

Mining in a Fragmented World: Capital, Risk and the Current Investment Landscape

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For investors, the question in mining today is not whether opportunity exists, but where capital can be deployed with confidence.

The long-term outlook for the sector remains supported by demand for critical minerals, infrastructure metals and electrification-related commodities. According to BloombergNEF's head of metals and mining, Dr. Kwasi Ampofo:

"Copper demand alone is expected to increase significantly over the next decade, rising by 44% over the next decade. Lithium and other battery materials continue to see structural demand growth tied to electrification. Yet capital allocation into mining has not followed that trajectory."

In practice, this is creating a market in deficit, which could hurt the downstream sectors that depend on these metals.

Risk in mining is no longer primarily geological. It is increasingly political, financial and structural.


Investment decisions are still grounded in resource quality, but they are also determined by a broader set of constraints. Jurisdiction, permitting timelines, fiscal stability and geopolitical alignment are no longer secondary considerations. In many cases, they are decisive.

Geopolitics is no longer an overlay on mining investment. It is a core driver.

Supply chains are being reassessed, and concentration risk has become a key issue governments and industry are tackling head-on. More than 70% of refined critical mineral supply remains concentrated in China. As a result, projects are being evaluated not only on their economics, but on their position within supply chains and their relevance to end markets.

Recent escalation in the Middle East has reinforced how quickly geopolitical events can directly impact the market. Higher oil prices and blockade of key shipping routes such as the Strait of Hormuz have introduced additional cost pressure across the mining sector. For investors, this feeds directly into project economics, particularly for energy-intensive operations, and reinforces the importance of supply chain diversification.

In addition to the impact of geopolitics, project development has its own set of challenges as well. Higher interest rates has made the cost of capital more expensive narrowing the return on investments. Capital expenditure inflation across the sector has been significant, with some projects reporting cost increases of 20-30% compared to initial estimates. Long development timelines and high upfront capital requirements are under greater scrutiny.



The gap between projects that are considered fundable and those that are not has widened. That gap is not defined by geology alone. It reflects management credibility, capital discipline, realistic timelines and alignment with investor expectations.

Capital has not left mining. It has become concentrated.

It is being directed towards a narrower group of projects that meet a more demanding set of criteria. This includes not only economic viability, but execution certainty and strategic relevance.

There is also a growing divergence in how different types of capital approach the sector.

Institutional investors tend to prioritise scale, liquidity and risk-adjusted returns. Family offices often operate with longer time horizons and place greater emphasis on management and alignment. Strategic investors are increasingly focused on securing supply and reducing exposure to disruption.

These differences matter. Access to capital is no longer just about having a good project. It is about matching that project to the right type of capital.

Clarity has become a differentiator.

Investors are placing greater weight on how projects are presented and understood. A clear development pathway, defined capital requirements and transparent assumptions reduce uncertainty. Where this clarity is absent, capital is less likely to follow.

This is not a contraction of the market. It is a reordering.

Capital is still present, but it is no longer broadly available. It is selective, disciplined and aligned with a narrower set of conditions. Mining equity issuance reflects this, with capital concentrated in a smaller number of advanced or strategically aligned projects.

For companies, the implication is direct. Projects that demonstrate clarity, realistic delivery pathways and alignment with investor expectations will continue to attract funding.

For investors, the opportunity lies in that selectivity. A more disciplined market creates clearer differentiation between assets and increases the value of informed decision-making.

The role of mining in the global economy has not changed. What has changed is how investment decisions are made.

In this environment, capital does not follow potential. It follows certainty.