

## SPOTLIGHT ON THE MINING INDUSTRY

DTOS attended the Cape Town African Mining Indaba earlier this month from the 5th to the 8th of February 2024 with theme: 'Embracing the power of positive disruption: A bold new future for African mining'. The organisers also marked the 30th anniversary of this great gathering as they highlight their contributions to the Africa mining industry. Our Business Development Manager and Africa expert, Vaneeta Bickoo Brelu-Brelu, shares her takeaways on the mining industry post the conference.

**Intro:** According to the International Energy Agency (IEA), demand for minerals will quadruple by 2040 as we move towards more sustainable options. Indeed, the mineral requirements of clean energy technologies such as solar photovoltaic (PV) plants, wind farms and electric vehicles (EVs) differ widely from the traditional fossil fuels. The minerals in question are mostly lithium, nickel, cobalt, manganese and graphite and their growing importance in global decarbonisation entails that policy makers have to gear up to new opportunities as well as to new challenges in the mining industry value chain.

1. **The Geopolitics of the African mining supply chain** – It is a fact that the continent's vast mineral reserves is at the centre of domestic politics and international relations. The competition to access these mineral resources often leads to geopolitical tensions and rivalries. It also gives rise to relentless diplomatic efforts of the international community to gain influence across various African countries. Diversified partnerships, which necessitate a delicate geopolitical balancing act and most importantly inter-African partnerships promoting regional cooperation can attract significant foreign investments from multinational companies. In that respect, one of the Mining Indaba event highlights has been the memorandum of understanding between Zambia and the Democratic Republic of Congo (DRC) in order to build a regional value chain for electric vehicle batteries that will in turn help attract investment along the mining value chain for both countries.
2. **Alignment with ESG** – It was worth noting that African junior miners often face several challenges in the implementation of ESG standards into their mining operations ranging from minimizing environmental impacts to the promotion of fair labour practices. The rising costs of funding and sometimes a lack of capital can jeopardise their ESG engagements. They can also find it hard to navigate the ever-evolving regulatory environment across jurisdictions with increasing pressures from customers, investors, lenders, regulators and civil society groups. This calls for continuous dialogue among stakeholders to find out ways of assisting junior mine companies to successfully integrate ESG principles and evaluate performance based on a standardised and robust risk management framework.
3. **Better Governance** – This energy transition era can be a real turning point to drive greater economic prosperity on the continent and good governance is a critical element to delivering this

energy transition in a fair and sustainable manner. According to the Extractive Industries Transparency Initiative (EITI), it is estimated that between 30% and 40% of forecast mineral production needed for low-carbon technologies will originate from countries with weak governance, reiterating the need to strengthening the mining sector governance. This can be addressed in several ways; for instance, via the active promotion of a decision-making process based on reliable data on exploration and projected production and revenue flows for mining companies, increased transparency on the award of contracts, licensing and company ownership along the value chain – this is to mention a few.

4. **Rise of Technology and associated threats** – Similarly to other industries the mining industry is undergoing significant digital transformation to improve work efficiency, decision-making process, and create a safer working environment. Many large industry miners are moving towards intelligent operations. While mining industry cyberattacks are not always necessarily in the press, there have been industry reports showing that they are common and increasing in number, stressing the need to have defences in place to detect and manage cyber threats.

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#### DTOS Expert Columnist:



*Vaneeta Bickoo Brelu-Brelu is DTOS Group Business Development Manager, she is responsible for developing and implementing sales strategies across markets with a special focus on Africa. With 15+ years of experience, she gathered hands on knowledge of the continent and its wide cultural diversity through various leadership roles in the Equatorial Africa region comprising of 21 countries. She has also built over the years an active stakeholder network in the financial services sector and is an experienced Director on the boards of Global Business companies.*

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