

PRESS RELEASE

KGHM POLSKA MIEDŹ S.A.

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Approval by the shareholders of Quadra FNX for the offer by KGHM.

The shareholders of Quadra FNX, by the required number of over 2/3 of the votes, have granted approval to this friendly takeover by KGHM Polska Miedź S.A. Quadra FNX Mining Ltd is a mid-tier mining company listed in Toronto, Canada. This decision by the shareholders is the first of three concluding steps in the finalization of the acquisition, following which KGHM will become the owner of copper mines in Canada, the USA and Chile, as well as the co-owner of the world-class Sierra Gorda project.

Under the offer made to shareholders on 6 December 2011, KGHM is paying 15 CAD per share of Quadra FNX. The offer caused great excitement. 102 million of Quadra FNX's shares were registered out of the 191 million shares issued, i.e. over 50%. 87.8 million votes, or 78.58%, were cast for the offer by KGHM, and 24 million were against. This means that the required level of 2/3 of the votes registered at the General Meeting was exceeded.

Following the acquisition of Quadra FNX, KGHM will become a diversified metals producer which, apart from copper and silver, also produces molybdenum, nickel, lead, gold, platinum, palladium, rhenium and technical selenium.

This transaction has strategic importance for KGHM, one which ensures future profits, builds shareholder value and ensures us a competitive position on the world's market, says Herbert Wirth, President of KGHM Polska Miedź S.A. It also strengthens the position of the Polish economy as a strategic producer of raw materials and rare-earth metals.

Thanks to this acquisition, KGHM will increase its production this year by approx. 25 percent, or 100 thousand tonnes of mined copper, and eventually by nearly 50%. Total mineral resources will increase to over 8.2 million tonnes of copper, making KGHM the fourth-largest copper producer globally. Thanks to KGHM, the Polish economy will boast one of the largest resource companies in Europe.

The concluding steps in finalizing the transaction are approval by the Supreme Court of British Columbia and approval by the Canadian Minister of Industry. The process should be concluded within the next two weeks.

KGHM is well-prepared for the acquisition, integration and management of an international group – emphasizes President Herbert Wirth. The acquisition of these attractive assets and mining projects will lead to a reduction in the average unit cost of copper production, ensuring the Company's future profitability, enabling the financing of investments and the development of the Polish Copper Belt.

As a reminder, Quadra FNX owns six operating mines in regions of low political and technical risk: Arizona and Nevada in the US, Ontario in Canada and in Chile. One of the key assets of Quadra FNX is the world-class Sierra Gorda project in Chile, which is currently under construction. It is the 7th-largest copper project in the world in terms of the size of its resources. The project's partner is the world-renowned Japanese company Sumitomo, which owns 45% of the project. This Chilean deposit contains 1.3 billion tonnes of ore rich in copper, gold and molybdenum. Once production begins at Sierra Gorda, KGHM will also become one of the world's leading producers of molybdenum. Another important project for the company is the Victoria project in Canada, with an estimated resource base of 14.5 million tonnes of ore, rich in copper and nickel.

Quadra FNX holds over \$1 billion in cash, and in 2010 the company generated a profit of \$172 million, enabling it to independently finance its investments in existing mines and development of its planned mining projects.

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