

Mali

Country Mining Outlook

Country Risk Rating **7**

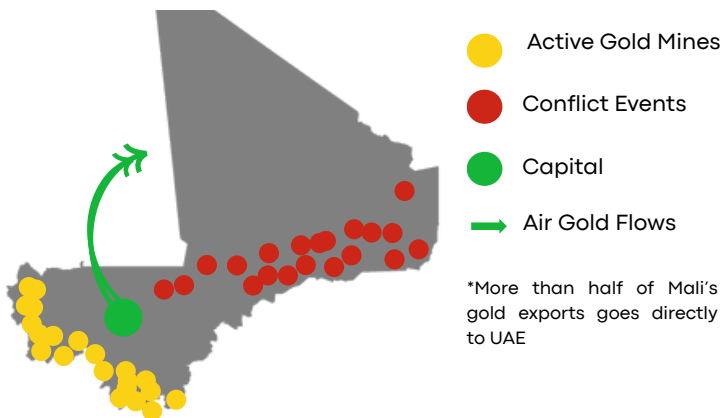


Mining Outlook In Mali

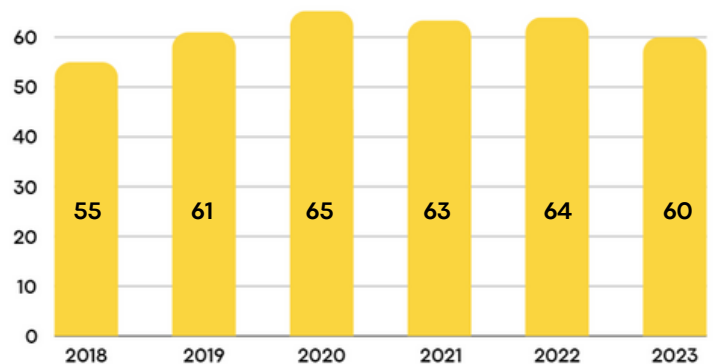
- Population: 22.6 million
- GDP Growth % 2023 (World Bank data): 3.7%
- Political stability and absence of violence/Terrorism Percentile Rank (0-100): 2.4

- Contribution of mining to GDP % 2023: 9 %.
- Ease of doing business (World Bank data): 148
- Main commodities mined: Gold, Iron Ore

Mining areas and most active conflict zones

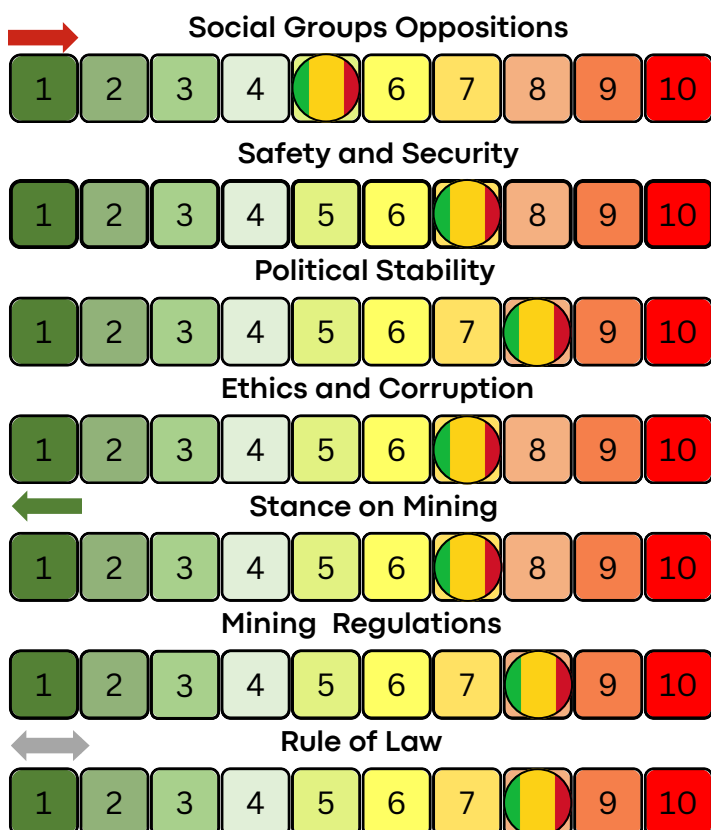


Industrial gold production in Mali (Metric Tons)



Source: USGS (2024)

Risk Valuation (Categories) from 1 to 10¹



Our country risk rating for Mali is high, scoring an average of **7/10**. This means disruption to operators or investors' interests in the country in the near term is likely.

The terrorism and security risk in Mali ranks amongst the highest in West Africa. While insecurity driven by jihadist groups and rebels is primarily located in the North of Mali, there have been sporadic cases of violent attacks against mining companies' employees near the capital, Bamako.

In 2023, Mali introduced a new Mining Code that significantly increases State and private Malian stakes in new mining projects. The new regulations grant the Government a mandatory 10% share in mining ventures, with the option to purchase an additional 20% within the first two years of commercial production. Up to 5% of the project's equity can be allocated to local entities, potentially raising the combined State and private Malian interests in new projects to 35%, compared to the current cap of 20%. The new Code also eliminates certain tax exemptions.

1. The risk assessment scale is based on Embellie Advisory's proprietary methodology.

Mali

Country Mining Outlook

Country Risk Rating **7**



Making gold shine for Malians

With 73 tonnes produced in 2023, gold dominates the natural resources sector of the West African country, home to Barrick Gold, B2Gold, and Resolute Mining. Industrial majors represented around 90% of gold production, while artisanal and small-scale mining account for over 6 tonnes of gold production, showcasing the importance of ASM for the country's economy. Recently, the junta – which has been at the head of the country since a coup in 2021 – reinforced a nationalistic approach to resource management. The road to economic reconquest through the country's gold panning segment will however be thorny, due to illegal exploitation, environmental deterioration, child labor, and the failure to register gold miners.

Junta tightening grip over mining

In August 2023, Mali adopted a new mining code enabling the state to take a stake of up to 35% in new projects (compared with 20% now), thus increasing revenues from mining activity. The reform of the mining code should bring in at least 500 billion CFA francs (€762 million) to the annual state budget, declared Economy Minister Alousséni Sanou. The aim is to increase the mining industry's contribution to 15 or 20% of GDP, at the risk of deterring foreign mining firms and investors potentially interested in Mali's gold mining scene.

Untapped potential

Beyond its significant gold reserves, Mali possesses vast mineral potential, as much of the country still largely unexplored. The Ministry of Mines estimates that Mali holds 800 tons of gold deposits, two million tons of iron ore, five thousand tons of uranium, 20 million tons of manganese, four million tons of lithium, and ten million tons of limestone. Recent legislation on local content offers opportunities for foreign operators ensuring more streamlined and provide clearer guidelines on local partnerships and potential returns.

Putting security concerns into perspective

Despite frequent headlines, insecurity in Mali is primarily concentrated in the northern regions. While jihadist and extremist groups have increased violent attacks there since 2021, most mining activities take place in the south at the borders with Cote d'Ivoire, Senegal, and Guinea, areas which have suffered minimal disruption. Meanwhile, the ruling military junta has cultivated closer ties with Russia, including the involvement of the Wagner Group, a private military company. This relationship has raised concerns among international observers about the influence of foreign mercenaries in Mali's security and political landscape.

Opportunities in Mali's mining sector

In recent months, the current economic, security, and political climate in Mali has caused exploration companies to curtail or suspend their operations in Mali. But majors like Barrick have reaffirmed their commitment to invest in the West African country, bolstered by the "high-risk high-reward" brownfield and greenfield exploration the Malian soil offers. Projects like Toubani Resources' Kobada are also set to increase the country's gold output in the coming years, while highly prospective projects like Hummingbird's Syama are yet to receive extensive exploration efforts.

Contact Details

If your organization is interested in investing in Mali, or want to have a deeper understanding about our risk valuation and how this can affect your investments in West Africa, please get in touch with our West Africa Director: alex.stonor@embellieadvisory.me.



Visit our Website: <https://embellieadvisory.me/>