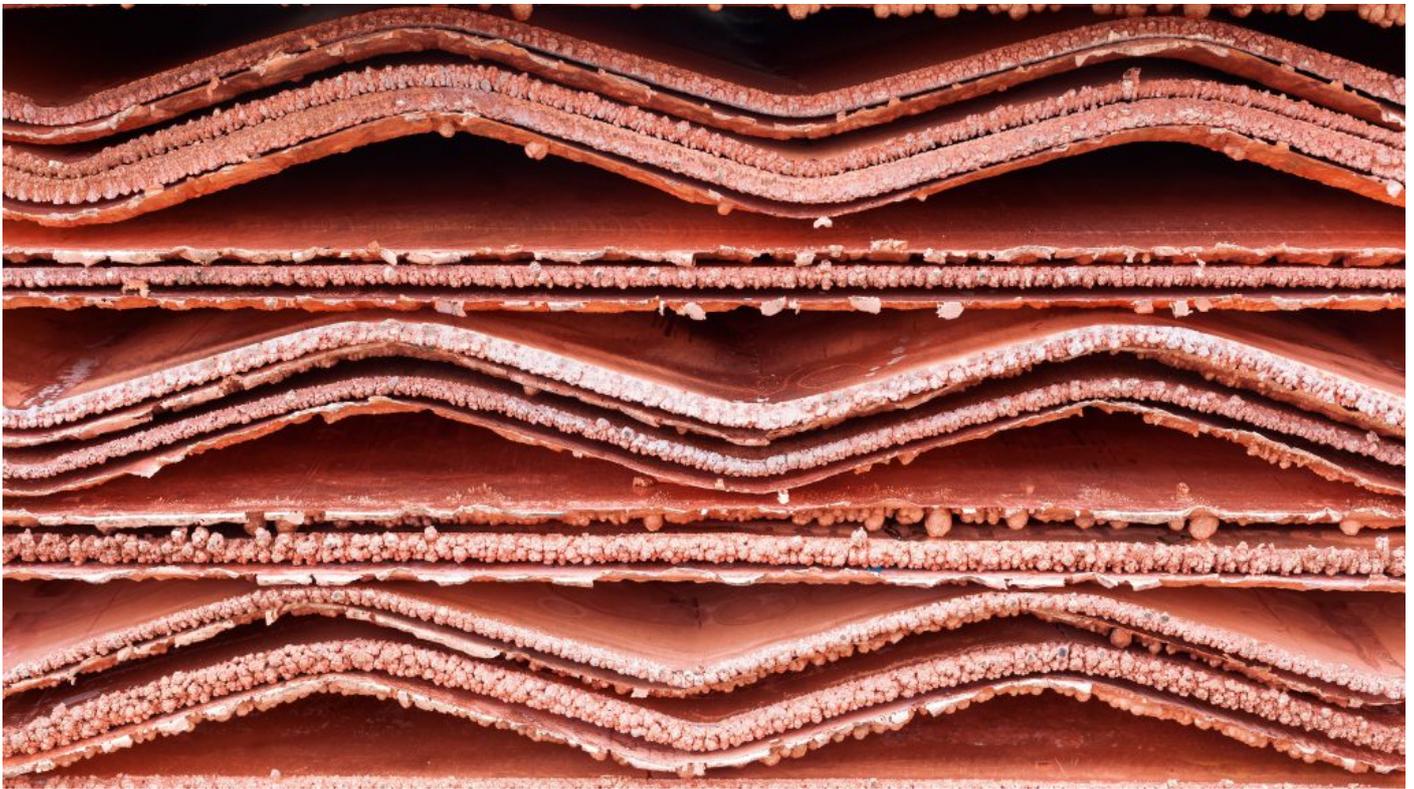


## Copper cupboard remains bare as discoveries dwindle — S&P study

MINING.COM Staff Writer | May 20, 2021 | 10:17 am



Copper cathodes (Stock Image)

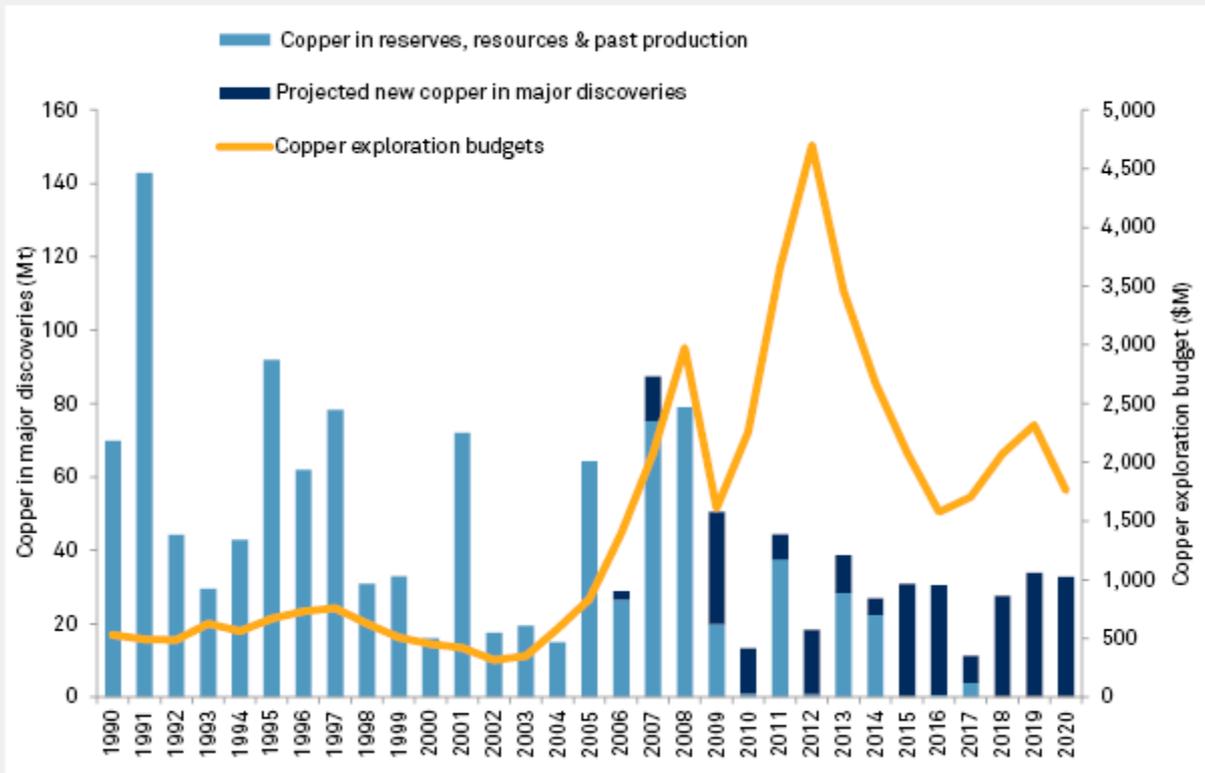
The copper industry's continued investment in mostly brownfields exploration opportunities, combined with generally longer timeframes from discovery hole to reserve statement contribute to the continued low rates of major discoveries that can move market fundamentals, an analysis by S&P Global Market Intelligence found.

An analysis of significant copper discoveries between 1990 and 2020 shows that of the 229 deposits discovered in the period, only three were found in the past three years.

While Latin America was the top location for discoveries over the past ten years, the 26.3 Mt of copper found is significantly lower than any other decade since 1990. While this is up from only one identified for the period in S&P's 2020 analysis, the 4.6 million tonnes in the three deposits are well below the total discovered in most years and pales compared to the 1.12 billion lb. copper found over the 20 years.

While Latin America was the top location for discoveries in the past ten years, the 26.3 million tonnes of copper found is significantly lower than the prior decade, S&P reports.

**2017 becomes most prolific discovery year since 2015**



Data as of April 22, 2021.  
Source: S&P Global Market Intelligence

Source: S&P Global Market Intelligence

Although the amount of copper in major discoveries has increased by 46 million tonnes since 2020, much of the increase is at older discoveries made in the 1990s, which have increased by 26.7 million tonnes year over year as a direct result of companies shifting more of their exploration budgets towards known deposits and existing mines, S&P’s Corporate Exploration Strategies study found.

While the total amount of copper in major discoveries increased by 46 million tonnes year-over-year in 2021, the bulk of the change was resource growth at existing discoveries. Less than six million tonnes came from newly added discoveries, and of that, only 3.9 million tonnes was in recent years, according to S&P data.

“While it is a testament to the quality of the deposits discovered in the 1990s that new copper continues to be added to their endowment, the lacklustre performance of recent years is concerning,” said commodity analyst Luke Nickels during a ‘State of the Market: Mining Q1 2021’ webinar.

Latin America, which accounts for about 40% of global copper output, is the primary location for copper exploration, attracting more than one-third of copper budgets over the past two decades. This significant effort, mainly focused on Chile and Peru, has resulted in over half of the global discovered copper since 1990.

Chile and Peru alone account for 82% of the 604.6 million tonnes discovered in Latin America and 44% of the global total found since 1990.

While Latin America was the top location for discoveries in the past ten years, the 26.3 million tonnes of copper found is significantly lower than any other decade since 1990. Conversely, the discovery rate in Africa and Europe has increased dramatically in the past ten years, together accounting for half of the copper discovered since 2011.

According to S&P, this is mainly due to Ivanhoe Mines' (TSX: IVN) 2014 discovery of the 18.9 million tonne Kakula deposit in the Democratic Republic of Congo and Freeport-McMoRan's (NYSE: FCX) 2011 discovery of the 23.3 million tonne Timok deposit in Serbia.

So acute is the shortage of new substantial discoveries, S&P says the medium-term development pipeline is at risk.

Chile and Peru alone account for 82% of the 604.6 million tonnes discovered in Latin America and 44% of the global total found since 1990

Even if projects with a low probability of advancing through to production come online, copper demand is expected to substantially exceed mined output by 2028, with refined supply deficits expected to start in 2021.

S&P cautions that of the 229 major discoveries included in this analysis, 146 are not in production, including 114 yet to complete feasibility studies. Just 11 have finalised construction plans and begun development.

"This is insufficient not only to meet demand increases but to offset production decreases at existing operations. Significant investment of time and money will be required of the industry within the next several years to ensure that the projects in the pipeline meet this medium-term supply pinch," says Nickels.

Source: <https://www.mining.com/copper-cupboard-remains-bare-as-discoveries-dwindle-sp-study/>