

## Copper Jumps as Miner to Halt Output in Peru Amid Protests (2)

- Production at MMG's Las Bambas is scheduled to stop Saturday
- Copper prices jump by most in two months after supply jolt

By James Attwood and María Cervantes

(Bloomberg) --

Copper surged as one of Peru's biggest mines started winding down operations after failing to reach a deal to end community protests, delivering another blow to the local industry and global metal supplies.

The Las Bambas mine will be unable to continue producing copper as of Saturday as it runs out of key inputs because of roadblocks, its Hong Kong-listed owner MMG Ltd. said in a statement. The mine began halting some processing operations on Wednesday as part of a gradual shutdown, according to a person briefed on the matter.

Copper jumped as much as 3.5% on the London Metal Exchange, the biggest gain in two months, before trading 3.4% higher at \$9,513.50 a ton as of 2:54 p.m. local time. All metals advanced on the LME.

It's the second Peruvian mine to suspend production this week after Nexa Resources SA halted Cerro Lindo, although Prime Minister Mirtha Vasquez said Wednesday that police had dispersed protesters at that zinc operation.

President Pedro Castillo is grappling with an uptick in community unrest since coming to power in July as people living along transport routes seek a greater share of the windfall, while rural communities elsewhere fight against mining over pollution concerns.

In the latest flashpoint, small farmers in Chumbivilcas province resumed blockades last month in a bid to reinstate control over a road that Las Bambas uses to truck its copper to port. MMG said on Dec. 3 that it expected to suspend operations by mid-month if talks with the government and community leaders didn't bear fruit.

"The people and the mining company didn't reach an agreement," Vasquez told reporters on Wednesday.

## **Tighter Supplies**

A prolonged shutdown at a mine that before the pandemic accounted for almost 2% of the world's mined copper would further tighten global supplies that have been hit with shipping snarls and low warehouse inventories. Las Bambas has 60,770 tons of copper stranded on site.

For Castillo, a former rural activist who has already survived one impeachment attempt, the mining tensions underscore his broader challenges. He needs to appease the more moderate factions in Peruvian politics to push through proposed tax increases while maintaining the support of more hardline factions in his Marxist party and the rural voters who put him in power.

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(Updates with price moves in third paragraph.)

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