

Nigerian Mining Sector Watch

Volume 6 | March 2025

Introduction

The Nigerian mining sector (“the Sector”) has recently witnessed some notable advancements, driven by strategic reforms, digitalization and enhanced regulatory oversight. For instance, the Nigerian Mining Cadastre Office (MCO) in 2024, achieved a record revenue of ₦8.2 billion¹, (₦6.1 billion, December 2023) reflecting a substantial boost in revenues. This significant growth in revenue may not be unconnected to the increment in dues / fees / rates charged by the Ministry, increased transparency, streamlined processes and the adoption of digital solutions aimed at improving efficiency (compared to a cumulative collection of about ₦36 billion for 17 years since its inception in 2007 till 2023).

The MCO, however, is only one of the several departments under the relevant Ministries. Hence, its remarkable revenue achievements as stated above may not depict the real state of health of the Sector as a whole. Based on the latest Gross Domestic Products (GDP) results released by the National Bureau of Statistics (NBS), the Sector contributed 0.15% to the Country’s ²GDP in Q3 of 2024 (0.60% in Q3 2023), depicting a significant contraction over the one-year period.

Notwithstanding the below-average performance of the Sector (based on the NBS results), there were a few remarkable developments that have been recorded in the Sector under the current administration. We have analyzed in this newsletter, some of the recent developments and their broader impact on Nigeria’s economic landscape.

1. Establishment of the Nigeria Solid Mineral Corporation

Based on announcements made at different fora by the Honorable Minister of Solid Mineral Development (MSMD), the government plans to establish the Nigeria Solid Minerals Corporation (NSMC). This represents a strategic shift in Nigeria’s approach to maximizing economic benefits from upscaling our mining footprint. The contemplated ownership structure / business model, as gathered from the Minister’s speeches, is as follows: 25% public ownership, 25% federal government ownership, and 50% private sector ownership³. This suggests a conscious attempt to minimize government interference, encourage private sector investment, and create a commercially driven entity.

This planned model, to some extent, mirrors that of the NLNG (although, the latter is not a “corporation”?), which has thrived due to its private-sector dominance and limited political influence and interference. The NSMC’s design appears to strike a balance between government oversight and private sector-driven efficiency, potentially making it more agile and investment-friendly. However, for NSMC to succeed, instituting a corporate governance framework in its structure will be extremely crucial and paramount. The success of NSMC could unlock Nigeria’s vast mineral wealth, positioning the country as a global mining hub while reducing dependence on oil revenue.

¹ <https://tribuneonline.ng/senate-commends-nmco-over-n8-2bn-revenue-in-2024/>

² [Q3 GDP 2023.xlsx](#)

³ <https://businessday.ng/news/article/fg-to-launch-new-mining-corporation/>

2. Transnational Collaborations

Amidst the myriads of challenges plaguing the Sector, it (the Sector) is gaining significant global attention, given the recent transnational collaborations between Nigeria and other renowned mining nations. This reinforces the country's commitment to sustainable resource development and investment-driven growth. Recently, Venezuela has indicated interest to collaboratively explore investment opportunities in the country's mining industry. Beyond the financial prospects, this potential collaboration presents a unique opportunity for both nations to leverage their shared experiences. Nigeria and Venezuela, having historically relied on oil revenues, now face the challenge of diversifying their economies amidst global energy transition realities. By working together, both countries can exchange technical expertise, attract investment in mining machinery production, and create a more resilient and sustainable extractive industry.

Australia, the United Kingdom (UK) and France have also recently renewed their economic engagement with Nigeria, with prime focus on mining (with Australia adding trade, and agriculture) to harness Nigeria's mineral wealth⁴. France has

taken concrete steps signing a Memorandum of Understanding (MoU) aimed at tackling some of the key industry challenges. The agreement includes plans to rehabilitate over 2,000 abandoned mining pits, expand research and training initiatives, and introduce sustainable mining practices to mitigate environmental impact.

Additionally, Nigeria has entered into a partnership agreement with Saudi Arabia to facilitate the technological upgrade of the Nigerian Geological Survey Agency's (NGSA) laboratory, and for the enhancement of the accuracy and efficiency of geological data exploration. These initiatives underscore Nigeria's resolve to modernize its mining sector while aligning with global best practices.

Nigeria is also expanding cooperation with regional mining giants like South Africa, particularly on workforce development⁵. The two nations are working on an MoU to enhance the certification and professional growth of Nigerian mining geologists and promote development of skilled talent for future expansion.

These collaborations signal a promising transformation for Nigeria's mining industry, positioning it as a competitive player in the global market while fostering sustainable economic growth.



⁴ [Nigeria, Australia Strengthen Ties with Bilateral Talks on Trade, Agriculture, and Mining - Arise News](#)

⁵ [Nigeria, South Africa seek stronger ties in mining, trade - Businessday NG](#)

3. Adoption of Technology and Automation

Globally, an increasing use of technology and Artificial Intelligence (AI) for automating and enhancing safety and efficiency in mining operations is being spotlighted. Nigeria is not left out. The Sector is undergoing a technological transformation, with the Federal Government (FG) accelerating efforts to integrate AI, digital tools, and automation in the Sector. This includes the introduction of geo-data digital platforms, which provide global investors with easy access to high-quality geological data, reducing entry barriers and enhancing transparency.

The Ministry of Solid Minerals Development (MSMD) recently introduced some technology-based platforms like the Nigerian Mineral Decision Support System (NMRDSS), Electronic Mining Cadastral (EMC+), and the National Geo-Data Centre (which enables remote exploration of Nigeria's mineral wealth and streamlines investment decisions⁶) into its operation. The FG is also funding more geological research to expand the mineral database and support the Sector's growth.

These efforts are commendable. However, a lot more needs to be done to catch up with the trend across other mining regions. Given the growing demand for critical minerals globally and the focus on extractive industry, the FG needs to fully digitize and automate the Ministry's operation, to enable her to compete effectively in the global mining market.



4. Key Investment Opportunities

Nigeria is positioning itself as a top destination for mining investments, aiming to unlock its \$700 billion solid minerals sector. The FG, through the mining ministries, is actively engaging foreign investors across the globe by showcasing Nigeria's solid minerals potentials for sustainable development. In a recent move, the country partnered with South Africa to launch a four-day investment roadshow (organised by the Nigerian High Commission in partnership with Rosebank Capital, a South African investment bank) to express its intent on securing \$500 million in initial foreign investment for its fledgling solid minerals sector. This will be achieved by leveraging South Africa's advanced expertise in mining and resource development.

Key initiatives being pursued to boost investment opportunities include:

- **Foreign Investment Drive:** A targeted campaign to attract global mining giants, especially from South Africa.
- **Mining Infrastructure Corridor:** An integrated infrastructure plan to improve access to minerals and enhance processing.
- **Policy and Regulatory Enhancements:** Ongoing reforms to create a transparent, investor-friendly regulatory environment.

These strategic initiatives indicate a bright future for Nigeria's mining industry.

5. Eradication of Illegal Mining

The Nigeria Security and Civil Defence Corps (NSCDC) recently announced that it has successfully reclaimed over 200 mining sites from about 300 illegal miners⁷. This initiative, alongside the establishment of Mining Marshals to oversee mining operations, underscores the FG's commitment to securing Nigeria's mineral resources. The NSCDC Mining Marshals recently in January 2025, unveiled their 2025 strategic operational plan aimed at enhancing field operations, improving regulatory compliance, and intensifying the fight against illegal mining activities. The MCO has also pledged full support towards the automation of their services and system upgrades to enhance transparency and streamline license verification process.

⁶ <https://punchng.com/nigeria-seeks-global-investment-in-mining-with-new-geo-data-platforms/>

⁷ <https://punchng.com/over-200-mining-sites-reclaimed-from-bandits-illegal-miners-nscdc/>

⁸ <https://nigerianmining.com/traditional-ruler-warns-of-security-threat-as-illegal-miners-overrun-cross-river-community/>

Despite these efforts, concerns over illegal mining persist at the local levels. In Cross River State, alarms about the safety risks posed by unauthorized miners⁹ have been raised, with reports indicating the involvement of foreign nationals. Similarly, in Rivers State, illegal mining activities have prompted calls for intervention by the Economic and Financial Crimes Commission (EFCC), with the House of Representatives estimating \$9 billion in annual losses. Other states of the federation have also been faced with the illegal mining scourge, including Zamfara, Plateau, Nasarawa, Adamawa, Osun State, etc.

To stem the scourge of this menace, the National Assembly may be considering the enactment of a law to stipulate capital punishment to the perpetrators. Furthermore, the Federal Executive Council (FEC) has recently (in March 2025) approved the procurement of a 2.5 billion satellite surveillance gadget to monitor and combat illegal mining activities across the country. This technology will serve as an integrated framework to track unauthorized mineral extraction and by extension, curb revenue leakages. Countries like Colombia, China, Peru and Ghana amongst others have been successful in the use of remote sensing technology such as the synthetic aperture radar (SAR) satellite⁹ data to accurately monitor and quantify the unlawful exploitation of minerals. Nigeria, though late to the party, can still leverage the learnings from these countries in mitigating the scourge of illegal mining.

It is important to emphasize that the efforts to diversify Nigeria's economy, boost revenues and enhance the Sector's contribution to the nation's GDP will remain a mirage if the current administration fails to address the issue of illegal mining. Thus, continued efforts, both regulatory and on-the-ground, will be key to effectively combating the menace.

6. Drive for Improved Compliance with Environmental and Social Protection and Sustainability

Some (illegal) miners continue to operate without the requisite licenses, evade taxes and royalties, and work in hazardous conditions, leading to gross environmental degradation, pollution and ultimately, destruction / depletion of natural habitats, including human communities.

The Mineral Resources and Environmental Management Committee (MIREMCO or "the

Committee"), established under the Nigerian Minerals and Mining Act of 2007, was established to create a balanced framework for developing the country's mineral resources while protecting the environment and benefiting local communities. However, the Committee has come under severe criticism for negligence in areas such as enforcement, environmental management, transparency, and coordination with other agencies, which has resulted in continued existence of illegal mining activities.

In response, the FG (in November 2024), through the Minister of Solid Minerals, gave a 90-day ultimatum to MIREMCO to improve its performance¹⁰ or face sanctions. Thus, the Committee was expected to address its shortcomings and increase accountability by taking stronger action against illegal mining, with more focus on improving environmental management.

The Sector is increasingly embracing sustainability and ESG (Environmental, Social, and Governance) principles to align with global best practices. The introduction of initiatives like the Environmental Protection and Rehabilitation Fund (EPRF) to combat environmental degradation and promote community engagement, validates this position.

The Minister of the MSMD echoed this commitment at the 2024 Nigeria Mining Week, emphasizing stricter adherence to environmental standards to prevent land degradation, deforestation, and pollution¹¹. The MSMD is also prioritizing community engagement by encouraging investment in host communities, promoting fair labor practices, and inclusive growth. To formalize the artisanal and small-scale mining sector, 150 new mineral buying centers have been established, creating opportunities for local economic integration and the resultant benefits.



⁹ [How SAR satellites are helping in containing illegal mining activities -](#)

¹⁰ <https://nairametrics.com/2024/11/26/fg-issues-90-day-ultimatum-to-mining-management-committee-to-improve-performance/>

Regulatory enforcement is a cornerstone of these reforms, with the MSMD strengthening compliance with the relevant provisions of the Nigerian Minerals and Mining Act of 2007¹². Miners must now adhere to sustainability frameworks and demonstrate responsible business practices.

It is no doubt that the Sector's ongoing reforms are rooted in ESG principles, aiming for a sustainable and responsible industry. By focusing on environmental protection, social responsibility, and regulatory governance, Nigeria is positioning itself for a future of sustainable growth while diversifying its economy beyond crude oil exports.

7. Revitalization of Ajaokuta Steel Complex (ASC)

There are indications that the revitalization of the uncompleted ASC is set to begin in the first quarter of 2025¹³, following the MoU signed between the Honorable Minister of Steel Development (MSD) and Tyajz Prom Export (TPE) Consortium, the original builders of the plant¹⁴ in 1979. This MOU aims to boost Nigeria's industrial growth underpinned by the development of the steel sector, reduce reliance on imported steel, and create jobs. TPE's technical audit will guide the plant's rehabilitation, ensuring a clearer path for future operations. About \$2 billion is estimated for the rehabilitation, subject to adjustment(s) after the audit.

In addition, the stalled Aluminium Smelter Company of Nigeria (ALSCON) in Akwa Ibom remains a significant economic opportunity, but ownership disputes have delayed its operation. The Presidency has therefore saddled the MSD with the responsibility to resolve these issues in order to unlock ALSCON's full potentials within a short time.

The anticipated revitalization of the ASC will no doubt, mark a critical step towards industrialization and massive job creation in the country.

Conclusion

Nigeria's mining sector is undergoing a remarkable transformation, driven by strategic partnerships with countries like Australia, the United Kingdom, France, Saudi Arabia and South Africa. These collaborations are not only attracting investments but also enhancing technical capabilities while ensuring that mining practices are environmentally responsible and economically beneficial.

The FG's commitment to transforming the Sector is evident in its progressive policies, foreign investment incentives, and stringent regulations designed to foster sustainable practices. With a focus on technological advancements, the Sector is becoming increasingly attractive to foreign investors, offering easier access to high-quality geological data and resources. Backed by strong government support, improved infrastructure, and growing international interest, Nigeria's mining industry is poised to play a key role in the nation's economic development.

Investors eager to engage with Africa's growing mining market should closely follow these developments as Nigeria positions itself as a leading global player in the mining sector.



¹¹ <https://nannews.ng/2024/11/21/fg-addressing-environmental-degradation-caused-by-mining-minister/>

¹² <https://blueprint.ng/msmd-champions-new-era-of-sustainable-mining-for-nigerias-future/>

¹³ <https://www.thisdaylive.com/index.php/2025/01/31/fg-why-ajaokuta-steel-will-undergo-another-audit-despite-3-previous-ones-2/>

¹⁴ <https://kogireports.com/return-of-original-builders-of-ajaokuta-steel-positive-initiative-towards-renewed-hope-of-industrialized-nigerian-economy/>

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