Why DRC Copper Is a Compelling Investment — Market Research Report

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Executive summary

Copper is entering a structural shortage, and the DRC is the main place new supply is coming from. Prices set all-time highs in September 2026, and the most recent forecasts point higher still. Citi sees $15,000/t by year-end, UBS $15,500/t by mid-2027 and Jefferies about $17,600/t by 2030–32. Morgan Stanley says 2026 will be the first year of falling global mine output since 2017, with little new supply before 2030. The DRC has tripled its output in a decade, is now the world's No. 2 producer, and is drawing record US-backed investment. That makes DRC copper one of the strongest resource investment themes available today.

Twelve numbers that frame the case

	Figure	Source
LME copper, monthly average	$6,049/t (Jan 2020) → $14,480/t (Sep 2026 to date), +45% year on year	Westmetall/LME
All-time highs	LME $14,875/t (10 Sep 2026); COMEX $6.8885/lb (9 Sep); COMEX Dec ~$15,110/t equivalent	MINING.COM
Newest price calls	Citi $15,000 by end-2026 ($17,000 bull case); UBS $15,500 by Jun 2027; Jefferies ~$17,600 for 2030–32; BMI $17,000 by 2035	Section 3
Mine supply	2026 is the first year of falling global mine output since 2017 (Morgan Stanley); Goldman's ex-US deficit raised to 640 kt	Section 3
Physical tightness	LME stocks fell 42 days in a row, the longest since 2014; Shanghai stocks at a 3-year low; treatment charges at $0 benchmark and −$160/dmt spot	MINING.COM, Mysteel
Long-term gap	IEA: ~25% supply shortfall by 2035; S&P Global: demand 42 Mt and a 10 Mt deficit by 2040	IEA, S&P Global
New demand	Big Tech 2026 capex $720–745bn (data centres, power); grid is >60% of demand growth to 2030 (Goldman)	MLQ, Goldman
DRC output	1.04 Mt (2015) → 3.2 Mt (2025) → ~3.4 Mt forecast for 2026; ~14% of world supply; 80 Mt reserves	USGS, GlobalData
DRC exports	Record 1.72 Mt in H1 2026; ~42% of China's cathode imports; planned US sales up fivefold to 500 kt	Reuters, Mysteel
US-backed capital	Orion/DFC 40% of KCC and Mutanda at ~$9bn EV; Lobito 30-year rail concession (up to 13.7 Mtpa); Gécamines–Mercuria JV	Section 5
DRC macro	S&P outlook upgraded to positive; IMF sees 5.5% growth in 2026 and inflation ≤2.5%	S&P, IMF
Local ore economics	Processors pay ≥30% of LME for ore; LME-grade cathode trades locally at ~80% of LME	Practitioner benchmarks, Section 6

Why DRC copper is compelling

1. **Supply can't keep up.** Ore grades are down about 40% since 1991, new mines take about 17 years to build, and investment has run at roughly a third of what is needed. Mine accidents at Grasberg, Kamoa-Kakula, El Teniente and Escondida show how thin the margin for error is.
2. **Demand is broadening.** Grids, EVs, AI data centres and defence are all adding demand at once, and China and the US are both stockpiling strategically.
3. **The DRC is where supply is growing.** It was the only top-three producer to grow in 2025, and the IEA credits DRC and Zambian projects with narrowing the global gap.
4. **Policy favors local players.** The concentrate export ban and the "do it in the DRC" processing strategy increase demand for locally supplied ore and processing. Zero or negative treatment charges also give ore sellers more bargaining power.
5. **Western capital and export routes are arriving.** The US–DRC partnership, DFC financing, the Lobito railway and US buyers all widen the market for DRC copper.

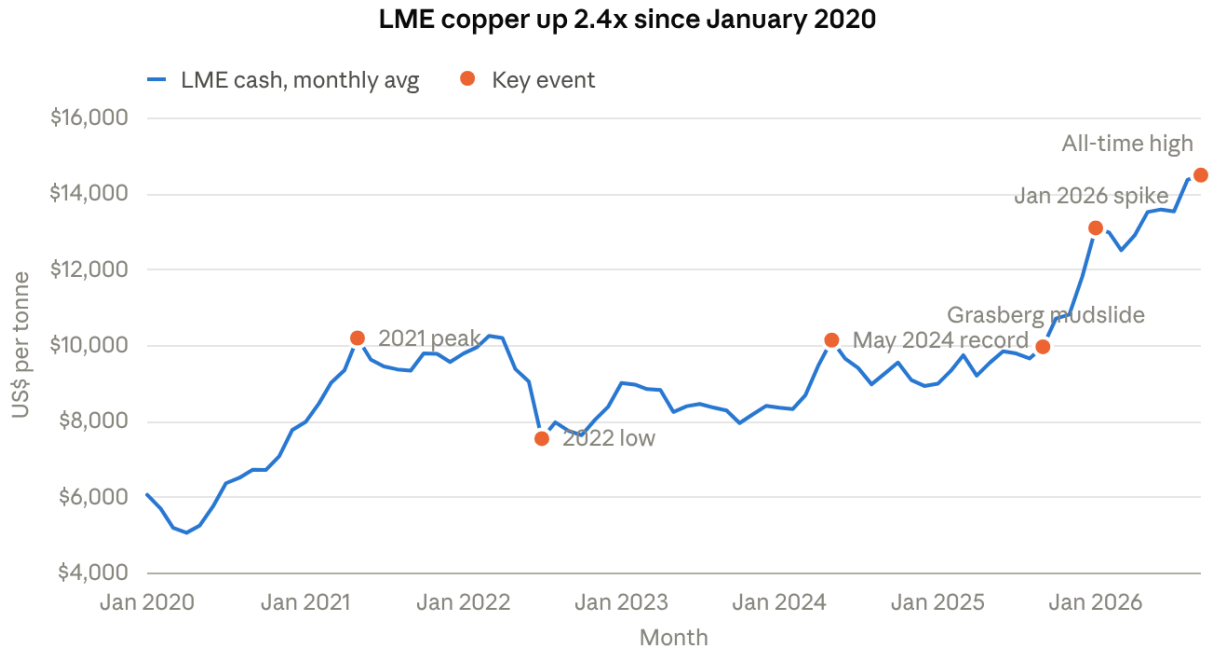
Where the opportunity is best. Contracted oxide ore supply at low, fixed cost is the most attractive entry point, because it captures the price upside without depending on it. Ore bought at $14–18/t with 1.25–1.40% copper is worth about $55–61/t at today's prices under a 30%-of-LME payable. It is still worth $41–46/t at $11,000/t copper, and on purchase cost alone breaks even only below about $3,300–4,800/t. Moving further down the chain to LME-grade cathode captures up to about 80% of LME value. Section 10 includes the Copilot Mining case study.

What to manage. Near-term prices will be volatile. Part of the 2026 rally came from US tariff stockpiling, the Fed raised rates in September, and ICSG still forecasts a small refined-copper surplus. In the DRC, the mining code amendment, tax enforcement, and acid and power costs need active management (Sections 6, 7 and 9). These risks shape how to invest; they do not change the direction of the market.

Verdict: a strong buy-side case for DRC copper on a 3–5 year horizon. The long-term shortage is widely agreed, and the newest forecasts see prices at or above today's levels. The DRC is the clearest source of new supply. The best risk-adjusted route is low-cost, contracted ore supply and local processing, with capital deployed in stages and every plan tested at $11,000/t copper.

1. The copper price rise, 2020–2026

The monthly average LME copper price rose from $6,049/t in January 2020 to $14,480/t in September 2026 to date, about 2.4×. Most of the gain came in the last 12 months. The 2026 year-to-date average of $13,432/t is 35% above 2025's $9,939/t, and September 2026 is running 45% above September 2025.



Westmetall monthly averages of the LME copper cash-settlement price, Jan 2020 – Sep 2026 (month to date)

Annual averages (LME cash, US$/t): 2020: 6,169 · 2021: 9,315 · 2022: 8,815 · 2023: 8,483 · 2024: 9,144 · 2025: 9,939 · 2026 YTD: 13,432. These match the World Bank's April 2026 figures within about $8/t (World Bank CMO).

Milestones

Date	Event	Level
10 Sep 2026	LME all-time high	LME 3-month $14,875/t
9 Sep 2026	COMEX all-time high (same source)	$6.8885/lb settlement
13–14 Aug 2026	COMEX record, London squeeze	$6.714/lb; LME cash–3M spread $434/t, a 5-year high
6 Aug 2026	DRC concentrate export ban made public	LME $14,369.50/t
29 Jan 2026	Record, then reversal the same day	LME 3-month intraday $14,527.50/t

Date	Event	Level
23 Dec 2025	First close above $12,000	$12,159.50/t; 2025 gain ~40%, the best year since 2009
1 Oct 2025	Grasberg force majeure	$10,497.50/t
30 Jul 2025	US exempts refined copper from 50% tariff	COMEX −19% within minutes, the largest intraday fall on record
8 Jul 2025	50% tariff announced	COMEX premium over LME above 30%
20 May 2024	Record on COMEX short squeeze	LME $11,104.50/t
11 Jul 2022	20-month low	COMEX $3.41/lb (~$7,500/t)

What drove the 2025–26 rally

1. **US tariffs pulled metal into the US.** A 50% duty on semi-finished copper products started on 1 Aug 2025. A 15% duty on refined copper from 2027, rising to 30% in 2028, is under review. Traders have been shipping cathode to the US ahead of that decision. COMEX stocks rose from about 80 kt in Feb 2025 to 696 kt by 21 Sep 2026, 69% of all exchange stocks, and New Orleans warehouses are "largely full" (MINING.COM). The result is tight supply everywhere else.
2. **A cluster of mine accidents.** Kamoa-Kakula (DRC) seismic event, May 2025. El Teniente (Chile) collapse, July 2025, 6 dead. Grasberg (Indonesia) mud rush, Sep 2025; 2026 output ~35% below plan (Freeport). Escondida (Chile) suspended after a fatal accident on 23 Sep 2026, with a strike vote on 28–30 Sep (Crux Investor). Benchmark estimates Grasberg alone removes ~591 kt from Sep 2025 to end-2026.
3. **A concentrate squeeze.** The 2026 annual treatment and refining charge settled at $0/t, against $21.25/t in 2025 (MINING.COM). Spot charges went negative: smelters now pay miners to secure feed.
4. **Physical shortage outside the US.** LME stocks fell 42 days in a row to 205 kt in August, and SHFE stocks fell 70% from June to 43,900 t, the lowest since 2023. The Yangshan import premium hit $124/t, a four-year high.
5. **Demand stories.** AI and data centres, grid spending and defence (Section 2). Morgan Stanley links data-centre demand directly to its deficit call.
6. **Money flows.** In January 2026, investor positioning on the LME and COMEX was at or near record long (StoneX). This has now turned into a headwind: the Fed **raised** rates by 0.25 points to 3.75–4.00% on 16 Sep 2026 and signalled another hike (Kiplinger).

What this means. Two of the six drivers, tariff stockpiling and one-off accidents, are temporary by nature. If the US settles its refined-copper tariff and Grasberg and Kamoa-Kakula return to full output (expected 2027–28), part of the premium could reverse.

2. Global supply and demand: what the institutions say

The near-term and long-term pictures point in different directions. On **refined copper**, 2026 is close to balanced or in slight surplus. The **raw-material (concentrate)** market is very tight, and metal is tight **outside the US**. The **long-term** view, from 2030 onward, is a large structural shortfall. An investment thesis should rest on the long-term gap, not on a claim of a current shortage.

Near-term balance (refined copper)

Source (date)	2026	2027	Note
ICSG forecast (Apr 2026)	+96 kt surplus	+377 kt surplus	Its Oct 2025 forecast was a 150 kt deficit. Usage growth cut to 1.6%. Figures via Metalnomist
ICSG actuals, Jan–Jul 2026 (Table 1)	+157 kt surplus	–	Apr, Jun and Jul were each in deficit
Goldman Sachs (Apr and Jun 2026)	+490 kt global surplus, but an ex-US deficit of up to 640 kt	–	US stockpiling explains the difference (MINING.COM)
Morgan Stanley (Dec 2025)	600 kt deficit	–	Driven by data-centre demand (IndexBox)
ING (Mar 2026)	~600 kt deficit	–	CNBC
UBS (2026)	~520 kt deficit	–	Investing.com
Macquarie (Jul 2026)	262 kt surplus	–	"Rally running ahead of reality" (MINING.COM)

ICSG historical balance (kt) (ICSG Table 1, Sep 2026):

	2022	2023	2024	2025	Jan–Jul 2026
Mine production	21,904	22,346	22,955	23,205	13,427
Refined production	25,278	26,508	27,414	28,663	16,487
Refined usage	25,857	26,642	27,420	28,200	16,329
Balance	−579	−134	−6	+463	+157

Why record prices sit alongside a refined surplus. First, tariff stockpiling has locked roughly 700 kt in US warehouses, where the rest of the world cannot use it. Second, the shortage is at the mine and concentrate stage: treatment charges are $0 because smelters, about 50% of them in China, have more capacity than there is ore to feed them (IEA). That second point matters for the DRC: **mine supply, not smelting, is the scarce part of the chain.**

Long-term outlook

Source (date)	Demand outlook	Shortfall
IEA Global Critical Minerals Outlook 2026 (16 Jul 2026)	Copper adds ~7 Mt to 2040, the largest volume increase of any mineral	~25% supply gap by 2035, narrowed from 30%, "particularly" thanks to DRC and Zambia projects
S&P Global, "Copper in the Age of AI" (8 Jan 2026)	28 Mt → 42 Mt by 2040 (+50%)	Production peaks at 33 Mt in 2030; 10 Mt deficit by 2040
Wood Mackenzie (Oct 2025)	34.5 → 42.7 Mt by 2035 (+24%), including scrap	Needs 8 Mtpa of new mine capacity plus 3.5 Mtpa more scrap
BloombergNEF (Dec 2025)	Energy-transition demand triples by 2045	19 Mt by 2050
BHP (Sep 2024)	>50 Mtpa by 2050 (~+70%)	~10 Mtpa of new mine supply needed over the next decade
UNCTAD (May 2025)	+40% by 2040	~80 new mines and $250bn needed by 2030
Goldman Sachs (Dec 2025)	Grid and power are >60% of demand growth to 2030	Demand exceeds supply from 2029

Where demand comes from

- **By end use, 2024** (ICSG Factbook 2025): building construction 26%; consumer products, cooling and electronics 23%; power and telecom infrastructure 17%; transport 13%; industrial equipment 12%.
- **Grid:** up to 7.1 Mt a year by 2040, twice the 2020 level (S&P).
- **EVs:** 2.6 Mt (2025) → 6.3 Mt (2040) (S&P).
- **Data centres and AI:** about 2 Mt of extra demand by 2040 (S&P); about 1.1 Mt by 2030 for grid connections (WoodMac).
- **Defence:** S&P expects defence-related copper demand to triple by 2040.
- **China** used 58% of the world's refined copper in 2024 (ICSG). It is still the swing buyer, so a Chinese slowdown is the largest single demand risk.
- **Recycling** already supplies about a third of copper use (ICSG, BHP). S&P says it "cannot close the gap".

Why supply struggles to respond

Constraint	Evidence
Falling ore grades	Average grades down ~40% since 1991 (BHP, IEA)
Long lead times	~17 years from discovery to production (S&P, BHP)
Under-investment	>$210bn needed to 2035, against ~$76bn invested in 2019–25 (WoodMac)
Rising disruption	WoodMac suggests the industry's normal 5% allowance for unplanned outages should rise to 6%, removing another 250–300 kt a year
Water stress	52% of copper mines are in high water-stress areas (IEA)

Where the forecasters disagree. Each uses a different baseline (S&P 28 Mt vs WoodMac 34.5 Mt). IEA revised its own 2035 gap from 30% to 25% within four months. BNEF expects a deficit from 2025–26, Goldman from 2029, and ICSG shows surpluses through 2027. The direction is the same, but the timing is disputed.

3. Price outlook: forecasts vs spot

Spot copper (~$14,600/t LME on 23–24 Sep 2026) is above most 2026–27 average forecasts, but the newest calls are moving higher. Most were published before the August–September run-up and have not been updated. Most banks expect prices to ease back toward $11,000–13,000/t as Grasberg and Kamoa-Kakula recover and tariff stockpiling ends. The longer-term calls, for 2029 onward, are the most bullish.

Institution (date of forecast)	Forecast, LME US$/t	Source
BMI / Fitch (16 Jul 2026)	2026: 12,700 · 2028: 13,500 · 2030: 15,800 · 2035: 17,000	MINING.COM
Macquarie (9 Jul 2026)	2026 avg: 13,165 · Q3 2027: 11,000 · long term: 10,200 (real)	MINING.COM
Goldman Sachs (1 Jun 2026)	End-2026: 13,735 · 2027 avg: 13,800 · 2035: 15,000	IndexBox
Citi (late May / Jun 2026)	0–3 months: 14,500 · 2026 avg: ~13,000 · bull case: 15,000	MINING.COM
UBS (May 2026)	13,200 for 2026–28 · earlier target: 15,000 by Mar 2027	Investing.com
J.P. Morgan (24 Apr 2026)	Q3 2026: 13,000 · Q4: 12,500 · Q2 2027: 11,600 · support 11,100–11,200	J.P. Morgan
World Bank (Apr 2026)	2026: 12,000 · 2027: 11,000	CMO
Bank of America (29 Sep 2025)	2026: 11,313 · 2027: 13,501	MINING.COM

The bull case: newer and more positive views

The forecasts above are mostly from April–July. Views published since June, especially around the September records, are more bullish, and several see $15,000/t or more within a year.

Source (date)	View	Reliability	Link
Citi (reported 9 Sep 2026)	"$15,000 by year-end"; "$17,000 if manufacturing, data centre or stockpiling demand surprises"	Bank research, via press	MINING.COM
Morgan Stanley (8–9 Sep 2026)	2026 is "the first year of falling mine output since 2017"; new mines "unlikely to add much before 2030"; Q4 forecast of $14,250 "may be exceeded"	Bank research, via press	MINING.COM
UBS (26 May 2026)	$14,000 by Sep 2026, $15,500 by Jun 2027; "structural shortage through the end of the decade"	Bank research, via aggregator	The Bull
Jefferies (8 Jun 2026)	$6.50/lb in 2027; **$8.00/lb (~$17,600/t) in 2030–32**; demand-driven by US data centres and power	Bank research, via press	Investing.com
Goldman Sachs (1 Jun 2026)	Deficit outside the US raised from 60 kt to **640 kt**; 2026 mine supply cut by 350 kt	Bank research, via press	economies.com
Cochilco, Chile's state copper agency (19 May 2026)	2026 average raised to $5.55/lb; supply growth led by the DRC and Zambia	Government agency	MINING.COM
BlackRock, Evy Hambro (Sep 2026)	Supply is constrained by "tired, very, very old assets"	Investor	MINING.COM
Mercuria, Kostas Bintas (28 Nov 2025)	"This is the big one"; the rest of the world could be "left without copper cathodes"	Trader with its own positions	MINING.COM
Robert Friedland, Ivanhoe (Sep 2026)	The world must mine as much copper in the next 18 years as in the last 10,000	Miner with its own positions	AdvisorAnalyst / Bloomberg Odd Lots

Other positive signals.

- **Physical tightness:** LME stocks fell for 42 straight days, the longest run since 2014, and the Aug–Sep spread was the widest since the 2021 squeeze (MINING.COM). COMEX December traded at about $15,110/t equivalent on 9 Sep.
- **Strategic stockpiling:** China's nonferrous metals industry association signalled larger state copper reserves in February 2026, and LME rose 4.1% that day (OE Digital). The US added copper to its critical minerals list in November 2025 (USGS).

- **AI capex:** Amazon, Alphabet, Meta and Microsoft now guide to **$720–745bn** of combined 2026 capex (MLQ). Much of it goes to data centres and power connections that use large amounts of copper.
- **Defence:** Citi estimates defence uses about 2.5 Mt a year, around 9% of demand. This comes via an aggregator and was not verified against Citi directly.
- **Miner bargaining power:** 2026 treatment charges at $0/t and spot at about −$160/dmt mean ore and concentrate sellers keep more of the metal's value than at any time on record.

How to read the bull case. Interested parties such as Friedland, Mercuria and company executives promote their own positions. The bank calls are more independent, but they are also more recent and were made near the top. The balanced view is that the long-term direction is widely agreed, while near-term price timing is not.

The near-term forecasts are mostly for a pullback. The 2028–2035 forecasts (BMI, Goldman) point to prices above $15,000/t as the structural gap opens. That supports the case for DRC assets that produce for many years, rather than a bet on the next 12 months.

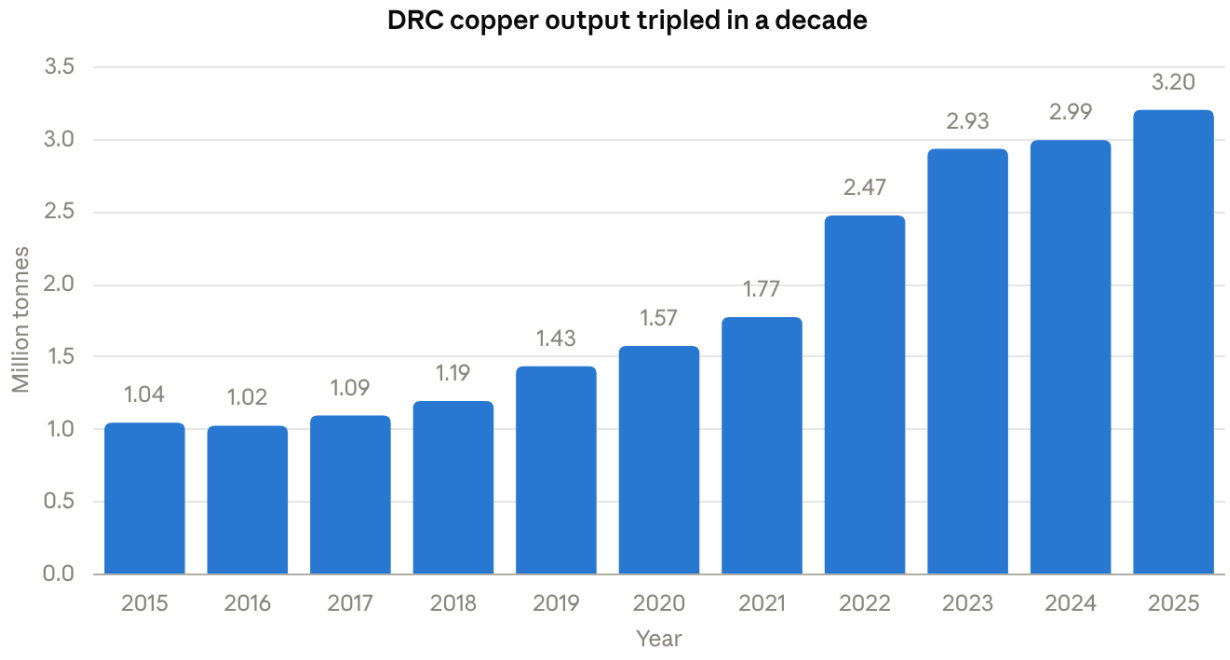
Scenarios (12–24 months)

Scenario	LME range	What would cause it	Implication for DRC investors
Bear	$10,000–11,500/t	Global slowdown, weaker China, more Fed hikes, US tariff decision releases COMEX stocks, Grasberg and Kamoa recover early	Margins squeezed for high-cost oxide producers, whose acid costs are high. Only low-cost producers stay comfortable
Base	$12,000–13,500/t	Forecasters' consensus: deficit narrows in 2027 as supply recovers	Still highly profitable for most DRC producers. Kamoa-Kakula's cash cost of $2.58–2.84/lb is roughly $5,700–6,300/t
Bull	$15,000–17,000/t	Escondida strike, more mine accidents, AI and grid demand surprise, US refined tariff keeps pulling metal in	Windfall margins, but the DRC's 50% super-profits tax and state demands rise with them

Practical rule: test any DRC copper investment at $11,000/t, J.P. Morgan's support level. If it only works at $14,000 or more, it is a price bet, not an investment.

4. The DRC: the world's fastest-growing major producer

The DRC tripled its copper output from about 1.0 Mt in 2015 to 3.2 Mt in 2025. It overtook Peru to become No. 2 behind Chile, at about 14% of world mine supply. In 2025 Chile's output fell (5.51 → 5.30 Mt) while the DRC's rose (2.99 → 3.20 Mt) (USGS MCS 2026). DRC reserves are 80 Mt, similar to Peru (85 Mt) and Russia (80 Mt).



Mine production, million tonnes of contained copper. 2025 is a USGS estimate.

USGS Minerals Yearbook 2017-18 and 2022; Mineral Commodity Summaries 2025 and 2026

Exports. A record **1,724,217 t** of copper left the DRC in H1 2026, up 4.5% year on year. The share going to the US and Europe doubled (Reuters via MINING.COM). Ministry export data for 2025 is inconsistent (full year about 3.4 Mt, but Jan–Sep reported at only 1.91 Mt), so treat it with care.

Growth continues in 2026.

- GlobalData forecasts DRC output of about **3.4 Mt in 2026, up 6%**, as Kamoa-Kakula recovers. It also flags a gradual decline from 2029 unless new projects arrive (Mining Technology).
- The DRC supplied about **41.6% of China's cathode imports in H1 2026** (Mysteel, via Metalnomist), making it China's single most important source.
- The LME approved CMOC's Tenke Fungurume cathode brand, which lets that metal be delivered against LME contracts. CMOC's KFM mine is adding 100 ktpa by 2027 (same source).

Product mix. About **82% of 2025 DRC copper (2.79 Mt) was SX-EW cathode**, made by leaching oxide ore with sulphuric acid and electrowinning the metal. The remaining 605 kt was concentrate, 64% of it from Kamoa-Kakula (StoneX). The DRC is therefore mainly an oxide-ore, acid-leach, cathode economy. That is why acid supply and power matter so much.

Major operators

Asset (owner)	2025 output	2026 outlook	Source
Tenke Fungurume (CMOC)	519 kt	CMOC group guidance 760–820 kt	MINING.COM
Kamoa-Kakula (Ivanhoe 39.6%, Zijin 39.6%, DRC state 20%)	388,838 t	Cut to 290–310 kt after the 2025 seismic event; 2027: 380–420 kt; >500 kt/yr from 2028	Ivanhoe Q2 2026
Kisanfu (CMOC)	228 kt	Rising	MINING.COM
KCC + Mutanda (Glencore)	247.8 kt	Africa copper +55 kt in H1 2026; KCC long-term target ~300 kt	Glencore
Sicomines (Chinese state)	230 kt	–	MINING.COM
Kolwezi / COMMUS (Zijin)	118 kt	109 kt	Zijin 2025 results
Kinsevere (MMG)	52.8 kt cathode	65–75 kt	MMG
ERG (Kazakh state 40%)	–	Group total ~162 kt	MINING.COM
Chemaf (Etoile, Mutoshi)	Etoile shut	Sold to Virtus/Lloyds for up to $30M; restart targeted Jan 2027	Semafor

China's position. CMOC's two mines and Sicomines alone produced about 977 kt in 2025, roughly 29% of DRC exports. That excludes Zijin's share of Kamoa-Kakula and other Chinese-owned mines. One count finds Chinese stakes in 49 DRC critical-mineral projects, 54% of the total (Daily Beirut, citing Jeune Afrique). No authoritative figure for China's total share of DRC copper was found.

5. Policy, fiscal regime and geopolitics

Kinshasa is using its growing market power: it bans exports of unprocessed material, caps cobalt exports, raises royalties on "strategic" minerals and presses large miners on tax. At the same time, the US–DRC partnership is bringing in Western capital and buyers. For investors, this means **better access to capital and buyers, but less predictable rules.**

Fiscal regime (2018 Mining Code)

Item	Terms	Source
Copper royalty	3.5% (was 2%)	HSF
"Strategic substances" royalty	10%. Cobalt and germanium are on the list; lithium, tantalum, niobium, tungsten, uranium and rare earths were added on 31 May 2026. **Copper is not on it**	MINING.COM
Super-profits tax	50% when prices exceed the feasibility-study price by 25% or more, which today's prices do for many projects	Norton Rose Fulbright
State stake	10% free carry that cannot be diluted, +5% at each licence renewal; 10% held by Congolese private citizens	same

Item	Terms	Source
Stability clause	Cut from 10 to 5 years	same

2026 policy moves

Date	Measure	Status and impact
13 Jun 2026	**Mining Code amendment bill** (40+ articles): state powers to limit output and stockpile strategic minerals, new agencies, local-content rules, fines up to $1M or up to 20 years' prison	Under review. The Chamber of Mines held an emergency forum on 15–17 Jul (Mining Weekly). **Current status not confirmed**
29 Jun 2026 (made public 6 Aug)	**Copper and cobalt concentrate export ban**; one-year waivers possible; 55% valuation coefficient on by-products after a 3-month transition	~605 kt of concentrate affected (~18% of output), mostly Kamoa-Kakula, whose smelter and existing waivers soften the impact (StoneX, Ivanhoe)
Oct 2025 onward	**Cobalt export quotas** (ARECOMS, the state cobalt regulator): 96,600 t for 2026, of which 87,000 t is allocated to producers; the scheme runs through 2027	Glencore's H1 2026 cobalt fell 46%; cobalt credits are now less reliable (Benchmark)
Q1 2026	Kamoa-Kakula settles **$183M** of 2022–24 tax claims	Ivanhoe swung to a Q1 loss (Mining Weekly)
10–16 Jul 2026	Tax authority **seals Glencore KCC's offices**; unsealed 6 days later on the President's order	Shows both the risk and that political intervention is possible (MINING.COM, Semafor)

Geopolitics and Western capital

- **US–DRC Strategic Partnership Agreement (4 Dec 2025).** US persons get a right of first offer on assets in a Strategic Asset Reserve and on minerals marketed for export. It also sets up a Strategic Minerals Reserve, preferential fiscal terms for designated projects, and 5-year targets to route 50% of copper along the Sakania–Lobito corridor (IEA policy database).
- **Gécamines, the state miner, is becoming a trader.** It launched a JV with Mercuria (Dec 2025) that could market 500 kt/yr of cathode, with a DFC letter of intent and US buyers holding a right of first refusal (Mercuria). Gécamines also markets about 50% of KCC's output in 2026–27 (MINING.COM).
- **Orion CMC (DFC-backed) and Glencore:** a non-binding MoU for 40% of KCC and Mutanda at about $9bn enterprise value (3 Feb 2026). Not closed as of July 2026 (Glencore).
- **Lobito Corridor:** $753M financial close ($553M DFC + $200M DBSA) to take the railway to 4.6 Mtpa. The DRC approved Mota-Engil for its section on 10 Jul 2026. The line carried about 200 kt in 2025, and had a derailment in March and flood closures in April 2026 (Oregon Group).
- **China's answer:** a $1.24bn TAZARA rail revamp to Dar es Salaam with CCECC, CMOC and Zijin (Bloomberg). The DRC is now contested ground, which gives producers more choice of buyers and financiers.
- **US demand pull:** DRC copper reached a 23.9% share of US copper imports in July 2026, helped by discounts to COMEX-deliverable brands (FMDRCZ, citing Reuters).

Further positive signals for the DRC in 2026:

- **Lobito: a 30-year concession.** Mota-Engil signed a 30-year concession for the 1,004 km Dilolo–Sakania line. It involves $1.26–1.8bn of investment, up to 13.7 Mt a year of capacity, and a DFC letter of interest for up to $1bn (Further Africa, 26 Aug 2026).
- **US-bound copper up fivefold.** Planned DRC copper sales to the US rose fivefold to 500 kt through the Gécamines–Mercuria venture (MINING.COM, 16 Apr 2026).
- **The IMF expects stability.** It forecasts 5.5% growth in 2026, reserves of about $8.8bn and inflation at or below 2.5% (Ecofin, 11 May 2026).
- **Local processing is official strategy.** The January 2026 critical-minerals strategy makes local processing one of four pillars. Officials describe the aim as moving from "pit to port" to "do it in the DRC" (African Business). This is a direct policy tailwind for local ore supply and processing businesses.
- **The US DFC is committing capital.** DFC CEO Ben Black said the Orion–Glencore deal has "the potential to bring significant returns for both the United States and the DRC" (MINING.COM). The DFC is a party to that deal.

US government funding and involvement in the DRC

Washington has made the DRC a priority for critical minerals, but most of the money is still promised rather than paid. The one closed financing is the $553M DFC loan for the Angolan part of the Lobito railway. Everything else, including the $9bn Glencore stake deal, the $1bn DRC rail loan and the Gécamines–Mercuria equity, is at the letter-of-intent or MoU stage. The strongest immediate effect is on demand: DRC cathode enters the US tariff-free, US buyers hold rights of first refusal on growing volumes, and traders are stockpiling for the US government.

Program or deal	US agency	Amount	Date	Status
US–DRC Strategic Partnership Agreement	State / White House	No dollar commitment	Signed 4 Dec 2025	In force; a DRC–USA task force was set up on 11 Sep 2026 to speed up implementation (Semafor)
Lobito Atlantic Railway, Angola section	DFC	$553M loan (+$200M from DBSA)	Closed 24 Dec 2025	**Signed and closed.** Capacity target 4.6 Mtpa
Dilolo–Sakania rail, DRC section (Mota-Engil)	DFC	Up to $1bn of a $1.26bn project	Concession signed 26 Aug 2026	DFC letter of interest only, "following full review"
Orion Critical Mineral Consortium	DFC, ADQ (Abu Dhabi), Orion	$1.8bn consortium	23 Oct 2025	Formed
Orion CMC buys 40% of Glencore's KCC and Mutanda	DFC via Orion CMC	~$9bn enterprise value	MoU 3 Feb 2026	Non-binding; not closed as of Jul 2026; KCC in a tax dispute
Gécamines–Mercuria copper-cobalt JV	DFC	Equity, amount undisclosed	5 Dec 2025	Letter of intent; US buyers get right of first refusal
Virtus Minerals buys Chemaf	State (political backing)	~$30M price; ~$720M to be raised	Closed 1 Apr 2026	Completed; no confirmed US agency financing
Project Vault, US strategic minerals reserve	EXIM	Loan of up to $10bn + ~$2bn private	Approved 2 Feb 2026	Operating; Glencore and Mercuria added $500M on 23 Sep 2026 (MINING.COM); Ivanhoe in talks to supply from Kipushi
Buenassa copper-cobalt refinery study, Lualaba	USTDA	$3.385M grant	Sep 2026	Signed
Lobito corridor power study (Anzana)	USTDA	$3M grant	22 Sep 2026	Signed
DLA cobalt stockpile tender	Defense	Up to $500M, 7,500 t	Aug 2025	Cancelled Oct 2025; no reissue found
DFC reauthorization	Congress	Lending cap raised from $60bn to $205bn; $5bn equity fund	Dec 2025	Law, runs to 2031

What the Strategic Partnership Agreement does. Terms are reported by the IEA and Public Citizen; the treaty text itself could not be opened.

- A **Strategic Asset Reserve** of mineral, gold and exploration assets, on which US persons get a **right of first offer** with a 9-month negotiating window.
- A **preferential fiscal, tax and regulatory regime** for US investors in those assets and in "Qualifying Strategic Projects", reportedly including a 10-year tax stabilisation period.
- A **Strategic Minerals Reserve** inside the DRC to supply the US.
- Corridor targets over 5 years of 50% of copper, 90% of zinc concentrate and 30% of cobalt through Lobito (IEA only; not verified against the treaty).
- A **Joint Steering Committee** of 5 US and 5 DRC members. The first shortlist of about 11 assets, presented 5 Feb 2026, includes Manono lithium, Rubaya coltan, the Chemaf complex, three cobalt refineries, the Lobito DRC section and Gécamines-linked hydro projects (BusinessDay, citing Reuters).
- Public Citizen notes the wording is unequal: DRC obligations say "shall", US obligations say "intends to".

Money is following demand faster than investment.

- US imports from the DRC reached $2.12bn in Jan–Jul 2026, up about 66% (SMM, citing US Census data).

- Gécamines shipped its 100,000 t 2026 entitlement from Tenke Fungurume to the US with Mercuria (Mercuria).
- **DRC cathode pays no US tariff.** Ores, concentrates, anodes and cathodes are excluded from the 50% Section 232 duty (White & Case). A 15–30% refined-copper tariff from 2027 is still undecided.
- The traders inside Project Vault (Mercuria, Traxys, Hartree, Glencore) are the most direct link between DRC producers and US government demand.

Programs that have gone quiet. Prosper Africa was closed in early 2025 with USAID. The Minerals Security Partnership was replaced by "FORGE" in February 2026. No US Millennium Challenge Corporation program exists in the DRC. The DLA's cobalt tender was cancelled.

Compliance risk from Congress. H.R. 10346, which would bar imports of cobalt goods made with child or forced labour, was reported out of the House Ways and Means Committee 32–8 on 16 Sep 2026 (govinfo). If it passes, documented chain of custody becomes a condition of selling cobalt-bearing material into the US.

How a smaller DRC company can use these programs.

Route	What it offers	Conditions	Source
DFC direct finance	Loans up to $1bn; no published minimum, but small deals normally go through a DFC-backed local bank or fund	Track record with financial statements; private lenders tried first; environmental, social and human-rights standards; fit with US policy; preference for US ownership or a US economic link; 6–18 months to close	DFC eligibility
EXIM Supply Chain Resiliency Initiative	Finance for foreign mining projects	A signed offtake sending output to US manufacturing; no Chinese ownership, technology or major customer	EXIM
EXIM export finance	Up to 85% of the US content of equipment purchases; up to 18-year terms	Buying US-made mining equipment	EXIM
USTDA feasibility grants	Grants of about $3M for studies (Buenassa is the model)	Study done by a US firm; US export potential; credible financing plan	USTDA
Strategic Asset Reserve designation	Preferential fiscal terms and US investor access	Nomination through the DRC side of the Joint Steering Committee	SPA (above)
Sell to Project Vault traders	Direct route to US strategic demand	Commercial offtake with Mercuria, Traxys, Hartree or Glencore	EXIM (above)

For a local ore or cathode business, the most practical routes are an offtake with a Project Vault trader, a USTDA-funded study for any processing plan, and DFC finance through a local bank. Documented, audited chain of custody is the entry ticket to all of them.

6. The local ore trade and processing market

The DRC has a large domestic market for copper ore. Dozens of mostly Chinese-owned leaching plants buy oxide ore from small miners, traders and permit holders. The market works, but it is opaque and weighted toward buyers. **No public source publishes payable percentages. Local market practitioners report that processors pay at least 30% of LME for the copper contained in ore (see below).** Grade thresholds, moisture rules and penalties still have to be agreed directly with each buyer.

How ore is bought and sold

The most detailed public dataset is the German geological survey's field mapping, BGR 2019:

Finding	Detail
Buyers	52 depots and intermediaries across surveyed sites; 3 open markets (Mulungwishi, Kisanfu, Musompo in Kolwezi)
Price setting	69% of cases: a handheld XRF grade reading plus weight. At 81% of mines the buyer sets the price alone. Only about 10% of cases referenced the LME
Buyer nationality	Chinese 43%, Congolese 25%, Indian 14%, Lebanese 11%

- Grade is tested by XRF, and sellers widely distrust the readings. Moisture is sometimes driven off over hot coals before sale. Low-grade ore is discounted for trucking cost (Fair Cobalt Alliance; Calvão et al., 2021).

- Sellers are often paid for copper **or** cobalt, not both, while the buyer captures both.
- **What this means:** sellers who bring their own independent assays and can choose between several buyers capture much more of the value.

Local pricing benchmarks (market practitioner input)

The benchmarks below come from DRC market participants. No public source confirms them, so check them against current buyer offers before relying on them.

Product sold locally	Reported price	At LME $14,600/t
Copper oxide ore to local processors	**Minimum ~30% of LME**, paid on contained copper	≥ $4,380 per tonne of contained Cu
Copper cathode, local cash sales	**~50% of LME or higher**	≥ $7,300 per tonne of Cu
Standard LME-grade cathode	**~20% discount to LME** (~80% of LME)	~$11,680 per tonne of Cu

What 30% of LME means per tonne of ore (US$ per dry tonne, before moisture, penalties and transport; my calculation):

Ore grade (Cu)	LME $11,000	LME $13,000	LME $14,600
1.0%	$33	$39	$44
1.5%	$50	$58	$66
2.0%	$66	$78	$88
3.0%	$99	$117	$131

What this means for investors.

- **Grade is everything.** At 30% of LME, 3% ore earns three times as much per tonne as 1% ore, while mining and trucking cost the same per tonne. Low-grade ore (around 1%) earns about $33–44/t, so it only works where extraction and haulage are very cheap.
- **The processor keeps the rest.** At a 30% payable, the processor retains about 70% of the metal value to cover recovery losses, acid (3–6 t per t Cu at $465–1,400/t), power, reagents and margin. Because acid has become so expensive, processors are unlikely to raise payables much, even at record copper prices.
- **Moving down the chain adds value.** Ore earns about 30% of LME, while LME-grade cathode earns about 80%. A supplier that tolls or processes its own ore into LME-grade cathode captures up to ~50 percentage points more of the LME value, less acid, power, recovery losses and toll fees. Local cash sales of cathode (~50%) sit in between and give up most of that gain, so the route to LME-grade cathode matters.

Note on cathode pricing. The two cathode prices apply to different markets. Standard LME-grade cathode trades locally at about a 20% discount to LME. That discount reflects the DRC's logistics costs and buyers' financing and export costs; DRC cathode shipped to the US also sells at a discount to COMEX-deliverable brands (FMDRCZ, citing Reuters). Cash sales in the local market fetch much less, around 50% of LME or more, reflecting off-spec quality, no paperwork and immediate payment. Both figures come from market practitioners and are not publicly verified.

Processing capacity

Segment	Scale	Source
SX-EW cathode plants	2.79 Mt in 2025 (82% of DRC copper). The last public count (2016) was "over 20 operations" plus many small 3–20 kt/yr plants; no current count found	StoneX; SAIMM 2016
Kamoa-Kakula smelter	500 ktpa concentrate; started Dec 2025; running at ~60% of design in Q2 2026; Ivanhoe is evaluating purchases of third-party concentrate	Ivanhoe Q2 2026; Fastmarkets
Lualaba Copper Smelter (CNMC, Kolwezi)	400 kt/yr concentrate; toll-treats for Kamoa-Kakula; shut 56 days in Q2 2026	CNMC
Treatment charges	2026 benchmark $0/t; spot −$159.67/dmt on 31 Jul 2026	Mysteel

The concentrate export ban, a smelter short of feed, and negative treatment charges all mean **ore and concentrate producers now have more bargaining power than processors.** That is the reverse of the position before 2025.

The three operating constraints

1. Sulphuric acid is now the biggest cost swing for DRC copper.

- SX-EW plants use about 3–6 t of acid per tonne of copper (SMM).
- Acid has been expensive all year: Kamoa-Kakula realised $465/t in Q2 2026 and signed Q3 contracts at about $840/t, up 80% (Ivanhoe). SMM reported delivered prices as high as $1,400/t (SMM).
- The shortage has three causes: Middle East sulphur shipments were disrupted, China suspended acid exports in May 2026, and Zambia restricted exports from Sep 2025, easing only in May 2026 (Channel Africa).
- **My calculation:** acid alone costs about $1,400–8,400 per tonne of copper, depending on ore and contract. That is 10–57% of today's copper price, so **low-acid-consuming ore is worth materially more to processors.**
- SMM estimates some operations' costs are up about $3,000/t Cu versus 2024.

2. Power is short.

- The mining sector's deficit is "around 1 GW", according to the CEO of CrossBoundary Energy (Climate Home News). No official figure was found.
- Grid power travels more than 1,500 km from northern hydro stations, and diesel generation costs more than $0.80/kWh (SMM).
- Miners are responding with their own power: the DRC is installing a record ~1.7 GW of solar in 2026, and Kamoa-Kakula runs a 233 MWp solar plant with 526 MWh of batteries.

3. Logistics are slow and seasonal.

- Floods cut the Kasumbalesa road to Zambia in March 2026 (MINING.COM).
- Border queues have reached 70–100 km in the past.
- Logistics made up about 30% of Kamoa-Kakula's cash cost before Lobito (Ivanhoe, 2024).
- The November–April rainy season slows trucking on unpaved roads.

7. Country risk scorecard

The DRC's rock is world-class but its institutions are weak. Mining companies rate its geology highly and its policies near the bottom. The macro picture is improving, however: S&P turned its outlook positive in 2026, citing copper.

Indicator	Latest reading	Source
Fraser Institute Investment Attractiveness	**50th of 68** (score 57.46); Policy Perception **63rd of 68**; Zambia 25th, Botswana 7th	Fraser Survey 2025 (Feb 2026)
Corruption Perceptions Index 2025	Score **20**, rank **163 of 181**	Transparency International
S&P sovereign rating	**B–, outlook positive** (upgraded 23 Jan 2026, affirmed 24 Jul 2026); $1.25bn Eurobond issued Apr 2026; reserves $8.2bn	Investing.com
Moody's sovereign rating	**B3 stable** (affirmed Apr 2025)	Investing.com
GDP growth	5.5% in 2025; about 5.1% a year forecast for 2026–28; mining sector +10.1% in 2025	World Bank (Jun 2026)
Transparency (EITI)	"High" score of 85.5/100 at its 2022 validation; next validation begins 1 Oct 2026. Extractives were 98.9% of exports in 2021	EITI
Security	M23 rebels took Goma and Bukavu in early 2025. The Washington Accords were signed 4 Dec 2025; only 2 of 8 Doha protocols are signed; 5.3M people displaced; an Ebola outbreak since May 2026	Security Council Report (Sep 2026); Al Jazeera

How much the eastern conflict matters. The fighting is in North and South Kivu, roughly 1,100 km from the Kolwezi–Lubumbashi copperbelt. That distance is my estimate from map coordinates. The conflict has not stopped copper production, but it raises country-level risk premiums and reputational scrutiny. The indirect channels to watch are cash handling, informal payments, and courts that are slow and unpredictable in commercial disputes.

8. Ways to invest

Listed miners offer exposure to DRC copper that is easy to buy and sell. Direct routes offer higher returns but carry DRC operating risk. The company table below is for information only and is not a recommendation to buy any security. I am not a financial advisor; please take professional advice before investing.

Listed companies with major DRC copper exposure

Company	DRC copper, 2025	2026 outlook and costs	Notes
Ivanhoe Mines (TSX: IVN)	39.6% of Kamoa-Kakula (388,838 t at 100%)	290–310 kt at 100%; C1 cost $2.58–2.84/lb in H1 2026; smelter selling acid	Most leveraged to the DRC. Shares CAD 12.06 on 25 Sep 2026, 52-week range 9.45–20.34, after the guidance cuts (StockAnalysis)
CMOC (HK/Shanghai)	Group copper 741 kt, almost all DRC (TFM, KFM)	760–820 kt guidance	Largest DRC copper producer; cathode output is unaffected by the concentrate ban
Zijin Mining (HK/Shanghai)	39.6% of Kamoa-Kakula; Kolwezi 118 kt	Reports about $6bn invested in the DRC	Diversified global miner
Glencore (LSE: GLEN)	KCC and Mutanda 247.8 kt	Orion CMC stake sale MoU at ~$9bn EV; tax dispute in July 2026	DRC is a small part of a diversified group; shares +110% over 52 weeks to 4 Sep 2026 (StockAnalysis)
MMG (HK)	Kinsevere 52.8 kt cathode	65–75 kt; C1 $2.50–2.90/lb	A pure oxide SX-EW asset, with head grade of 0.99% acid-soluble copper

2026 year-to-date share-price returns for these companies could not be verified from public sources.

Other routes

Route	Capital	Return profile	Time to cash	Main risks
Supply ore to local processors (own or leased permit)	Low	High margin per tonne at current prices; paid on copper content	Weeks	Opaque buyer pricing, grade, permits, ESG, buyer concentration
Processing (SX-EW plants, toll capacity)	Medium–high	Processing spread; bargaining power has shifted toward ore suppliers	1–3 years	Acid and power costs, feed security
Inputs: acid, solar and battery power, logistics	Medium–high	Scarcity pricing, contract-backed	1–3 years	Prices normalising as new supply arrives
Trade and offtake finance	Medium	Short-term, secured on metal	Months	Counterparty and collateral risk
Western-aligned platforms (DFC, Orion CMC, Gécamines JVs)	High	Strategic premium; preferential terms under the US–DRC agreement	Years	Deal execution, politics

Recent deal flow

Date	Deal	Value
29 Jul 2026	Chemaf debt restructured; restart targeted Jan 2027 (Semafor)	$804M debt cut to ~$330M
Feb–Mar 2026	Virtus Minerals (US) and Lloyds Metals (India) buy Chemaf (MINING.COM)	Up to $30M
3 Feb 2026	Orion CMC MoU for 40% of Glencore's KCC and Mutanda	~$9bn enterprise value
5 Dec 2025	Gécamines–Mercuria trading JV (MINING.COM)	Up to $1bn of Mercuria financing; 500 kt/yr+ of cathode
Dec 2025	Lobito Atlantic Railway financial close	$753M

9. Risks and mitigations

The two biggest risks are **copper giving back part of its 2025–26 gain** and **DRC policy changing mid-investment**. Both are manageable with the right structure. Neither can be removed.

Risk	Evidence	Likelihood	Impact	Mitigation
Price pullback	Spot is above all forecasts; J.P. Morgan and Macquarie see $11,000–12,500/t in 2027; Fed hiked on 16 Sep 2026	High	High	Underwrite at $11,000/t; short-cycle or hedged exposure
US tariff decision releases stockpiles	~696 kt in COMEX; refined-copper tariff decision still pending	Medium	Medium–high	Watch the White House decision on the refined tariff
Supply recovery	Grasberg back to full rates by end-2027; Kamoa-Kakula >500 kt/yr from 2028	High (by 2028)	Medium	Favour lower-cost positions
Mining code amendment	Bill of 13 Jun 2026 expands state powers over output and stockpiles	Medium	High	Stability clauses, local counsel, staged capital
Export restrictions widen	Concentrate ban (Jun 2026), cobalt quotas	Medium	Medium	Produce cathode or sell locally; don't depend on waivers
Tax enforcement	$183M Kamoa-Kakula settlement; KCC offices sealed in July 2026	High	Medium	Clean filings, provisions, reputable advisers
Acid cost spike	$465 → $840–1,400/t; 3–6 t acid per t Cu	High	High for leach operations	Low-acid ore, long-term acid contracts
Power shortage	~1 GW deficit (industry estimate)	High	High for processors	Own solar and batteries
ESG and artisanal sourcing	Opaque local trade; Western buyers apply OECD/LME/RMI due diligence	Medium	High (loss of buyers)	Documented permits, no child labour, third-party audits
Security and governance	CPI score 20; eastern conflict; Fraser policy rank 63 of 68	Medium	Medium	Reputable partners, bank payments only, political-risk insurance
Logistics	Lobito derailment and floods in 2026; Kasumbalesa road washout	Medium	Medium	Seasonal planning, two export routes
Cobalt credit loss	Cobalt rally reversing; quota limits exports	Medium	Low–medium	Don't rely on cobalt income when valuing a project

10. Verdict and due-diligence checklist

Verdict: DRC copper is a strong investment on a 3–5 year horizon. Every major institution expects a long-term shortage. Demand is heading to about 42 Mt by 2040, while supply is held back by falling grades, long lead times and under-investment. Global mine output is falling in 2026 for the first time since 2017. The newest forecasts (Citi, UBS, Jefferies, BMI) see prices at or above today's record over the next one to six years. The DRC is where new supply is actually being added, and policy is moving bargaining power to whoever holds ore and processing capacity inside the country. The best way to capture this combines three things:

1. **Contracted, low-cost ore supply first.** A fixed purchase cost with LME-linked sales captures the price upside without depending on it. Moving on to local processing and LME-grade cathode captures more of the value.
2. **Short-payback, LME-linked structures.** Capital turns over in weeks, not years, and grows with the market.
3. **Staged scale-up.** Expand volume in steps as each cycle's cash comes back, and test every plan at $11,000/t copper so a normal price swing never threatens the business.

Before investing in any DRC copper opportunity, check:

- ☐ The project still works at $11,000/t LME and $840/t acid
- ☐ Permit is valid (PE or PEPM) and registered with CAMI, the mining registry; for artisanal material, a legal ZEA and a registered cooperative
- ☐ Independent assays from several samples: grade, acid consumption, moisture, cobalt
- ☐ At least two buyers, with written terms (payable %, penalties, payment timing, suspension rights), and check the offer against the reported benchmark (ore ≥ 30% of LME)
- ☐ Tax position confirmed under the 2018 code and the pending 2026 amendments, including the super-profits tax trigger
- ☐ Export route confirmed: cathode or local sale, with no dependence on concentrate waivers
- ☐ ESG: OECD-aligned due diligence, no child labour, documented chain of custody, third-party audit
- ☐ Power and acid supply secured for any processing investment

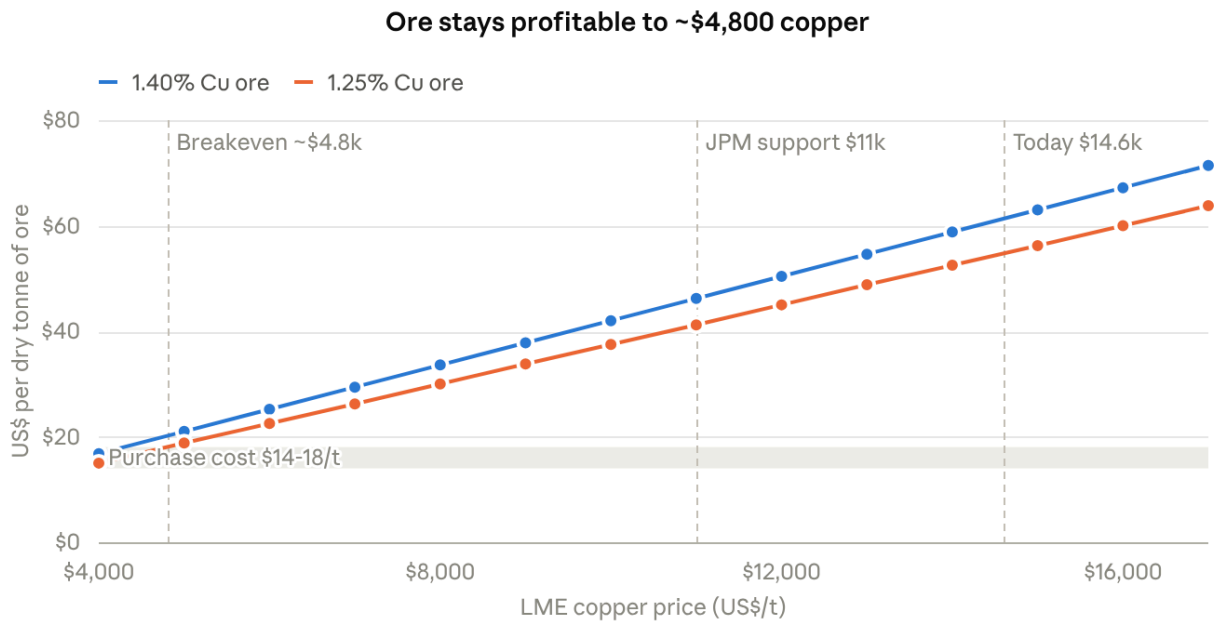
- [ ] Payments through banks only; political-risk insurance for larger commitments
- [ ] Watch in the next 6 months: US refined-copper tariff decision, Escondida strike outcome, mining code bill vote, Fed path, Grasberg restart

Case study: how Copilot Mining SAS mitigates these risks

> **Copilot Mining SAS already has in place most of the protections this report recommends.** The table below maps each main risk to the company's position, as stated by Copilot's management. An investor should ask to see the supporting documents in the last column.

#	Risk addressed	Copilot's mitigation	Evidence to request
1	Buyer and price risk	**Multiple offtake contracts, with local processors and foreign offtakers**, priced on contained copper against LME	All signed offtake contracts (local and foreign), settlement statements
2	Supply and volume risk	**Signed supply contracts** with ore suppliers, giving access to 12.7 Mt of proven oxide ore	Supplier contracts, delivery and weighbridge records for the 141+ trucks delivered, and a resource or reserve report for the 12.7 Mt (ideally to JORC or NI 43-101 standard)
3	Grade and assay disputes	**Buyer-verified assay reports** on each supplier's grade, acid consumption, moisture and cobalt content	Buyer assay certificates
4	Export and concentrate-ban risk	**Sells locally**, so it does not depend on export licences or concentrate waivers	Offtake contracts (local delivery terms)
5	Regulatory risk	**Government exemption permit**	Copy of the permit, its scope and expiry date
6	Price-downturn risk	**Low purchase cost:** $700–900 per 50 t of ore, about $14–18/t, at an average grade of 1.25–1.40% Cu	Supplier invoices, assay reports
7	Acid and power shortage	**Supplier has ample acid and power supply**	Supplier acid and power contracts
8	Cash-handling and governance risk	**All payments go through banks**	Bank statements, payment trail
9	Political and counterparty risk	**Strong relationships with the DRC and US governments**	Letters of support, MoUs, programme participation

The margin cushion: how Copilot's cost protects against a copper price drop. Copilot buys ore at a fixed $14–18/t, whatever copper does, and sells it at a payable linked to LME. So a price fall reduces the margin, but the business stays profitable until copper falls about two-thirds from today. At the reported minimum payable of 30% of LME, ore at 1.25% copper is worth $55/t today, three times its $18/t maximum cost.



Value per dry tonne of ore at a 30%-of-LME payable, against the $14-18/t purchase cost (shaded). Before moisture, trucking and fees.

My calculation: contained Cu × 30% of LME, at 1.25% and 1.40% grade; purchase cost as stated by Copilot management

Stress test: gross margin at each copper price. The figures below use the worst case, 1.25% ore bought at $18/t (my calculation, before moisture, trucking and fees):

Scenario	LME price	Change from today	Ore value per t	Margin per t	Margin %
Citi bull case	$17,000	+16%	$63.8	$45.8	72%
Today	**$14,600**	**–**	**$54.8**	**$36.8**	**67%**
World Bank 2026 forecast	$12,000	−18%	$45.0	$27.0	60%
J.P. Morgan support level	$11,000	−25%	$41.2	$23.2	56%
Macquarie long-term	$10,200	−30%	$38.2	$20.2	53%
2022 low (Jul 2022)	$7,530	−48%	$28.2	$10.2	36%
Breakeven	**~$4,800**	**−67%**	**$18.0**	**$0**	**0%**

What the stress test shows.

- **Every published forecast keeps the margin above 50%.** Even the most bearish 2027 call (J.P. Morgan, ~$11,000) leaves a 56% gross margin.
- **A repeat of the 2022 crash would still leave the business profitable.** Copper fell about 26% in four months in 2022. A drop to the July 2022 low of $7,530 would still leave roughly a 36% gross margin.
- **Copilot's breakeven is well below the industry's.** Copilot's ore becomes loss-making only near $4,800/t copper. That is below the published cash costs of major DRC producers: Kamoa-Kakula's $2.58–2.84/lb is about $5,700–6,300/t, and Kinsevere's $3.12/lb is about $6,900/t. Those figures are all-in mine cash costs while Copilot's covers purchase only, so treat this as a directional comparison.
- **Grade adds further protection.** At 1.40% ore the breakeven falls to about $3,300–4,300/t, and each point of grade is worth more at higher prices.

Once trucking, moisture losses and intermediary fees are included, the breakeven rises. The cushion stays wide, though, because these costs are fixed per load and do not rise with copper.

Scale of the supply base. Copilot has access to 12.7 Mt of proven oxide ore. At the average grade of 1.25–1.40% Cu, that contains about **159,000–178,000 t of copper** (my calculation). At the 30% minimum payable, the contained copper would be worth about **$520–590M at LME $11,000/t** and **$695–780M at today's ~$14,600/t**, before moisture, recovery and costs. At 1,250 t of ore a day (25 trucks of 50 t), the

ore base would last about 28 years. Supply is therefore unlikely to limit growth in the medium term; trucking and buyer capacity are more likely constraints.

Track record: supply proven in practice. Copilot has already delivered **more than 141 truckloads averaging about 45 t each, roughly 6,300+ t of ore**. The ore is therefore physically available and moving to buyers, not only a figure on paper. The next step is scale: 141 trucks is about six days' output at the 25-trucks-a-day target, and about 0.05% of the 12.7 Mt base. The track record proves the ore is available. Sustained daily volume still has to be demonstrated.

Several offtakers reduce buyer risk. With multiple local and foreign offtakers, Copilot can switch buyers if one suspends purchases or disputes an assay, and can compare payables. Foreign offtakes should be structured to fit the June 2026 export rules. Confirm the product and export route for each, for example cathode or processed material rather than concentrate.

Risks that remain. Contracts do not remove these; they need ongoing management:

- **Buyer concentration.** This risk is reduced by having several offtakers, but each contract's suspension and assay-dispute clauses still need to be tracked.
- **Policy change.** The 2026 mining code bill could change the terms of exemption permits.
- **Supplier volume at scale.** More than 141 trucks (~6,300 t) have been delivered, which proves the ore is available. Sustained volume at 25 trucks a day, including through the November–April rains, is still to be shown.
- **Copper price.** A price fall still reduces margin, even though the business does not become loss-making.

Sources and data notes

Research completed 27 Sep 2026 from public sources only. Every source listed was opened and read, unless noted.

Institutions and official data

- ICSG — Copper Bulletin Table 1 (Sep 2026) · World Copper Factbook 2025
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- World Bank — Commodity Markets Outlook, Apr 2026 forecasts · Metal prices blog (Jun 2026) · DRC overview
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Prices and banks

- Westmetall — LME copper monthly averages · Trading Economics
- J.P. Morgan copper outlook · Goldman Sachs (Dec 2025) · Goldman Sachs (Jan 2026) · Macquarie · BMI · Goldman/Citi · BofA
- ING on the tariff exemption · Sprott · Benchmark (Jan 2026) · StoneX

Bull-case sources added 27 Sep 2026

- Citi and Morgan Stanley via MINING.COM (9 Sep) · Morgan Stanley (8 Sep) · Jefferies · UBS via The Bull · Cochilco · Mercuria · Friedland · Big Tech capex · IMF via Ecofin · Lobito concession · GlobalData DRC forecast
- Searched but not found: bank upgrades after 1 Aug 2026 other than Citi and Morgan Stanley; 2026 price views from Trafigura, Gunvor or Vitol; a DRC government 2030 copper target; confirmation that copper is in the US "Project Vault" stockpile.

Companies

- Ivanhoe Mines Q2 2026 · Ivanhoe on the export ban · Freeport on Grasberg · Glencore H1 2026 · Glencore–Orion · CMOC · Zijin 2025 results · MMG · Mercuria–Gécamines

News and trade press, as cited inline: MINING.COM, Mining Weekly, Reuters, Semafor, StoneX, Mysteel, SMM, Fastmarkets, Metalnomist, Climate Home News, Oregon Group, Bloomberg, Kiplinger, Al Jazeera, Crux Investor.

Data notes

- The monthly price series is Westmetall's LME cash-settlement average. The World Bank's own monthly file could not be downloaded. The annual averages match World Bank figures within about $8/t.
- ICSG's April 2026 forecast figures come from trade-press summaries (Metalnomist, IndexBox), because the primary PDF could not be opened. The ICSG actuals are primary.
- Citi and UBS figures come from press summaries; no primary notes are public.
- Not publicly available: local ore payable percentages (Section 6 now includes practitioner benchmarks of ≥30% of LME for ore and ~50%+ for local cash sales of cathode and ~80% (LME −20%) for LME-grade cathode, which are not publicly verified), a current count of SX-EW plants, toll-treatment terms, artisanal share of copper (as opposed to cobalt), and the current status of the mining code bill.
- Conflicts between sources are flagged where they appear, for example DRC 2025 export data and some aggregator records.
- Unit conversion: $1/lb = $2,204.6/t. This report is research, not financial or legal advice.