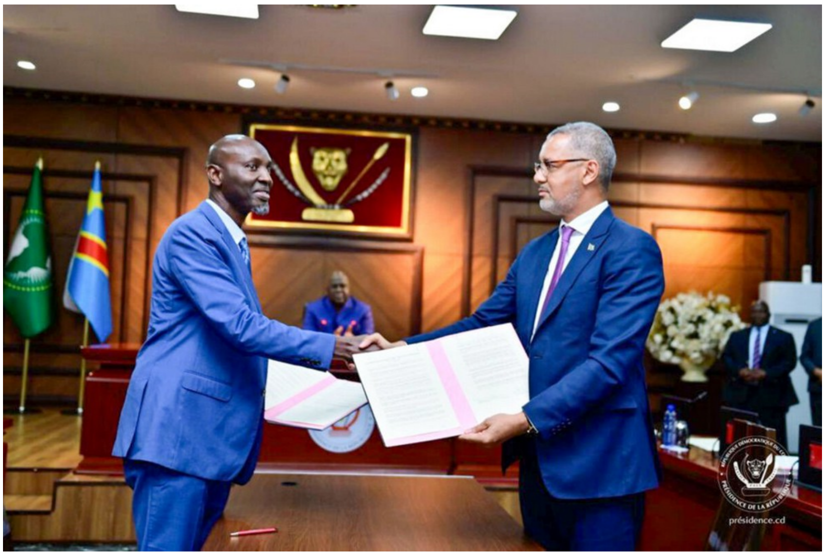
Newsletter First Edition on LinkedIn

What is going on at the Manono Lithium Deposit?

William Tahil
Research Director, Meridian International Research
Published on 26th September 2025



Kobold Mining (left) sign agreement with DRC Mining Minister (right), July 2025.

Welcome to the first edition of the Lithium Briefing from thelithiumreport.com.

This briefing analyses and comments on the most important recent developments in the lithium market. In this newsletter, we look at the **Manono** deposit in the **Democratic Republic of the Congo**.

In September 2025 the Government of the DRC announced that they would not "auction" their mineral resources to the USA.

What is the significance of the DRC to lithium?

The **Manono** deposit in the Democratic Republic of the Congo is the **largest hard rock lithium deposit in the world**. It is at least twice as large as Greenbushes and could be three times as large. It has actually been known about for a long time and was mined for tin for many years. Mining junior **AVZ Minerals** of Australia acquired a 60% stake in 2017 for A$6 M. However when AVZ published their DFS for the project in April 2020, in their own words **"all hell broke loose"** and every Chinese lithium mining company called them. **Zijin Mining** of China then effectively **expropriated the northern half of the project** in 2021 and AVZ have been bogged down in arbitration proceedings against the government ever since.

In May 2025 the high profile mining company **Kobold Metals** of the USA announced that they had agreed a "framework" with AVZ to buy their remaining southern holding known as "Roche Dure" but this apparently did not proceed because they could not agree on a price and AVZ resumed their arbitration proceedings against the DRC in late June.

Rio Tinto had also been interested in buying AVZ but did not proceed.

Then in late July 2025, Kobold Metals signed an agreement with the government of the Democratic Republic of the Congo to acquire the southern "**Roche Dure**" part of the project.

When the Kobold/ DRC agreement was announced in July, AVZ stated that it violated the arbitration rulings from the ICSID.

The situation was thrown into further confusion when the DRC Government announced in September that they would not "auction" their resources to the USA. Where this leaves Kobold Metals is yet to be seen.

So what is going on?

At face value, it appears that Kobold may be repeating what Zijin Mining did to AVZ: unceremoniously evicting them from the project. Or at least exercising negotiating pressure on them. AVZ have already lost the northern part of Manono, the **"Carriere de l'Este"** pegmatite, to Chinese mining company Zijin Mining in 2023. This left them with the Roche Dure pegmatite to the south west. Rio Tinto and Kobold Metals held discussions with the DRC government in early 2025 and it appears that Rio Tinto withdrew, leaving Kobold to agree terms for taking over the project with AVZ.

In January 2025 AVZ announced that their Chinese JV partner Suzhou CATH Energy Technologies (CATH) had given them US$20 M in working capital and agreed to pay US$259M for a 30.5% stake in the project (Roche Dure) if a mining licence was issued.

The Roche Dure body contains an estimated 16.3 Mt LCE in total, with 11 Mt of that Measured and Indicated. AVZ give a reserve of 5.3 Mt LCE (131.7 Mt of ore @ 1.63% Li_2O) and the DFS they published in 2020 shows a mine life of 20 years with total production of 11.3 Mt of SC6, which would be 1.7 Mt LCE. That seems entirely reasonable, if the transport infrastructure can be upgraded to ship out 565,000 t of concentrate per year.

If we take a baseline price of US$10,000 per tonne LCE and 60% recovery to the lithium chemical end product (BG LHM or BG LC) from the ore (two step process: beneficiation to concentrate and then downstream production of lithium chemicals), the value of the Roche Dure deposit would be US$31.8 billion for the Reserve (5.3 Mt LCE) and US$66 billion based on the Measured and Indicated Resource (11 Mt LCE). Production of 565 ktpa of SC6 would be worth $670 M per year in terms of downstream chemicals produced from it in today's dollars.

So the CATH Energy investment of US$260 M for 30% of the project can be compared to a resource **potentially worth $30 - $60 billion**.

In that context, the figure given by Kobold of mine CAPEX of US$1 billion is easy to justify.

It is not known how much Kobold offered AVZ or how much AVZ wanted but based on the CATH agreement of US$259 M for 30.5%, AVZ would probably have wanted at least US$1 billion for the entire project.

All the while this is going on, **Zijin Mining** are probably getting on with **developing** the northern **Carriere de l'Este** pegmatite and have stated that they intend to **start mining in 2026**. They will ship the ore out to China through the port of Dar es Salaam in Tanzania, which China has already modernised. They will also need to refurbish the Tazara railway across Tanzania. China have already agreed to do this in late 2024, planning to invest US$1.4 billion in the line.

If western interests do not consolidate control of the southern Roche Dure pegmatite, China Inc. may well take over that deposit as well. Zijin have already made comments to that effect. Based on our figures, **China already controls** at least **58% of Africa's lithium resources**, more if the artisanal operations in Nigeria are added. If they take Roche Dure as well, they will control **87%** of Africa's lithium resources.