MALI 2025: BEYOND THE HEADLINES

AN INVESTMENT THESIS ON WEST AFRICA'S MOST MISPRICED OPPORTUNITY

Excecutive Summary

PREPARED BY:

RADCLYFEE ADVISORY

inquiries@radclyffeadvisory.com

NEW YORK, NEW YORK, USA

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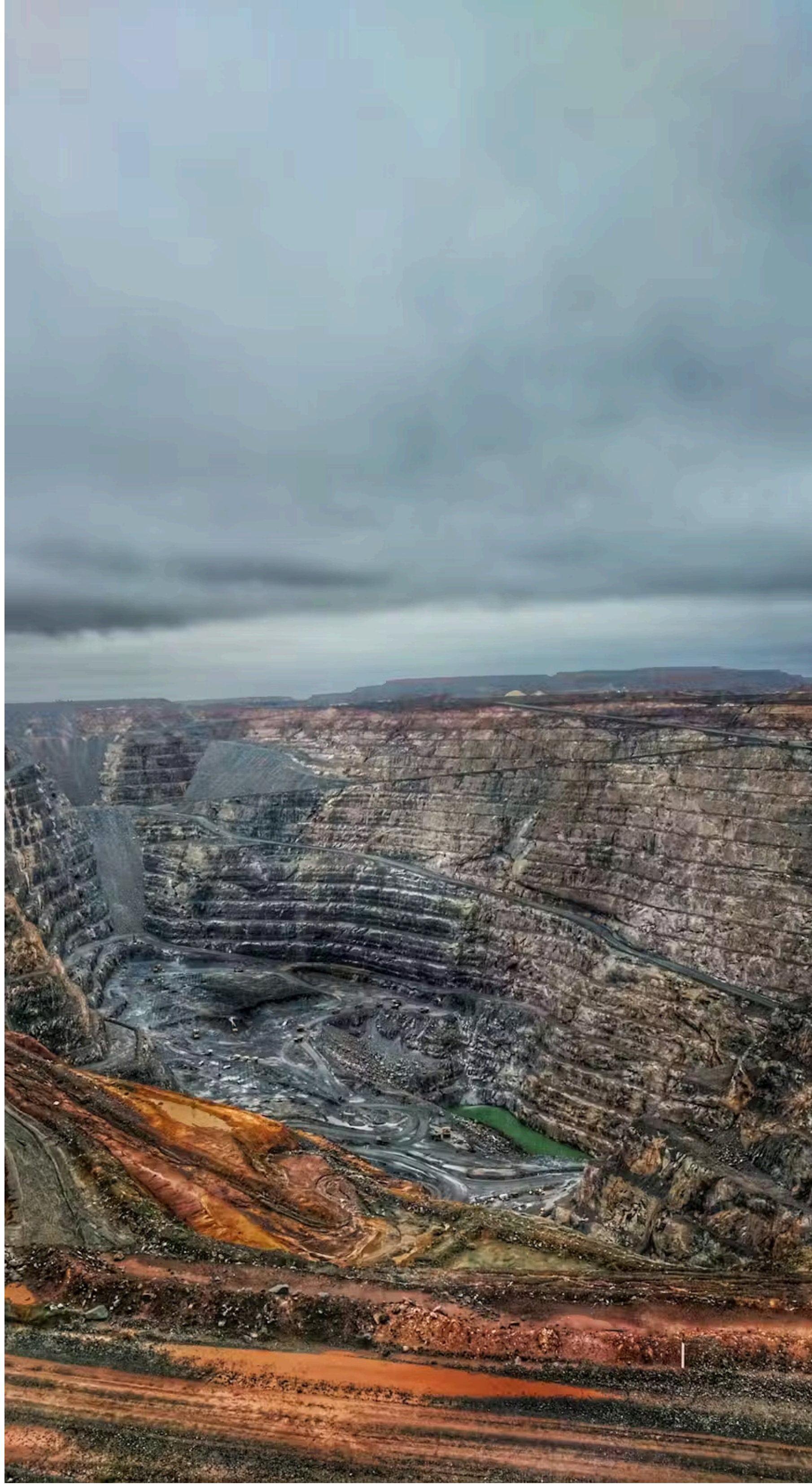

EXECUTIVE SUMMARY

Investment Recommendation: Strong Buy

Mali represents the most significant arbitrage opportunity in African frontier markets today. A 52.5% surge in state mining revenues in 2024 [43], the operational launch of two world-class lithium mines in 2025 [24, 41], and 5.0% projected GDP growth [34, 58] tell a story that contradicts the prevailing international narrative. While global markets price in outdated headline risk, sophisticated operators on the ground are expanding operations, signing new agreements, and positioning for decades of growth.

The core thesis is simple: International perception has not caught up with on-the-ground reality, creating a significant and time-sensitive mispricing.

The Arbitrage: Perception vs. Reality

What Markets Believe

International investors perceive Mali through the lens of 2021-2023 political transition, isolated contract disputes with legacy operators, and persistent security concerns [15, 49].

This perception has created significant risk premiums and deterred capital flows that would otherwise target the country's exceptional resource endowment.

What Data Shows

- **Operational continuity**: B2Gold, Allied Gold, and Resolute Mining are not withdrawing capital. They are expanding it [8, 11, 45]
- **Framework clarity**: The 2023 Mining Code replaced decades of opaque negotiation with a codified, transparent rulebook [51]
- **Fiscal strength**: State mining revenues increased 52.5% in 2024, proving the effectiveness of the new fiscal framework, cementing a long-term foundation for a stable economic environment [43]
- **Security gains:** For the first time in a decade, government forces control all regional capitals following the recapture of Kidal in November 2023 [27, 55]. Strengthened by the support of world superpowers China and Russia, Mali's military has seen significant strengthening, the
- **Diversification reality**: Lithium exports commenced Q4 2025, positioning Mali as Africa's newest critical minerals supplier [24, 41]

Four Structural Pillars Support Long-Term Growth

Pillar I: Sovereign Stability Through Codification

The government has replaced ambiguity with predictability.

The 2023 Mining Code establishes clear rules for all operators: 35% state participation, codified fiscal terms, mandatory local content requirements, and transparent permit allocation [51].

This framework eliminates discretionary negotiation and levels the playing field. Simultaneously, military modernization and the Alliance of Sahel States (AES) have restored territorial control, reopening commercial corridors and enabling the return of displaced populations [1, 26, 27].

Key Metric: Government control restored to 100% of regional capitals for first time since 2012 [27, 55]

Pillar II: Proven Economic Resilience

Major international operators are thriving. B2Gold received approval for underground expansion at Fekola [11].

Allied Gold is implementing multi-phase expansion at Sadiola [8]. Resolute Mining maintains full-year guidance despite earlier operational challenges [45].

These actions demonstrate that "business as usual" continues at scale. The broader economy reinforces this: 5.0% GDP growth in 2025, driven by agriculture, services, and the launch of lithium production [34, 58].

Key Metric: Seven new mining agreements signed under revised code in 2025 [35]

Pillar III: Structural Diversification Beyond Gold

Mali's growth engine is no longer mono-commodity. Two lithium operations are now shipping concentrate: Goulamina (506,000 tonnes annual capacity, 23+ year mine life) and Bougouni (125,000 tonnes initial capacity) [24, 40, 41].

This positions Mali within the strategic global battery supply chain at a critical inflection point. Agriculture remains robust, with Mali among Africa's largest cotton producers [48] and livestock contributing 14% of GDP [7].

Renewable energy investments, backed by $379.6 million from the African Development Bank, are reducing operational costs and improving energy security [4].

Key Metric: Africa's largest regional lithium supply growth in 2025, driven primarily by Mali [13]

Pillar IV: Demographics as Destiny

With 46% of the population under age 15 and population projected to reach 41.5 million by 2043 [36, 52], Mali possesses one of the world's most powerful demographic dividends.

The working-age population share will increase from 51% to 57.4% over the next two decades [36], providing guaranteed labor force expansion and domestic demand growth independent of commodity cycles.

Key Metric: Population growth from 25.2 million (2025) to 41.5 million (2043) [36, 52]

Strategic Context: The Alliance of Sahel States

The formation of the AES in September 2023 represents the most significant geopolitical realignment in West Africa in decades [26]. This alliance creates:

1. **An integrated market of 71 million people** with aligned economic policies and shared infrastructure goals [68]
2. **A commodities superpower** combining two of Africa's top gold producers (Mali and Burkina Faso) [39, 57], one of the world's leading uranium producers (Niger) [29], and Africa's newest lithium province (Mali) [13]
3. **Strategic partnerships with global powers** including Russia and China, diversifying supply chains and creating new trade corridors [17, 28]

The UAE has emerged as a primary trading hub, holding significant gold reserves sourced from the region [17]. This shift away from traditional colonial-era trade patterns demonstrates strategic optionality and access to capital beyond Western institutions.

Strategic Implication: Mali is not isolated. It is the economic anchor of an emerging 71-million-person economic bloc with exceptional resource endowment.

The "Why Now" Imperative

Three catalysts are converging to force market re-rating:

01

Lithium production is operational

(Q4 2025), not prospective, establishing Mali in the global energy transition supply chain [24, 41]

02

The new mining code has proven success

with major operators signing agreements and state revenues surging 52.5% [35, 43]

03

Security consolidation is measurable

with territorial control restored and displaced populations returning [1, 27]

These catalysts will progressively close the perception gap. First-movers who deploy capital ahead of consensus re-rating will capture significant alpha.

Risk Framework and Mitigation

We acknowledge residual risks and outline concrete mitigation strategies:

Risk Category	Specific Risk	Mitigation Strategy
Security	Localized insurgent activity in border regions [71]	Enhanced state capacity through military modernization [10, 21, 22]; AES regional coordination [26, 32]; site-specific security protocols; local benefit-sharing programs [51]
Political	Transitional government, uncertain electoral timeline [49, 59]	Codified legal frameworks (2023 Mining Code, 2012 Investment Code) [50, 51]; alignment with sovereign goals; multilateral engagement (IMF, World Bank) [34, 58]
Economic	Commodity price volatility, climate shocks [34, 48]	Diversification across gold, lithium, agriculture [24, 48]; renewable energy reducing input costs [4]; WAEMU membership providing monetary stability [49]
Operational	Landlocked logistics, infrastructure gaps [49, 59]	World Bank-funded corridor upgrades ($219.8M Bamako-Dakar project) [60]; AfDB infrastructure portfolio ($1.37B committed) [3]; strategic location planning

Critical Assessment: These risks are manageable and, in several cases, actively improving. The security architecture is stronger than at any point in the past decade. The legal framework provides more predictability than the previous regime of discretionary negotiation. Infrastructure investments are funded and underway.

Mali Investment Opportunity Timeline

A strategic framework for institutional investors analyzing Myanmar's economic recovery trajectory and identifying optimal market entry points based on the divergence between improving fundamentals and lagging market sentiment.

1. 2021: Political Transition

Military coup creates immediate market uncertainty. Foreign direct investment plummets 43% year-over-year. Currency volatility peaks at 28%. International sanctions imposed by Western nations.

2. 2023-2024: Reality Improves

Economic fundamentals begin stabilizing. GDP contracts only 2.1% (vs. projected 8.3%). Manufacturing sector shows resilience with 12% growth in key industries. Infrastructure projects resume operations.

3. 2025-2026: Perception Adjusts

OPTIMAL INVESTMENT WINDOW emerges as institutional sentiment lags reality by 18-24 months. Asset valuations remain 35-40% below regional comparables despite improving metrics.

4. 2027: Gap Closes

Market sentiment converges with fundamentals. Valuations normalize as international capital flows resume. Early movers capture 200-300 basis points of alpha from timing advantage.

Investment Thesis: The 18-24 month lag between fundamental improvement and sentiment adjustment creates a compelling risk-adjusted entry point for contrarian institutional capital in 2025-late 2026, before market repricing occurs.

RISK ANALYSIS & MITIGATION

Risk Category	Initial Risk Level	Residual Risk (Post-Mitigation)	Key Mitigation Strategies
Security Environment Localized insurgent activity in border regions; risk of attacks on operations or infrastructure	Medium-High	↓ Low-Medium	**1.** Enhanced state military capacity through modernization (T-72 tanks, BTR vehicles, advanced drones) **2.** AES regional security coordination enabling cross-border operations **3.** Site-specific security protocols and private security arrangements **4.** Community benefit-sharing programs building local support and intelligence networks
Political & Policy Execution Transitional government; uncertain electoral timeline; potential for policy inconsistency	Medium	↓ Medium	**1.** Codified legal frameworks (2023 Mining Code, 2012 Investment Code) providing regulatory stability **2.** Strategic alignment with government's sovereign goals (resource nationalism, diversification) **3.** Strong local partnerships with SOREM, local businesses, and communities **4.** Continued multilateral engagement (IMF, World Bank, AfDB) providing external accountability
Economic & Fiscal Commodity price dependence; climate vulnerability affecting agriculture; fiscal management challenges	Medium	↓ Low-Medium	**1.** Structural economic diversification (lithium, gold, agriculture, services) reducing single-commodity exposure **2.** Large-scale renewable energy development reducing energy costs and operational risks **3.** WAEMU membership providing CFA Franc stability and fiscal discipline anchors **4.** Strengthened fiscal position (+52.5% mining revenues) providing buffer capacity
Operational & Logistical Landlocked geography; infrastructure constraints; bureaucratic processes; skilled labor availability	High	↓ Low-Medium	**1.** Targeted infrastructure investment ($219.8M Bamako-Dakar corridor; $1.37B AfDB portfolio) **2.** Strategic project location planning optimizing access to upgraded corridors **3.** Proactive local content implementation and workforce development programs **4.** Leveraging API-Mali and institutional support for regulatory navigation

OVERALL ASSESSMENT: Manageable risks with concrete mitigation strategies in place

Residual risk levels comparable to other successful frontier mining jurisdictions (DRC, Zambia, Mongolia, Colombia)

Risk assessments based on: IMF Country Report (2025), World Bank assessments, operator disclosures, security monitoring data

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Investment Recommendation

Position: Initiate or increase exposure to Mali across multiple vectors

Direct mining operations

in gold and lithium, leveraging the new code's transparent framework

Infrastructure development

particularly transport and renewable energy, supported by multilateral financing

Agricultural value chains

targeting cotton processing, livestock, and high-value exports (mangoes, shea butter) [47, 53]

Domestic consumption

capturing demographic dividend through consumer goods, telecommunications, financial services

Conviction Level

High. The gap between perception and reality is substantial and measurable. The structural changes creating stability and growth are not speculative; they are operational today.

Time Sensitivity

The window to deploy capital at current valuations is finite. As lithium production scales, security improvements become undeniable, and state revenues continue their surge, market consensus will shift.

Alpha Opportunity

Capital deployed now will benefit from both operational returns and multiple expansion as the perception gap closes.

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PREPARED BY: RADCLYFFE ADVISORY

NEW YORK, NEW YORK, USA

Inquiries@radclyffeadvisory.com

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REFERENCE LIST

[See Appendix A of full thesis document for complete 72-source reference list]

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