

Glencore to restart operations at Mutanda copper, cobalt mine in 2022

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19 May 2021

Commodity trader and miner Glencore plans to restart operations at Mutanda - the world's biggest cobalt mine that also produces large amounts of copper - in the Democratic Republic of Congo next year, a source with direct knowledge of the matter told Reuters.



The logo of commodities trader Glencore is pictured in front of the company's headquarters in Baar, Switzerland, September 30, 2015.
Reuters/Arnd Wiegmann/File Photo

Glencore, one of the world's largest copper producers and leading cobalt producer, said in February that the process to resume production at Mutanda was underway, but did not give a specific date.

Copper is a vital material for the power and construction industries and it also features heavily in the raw materials mix for energy transition. Cobalt hydroxide is a key material for the fast-growing electric vehicle sector.

With copper at record highs above \$10,000 a tonne and cobalt metal up almost 40% to around \$45,000 a tonne since the start of 2021, market focus has turned to Mutanda -- a facility that has been on care and maintenance since November 2019.

Restarted output from Mutanda could help ease shortages in the copper and cobalt markets that analysts are expecting for

next year, potentially capping further price gains.

Mutanda produced 103,200 tonnes of copper and 25,100 tonnes of cobalt hydroxide in 2019 compared with 199,000 tonnes and 27,300 tonnes respectively in 2018. It has five copper production lines and three cobalt hydroxide lines.

It is not known how many lines could be restarted over the next 12 months.

The process of recruiting workers for the operation is ongoing, one source familiar with the matter said.

Glencore's contribution to global copper supplies last year was nearly 1.3 million tonnes in a market estimated at around 24 million tonnes, while for cobalt the number was 27,400 tonnes or nearly 20% of the global total.

Glencore chief executive, Ivan Glasenberg, decided in August 2019 to suspend Mutanda. He said falling cobalt prices, increased costs, and higher taxes had dented the mine's economic viability.

However, since then significantly higher cobalt prices have made costs and taxes less of an issue.

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