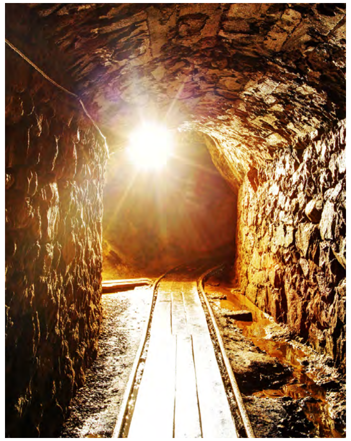
Deloitte.

Playbook for mining investment in Africa

Disciplined execution in a volatile world

May 2026

Contents



The winners in the race for Africa's critical minerals will be those who execute with discipline and build certainty where others see risk.

Introduction

Africa is emerging as the world's most strategically important frontier for critical minerals – an arena where geology, global demand and complex geopolitics collide to reshape the future of energy systems and industrial supply chains.

With global consumption of critical minerals expected to double by 2040, and lithium demand alone projected to increase eight-fold, the continent's vast mineral endowment is no longer simply a regional opportunity; it is becoming a structural pillar of the global energy transition. Africa's proven geology, from copper and cobalt belts to fast-growing lithium districts, positions it at the centre of efforts to build resilient, diversified, and sustainable value chains for a net-zero world.

But in this rapidly accelerating race, access to high-grade deposits is only the beginning. The real differentiator lies in the ability to navigate uncertainty with discipline and strategic foresight. The winners will be those who are able to convert volatility into advantage – by derisking early, moving decisively, and structuring investments that thrive despite regulatory shifts, infrastructure constraints, and geopolitical pressures. In environments that many still perceive as high-risk, success depends on the capability to build certainty where others see unpredictability, and to shape long-term value where competitors see short-term hurdles.

Across the continent, policy, infrastructure, and market dynamics are moving at unprecedented speed. Governments are enforcing deeper local beneficiation, tightening export controls, and shifting away from "dig-and-ship" models. Logistics corridors and energy systems – long viewed as bottlenecks – are being reframed as critical competitive differentiators, capable of making or breaking project economics. Major industry players are aligning with community expectations, adopting transparent Environmental, Social and Governance (ESG) frameworks, and traceability demands that are becoming non-negotiable for access to global capital and premium buyers. In this environment, disciplined execution, early engagement, and long-range planning are no longer optional; they are essential.

Deloitte has outlined a strategic and operational framework for how investors, operators and partners can achieve this. It sets out the principles needed to build certainty, resilience, and long-term profitability across Africa's critical minerals landscape.

Role players in Africa's mineral potential emphasise a need to move beyond traditional mining approaches and instead engineer holistic, system-wide solutions – integrating mine planning, infrastructure strategy, energy security, ESG leadership, and portfolio positioning. Our playbook underscores that success comes not just from finding the right orebody, but from designing for decades of sustained performance, embedding policy alignment from the outset, and forging the partnerships that enable scale and accelerate time to cash flow.

Taken together, these insights position Africa not simply as a destination for resource extraction, but as a strategic stage where disciplined actors can build competitive advantage for decades to come. The opportunity is immense, but the pathway requires precision: the ability to execute, adapt, and invest with a level of strategic clarity that matches the scale of the moment.

"Executing with discipline and building certainty where others see risk is the key differentiator"

Daniel Bodewig
Partner – Deloitte Corporate Finance

Copper is the choke point and Africa's Copperbelt is the prize

Africa is the playing field

Africa is this decade's critical minerals frontier where geology, demand and geopolitics converge. Global demand for critical minerals is on an unprecedented growth trajectory with estimates suggesting that lithium demand for the basket will double by 2040[1] (with lithium demand growing eight-fold). With its well-known geology and abundant mineral resources, unlocking Africa's potential will rank highly towards meeting this demand.

Buying time to cashflow

Most investors do not have the luxury of patient capital, early production and in-country tenure to secure physical access to metals as a strategic priority. Cashflow collapses uncertainty into measurable reality. With new mines taking ~18 years from discovery to first production.[2] Smart investors buy time and skip early risk by either targeting brownfields assets (with permits, grid and water rights and community agreements, and that are supported by a comprehensive multi-decade risk plan from day one) or targeting greenfields projects which are technically sound and well advanced.

Copper is the choke point and Africa's Copperbelt is the prize

Every major agency now forecasts copper demand rising 30% by 2040 while mine supply peaks around 2030[1] – creating a structural deficit of up to 30% by mid-2030. The United Nations Conference on Trade and Development suggests that 80 new mines will need to be built at a cost of USD250bn.[3] Zambia and the Democratic Republic of the Congo (DRC) offer high grades, scale, and expansion options but require extensive capex, corridor access and accelerated approvals. China's MMG Limited's USD1.9bn rival-beating acquisition of Khoemacau (Botswana)[4] shows where the races are being run and further positions China as a dominant player in Africa following its major M&A activities in the DRC during the decade to 2020.

Africa plays host to several top tier ore deposits or districts. Investment in exploration of these established fields could result in top supply sources worldwide for other minerals such as manganese, lithium, rare earths and uranium.

"Copper is the choke point and Africa's Copperbelt is the prize"

Daniel Bodewig

Partner – Deloitte Corporate Finance

Copper is the choke point and Africa's Copperbelt is the prize

"Dig-and-ship" is truly over

Zimbabwe (through lithium ore and concentrate export bans) and Namibia (through limiting of unprocessed exports) along with several other countries, are leading the way in using policy to force domestic value add. Bikita Minerals (Sinomine) and Prospect Lithium (Huayou Cobalt) are heeding the message and constructing lithium sulphate plants to comply with Zimbabwe's 2027 requirement.[5] SX/EW process and smelting or precursor steps are quickly becoming part of a license to operate which has played out in the DRC for some time and was most recently showcased by Kamoa's commissioning of a 500ktpa copper smelter in late 2025.[6]

Vertical integration of supply and co-location of beneficiation projects in Africa can yield strategic benefits, and these projects should be specifically designed for appropriate scale and commercial sense.

Policy moves markets overnight

The astute understand that risks such as resource nationalism, export controls, and windfall taxes are first-order and central to shaping investment, trade and economic performance. Risk management strategies must include deploying stabilisation clauses, change in law buffers, flexible offtake, planning dual-path logistics and aligning visible local value add to host country industrial policy from day one. Overall, maintaining a driving force for social governance, capacity building and a lengthy presence in-country is key.

Margins ride rail and fall off trucks

Margins, a function of logistics, ride rail or fall off a truck. Transport costs can account for anything between 15%–30% of operational expenses for inland mines.[7] The Lobito Corridor has been a game-changer, slashing transport times from the DRC by around 7-10 times and logistics costs by an estimated 30%-40%; as well as unlocking scale and previously uneconomic Copperbelt deposits.[7] Success means locking Service Level Agreements (SLAs) (capacity and service delivery) and slots with operators, co-investing in rolling stock and designing redundancy and achieving scale to mitigate the volatility in costs around transport options.

Copper is the choke point and Africa's Copperbelt is the prize

Energy and water before everything

Mining and processing sites need significant reliable baseload power; and requirements increase with the addition of downstream processing. Without upfront de-risking of power supply through hybrid Power Purchase Agreements (PPAs) – including wind, grid, solar, Battery Energy Storage Systems (BESS) and diesel or gas back-up – and without robust modelling and planning for water stress or supply redundancy, no mining project will be bankable. First Quantum (Kansanshi and Sentinel)[8], CMOC Group[8], Richards Bay Minerals[9] and Northam Platinum[8] have collectively announced over 1,000 MW of renewables power projects to secure their power needs.

ESG is not only in the brochure, it is operational, auditable, and, now, monetisable

OEMs and traders' demands for traceable minerals, inclusion of artisanal and small-scale mining, community consent, and third-party certification will continue to grow. Leading organisations align their procurement with rigorous international standards including OECD Due Diligence Guidance and the Responsible Minerals Initiative.[10] The Copper Mark now has over 50 partner companies and over 100 sites globally.[11] Demand from downstream buyers has seen the Copper Mark expanding into zinc, nickel and molybdenum Marks. Projects that meet the customer's demands win cheaper capital, premium off takers and hold a long-term durable social licence.

Poor execution makes top tier geology redundant

Winners engineer the whole system, combining high grades, early beneficiation, corridor access, hybrid power, government alignment, ESG certification, and a planned multi-decade operating life. Deploying AI enabled exploration, modern mine planning, and real time ops analytics is critical to de-risk exploration, maximise geological potential, and improve cost and ESG performance.

Portfolio, M&A and alliances as strategy

Winners don't just build a mine; they build a portfolio, lock in strategic partners, and use M&A or JVs to control more of the value chain and reduce risk. They build scale and certainty by using M&A and JVs to consolidate processing, securing offtake-backed financing, anchoring midstream capacity, and partnering with OEMs and traders to underwrite capex and de-risk ramp up.

"Winners use M&A to control more of the value chain and reduce risk"

Daniel Bodewig
Partner – Deloitte Corporate Finance

Endnotes

1 IEA (2025), *Global Critical Minerals Outlook 2025 – Key Minerals*. Available at: https://iea.blob.core.windows.net/assets/ef5e9b70-3374-4caa-ba9d-19c72253bfc4/GlobalCriticalMineralsOutlook2025.pdf, Accessed 28 January 2026.

2 S&P Global, *United States Ranks Next to Last in Development Time for New Mines that Produce Critical Minerals for Energy Transition, S&P Global Finds* https://press.spglobal.com/2024-07-18-United-States-Ranks-Next-to-Last-in-Development-Time-for-New-Mines-that-Produce-Critical-Minerals-for-Energy-Transition,-S-P-Global-Finds, Accessed 28 January 2026. Gunasekara O. (2024) *New Mine Average Lead Time Grows to 18 years.* Impossible Metals 30 April. Available at: https://impossiblemetals.com/blog/new-mine-average-lead-time-grows-41, Accessed 28 January 2026

3 UNCTAD (2025) *Global Trade Update: Critical Minerals – Copper in the New Green and Digital Economy. United Nations Conference on Trade and Development.* Available at: https://unctad.org/publication/global-trade-update-may-2025-critical-minerals-copper, Accessed 26 January 2026.

4 Reuters (2023), *China's MMG Seals $1.9bilion deal to buy Khoemacau copper mine in Botswana*. Available at: https://www.mining.com/web/mmg-to-buy-khoemacau-copper-mine-in-botswana, Accessed 26 January 2026.

5 Banya, N. (2025) *Zimbabwe to ban export of lithium concentrates from 2027.* Reuters/Mining.com, 10 June. Available at: https://www.mining.com/web/zimbabwe-to-ban-export-of-lithium-concentrates-from-2027, Accessed 27 January 2026.

6 Kamoa Copper (2025) *Kamoa Copper Smelter: Africa's largest copper smelter with a production capacity of 500,000 tonnes per annum of 99.7%-pure copper anodes.* Available at: https://www.kamoacopper.com/en/kamoa-copper-smelter-africas-largest-copper-smelter-with-a-production-capacity-of-500000-tonnes-of-per-annum-of-99-7-pure-copper-anodes, Accessed 21 January 2026.

7 Zadeh, J. (2025) *Lobito Corridor: Transforming African Mining Logistics and Supply Chains.* Discovery Alert. Available at: https://discoveryalert.com.au/lobito-corridor-2025-transforming-mineral-exports-central-africa, Accessed 30 January 2026.

8 African Mining Week (2025) *Top Renewable Energy Projects Powering African Mining.* Available at: https://african-miningweek.com/news/top-renewable-energy-projects-powering-african-mining, Accessed 27 January 2026.

9 Rio Tinto (2025) *Richards Bay Minerals signs PPA agreement with Red Rocket South Africa.* Available at: https://www.riotinto.com/en/news/releases/2025/richards-bay-minerals-signs-ppa-agreement-with-red-rocket-south-africa, Accessed 24 January 2026.

10 OECD (2022) *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 3rd edition.* OECD Publishing. Available at: https://www.oecd.org/en/topics/sub-issues/due-diligence-guidance-for-responsible-business-conduct/responsible-mineral-supply-chains.html, Accessed 22 January 2026.

11 Copper Mark (2024) *Partners – The Copper Mark.* Available at: https://coppermark.org/participants-home/partners/, Accessed 28 January 2026).

Contacts

Louis Kruger
Africa Energy, Resources & Industrials Leader
Deloitte Africa
lokruger@deloitte.co.za

Daniel Bodewig
Partner – Corporate Finance
Deloitte Africa
dbodewig@deloitte.co.za

Stewart Nupen
Technical Mining Advisory
Deloitte Africa
snupen@deloitte.co.za

Julia McFarlane
Technical Mining Advisory
Deloitte Africa
jpeacocke@deloitte.co.za

Deloitte.

Designed and produced by Creative Services at Deloitte, Johannesburg. (chr)

MAKING AN IMPACT THAT MATTERS *since* 1845