

(Translation from the Polish language)

FINANCIAL SUPERVISORY COMMISSION

Current report No 64/2014

Date: 10 October 2014

Issuer's shortened name: KOPEX SA

Subject: **Concluding a significant agreement as the sum of agreements with KGHM Polska Miedź S.A.**

Legal basis: Law on Offer, Art. 56, Par.1 Item 2 – current and cyclic information

Contents of the report:

The Management Board of KOPEX SA with its registered seat in Katowice (the Issuer) announces that on 10.10.2014 it received a signed agreement dated 1.10.2014, concluded between: KGHM Polska Miedź S.A. (Purchaser) based in Lublin and the Issuer's subsidiary KOPEX Machinery S.A. (Contractor).

Subject of agreement is execution of works entitled: "Development of a prototype mining complex" in the framework of the Project: "Determination of the technical-technological and economic capabilities of mechanical mining excavation of the copper ore with use of mechanized mining longwall system and participation in service testing of a designed and built prototype." The agreement is an expression of the will of the parties that have expressed their intention to cooperate in the development and implementation of a prototype mechanized longwall system for excavating copper ore, which can be used in KGHM Polska Miedź S.A. underground copper ore mines.

The total value of the Contractor's remuneration is set at a flat rate and amounts to 47,822,336.00 zł net + VAT. The agreement will be implemented in three stages: Stage I - 20 months, the second stage - 16 months, Stage III - 7 months. Getting Started will take place after approval by the Purchaser of the project results implemented by the AGH in Krakow and the Contractor: "Design, construction and testing of the model of body for mechanical mining of copper ore."

In the event of non-performance or improper performance of the above-mentioned Agreement the parties will have the right to apply penalties:

The Purchaser may charge the Contractor liquidated damages for:

- a) withdrawal from the Contract by the Employer of the reasons for which the Contractor is responsible amounting to 10% of net salary
- b) delays in the implementation of any of the steps for reasons attributable to the Contractor, including up to 10% of the net salary for a given stage of the work,
- c) the delay in removal of defects found upon receipt of a stage work, including up to 10% of the net salary for a given stage of the work,

The contractor may charge contractual penalties for withdrawal from the Agreement by the Contractor for reasons attributable to the Employer in the amount of 10% of the net value of the Agreement.

If the penalties do not cover the damage suffered, the Parties may claim additional compensation to the amount of contractual remuneration for their work.

The Issuer's subsidiaries, in the period from 16 December 2013 concluded number of agreements with KGHM Polska Miedź S.A. based in Lublin and its subsidiaries. The total value of these contracts exceeds 10% of the equity of the Issuer.

The total value of contracts concluded with KGHM Polska Miedź S.A. and its subsidiaries, of which the Issuer received information during the period from 16 December 2013 to 10 October 2014 amounts to PLN 175.762.336,00.

Pursuant to § 2 paragraph 1, point 44) and § 2 of 2 of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Journal of Laws of 2014. pos. 133)., met the criteria for the conclusion of a significant contract.

The highest value of the aforementioned is the framework agreement dated 7.11.2013, received on 16.12.2013. The parties to the agreement are: KGHM Polska Miedź S.A. in Lubin Oddział Zakłady Górnicze „Lubin” in Lubinie (Purchaser) and the Issuer’s subsidiary KOPEX Machinery S.A. (Contractor). The subject of the aforementioned frame agreement is determination between the Parties the conditions for granting and implementation of the "executive orders" on the works of building conveyor belts in the Oddziały Górnicze KGHM Polska Miedź S.A. (underground works), which the Orderer may grant the Contractor during the contract period. The aggregate value of executive agreements may amount to a maximum of PLN 64.000.000,00 net * VAT.

The framework agreement is valid until 31.12.2017.

Provisions for contractual penalties contained in the Agreement (according to the criteria RMF):

1. In the event of non-performance or improper performance of the aforementioned Agreement or the implementing agreement the parties will have the right to apply the following contractual penalties:

The Orderer may charge a Contractor liquidated damages for:

- a) withdrawal from the Contract by the Ordering Party for reasons attributable to the Contractor, in the amount of 10% of the net value of the Agreement;
- b) termination of the executive contract by the Ordering Party for reasons attributable to the Contractor, in the amount of 10% of the net lump sum specified in the contract executive.
- c) each time delay in the performance by the Contractor of works under the Implementing Agreement, in the amount of 0.1% of net fixed remuneration as specified in the given executive Agreement for each day of delay,
- d) each time delay by the Contractor in the removal of defects and / or faults found in the guarantee and warranty period, amounting to 0.1% of net fixed remuneration as specified in the Implementing Agreement for each day of delay.

Contractor may charge a contractual penalties for:

- a) withdrawal from the Contract by the Contractor for reasons attributable to the Ordering Party, in the amount of 10% of the net value of the Agreement
- b) termination of the executive contract by the Contractor for reasons attributable to the Ordering Party in the amount of 10% of the net lump sum specified in the executive contract.

If the penalties do not cover the damage suffered, the Parties may claim additional compensation. If the damage is caused by other reasons than those mentioned above, the Parties may seek compensation under the general rules of the Civil Code.

Legal basis: § 5 sec. 1 point 3 in conjunction with § 2 paragraph 2 and § 9 of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Journal .U. of 2014. pos. 133).