

China's Huayou buys lithium mine in Zimbabwe for \$422m

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China's Zhejiang Huayou Cobalt said on Wednesday it would pay a total \$422m to acquire the Arcadia hard-rock lithium mine in Zimbabwe.



Image source: Mke from [Pexels](#)

The move marks Huayou's second foray into lithium, a key ingredient in rechargeable batteries, in the space of a week. It is the latest acquisition of overseas battery mineral resources by Chinese companies looking to shore up supply to meet demand from the burgeoning electric vehicle (EV) sector.

Huayou, the world's biggest producer of cobalt, another battery metal, in 2020, said in a filing it would pay \$388.8m for Australia-listed Prospect Resources Ltd's 87% stake in Arcadia owner Prospect Lithium Zimbabwe.

It will pay another \$44.2m for the 6% stake held by Zimbabwean professor Kingston Kajese and the 7% held by Tamari Trust, which previous Prospect filings show is linked to Paul Chimbodza, executive director of Prospect Lithium Zimbabwe.

The Arcadia project aims to process 2.4 million tonnes of ore per year but has not yet reached commercial production. Prospect Resources said in July the first batch of petalite from pilot production had been delivered to offtake partner

Sinomine and that it was also working on spodumene samples.

Spodumene and petalite are lithium-bearing minerals.

Zimbabwe is desperate to attract investors into its mining sector, which it says will drive the recovery of its stricken economy. It has opened its doors to Chinese firms, which now operate several chrome, coal and gold mines.

Huayou's Executive Vice-chairman George Fang told Reuters in September that the company was seeking to invest in lithium mining and processing, including in Africa.

Last Friday, Sichuan New Energy Power Co Ltd said it agreed a lithium production and battery recycling tie-up with Huayou in China.

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