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# Liberia's mining resurgence: from conflict to opportunity



Liberia's mineral industry is dominated by iron ore mining and around 5m tonnes is produced annually. / bne IntelliNews

**By Jason Mitchell March 3, 2025**

Liberia's mining industry contributes around 15% to GDP and has rebounded significantly since the country's devastating civil war ended in 2003. Traditionally focused on iron ore, gold and diamonds, the sector is expanding as discoveries of

lithium, rare earths and other critical minerals attract fresh investment.

Iron ore has historically been the most significant mineral, with significant deposits concentrated in the Archaean belts of the northwest and central regions, notably in the Nimba Range, Bong Range, Wologizi Range and Bea Mountain. Since peace was restored, mining has steadily recovered, with iron ore production increasing and gold output rising annually.

A new wave of exploration is reshaping the country's economic prospects. With vast untapped reserves of critical minerals, Liberia has the potential to strengthen its position in the global mining industry.

Since mining began in the 1950s, iron ore has driven economic development, peaking in the 1970s. ArcelorMittal, an Indian-owned multinational steel and mining company, operates the Yekepa mines today, extracting around 5mn tonnes per year (tpy). Other significant deposits remain untapped, including Putu in Grand Gedeh, which holds 2.37bn tonnes at 34.1% iron, and Bong, with reserves of 4bn tonnes at 36% iron. Bea Mountain contains 923mn tonnes, while Wologizi is a significant prospect.

Furthermore, gold mining has expanded rapidly, with industrial and artisanal operations driving growth. The largest commercial mine, New Liberty, operated by Bea Mountain Mining Corp, a subsidiary of Canada's Avesoro Resources, produces over 100,000 ounces annually. MNG Gold, a Turkish-owned mining company, runs the Kokoya mine in Bong County, a smaller but steady producer.

Hummingbird Resources, a British mining company, owns the Dugbe Gold Project in the southeast, which has an estimated resource of 4mn ounces. Due to increased artisanal mining, gold production reached 11.7 tonnes (377,000 ounces) in 2022. Thousands of small-scale miners work in riverbeds and forests, making gold a key livelihood for rural communities.

Diamonds are mainly found in alluvial deposits along the Mano River and Lofa regions, with annual production between 50,000 and 80,000 carats. The country shares a geological trend with Sierra Leone, but industrial mining remains undeveloped.

The presence of kimberlite pipes in the west suggests potential for large-scale diamond extraction, while the Camp Alpha region in the northwest has yielded huge stones, some exceeding 300 carats. Over the past five decades, an estimated 14mn carats have been produced, though the full extent of reserves remains unknown due to the dominance of artisanal mining.

Mineral exploration is diversifying. Recent geological surveys have identified lithium-bearing pegmatites, cobalt and rare earths such as neodymium, and uranium. These so-called 'battery minerals' attract foreign interest amid rising global demand for electric vehicles (EVs) and renewable energy technologies.

Heavy mineral sands have also been identified, with reserves of 99,380 tonnes of zircon and 84,070 tonnes of rutile. Manganese and bauxite deposits remain largely untapped, though they could offer future opportunities for extraction and processing.

Geologically, the country is divided into two main domains: the Archaean Shield and the Proterozoic Birimian Terrane. The Archaean Shield, covering the western and central regions, consists of ancient granite-greenstone formations and banded iron formations that host significant iron ore deposits.

These formations have been enriched by tropical weathering, creating high-grade hematite deposits mined for decades. The same geological setting has also given rise to gold occurrences, particularly in shear zones and quartz veins, as well as kimberlite diamond pipes clustered along the northwest border.

The Birimian Terrane, extending from Guinea and Côte d'Ivoire into the southeast, contains gold-bearing greenstone belts similar to those of Ghana, Mali and Burkina Faso. The Dugbe Gold Project highlights the potential of underexplored Birimian

geology. Base metals such as zinc and lead further underscore untapped mineral wealth.

With vast reserves of iron ore, gold and diamonds, alongside growing interest in lithium and rare earths, mining remains a key driver of economic development.

However, years of civil conflict have devastated the mining sector, halting production and damaging infrastructure. Since peace was restored in 2003, the government has prioritised mining as a driver of economic recovery. New mining laws, introduced in 2000 and revised in 2006, have sought to attract investment while ensuring regulatory oversight.

Large-scale mining agreements, such as ArcelorMittal's iron ore concession and the development of commercial gold mines, have revitalised the sector. Still, concerns remain over governance, environmental management and equitable distribution of revenues.

The mining sector is attracting significant investment after discovering substantial mineral deposits. In January 2025, President Joseph Boakai announced that studies funded by China over five decades had confirmed uranium, lithium, cobalt, manganese and neodymium reserves. These findings are expected to draw \$3bn in investment, with multinational corporations and local investors already in negotiations.

Iron ore remains dominant, with ArcelorMittal advancing its Phase II expansion project in the Nimba mountain range. Scheduled for commissioning in the fourth quarter of 2024, this development includes the construction of the country's first iron ore concentration plant. The expansion is expected to raise production by 40% year on year in 2025, significantly improving export capacity.

China Union's investment in the Bong Mines, located 150 km northeast of Monrovia, highlights continuing international interest in the sector. The company invested \$2.6bn in 2008 and commenced iron ore shipments in 2014.

Liberia's economy is expected to maintain steady growth in the coming years, with the International Monetary Fund projecting GDP expansion of 5.8% in 2025 and 5.9% in 2026, on the back of the anticipated influx of capital to the mining sector. GDP is set to rise from \$5.05bn in 2025 to \$5.35bn in 2026, driven by increased mining activity, infrastructure investment and domestic consumption.

GDP per capita is forecast to climb from \$887 in 2025 to \$918 in 2026, ranking it among the poorest 15 countries worldwide. Inflation is projected to decline from 5.9% in 2025 to 5.2% in 2026.

The population is expected to grow from 5.69mn in 2025 to 5.82mn in 2026. Meanwhile, the government's net debt is projected to decline from 57% of GDP in 2025 to 56.2% in 2026.

Mining remains central to the economy, having contributed \$665.4mn to GDP in 2023, up from \$621.8mn in 2022. It contributes around 15% to the nation's GDP. The sector is a key export earner, with industrial-scale iron ore and gold mining alongside widespread artisanal diamond production.

Monrovia, the capital and largest city, is situated on the Atlantic coast at Cape Mesurado. As of the 2022 census, its population stood at 1.76mn people, accounting for 33.5% of the country's total population.

Liberia is a presidential republic, with the president serving as head of state and government. Following a peaceful power transfer, Joseph Boakai was inaugurated as president on 22 January 2024. The country has made significant progress in democratic governance since the end of its civil wars, holding regular elections and maintaining political stability.

Founded in 1847 by freed American slaves, it is one of Africa's oldest republics. However, its modern political history has been marked by periods of instability. The country endured two devastating civil wars, the first from 1989 to 1997 and the second

from 1999 to 2003, that resulted in over 200,000 deaths and widespread displacement.

The first war began on 24 December 1989, when Charles Taylor's National Patriotic Front launched an insurgency against President Samuel Doe. Years of brutal fighting ended with a peace agreement in 1997, leading to Taylor's election as president. However, conflict reignited in 1999 when the Liberians United for Reconciliation and Democracy (LURD) rebel group launched an armed campaign against Taylor's government.

The war intensified until August 2003, when Taylor resigned under international pressure and went into exile. The Accra Comprehensive Peace Agreement, signed later that month, formally ended hostilities and established a transitional government.

Since the return to peace, Liberia has pursued democratic consolidation. The 2005 elections marked a turning point, bringing Ellen Johnson Sirleaf to power as Africa's first elected female head of state. In 2018, George Weah succeeded her in another peaceful transition, followed by Boakai's election in 2023.

The mining sector is governed by a legal and fiscal framework designed to regulate mineral exploration and extraction while encouraging investment. The Minerals and Mining Law establishes state ownership of all mineral resources and sets out mining activities' licensing and operational requirements. Companies must obtain the necessary permits and adhere to environmental and labour regulations to operate within the country.

The sector's fiscal regime is structured to generate revenue while remaining competitive for investors. Mining companies are subject to a 30% corporate income tax, higher than the 25% standard rate for other industries. Royalties range from 3% to 5%, depending on the mineral and prevailing market conditions.

A 10% goods and services tax (GST) applies but is set to be replaced by an 18% value-added tax (VAT) in 2026, as outlined in the 2025 national budget. Withholding tax on consultancy services is increasing from 2% to 10%, and a 1.5% property tax is levied on real estate owned by mining firms. Stamp and transfer duties, applied to legal documents and property transactions, vary between 1% and 12.5%.

Investment incentives are available for projects meeting certain thresholds. Those valued between \$500,000 and \$9mn qualify for tax exemptions on GST, customs duties and income tax stamp fees. Projects exceeding \$10mn can negotiate concession agreements, which, once ratified into law, provide further protections and benefits.

Liberia's mining sector is central to the economy but faces a series of structural, environmental, social, and regulatory challenges that hinder its full potential.

Poor infrastructure remains a key constraint on the sector, with poor transport links and unreliable power supply increasing costs and limiting expansion. The railway network, originally built to serve iron ore exports, is outdated and in need of significant investment. ArcelorMittal operates the Yekepa-Buchanan railway, but access for other mining companies remains a contentious issue. Plans to upgrade and expand rail capacity are under discussion, but progress has been slow.

The Freeport of Monrovia and Buchanan Port handle most mineral exports, yet both require modernisation to improve efficiency. Dredging, equipment upgrades and logistics improvements are needed to support rising iron ore and gold shipments. Meanwhile, unreliable electricity forces mining companies to rely on costly diesel generators, with limited access to grid power in remote mining areas.

The environmental impact of mining is significant, particularly from iron ore and gold extraction. Deforestation, soil erosion and river pollution have accompanied industrial and artisanal operations. Mercury in small-scale gold mining contaminates water sources, while iron ore excavation strips large land areas, disrupting ecosystems.

Although mining companies are required to implement environmental management plans, enforcement remains weak and illegal operations continue to cause damage. Efforts to rehabilitate mined-out areas are inconsistent, leaving scarred landscapes that pose long-term ecological risks.

The Environmental Protection Agency shut down China Union's Bong Mines in August 2024 for operating without an effluent discharge licence, building a processing plant without a permit, and illegally discharging tailings into a wetland. Operations resumed in September under a three-month compliance deadline, with the company making infrastructure upgrades to meet regulations.

Social tensions persist around mining communities, where promises of employment and development often fail to meet expectations. Large-scale operations provide relatively few direct jobs due to the capital-intensive nature of modern mining, and local populations do not always feel the benefits of mineral wealth. Artisanal miners, who rely on gold and diamond digging for their livelihoods, frequently conflict with industrial firms over land access.

Resettlement disputes and poor compensation for landowners have fuelled unrest. In 2014, protests at ArcelorMittal's Yekepa mine escalated into violence, with workers and residents demanding better wages, improved living conditions and more opportunities for Liberians in management positions. Similar tensions flared in 2018 near the New Liberty gold mine, where a cyanide spill led to demonstrations over environmental damage and inadequate response from the company.

Regulatory compliance remains a challenge. In January 2025, Minister of Mines and Energy Wilmot Paye accused government officials of acquiring mineral rights and violating existing laws. He called for stricter enforcement to curb economic losses and ensure fair governance in the sector.

Efforts to reform mining oversight are ongoing, focusing on improving transparency and investor confidence. Enforcement of mining laws is inconsistent, and corruption remains a challenge. Illegal mining is widespread, depriving the state of revenue and

contributing to environmental degradation. Disputes over taxation and royalty payments between companies and the state further complicate the investment climate, creating uncertainty for potential investors.

Nonetheless, the mining sector is set for significant expansion, driven by recent discoveries and strategic development plans. At the 2025 Mining Indaba in Cape Town, Assistant Minister for Mines Rexford Tingban highlighted Liberia's potential in manganese, copper, platinum group metals, gold, lithium and nickel. To accelerate investment, the government is improving access to geological data and promoting exploration opportunities for small- and large-scale investors.

The Ministry of Mines and Energy has launched a Mineral Survey Report outlining the country's resource potential.

The mining sector focuses mainly on raw mineral extraction, with minimal in-country refining or processing. Most iron ore, gold and diamonds are exported unprocessed or semi-finished, limiting the sector's value addition. Recognising the economic potential of domestic processing, the government is actively seeking investment to develop refining capacity, particularly following recent discoveries of lithium, cobalt, manganese and neodymium.

With vast untapped reserves and growing interest in critical minerals, Liberia's mining sector stands at a crossroads. Investment is rising, and discoveries are expanding the country's resource base, but hurdles remain.

If not adequately addressed, infrastructure gaps, regulatory weaknesses and social tensions will slow progress. However, with the right policies, improved governance and strategic investment, the sector has the potential to drive long-term economic growth and position Liberia as a significant player in global mineral markets.

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