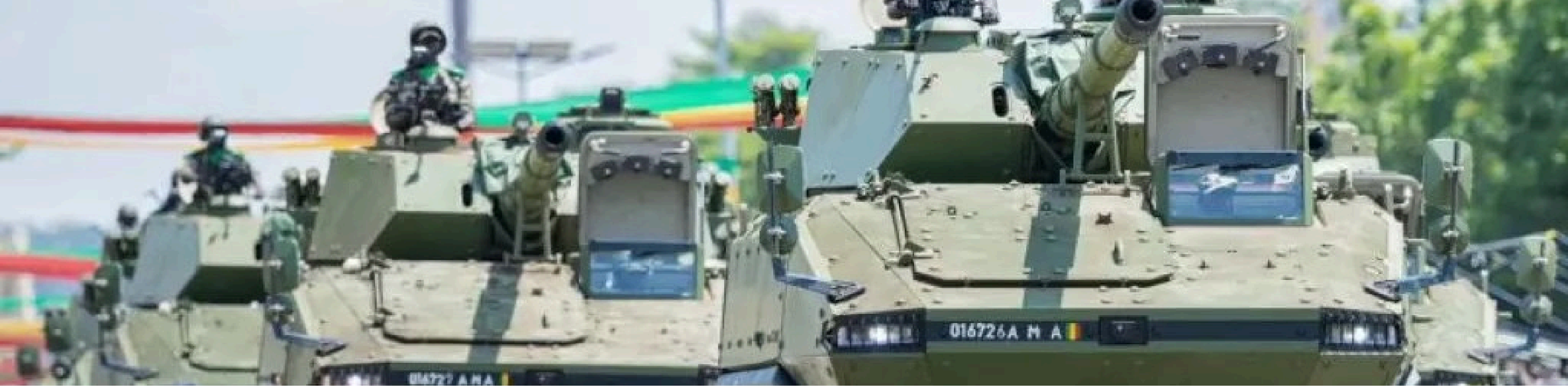
MALI SECURITY BRIEF 2025

Territorial Consolidation and Business Continuity Assessment

Prepared for: Investment Decision-Makers

Date: November 2025

Classification: Confidential



Executive Summary

Bottom Line: Mali's security environment has undergone a structural transformation since November 2023, creating conditions for sustained business operations.

Three Critical Facts:

Territorial Control Restored

Government forces control 100% of regional capitals for the first time since 2012, following the November 2023 recapture of Kidal

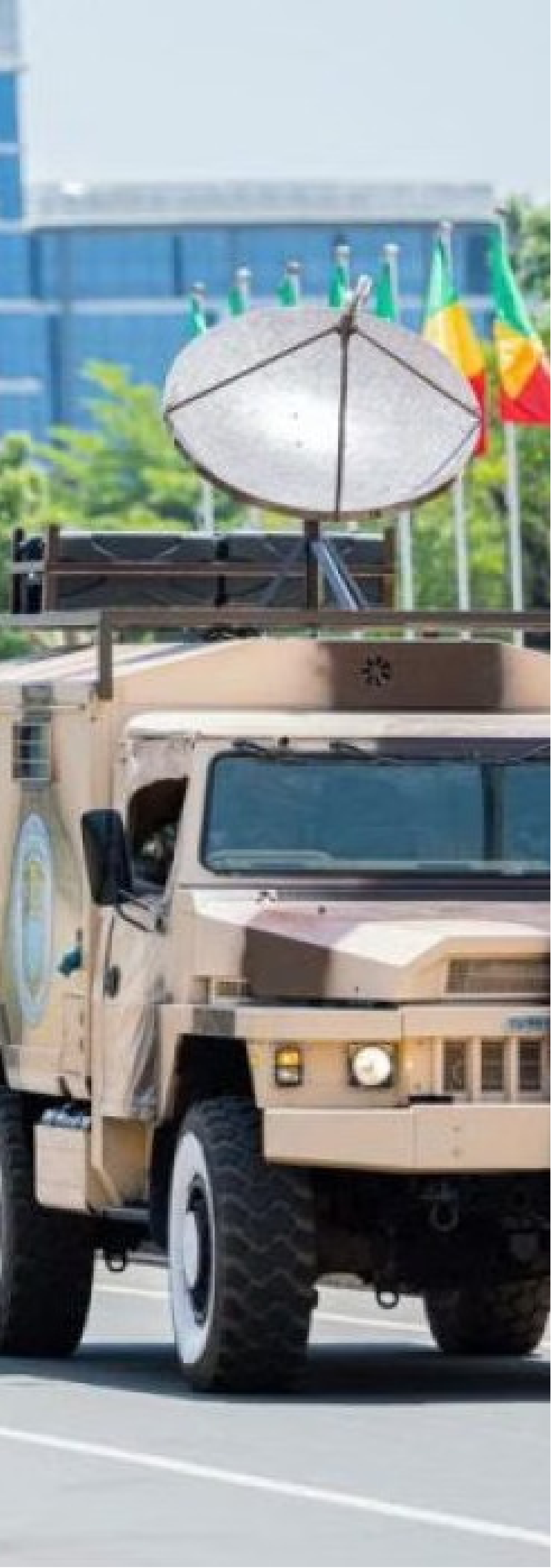
Military Capability Enhanced

Comprehensive modernization through new partnerships has transformed defensive forces into capability for offensive operations and territorial holding

Operational Evidence

Major international operators (B2Gold, Allied Gold, Resolute Mining) are expanding operations, not withdrawing capital. Seven new mining agreements signed under the 2023 Mining Code in 2025

Investment Implication: The perception gap between international headlines and on-ground reality creates opportunity for operators who understand the transformed security architecture.



Security Timeline

2012-2022: Fragmentation Period

1

- **2012:** Kidal falls outside government control
- **2012-2020:** Limited state monopoly on force in northern regions
- **2013-2022:** Operation Barkhane (French-led counterinsurgency) achieves limited territorial gains

2

2023: Strategic Realignment

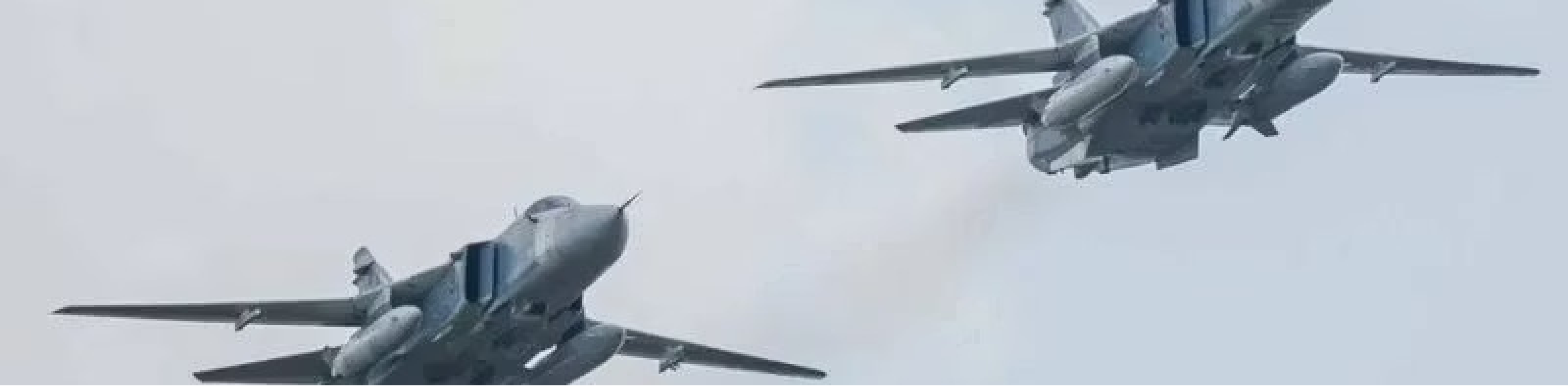
- **2022-2023:** Diplomatic break with France, end of Operation Barkhane
- **August 2023:** New Mining Code adopted, establishing transparent framework
- **September 2023:** Alliance of Sahel States (AES) formed with Burkina Faso and Niger
- **November 2023:** KIDAL RECAPTURED by Malian Armed Forces (FAMa)

2024-2025: Consolidation Phase

3

- **2024:** 52.5% increase in state mining revenues demonstrates fiscal effectiveness
- **2025:** Seven new mining agreements signed
- **Q4 2025:** Lithium exports commence, establishing Mali in global battery supply chain
- **2025:** 5.0% GDP growth projected

Key Metric: First time in nearly a decade that government exercises administrative authority over all regional capitals.



Military Modernization – Capability Transformation

Strategic Independence (2022-2023)

Mali ended reliance on Operation Barkhane to pursue security strategy aligned with sovereign priorities. This controversial but strategically coherent decision enabled subsequent gains.

New Defense Partnerships

Primary Partners:

- Russian Federation (equipment and tactical training)
- China (equipment, training, strategic partnership)

Acquired Conventional Capabilities

- **T-72 main battle tanks:** Heavy armor for offensive operations
- **BTR armored personnel carriers:** Troop mobility and protection
- **Advanced ISR drones:** Intelligence, surveillance, reconnaissance capability
- **Modern small arms and ammunition:** Infantry modernization
- **Tactical training:** Command-and-control improvements

Operational Impact

Transformation from defensive posture to force capable of offensive operations to retake and hold territory. The Kidal operation demonstrated integrated capabilities across armor, infantry, and intelligence assets.

Territorial Control & Economic Impact

Administrative Sovereignty Restored

Geographic Control:

- All regional capitals under government administration
- Commercial routes reopened in previously contested areas
- Administrative services resume in northern regions

Population Movement:

- Significant numbers of internally displaced persons returning to areas of origin
- Markets and trade routes reopening in northern regions

Direct Economic Benefits

1. **Transport Corridors:** Commercial routes previously too dangerous for civilian traffic now operational
2. **Mining Sector Access:** Exploration and development activities expanding into previously insecure areas
3. **Agricultural Production:** Farmers in contested areas returning to cultivation
4. **Infrastructure Security:** Critical assets (mines, transport hubs, administrative centers) protected

Operator Evidence

B2Gold

Approved for underground expansion at Fekola mine

Allied Gold

Implementing multi-phase expansion at Sadiola

Resolute Mining

Maintains full-year production guidance

Key Takeaway: International operators with on-ground presence are investing in expansion, signaling confidence in security durability.

Regional Security Architecture: The AES Framework

Alliance of Sahel States (September 2023)

Member Nations: Mali, Burkina Faso, Niger
Combined Market: 71 million people
Strategic Significance: Most significant geopolitical realignment in West Africa in decades

Mutual Defense Pact

Operational Coordination:

- Intelligence sharing across borders
- Joint military operations
- Coordinated border security

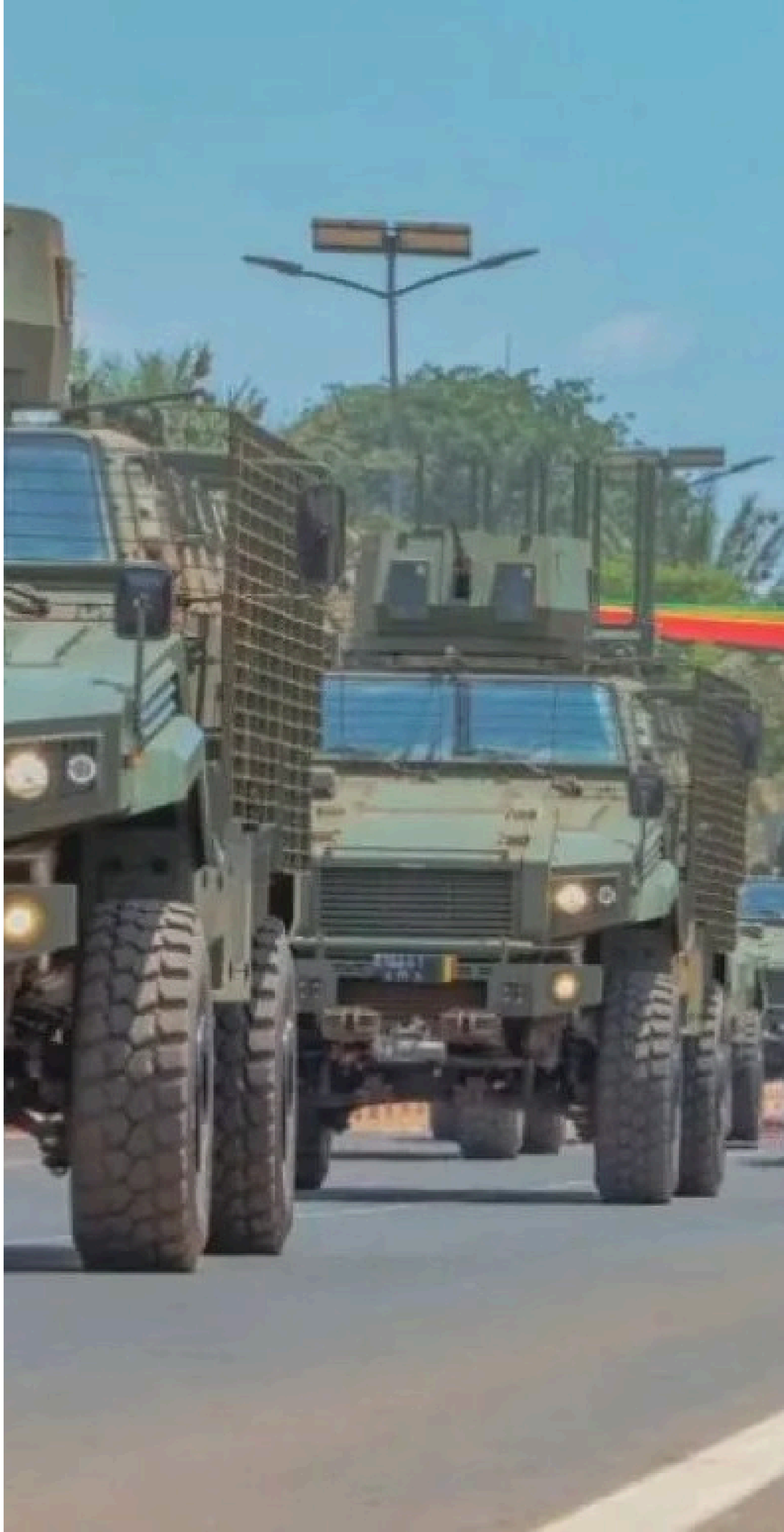
Structural Advantage: Addresses critical vulnerability of porous borders. Insurgent groups can no longer retreat across jurisdictions when facing pressure, making sustained counter-insurgency operations more effective.

Resource Integration

The AES combines:

- Two of Africa's top gold producers (Mali, Burkina Faso)
- One of the world's leading uranium producers (Niger)
- Africa's newest lithium province (Mali)

Investment Implication: Mali operates within an integrated security and economic framework, not in isolation. Regional coordination provides security depth beyond national capabilities alone.



Residual Risk Assessment

Appraisal of Remaining Challenges

Localized Insurgent Activity:

- Non-state armed groups remain active in border regions
- Jihadist factions (IS-Sahel Province, JNIM) continue operations in remote areas
- Attacks on transport corridors
- Targeted infrastructure attacks (telecommunications, power lines) in contested zones

Geographic Pattern: Border regions with Niger, Burkina Faso, and Mauritania see continued insurgent presence. These are typically remote areas distant from major mining operations and commercial centers.

Risk Mitigation Framework

1. **Enhanced State Capacity:** Modern military capabilities provide security umbrella substantially stronger than 2012-2020 period
2. **AES Regional Coordination:** Cross-border intelligence and operations reduce insurgent mobility
3. **Site-Specific Security Protocols:** Mining operators implement layered security at operational sites
4. **Local Benefit-Sharing:** 2023 Mining Code mandates community participation, reducing grievances

Critical Assessment: Residual risks are manageable and, in several cases, actively improving. The security trend is toward continued consolidation, not reversal to 2012-2014 fragmentation.

Business Continuity Evidence

01

Regulatory Clarity

2023 Mining Code:

- 35% state participation (standardized across all operators)
- Codified fiscal terms (eliminates discretionary negotiation)
- Mandatory local content requirements
- Transparent permit allocation

Operational Record: Seven new mining agreements signed in 2025 under the revised code, demonstrating framework acceptance by international operators.

02

Fiscal Partnership

State Revenue Performance:

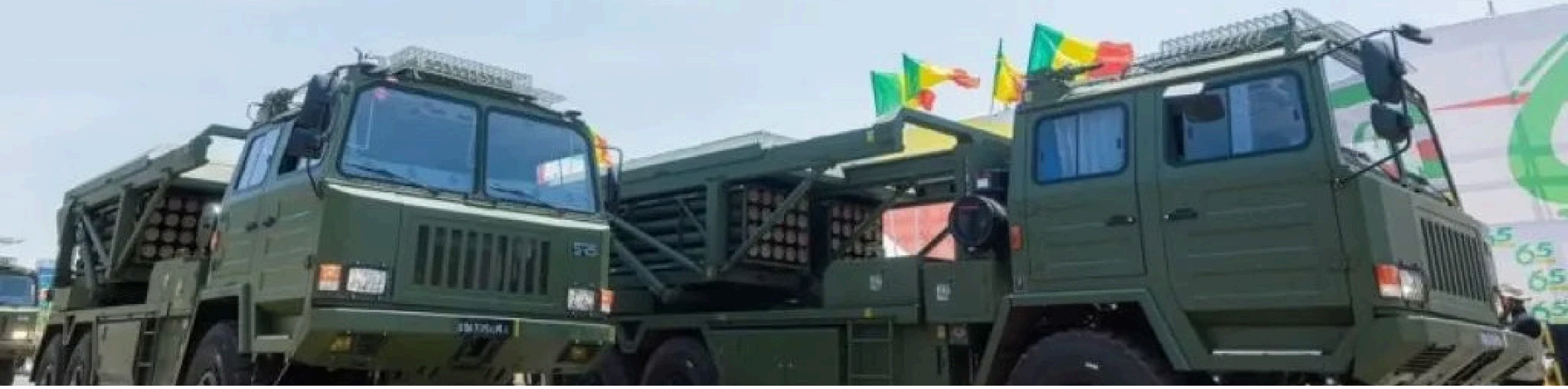
- 52.5% increase in mining revenues in 2024
- Revenue growth achieved despite declining production volumes
- Demonstrates effectiveness of new fiscal framework
- Positions government as predictable, capable sovereign partner

03

Macro-Economic Stability

- 5.0% GDP growth in 2025
- Diversification beyond gold (lithium exports commenced Q4 2025)
- WAEMU membership provides monetary stability
- World Bank and African Development Bank active engagement ($1.37B infrastructure portfolio)

Investment Implication: Combination of security gains, regulatory clarity, and fiscal strength creates foundation for multi-decade operations.



Conclusion

Security Assessment Summary

Structural Improvement

November 2023 marked genuine inflection point in territorial control and military capability

Durability Evidence

24 months post-Kidal shows sustained government presence, not temporary gains

Regional Support

AES framework provides security depth beyond national capabilities

Business as Usual

Major operators are not withdrawing. They are expanding. This operational reality contradicts prevailing international perception.

Perception vs. Reality Gap

International investors price in outdated 2021-2023 headline risk. Sophisticated operators on the ground recognize transformed environment.

Next Steps for Investment Decision

Due Diligence Recommendations:

1. Site-specific security assessment (not national-level headline analysis)
2. Direct engagement with operating companies (B2Gold, Allied Gold) on security experience
3. Review of 2023 Mining Code terms for regulatory clarity
4. Evaluation of AES coordination mechanisms and effectiveness

Time Sensitivity: As perception gap closes, risk premiums will compress. First-movers who deploy capital ahead of consensus re-rating capture disproportionate returns.

Key Metrics Summary

Security:

- 100% of regional capitals under government control (vs. ~60% in 2020-2022)
- Kidal recaptured November 2023 after 11 years outside government control

Military Capability:

- T-72 tanks, BTR APCs, advanced ISR drones acquired 2023-2024
- Russian and Chinese training partnerships established

Economic Performance:

- 5.0% GDP growth (2025 projection)
- 52.5% increase in state mining revenues (2024)
- Seven new mining agreements (2025)
- Lithium exports commenced Q4 2025

Regional Integration:

- AES formed September 2023
- 71 million person integrated market
- Mutual defense pact operational

Population Impact:

- Displaced persons returning to areas of origin
- Commercial routes reopened in northern regions
- Agricultural production resuming in previously contested areas