Overview

Nigeria’s mineral development has been highly focused on its oil industry. Nigeria is Africa’s largest oil producer and contributes 3% to global production. As a result, the mining industry has been neglected and has only been rekindled by the Ministry of Solid Mineral Development, intent in increasing the role of this sector of Nigeria’s economy. The Ministry, in conjunction with assistance from South Africa, is to develop a geochemical database of Nigeria that is intended to facilitate exploration efforts in the country.

Currently mining contributes just 1% to Nigeria’s GDP. Nigeria has significant coal and iron ore reserves as well several gold, uranium, tantalum and REE showings throughout the country. Uranium is found in 6 of the 36 states in Nigeria.

In November 2002, the Dutch firm Geotess International Corp. established the country’s first diamond cutting and polishing centre at Jos. The same company, Geotess, also exports tantalite to China.

In 2004 the Federal Government of Nigeria and the World Bank announced that they will spend a sum of N11billion (US$120 million) to fund the solid minerals sector through the establishment of a project for sustainable management of mineral resources in an attempt to address issues of artisan and small-scale mining as a poverty reduction strategy. The project will also assist government in drafting a new Minerals Act to replace the 1999 Minerals Act. Known as Sustainable Management of Mineral Resources Project, the credit is repayable over 35 years including a 10-year grace period with no interest charged.

Towards the end of 2002 the Ministry was authorised to establish the country’s first Geological Survey, its key tasks being to act as a repository of minerals information and to ensure that this is available to the private sector.
Mineral Policy and Legislation

The Ministry of Solid Minerals Development was only established early 1995 with the aim to boost non-oil exports. A legal committee was set up in 1996 to promulgate a new Mining Law and Allied Regulations. The new Mining Law was passed has been completed and submitted to the government for approval. The Nigeria Minerals and Mining Act was passed in 2007 and presently governs and regulates the mining of solid minerals in Nigeria.

All minerals won during prospecting, exploration, mining and quarrying attract the payment of royalties. The royalties have been reviewed and will soon be approved by the Federal Government.

GEO SCIENCE DATA & MAPPING

The major steps for the government to develop the mining sector are in generating the geosciences data and mapping of the country. The government has already completed airborne geophysical mapping of 44 percent of the country. The program to complete mapping the remaining 56 percent will be launched soon. Even the funding for this is available through a $25 million portion of a UN facility. There are also plans to build up the country’s physical infrastructure. The African development Bank is partnering with the government in these plans for the infrastructure. Right now we are constrained in infrastructure, whether it is road, railways and energy. A total of US$8 billion alone is planned to be invested in railroads. And the power sector needs a boost in investment since the country is extremely deficient in power. While the mining sector is the corner-stone of economic development in Nigeria, the need to aggressively market coal properties has equally been identified.

NIGERIAN MINERAL DEPOSITS IN THE STATES

Abia State: Glass Sand, limestone, Salt, Shale, Ball Clay, Granite, Galena, marble, laterite, bentonite, phosphate, kaolin, pyrite, feldspar, petroleum, lignite, gypsum, sphalerite, clay.

Adamawa State: Granite, clay, gypsum, limestone, uranium, kaolin, coal, trona, barite salt, marble, magnesite, laterite.

Akwa Ibom State: clay, glass sand, salt, silica sand, granite, coal, petroleum, Natural Gas, Kaolin, limestone, lignite.

Anambra: clay, iron Stone, Natural Gas, petroleum, sand stone, Kaolin, pyrite, lignite.

Bauchi State: kaolin, Trona, gypsum, cassiterite, mica, clay, tantalite, galena, iron ore, gemstone, sphalerite, silica sand, Barite, columbite, Zinc, Lead, Muscovite, Quartz, Tin, glass sand, monazite, Feldspar, Graphite, Wolfram, Coal, Agate,
Tentalum, Rutile, Tungsten, Copper, Talc, Limenite, Ziron.

**Bayelsa State**: salt, petroleum, Natural gas, Silica Sand, Bentonite, crude Salt, petroleum, limestone, glass sand.

Benue: Gemstone, Barites, Feldspar, Marble, Mica, silica Sand, quartz, Galena, lead, zinc ore, silica sand, clay, crushed and dimension stone, fluorspar, wolframite, shale, magnetite, Limenite, Brenite

**Borno State**: Silica Sand, Natural Salt, sapphire, topaz, mica, quartz, gypsum, uranium, iron ore, megnesite, fedspar, Granite Aquamarine, Nepheline, Limestone, Kaolin, bentonite, laterite, Refractory Clay, Trona, Gold, Tin, Potash.

**Cross River State**: Salt Limestone, Coal, Manganese, Mica, Limenite, Gold, Quartz, Glass sand, tourmaline, petroleum, Natural Gas, Kaolin, Tin ore, Sharp Sand, spring water, salt deposit, Talc, Granite, Galena, Lead, Zinc, Tin Ore, Muscovite, Uranium, Barite.

**Delta State**: Kaolin, Lateritic Clay, Gravel, Silica Sand, Natural Gas, Petroleum, Ball Clay, Bauxite, Granite, River Sand, Clay, Spring Water.

**Ebonyi State**: Lead, Zinc ore, Salt, Limestone, Ball Clay, Refractory Clay, Gypsum, Granite.

**Edo State**: Chamokite, Copper, Gold, Marble, Granite, Gypsum, Petroleum, Dorite, Lignite, Limestone, Ceramic Clay.

**Ekiti State**: Clay, Chamokite, Quartz, Lignite, Limestone, Granite, Gemstone, Bauxite, Cassiterite, Clumbite, Tantalite, Feldspar, Kaolin.

**Imo State**: Crude oil, Shale, Natural Gas, Kaolin, Laterite Sand, Limestone, Salt, Marble.

**Jigawa State**: Glass Sand, Granite, Laterite Clay, Silica, Kaolin, Iron Ore, Quartz, Potash, Talc, Limenite, Gemstone, Columbite.

**Kaduna State**:
Muscovite, Granite, Gold, Manganese, Clay, Graphite, Sand, Zircon, Kyanite, Tin Ore, Limenite, Gemstone, Columbite.

**Kano State**:
Clay, Laterite, Cassiterite, Columbite, Ilmenite, Galena, Phyllochlorite, Kaoline, Gemstone, Silica, Tin Ore, Monazite, Wolframite, Thorium, Granite, Hyalite, Kaolin, Beryl, Amethyst, Gold.

**Kastina State**: Gold, Manganese, Lateritic Clay, Feldspar, Black Tourmaline, Amethyst, Quartz, Kaolin, Mica, Gypsum, Silimanite, Clay, Granite, Sand, Uranium Asbestos, Tourmalin, Serpentine (Chresolite Asbestos), Chromites, Limenite, diamond, graphite, Iron Ore, Potash, Silica Sand.
**Kebbi State**: Salt, Iron Ore, Gold, Feldspar, Limestone, Quartz, Bauxitic Clay, Manganese, Kaolin, Mica.

**Kogi State**: Clay, Iron Ore, Gemstone, Marble, Limestone, Feldspar, Dolomite, Phosphate, Mica, Cassiterite, Granite, Ornamental Stone, Coal, Kaolin.

**Kwara**: Clay, Kaolin, Silica Sand, Quartz, Dolomite, Marble, Feldspar, Gold, Tantalite, Cassiterite, Granite, Limestone.

**Lagos State**: Silica Sand, Bitumen, Sharp Sand, Gravel, Petroleum, Laterite.

**Nassarawa State**: Cassiterite, Gemstone, Azurite, Beryl, Chrysolite, Emerald, Gamet, Sapphire, Topaz, Barites, Galena, Monazite, Zircon, Glass sand, Coal.

**Niger State**: Bell Clay, Kaolin, limestone, Granite, Glass Sand, iron ore, red clay, feldspar, silica sand, Quartz, Asbestos, marble, Talc, Gemstone.

**Ogun State**: Kaolin, Feldspar, Silica sand, Mica, Granite, Clay, phosphate, gypsum, limestone, quartz, Tar sand.

**Ondo State**: Marble, Gold, Gemstone, Diorite, lignite.

**Osun State**: Clay, Granite, Talc, Dolomite, Feldspar, Quartz, Limestone, Mica

**Oyo State**: Clay, Feldspar, Granite, Limonite, iron ore, Kaolinitic Clay, Iron ore, Talc, Marble, Dolomite, Tourmaline, Aquamarine, Amethyst.

**Plateau State**: Monazite, columbite, Feldspar, Clay, Cassiterite, Gemstone, Kaolin, Dolomite, Mica, Zircon, Marble, Limonite, Barite, Quartz, Talc, Galena.

**Rivers**: Petroleum, Natural gas, Silica sand, Glass sand, clay

**Sokoto**: Silica sand, Clay, salt, limestone, Phosphate, gypsum, kaolin, laterite, potash, granite.

**Enugu State**: Laterite Clay, Crude oil, Kaolinitic clay, iron ore, glass sand, petroleum, gypsum, coal, silica sand ceramics.

**Gombe State**: graphite, Kaolin, Limestone, Silica sand, Uranium, Coal, Halites, Clay, Gypsum, Diatomite, Granite.

**Taraba State**: Fluorspar, Gamet, Tourmaline, Sapphire, Zircon, Tantalite, Columbite, Cassiterite, barite, Galena, Limestone, Laterite, calcite, Bentonitic clay

**Yobe State**: salt, Trona, diatomite, clay, gypsum, kaolin silica sand, limestone, Epsomite, iron ore, shale, uranium, granite, bentonic Clay.
**Zamfara State**: Gold, Alluvia Gold, Granite, Chromites, chamorckite, clay, Feldspar, spring water.

**Federal Capital Territory, Abuja**: Limestone, Kaolin, granite, marble, feldspar, mica, dolomite, clay, sand, talc.

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**Minerals and Mining Regulations 2011**

On 24th May 2011, Nigeria’s Mining sector got a complete legislative framework to drive the development of the sector.

The Minister of Mines and Steel Development, Arc. Musa Mohammed Sada made a presentation of Nigeria’s Minerals and Mining Regulations to investors, stakeholders and members of the public in Abuja.

The event marked the completion of our journey towards the provision of the required regulatory framework for mining in Nigeria. In 2007, the Nigerian Minerals and Mining Act was enacted by the National Assembly. That was followed with the launching of the National Minerals and Metals Policy by the ministry in January 2008.”

The Minister said that the Regulations will meet the yearnings and aspirations of all stakeholders, prospective indigenous and foreign investors since their inputs were taken into consideration in the formulation of the document.

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**Fiscal Regime and Commercial Legislation**

The Federal Government has liberalised foreign investment in Nigeria. Furthermore, reductions have been made on:

- Companies Profits Tax from 35% to 30%,
- Capital Gains Tax from 20% to 10%
- Increase of the Initial and Annual Capital Allowances from 20% and 10% to 30% and 20% respectively,
- 3 year tax holiday for new mining companies

These can be considered as strong incentives for any prospective investor into the Nigerian mining industry. In addition, there are several interesting export incentives attracting tax reliefs and tax exemptions.