with a lag and is not yet visible in quarterly reports.

HOW WE WILL KNOW

average Q4 copper price in PLN above PLN 50k/t

3 The valuation assumes normalisation

FACT

The share price implies a sustainable EBITDA of about PLN 7.9bn at the peer multiple, less than in 2025.

MECHANISM

If metal prices hold even halfway between the 2025 average and today, the gap to the strategy (PLN 12bn) is material.

HOW WE WILL KNOW

Q3 EBITDA above PLN 3bn despite weaker silver

4 Releasing working capital

FACT

Inventories PLN 12.2bn, PLN 2.6bn above end-2025.

MECHANISM

Normalisation means about PLN 13 of cash per share. Management said the increase stemmed from the overhaul of the Głogów smelter and that inventories would return to the start-of-year level by the end of 2026 [50].

HOW WE WILL KNOW

lower inventories in the Q3 report; OCF/EBITDA above 60%

5 Sierra Gorda and the BHP district

FACT

A fourth processing line (+20% output, lower C1 cost), a memorandum with BHP Spence, a KGHM–BHP letter of intent on global cooperation [7,10].

MECHANISM

Consolidating the infrastructure of two neighbouring mines lowers capex; cooperation with BHP gives an option on transactions the market does not price.

HOW WE WILL KNOW

a concrete shared-infrastructure project or a transaction with BHP

6 EU strategic status

FACT

Retków–Grodziszcze (about 1.5mt of copper and over 5,000 t of silver to 2055) and recycling in Legnica (135kt of copper a year).

MECHANISM

Faster permits and access to preferential financing lower the projects' cost of capital; recycling makes part of production independent of ore grades.

HOW WE WILL KNOW

environmental decisions and financing agreements in 2027

7 Relief and a lower tax multiplier

FACT

From 2027 the multiplier in the tax formula falls from 0.74 to 0.68; from 2029 the investment relief will allow 40% of qualifying capex from 2026–2028 to be deducted [49].

MECHANISM

With capex of PLN 4.1bn a year and 30–70% qualifying, that is PLN 1.5–3.4bn of deductions (PLN 7–17 per share, undiscounted). The 2027 EPS consensus (−25%) does not appear to reflect this.

HOW WE WILL KNOW

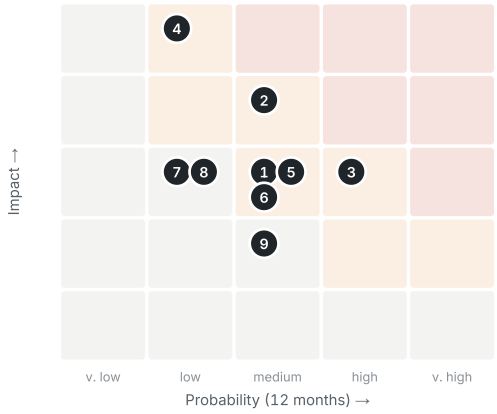
disclosure of qualifying capex in the annual report; tax forecasts from 2027

13 THREATS

Map of investment threats

Probability and impact are assessed over 12 months on a 1–5 scale. The scores are analytical judgement based on the report's data, not model output.

Figure 13. Highest: silver, capex and a copper retreat.



Numbers refer to the rows of Table 15. Background: risk zones (light = low, pink = high).

Correlated threats. Threats 1, 2 and 9 share a cause: Fed policy and the dollar. One hawkish surprise could hit silver, copper and the beta to USD/PLN at once. In that scenario there is no diversification across factors.

Table 15. Threats, mechanism and early-warning indicator

	THREAT	MECHANISM	INDICATOR
1	**Further fall in silver**	limited for profit (below $53 the tax absorbs about 92% of the decline), not for the share price: beta to silver 0.38; silver trades as a monetary asset	silver below $45 with a rising share-price beta
2	**Copper retreats from its record**	the fund position in copper halved in 5 weeks; the tariff arbitrage may reverse; LME below $14,000/t (3 Nov)	copper in PLN below PLN 50k/t; LME stocks rising
3	**Rising capex and negative FCF**	PLN 32bn "may increase" (M&A in North America, Sierra Gorda); FCF negative in 2025 and H1 2026 despite record prices	new projects or acquisitions without better FCF
4	**A new fiscal burden**	windfall-tax precedent extended from fuel to gas; the budget depends on the mining tax	a draft covering metals or a change in mining-tax rates
5	**Energy and labour costs**	Brent $103; wage pressure at high prices; Q2 cost of sales +38% q/q	C1 cost in the Q3 report; wage agreements
6	**Disappointment on 18 Nov**	consensus cut, but only 2 analysts; Aug–Sep sales volumes lower y/y	Q3 EPS below PLN 6.6 (bottom of the consensus range)
7	**Sierra Gorda operations**	falling grades, wage pressure and weather, as across Chile	Sierra Gorda output in monthly data
8	**Governance**	personnel turnover, amended Articles, Best Practice principles not applied; allocation decisions with non-economic criteria	management changes; content of the amended Articles
9	**A stronger złoty**	10 groszy on USD/PLN is about PLN 1.24bn of annual revenue	USD/PLN below 3.70

14 SCENARIOS AND MONITORING

Three paths over 12 months and an indicator board

The scenarios are descriptive and carry no numerical probabilities or price targets. Each has conditions, a consequence and a falsifier.

A Silver rebounds, cash returns

character: conditional

CONDITIONS

- silver back above $60, fund positioning above the 25th percentile
- LME copper stable above $13,500/t
- Q3: lower inventories, OCF/EBITDA above 60%

CONSEQUENCE

The share price returns to tracking the metals basket; the discount to peers narrows because the market sees cash.

WHAT WOULD REFUTE IT

a new fiscal burden eats the price effect

B High copper, flat silver, value with the state

character: base

CONDITIONS

- copper in PLN at PLN 50–56k/t, silver at $45–60
- capex in line with the strategy or higher
- dividend for 2026 below 30% of profit

CONSEQUENCE

EBITDA high, free cash flow close to zero. The share price follows copper with an entrenched discount; opportunities 1–4 remain unrealised.

WHAT WOULD REFUTE IT

a dividend above 30% or durably positive FCF

C Double shock and the taxman

character: tail risk

CONDITIONS

- hawkish Fed and a strong dollar: silver below $45, copper off its record
- tariff arbitrage reverses, LME stocks rebuild
- a new tax or a change in mining-tax rates

CONSEQUENCE

EBITDA falls towards 2025 or lower; the share price tests its 12-month low (about PLN 186, 4 Nov 2025).

WHAT WOULD REFUTE IT

the Fed cuts rates and the dollar weakens

Monitoring board

INDICATOR	AS OF 3 NOV 2026	THRESHOLD FOR CHANGING THE ASSESSMENT	FREQUENCY
Silver and fund positioning (COT)	$49.8; 4th percentile	above $60 / 25th percentile: scenario A gains	weekly
Copper in PLN	PLN 55.7k/t	below PLN 50k/t: threat 2 active	daily
USD/PLN	3.941	below 3.70: threat 9 active	daily
Inventories and OCF/EBITDA	PLN 12.2bn; 28%	inventories below PLN 10.5bn and OCF/EBITDA above 60%	18 Nov, then quarterly
Mining tax (budget receipts)	PLN 4.73bn after July	change in design or rates: threat 4	monthly (Ministry of Finance)
Fiscal drafts (windfall)	draft for fuel, announced for gas	extension to metals or state-owned companies	ongoing
Short selling (KNF)	no positions ≥ 0.5% since 29 Apr	a new position ≥ 0.5%	daily
Silver's share of KGHM coverage	1.9%	rise above 5%: the market starts to notice the factor	weekly

15 METHODOLOGY AND LIMITATIONS

How this report was made and what it does not show

Data

- **Prices:** daily prices for KGHM, peers, copper, silver, gold and oil futures and exchange rates since 2015. Metal prices are COMEX futures; KGHM settles its sales on the LME, and in 2026 COMEX included a US tariff premium.
- **Company data:** KGHM monthly production and sales reports (Jan–Sep 2026), the H1 2026 results presentation (segments, C1, tax, hedging, inventories); LME copper settlement prices and stocks.
- **Fundamentals:** quarterly consolidated statements on a standardised basis (EBITDA may differ from the company's adjusted EBITDA); consensus from market data (Q3: 2 analysts).
- **Narrative:** 699 unique publications about KGHM, 27,796 copper and silver headlines and about 6,200 full texts, selected from a corpus of 1.39 million news items (23 Feb–3 Nov 2026). Themes are assigned by a deterministic dictionary of regular expressions (Polish and English), so the result is reproducible.
- **Regulatory and market data:** ESPI filings, the KNF net short-position register, WSE block trades and indicators, COT reports (CFTC), ETF flows, NBP rates, data from the ECB, Eurostat and the Federal Reserve.
- **Hawk Thorne alternative layer:** a register of Polish market events (ESPI, KNF, PAP), a register of geopolitical and maritime events, a register of regulatory policies.

Methods

- Regressions of daily log returns (OLS, classical t-statistics); rolling R^2 over a 63-session window.
- Historical VaR and ES on 12 months of daily returns.
- Tone test: correlation of average daily headline sentiment with the share-price move on day 0, +1 and +5; bootstrap confidence interval (2,000 draws).
- Media attention: headlines per 1,000 news items in the corpus on the day; days with fewer than 1,500 items are treated as gaps, not zeros.

Limitations

1. **Hedges only partly known.** The H1 presentation gives volumes and horizons (including 138kt of copper to 2028, 9.99m oz of silver to 2029, puts on 4.2m oz for May–Sep 2026, USD 1.11bn), but not strike prices; their valuation was −PLN 773m at 30 June.
2. **Tax model.** We apply the statutory formula to metal in concentrate from the monthly reports; silver is valued with the COMEX future instead of the LBMA fixing, which explains part of the 4% gap to the tax reported for H1. Net sensitivities refer to KGHM Polska Miedź (Sierra Gorda and KGHM International do not pay this tax).
3. **Gaps in the news corpus.** 9–13 Apr, 22–27 Apr and 1–10 May (partly), and 20–27 Aug; April and May readings are indicative. The corpus starts on 23 Feb 2026.
4. **Themes from headlines.** The dictionary works mainly on titles and leads; an article about silver that does not mention it in the title is not counted. Silver's share (1.9%) is therefore a lower bound, although the order-of-magnitude gap to copper is robust.
5. **Sierra Gorda.** The mine is accounted for using the equity method; the strategy volumes (730kt) include KGHM's share, while consolidated revenue does not fully.
6. **Short samples in some tests.** The tone test rests on 129 days; ETF flows cover about 3.5 months; signal tests have n = 8–29.
7. **What we deliberately do not do.** We give no price target, recommendation or scenario probabilities.

Methods (cont.)

- Reverse valuation (EBITDA implied by EV at 4–8× multiples) and a sum of the parts on segment EBITDA, instead of a price target.
- Mining tax: the formula in Art. 7 and 22b of the act, previous month's prices, calibrated to H1. Q3 forecast: a volume-price bridge from the monthly reports.
- Signal tests since 2015 on non-overlapping observations, significance by bootstrap; hedge model estimated on Jul 2025–Jun 2026 and tested out of sample.

Reproducibility. All figures come from output files generated by scripts from stored queries; data provenance documentation is available on request.

16 SOURCES

Articles and documents used in the analysis

Numbers correspond to the references in the text [n]. Each entry is the publication from which a fact used in the report comes; source descriptions are translated from the original language. Links verified in the Hawk Thorne corpus on 3 Nov 2026.

#	DATE	SOURCE	FACT USED IN THE REPORT	LINK
1	27 Sep 2026	XYZ.pl	Mineral extraction tax: PLN 8bn forecast for 2026, 94% from copper and silver	https://xyz.pl/poland-unpacked/copper-and-silver-prices-surge-adding-billions-to-polands-budget-2364/
2	10 Sep 2026	PAP Biznes	Mineral extraction tax receipts to July: PLN 4.73bn (147.8% of the annual plan)	https://biznes.pap.pl/wiadomosci/firmy/wplywy-z-podatku-od-kopalin-po-vii-przekroczyly-caloroczny-plan-o-478-proc-i
3	7 Jul 2026	PAP Biznes	Mineral extraction tax receipts to May: PLN 3.184bn	https://biznes.pap.pl/wiadomosci/firmy/wplywy-z-podatku-od-kopalin-po-maju-wyniosly-3184-mld-zl-995-proc-planu-na-26
4	1 Apr 2026	PAP Biznes	Mineral extraction tax receipts to January: PLN 527.1m	https://biznes.pap.pl/wiadomosci/firmy/wplywy-z-podatku-od-kopalin-po-styczniu-wyniosly-5271-mln-zl-165-proc-planu-na-26
5	3 Jul 2026	PAP Biznes	KGHM strategy 2055+: EBITDA PLN 12bn a year, capex above PLN 32bn in 2026–2030	https://biznes.pap.pl/wiadomosci/firmy/kghm-coppers-supervisory-board-approves-2055-strategy
6	6 Jul 2026	PAP Biznes	CEO: KGHM wants to be a dividend company; strategy capex may rise	https://biznes.pap.pl/wiadomosci/firmy/update-kghm-wants-be-dividend-company-capex-set-out-strategy-may-increase-ceo
7	1 Jul 2026	PAP Biznes	Sierra Gorda plant expansion: USD 725m, throughput up about 20%	https://biznes.pap.pl/wiadomosci/firmy/kghm-expand-sierra-gorda-plant-raising-its-capacity-around-60-mln-t-ore-year
8	10 Jun 2026	MINING.COM	Sierra Gorda and BHP Spence explore cost cooperation	https://www.mining.com/chile-copper-mines-pursue-tie-up-to-cut-costs/
9	6 Oct 2026	Investing News Network	KGHM and South32: Sierra Gorda expansion, lower C1 cost	https://investingnews.com/kghm-south32-chile-copper-expansion/
10	8 Sep 2026	Puls Biznesu	KGHM and BHP sign a letter of intent	https://www.pb.pl/kghm-i-bhp-podpisaly-list-intencyjny-spolki-zbadaja-mozliwosci-wspolpracy-1266657
11	9 Oct 2026	Puls Biznesu	Two KGHM projects granted EU strategic project status	https://www.pb.pl/kghm-z-dwoma-projektami-strategicznymi-ue-inwestycje-warte-ponad-95-mld-zl-1268584
12	24 Sep 2026	Puls Biznesu	Victoria project on Ontario's strategic investment list	https://www.pb.pl/kghm-z-projektem-victoria-na-liscie-strategicznych-inwestycji-w-ontario-1267546
13	3 Jul 2026	Puls Biznesu	KGHM plans Poland's first polyhalite mine	https://www.pb.pl/kghm-planuje-budowe-pierwszej-w-polsce-kopalni-polihalitu-inwestycja-ma-powstac-w-rejonie-pucka-1263884
14	22 Jun 2026	PAP Biznes	Production results for May 2026	https://biznes.pap.pl/wiadomosci/firmy/kghm-group-copper-sales-621k-tonnes-may-2-pct-yy-prelims
15	22 Jul 2026	Puls Biznesu	Production results for June 2026	https://www.pb.pl/grupa-kghm-zwiekszyla-sprzedaz-miedzi-w-czerwcu-produkcja-wzrosla-o-3-proc-1264555
16	22 Oct 2026	Bankier.pl	Production results for September 2026	https://www.bankier.pl/wiadomosc/Sprzedaz-miedzi-przez-grupe-KGHM-wyniosla-we-wrzesniu-57-9-tys-ton-spadek-o-4-proc-rdr-9216863.html
17	22 Oct 2026	PAP Biznes	Current report 37/2026: September production results	https://biznes.pap.pl/wiadomosci/firmy/kghm-polska-miedz-sa-372026-wstepne-wyniki-produkcyjne-i-sprzedazowe-grupy-kghm
18	28 Oct 2026	PAP Biznes	Current report 38/2026: resolutions of the EGM of 28 Oct 2026	https://biznes.pap.pl/wiadomosci/firmy/kghm-polska-miedz-sa-382026-uchwaly-nadzwyczajnego-walnego-zgromadzenia-kghm
19	3 Nov 2026	PAP Biznes	Current report 39/2026: registration of amendments to the Articles of Association	https://biznes.pap.pl/wiadomosci/firmy/kghm-polska-miedz-sa-392026-rejestracja-zmian-w-statucie-kghm-polska-miedz-sa
20	14 Jul 2026	PAP Biznes	Report on compliance with Best Practice for WSE Listed Companies 2021 (5 principles not applied)	https://biznes.pap.pl/wiadomosci/firmy/kghm-polska-miedz-sa-22026-informacja-o-stanie-stosowania-dobrych-praktyk-2021
21	21 Apr 2026	Puls Biznesu	JP Morgan downgrades KGHM	https://www.pb.pl/jp-morgan-obnizyl-rekomendacje-dla-akcji-kghm-1259925

16 SOURCES (CONT.)

Articles used in the analysis

#	DATE	SOURCE	FACT USED IN THE REPORT	LINK
22	8 Jul 2026	Puls Biznesu	Morgan Stanley cuts its KGHM rating and valuation	https://www.pb.pl/to-warto-wiedziec-przed-sesja-na-gpw-8-vii-2026-1264009
23	19 Aug 2026	Bankier.pl	KGHM employees allegedly extorted PLN 500k	https://www.bankier.pl/wiadomosc/Pracownicy-KGHM-mieli-wyludzic-500-tys-zl-SN-uchylil-wyrok-uniewinniajacy-9184260.html
24	16 Sep 2026	Puls Biznesu	New vice-president for corporate affairs (previously at the Ministry of State Assets)	https://www.pb.pl/beata-jurkschat-powolana-w-sklad-zarzadu-kghm-1267142
25	3 Jul 2026	PAP Biznes	Prime Minister announces a review of supervisory boards at state-owned companies	https://biznes.pap.pl/wiadomosci/gospodarka/polands-pm-proposes-full-review-state-owned-companies-supervisory-boards
26	19 Jun 2026	Bankier.pl	Sejm passes a windfall tax on fuel companies	https://www.bankier.pl/wiadomosc/Sejm-uchwalil-ustawe-o-podatku-od-nadzwyczajnych-zyskow-firm-paliwowych-9154213.html
27	24 Jul 2026	Bankier.pl	President refers the windfall tax act to the Constitutional Tribunal	https://www.bankier.pl/wiadomosc/Prezydent-kieruje-do-TK-ustawe-o-tzw-windfall-tax-od-spolek-paliwowych-9172984.html
28	11 Aug 2026	Bankier.pl	Windfall tax may extend to gas suppliers	https://www.bankier.pl/wiadomosc/Podatek-od-nadzwyczajnych-zyskow-uderzy-tez-w-gaz-Rzad-szykuje-drugie-podejscie-do-windfall-tax-9180487.html
29	14 Sep 2026	PAP Biznes	New windfall tax draft: 60% of excess revenue	https://biznes.pap.pl/wiadomosci/energia/polands-new-draft-windfall-tax-fuel-companies-sets-rate-60-pct-excess-revenue
30	27 Oct 2026	Bankier.pl	Silver has fallen almost 60% from its peak	https://www.bankier.pl/wiadomosc/Srebro-zaliczylo-juz-zjazd-o-prawie-60-procent-od-szczytu-Wazna-bitwa-przed-inwestorami-9219000.html
31	9 Mar 2026	PAP Biznes	KGHM hedged prices for over 50% of its gas for the next quarter	https://biznes.pap.pl/wiadomosci/firmy/kghm-ma-zabezpieczone-ceny-dla-ponad-50-proc-gazu-na-najblizsze-kwartaly
32	22 Sep 2026	Puls Biznesu	Polish fund managers on KGHM: commodity deficits will drive growth	https://www.pb.pl/polskie-tfi-o-kghm-na-pewno-bedzie-to-spolka-wzrostowa-1267444
33	19 Apr 2026	Bankier.pl	State assets minister: the Sierra Gorda investment is starting to pay off	https://www.bankier.pl/wiadomosc/Balczun-Inwestycja-KGHM-w-chilijska-kopalnie-zaczyna-sie-splacac-9116154.html
34	19 Aug 2026	Bankier.pl	KGHM Q2 2026 net profit: PLN 2.05bn	https://www.bankier.pl/wiadomosc/Skorygowana-EBITDA-grupy-KGHM-wyniosla-w-II-kw-3-734-mld-zl-zgodnie-z-konsensusem-9184524.html
35	29 May 2026	Kalkine	Global X Copper Miners fund: KGHM 5.8% of the portfolio	https://kalkine.com.au/news/financial/global-x-wire-etf-up-91-in-a-year-is-copper-bull-run-just-getting-started
36	8 Oct 2026	MINING.COM	Disruptions at Chilean mines threaten 5% of output	https://www.mining.com/chile-copper-mines-disruptions-put-5-of-production-at-risk/
37	7 Oct 2026	MINING.COM	Strike at the Centinela mine (Antofagasta)	https://www.mining.com/antofagastas-centinela-strike-adds-copper-supply-risk/
38	25 Sep 2026	MINING.COM	BHP halts Escondida after a worker's death	https://www.mining.com/bhps-escondida-restart-eases-tight-copper-market/
39	26 Oct 2026	MINING.COM	Strike at Highland Valley Copper (Teck)	https://www.mining.com/strike-curbs-output-at-canadas-largest-copper-mine/
40	7 Oct 2026	MINING.COM	Grasberg: recovery after the mudslide	https://www.mining.com/freeports-grasberg-copper-mill-reaches-67-after-mudslide/
41	26 Feb 2026	PAP Biznes	CEO: KGHM to streamline the group and monitor growth options abroad	https://biznes.pap.pl/wiadomosci/firmy/kghm-copper-wants-reorganize-group-and-will-monitor-development-options-abroad-ceo
42	9 Oct 2026	MINING.COM	EU grants strategic status to KGHM projects worth USD 2.4bn	https://www.mining.com/eu-puts-kghms-2-4b-copper-projects-on-fast-track/

16 SOURCES (CONT.)

Company documents, law, history and official data

#	DATE	SOURCE	FACT USED IN THE REPORT	LINK
43	24 Sep 2026	Bankier.pl	Victoria project qualifies for Ontario provincial funding	https://www.bankier.pl/wiadomosc/Kanadyjski-projekt-KGHM-Victoria-zakwalifikowany-do-finansowania-ze-strony-prowincji-Ontario-9201943.html
44	13 Oct 2026	MINING.COM	Chile: copper supply disruptions mount	https://www.mining.com/chile-copper-supply-under-pressure-as-disruptions-mount/
45	20 Oct 2026	MINING.COM	Copper falls for a third day: US inflation shock, easing strike risk in Chile	https://www.mining.com/copper-price-falls-for-third-day-as-us-inflation-shock-easing-chile-strike-risk-spur-selloff/
46	3 Nov 2026	Puls Biznesu	KGHM shares: weakest in the WIG20 (3 Nov 2026)	https://www.pb.pl/miedz-spadla-ponizej-14-tys-usd-za-tone-kghm-najslabszy-w-wig20-1269864
47	29 Oct 2026	Bankier.pl	World Bank: commodity prices to rise 23%	https://www.bankier.pl/wiadomosc/Bank-Swiatowy-ostrzega-Ceny-surowcow-wystrzela-o-23-proc-9220064.html
48	3 Nov 2026	Bankier.pl	KGHM vice-president: Poland must change its development model	https://www.bankier.pl/wiadomosc/Wiceprezes-KGHM-Stabilna-jest-dzis-niestabilnosc-Polska-musi-zmienic-model-rozwoju-9222593.html
49	2 Apr 2026	Dziennik Ustaw (Journal of Laws)	Act on the tax on extraction of certain minerals, consolidated text (rate formulas, caps, investment relief)	https://api.sejm.gov.pl/eli/acts/DU/2026/454/text.pdf
50	19 Aug 2026	KGHM	KGHM H1 2026 results presentation (tax PLN 4,061m, segments, C1, hedging, inventories)	https://kghm.com/sites/default/files/2026-08/KGHM_H1_2026_prezentacja.pdf
51	22 Oct 2026	KGHM	KGHM production and sales report for September 2026 (copper and silver in concentrate)	https://kghm.com/sites/default/files/2026-10/Raport%20produkcyjno-sprzeda%C5%BCowy_wrzesie%C5%84_2026.pdf
52	22 Sep 2026	KGHM	KGHM production and sales report for August 2026	https://kghm.com/sites/default/files/2026-09/Raport%20produkcyjno-sprzeda%C5%BCowy_sierpie%C5%84_2026.pdf
53	19 Aug 2026	PAP Biznes	Group adjusted EBITDA in Q2 PLN 3.734bn; segments	https://biznes.pap.pl/wiadomosci/firmy/skorygowana-ebitda-grupy-kghm-wyniosla-w-ii-kw-3734-mld-zl-zgodnie-z-konsensusem-0
54	5 Mar 2012	GazetaPrawna.pl	KGHM acquired Quadra FNX for PLN 9.1bn (2012)	https://www.gazetaprawna.pl/biznes/artykuly/10669312,kghm-sfinalizowal-przejecie-kanadyjskiego-koncernu-quadra-zmienia-mu-nazwe-zaplacil-91-mld-zl.html
55	1 Mar 2019	NIK	Supreme Audit Office (NIK) on KGHM's Sierra Gorda investment (valuations, losses 2015–2018)	https://www.nik.gov.pl/aktualnosci/kosztowny-zakup.html
56	14 Feb 2017	Strefa Inwestorów	PLN 5.19bn impairment of foreign assets for 2016	https://strefainwestorow.pl/artykuly/20170214/sierra-gorda-odpis-kghm-strata-2017
57	30 Nov 2016	TVN24	Rock burst at the Rudna mine, 29 Nov 2016: 8 fatalities	https://tvn24.pl/polska/robilismy-wszystko-przegralismy-koniec-akcji-lista-ofiar-ra695942-ls3196054
58	2 Nov 2026	LME	LME copper settlement prices and stocks (cash settlement)	https://www.lme.com/en/metals/non-ferrous/lme-copper

Official and market sources: Company current and periodic reports (ESPI/EBI) (https://espiebi.pap.pl) · Net short-position register (KNF) (https://www.knf.gov.pl) · Commitments of Traders (CFTC) (https://www.cftc.gov/MarketReports/CommitmentsofTraders) · Prices, block trades and indicators (WSE) (https://www.gpw.pl) · Interest and exchange rates (NBP) (https://nbp.pl) · Yields and statistics (Eurostat, ECB) (https://ec.europa.eu/eurostat · https://data.ecb.europa.eu) · US macro series (FRED) (https://fred.stlouisfed.org) · KGHM investor relations (https://kghm.com/en/investors)

Additionally: Mining Weekly, "China resumes sulphuric acid exports to copper king Chile after three-month halt", 20 Oct 2026 (available in the corpus only through a news aggregator, without a direct address). Prices and fundamental data come from publicly available market data services; narrative and alternative data from Hawk Thorne's data warehouse.

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