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## Policy clarity will decide whether Africa benefits from the minerals boom

**Africa holds the minerals the world needs, but turning geological strength into investable certainty requires stability, clarity, and long-term partnership, writes Nedbank Corporate and Investment Banking (CIB).**

The value beneath Africa's soil has never been in doubt. What increasingly matters is the environment above the surface, where regulation, expectations, and geopolitics influence investment decisions as much as ore grades or resource sizes. As the global race for critical minerals accelerates, the ability to balance opportunity with certainty will determine whether this moment becomes one of shared prosperity or another chance that slips away.

**Africa's role in global mineral supply chains has shifted from a long-recognised geological advantage to something far more strategic, drawing the attention of major economies and long-term investors.**

Countries competing for minerals essential to renewable energy, defence systems, and advanced manufacturing now weigh origin, security, and accessibility as critical variables. This shift is changing how

investors read African jurisdictions and place fresh pressure on governments to match their mineral endowments with predictability, reliability, and genuine long-term partnership. The resources are abundant; however, confidence remains the deciding factor.

**Across the continent, governments are revising mining codes to secure greater national benefit as expectations around beneficiation, local participation, and revenue sharing continue to rise.**

These shifts reflect political realities in places where communities want to see tangible development outcomes and policymakers must demonstrate progress. Uncertainty arises when new rules are not consistently interpreted or when institutions apply them differently. For investors planning projects that span decades, clarity about how regulations will withstand commodity cycles becomes essential. In this environment, jurisdictions no longer compete only on geology; the consistency of their regulatory systems increasingly sets them apart.

Predictability becomes even more important as geopolitical pressures intensify. Countries with critical minerals are asserting greater control over their resources, while global supply chains are fragmenting due to tariffs, export controls, bilateral agreements, and strategic stockpiling. These forces add complexity for mining companies

already operating in challenging environments on timelines that outlast most political cycles. Resource nationalism forms part of this context, particularly in regions where governments seek a larger share of economic value. When policy shifts are abrupt, disputes and arbitration become more likely, as recent conflicts between West African governments and operators illustrate.

**In this environment, investment agreements carry significant weight because they shape the foundation for long-term decision-making.**

Host countries seek reliable returns that reflect the value of their mineral wealth, while investors require frameworks that can withstand political transitions. Agreement length helps; however, credibility is the true differentiator. A shorter agreement, anchored in trust, can provide more certainty than a longer one, which may be perceived as vulnerable to renegotiation. Mechanisms such as sliding royalties tied to commodity prices help align interests by allowing governments to benefit from strong markets while giving miners relief when prices weaken.

Even strong agreements cannot anticipate every scenario, particularly in regions where infrastructure constraints, political shifts, and commodity volatility intersect. Mining companies plan on long horizons, yet external conditions can change

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quickly in ways that contracts cannot fully capture. Sponsors who maintain constructive relationships with governments and communities are better positioned to manage these shifts and preserve continuity. Nedbank CIB places considerable emphasis on sponsor capability, with strong management teams consistently demonstrating the ability to manage complexity, maintain trust, and navigate uncertainty. Ultimately, leadership strength often determines whether a project can withstand periods of pressure.

### **Reputation also influences investment appetite, particularly as demand for critical minerals increases.**

Global perceptions of African mining often lag current operational realities, where modern projects prioritise safety, environmental stewardship, and community partnerships. Since perception influences risk premiums, countries that communicate a clear, current picture of their mining environments stand to benefit. Investors increasingly weigh a destination's perceived stability and responsibility alongside its geological appeal.

Africa's opportunity is significant but delicate, and geological abundance only drives development when it becomes a bankable investment. Achieving that requires coordinated progress from investors and governments. Investors, especially those new to African jurisdictions, must understand the governance expectations embedded in modern mining agreements. Governments, in turn, must reinforce clarity, ensure consistent regulatory application and balance evolving policy priorities with the stability needed for long-term projects. Expectations surrounding beneficiation and community participation have shifted globally, and investors now see these themes as components of responsible mining rather than obstacles.

Several jurisdictions are already demonstrating how this balance can be achieved. Mining codes are being updated with clearer guidance, sponsors are adjusting strategies to align with evolving expectations, and lenders are developing more nuanced approaches to country risk.

### **These trends indicate an environment that is gradually becoming more investable despite persistent challenges.**

Global demand for Africa's minerals continues to rise, and the continent has an opportunity to redefine its role in the world's industrial future. This potential will be realised if clarity, trust and competitiveness converge.

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**The 2026 edition of Mining Indaba, Africa's premier mining investment conference, takes place in Cape Town from 9 to 12 February 2026.**

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