Mind the gap: Bridging project approval timelines with effective risk management

Mining and metals companies are facing a steep demand curve, but project approvals timelines are not always keeping pace. Inconsistencies in timelines across different jurisdictions are creating major financial exposures. Risk managers are tasked with building certainty amid complexity.

Key takeaways:

- The average lead time for mines now is nearly three times longer than it was between 1990 to 1999
- Delays expose mining and metals companies up to financial risks, compounded by commodity price volatility
- Once long-awaited approvals and permits are granted, risk leaders need to address key risks associated with the expedited construction phase

With over 4,000 known minerals and countless applications for metals, global innovation and growth is built on resources prospected and processed by the mining sector. Three futures are on the horizon, according to the International Energy Agency (IEA) 2024 Global Critical Minerals Outlook. Mineral demand for clean energy technologies could:

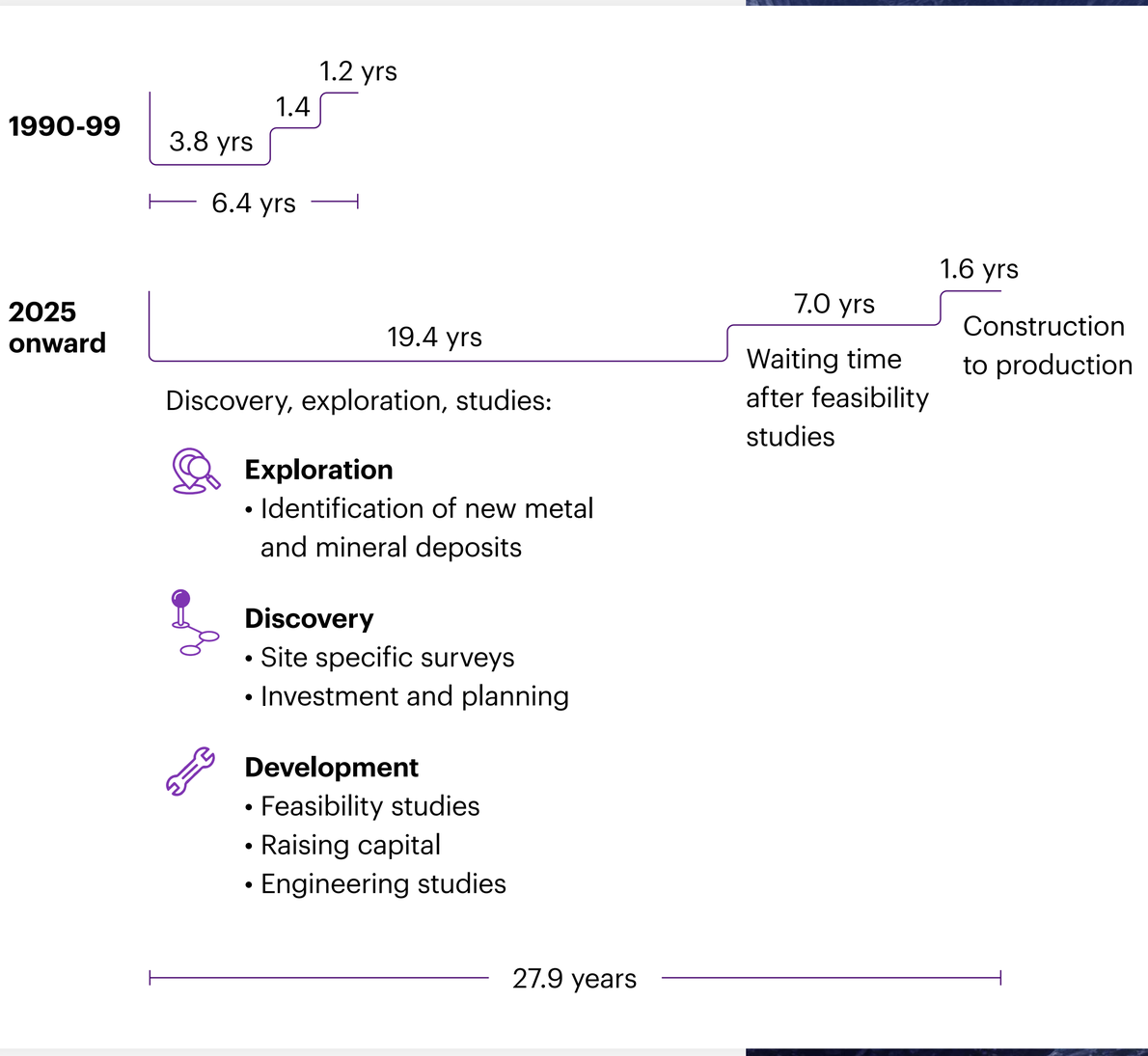
1. Double by 2030 in a scenario reflecting current policy settings
2. Almost triple by 2030
3. Quadruple by 2040 in a net-zero scenario

Any potential future scenarios will require efficiency improvements, recycling, and most of all – new sites and sources to meet demand.

But research by S&P Global Ratings (previously Standard & Poor's) of 214 operating and non-operating sites shows average lead time for mines now is nearly three times longer than it was between 1990 to 1999.

To keep pace with the demands of the clean energy transition, understanding what's driving this trend is essential to reducing the gap between supply and demand.

Figure 1: Mining lifecycle:



Why the wait? The lack of a global mining regulator and changing risk requirements

Over the past 30 years, mine approval processes have shifted from relatively streamlined, technically focused assessments to far more complex, multi-stakeholder regulatory journeys that recognize the need to plan beyond the operational lifespan.

Unlike other specialty sectors such as aviation (International Civil Aviation Organization), shipping (International Maritime Organization), or nuclear energy (International Atomic Energy Agency), mining has no unified international regulatory body. National sovereignty remains one of the most critical factors shaping the global mining landscape. Every country maintains full control over the development and regulation of its natural resources – a principle rooted in international law.

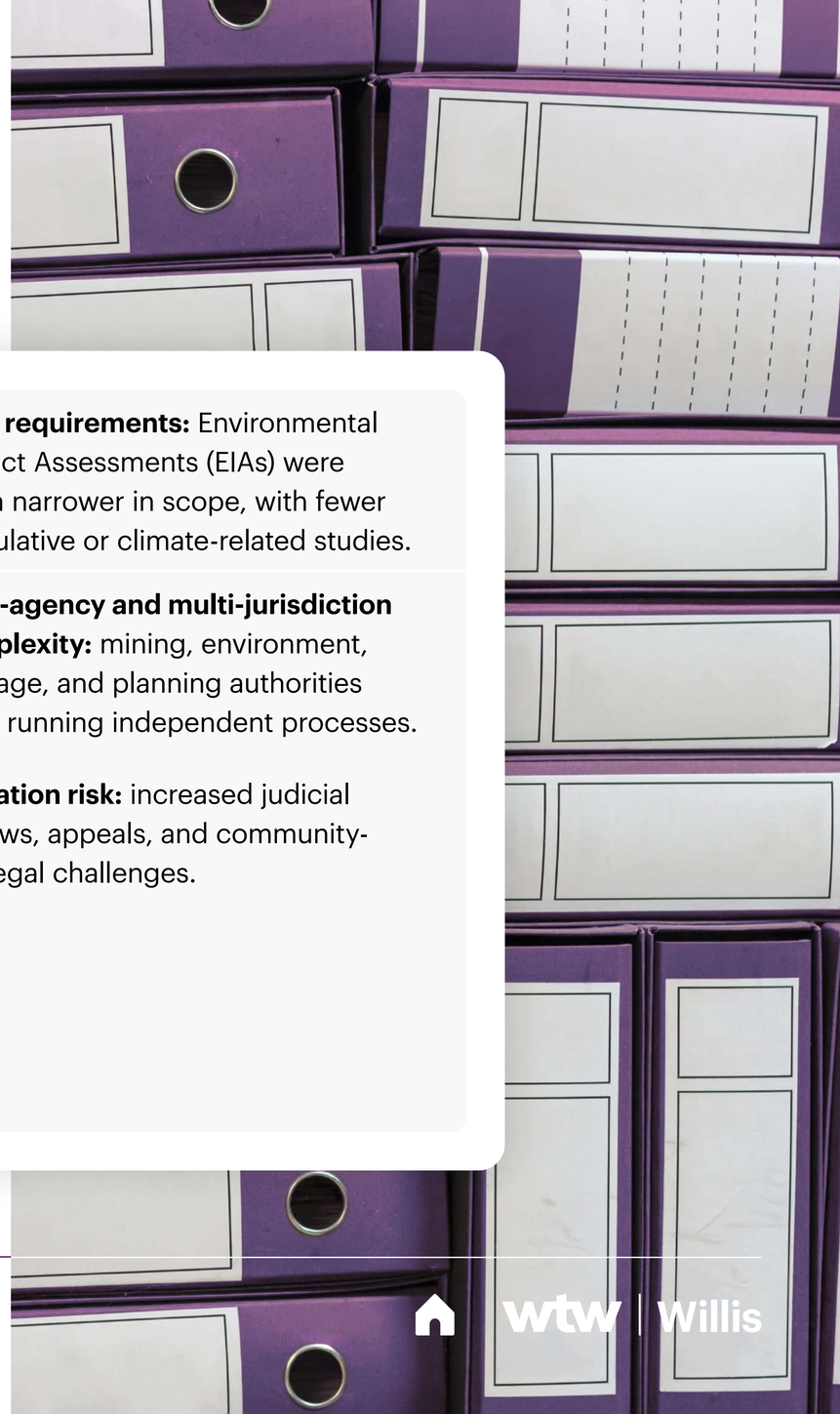
Timelines can vary significantly across countries. Projects in the Philippines are reported to have the longest lead times from initial discovery to operation, with an average of over 20 years. Contributing to this is a 12-year open-pit mining ban between 2010-2022, putting projects and operations on hold.

Delays in mining approvals are not trivial bureaucratic slowdowns, they can amount to hundreds of millions, or

even billions of dollars, indirect and opportunity costs per project. When aggregated across sectors and jurisdictions, these delays can significantly hamper socio-economic development and the transition to clean energy.

Figure 1. now and then;

Then **1990s – early 2000s**	**Primary focus:** technical feasibility, safety, and core environmental compliance.	**Stakeholder scope:** engagement with local regulators and sometimes landholders, but less formalized community consultation.	**Data requirements:** Environmental Impact Assessments (EIAs) were often narrower in scope, with fewer cumulative or climate-related studies.
Now **2010s – 2020s**	**Expanded regulatory scope:** inclusion of biodiversity offsets, water stewardship, tailings risk, carbon footprint, and closure planning before first production. **Data and modelling demands:** climate resilience modelling, seismic risk analysis, and biodiversity monitoring over multi-season baselines.	**Global ESG alignment:** adoption of industry sustainability standards in lender and insurer requirements, effectively creating higher shadow regulatory standards. **Stronger social license expectations:** formal Free, Prior and Informed Consent (FPIC) for indigenous and traditional landholder groups; multiple consultation rounds; agreements that can take years to negotiate.	**Inter-agency and multi-jurisdiction complexity:** mining, environment, heritage, and planning authorities each running independent processes. **Litigation risk:** increased judicial reviews, appeals, and community-led legal challenges.



There are steps in the right direction, but more needs to be done to create a cohesive global structure.

1. Reducing approval timelines by streamlining legal and regulatory systems

Environmental laws, permitting structures, and land access frameworks vary widely across jurisdictions. National and economic security are key drivers of change behind current trends to reshape these systems and support economic growth through mining and metals.

In the U.S. on 20 March 2025, a new executive order was signed into effect to fast-track critical minerals production. The order cited national and economic security as key drivers and directed agencies to identify and prioritize pending projects for immediate approval, expedite federal land leasing for mining and provide loans.

Wider, comprehensive change is also happening at scale across countries in the European Union. Enacted in May 2024, the Critical Raw Materials Act (CRMA) is reshaping the EU system. Targeting 10% domestic extraction, 40% processing, and 15% recycling of critical raw materials, the CRMA mandates faster permitting – 24 months for extraction, 12 months for processing – with 'one-stop shops' in each country to streamline approvals.

But challenges endure. "Even cleared projects can stall due to market, financing, or policy dynamics, challenging insurers to assess 'cleared but unrealized' risk envelopes. The Wiluna uranium project in Western Australia stalled despite approval in 2013 when a ban on new mines was reintroduced by the incoming government. Opposition from local communities, government, regulators and NGOs is particularly important at all stages due to the environmental impact of mining projects on the area." Brett Forrest, Mining and Metals Leader, Willis Natural Resources, Pacific Region

2. Reducing approval timelines by enacting new investment schemes

Market opportunities are leading to governments around the world examining the attractiveness of their frameworks for international investment.

Copper is increasingly in demand due to its key role in the production of electric vehicles, energy infrastructure, artificial-intelligence (AI) infrastructure and data centers. While copper supply is estimated to be in surplus in the near term, a deficit is expected in the next decade. Demand is projected to rise over 40% by 2040 with estimates that 80 new mines and $250 billion in investment are required by 2030 to meet demand.

In Latin America, although Argentina has no current copper production, the country is aiming to break into the top 10 list of global producers, eyeing the metal as a key growth opportunity. As part of a wider mining growth strategy, the government has enacted a new investment scheme[1] and policy changes[2] aimed at shortening approval timelines, aligning risk profiles and offering investors more certainty in the region.

3. Reducing approval timelines by embracing new technologies

Advances in AI and digital platforms are being explored to reduce the time needed to approve new mines by streamlining regulatory processes and improving viability of exploration.

The Ontario government estimates a 1 in 1,000 chance of exploration projects becoming a mine. The uncertainty, combined with the need to operate in remote regions and challenging terrain, makes it difficult for companies to secure the necessary investment needed to move projects forward. AI is being trialed across the industry to identify new deposits and reduce excavation by automating the analysis of extensive geological, drill records and survey data.

Digitizing manual approval systems is also underway.

> Project gestation periods that extend over several years - even decades - makes an assessment of the economic viability of a project challenging. Securing the necessary funding for projects is somewhat dependent on the price profile of the relevant commodity or commodities at the time of seeking it. This dynamic is of particular relevance at the moment in the nickel and rare earths market where large-scale project financing can be a challenge due to the commodity price environment. With Indonesia ramping up production of nickel, the long-term prospects for pricing are suppressed and many large-scale operations have been put into care & maintenance by major Western mining companies. China has a major role in the global supply of rare earths and has the weight to control market dynamics, thereby substantially hampering the economic viability of critical minerals projects required by the Western world to become more self-sufficient.

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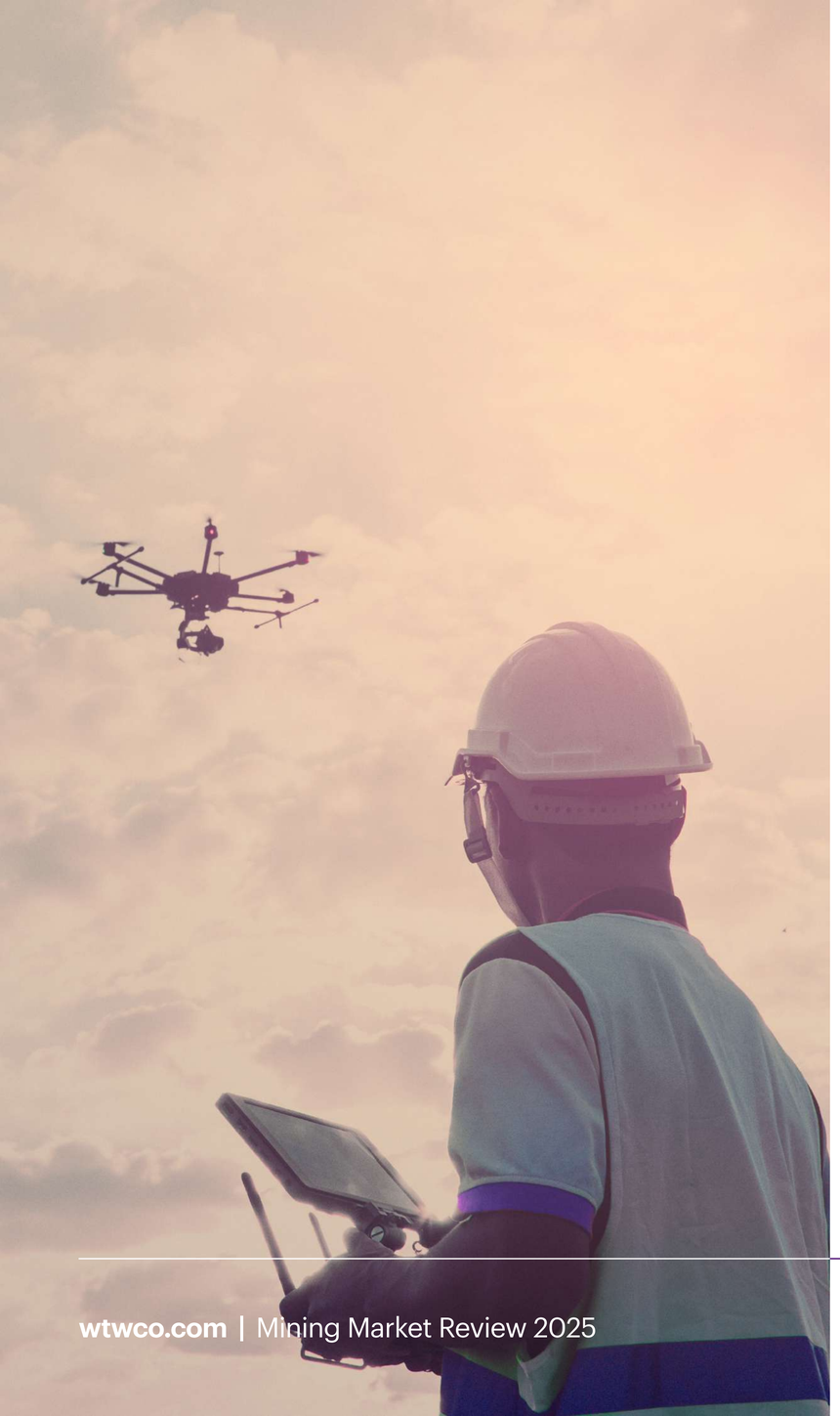

In 2021, Indonesia implemented the Risk-Based Online Single Submission system (OSS) and Government Regulation (GR) No. 5/2021 – aimed at simplifying and centralizing mining licensing. While it drove notable improvements in reducing the time for applications, gaps were identified that have been targeted in GR No. 28/2025 aimed at clarifying the processing of business licensing, environmental and building approvals.

Taking control: What risk leaders can do to help condense approvals timelines

Uncertainty is a major barrier to attracting capital and protecting investments. Keeping pace with these trends requires leaders to go beyond dealing with insurable risks in silos and optimize premium spend across the entire portfolio of risk. As the demand curve creates a steep incline, creating a robust and resilient risk strategy will be critical.

> A risk-based strategy is essential to ensure alignment with global environmental governance. A lithium brine operation in the salt flats of Chile requires different water usage assessments than a hard-rock lithium mine in Western Australia. This technical diversity necessitates bespoke studies, engineering designs, and risk controls, all of which take time to develop and approve.

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- **Build a forward-looking strategy**, backed by data. With project gestation periods that may extend over several years - even decades - getting the timing right so a new project comes on stream as the price cycle peaks is sometimes critical to a company's survival. Utilize data analytics and risk engineering models to assess the resilience of your strategy under various market conditions.
- **Optimize your insurance spend** to deploy capital strategically. Analytics point to areas to retain risk that's costly in the market, or how best to spend on premium across all risks and set your limits at the most efficient level, in line with your organization's risk tolerance. Risk and finance leaders can make decisions knowing there will be no better option, and savings made on premium spend can then be deployed strategically in ways that best support the organization's future growth objectives.

Contact our mining specialists to build a strategic future for your business:

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[1] (RIGI: Incentive Regime for Large Investments)

[2] (Decree 449/25)

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