MINISTRY OF MINES AND STEEL DEVELOPMENT, ABUJA, NIGERIA
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Nigeria - Where We Are
So Background Information on Nigeria

- **Official Language:** English
- **Major Languages:** Hausa, Yoruba, Igbo, Fulani
- **Population:** 140 Million
- **Currency:** Naira ₦1.00 = 100 kobo
- **1 British Pound Sterling = 240 Nigerian Naira**
- **GDP:** Approx. 135 billion USD
- **Per – Capita Income:** Approx. 493 USD (2005)
- **Main Religions:** Islam, Christianity and Indigenous religions
- **Rail Network:** 4660 km (standard/narrow gauges)
- **Road Network:** 195,000 km
- **Major Ports:** Lagos, Port Harcourt, Warri, Calabar, Onne and Sapele
- **Major Airports:** Abuja, Lagos, Kano, Port Harcourt, Enugu, Kaduna, Maiduguri, Yola, Calabar, Sokoto, Owerri, Jos, Ilorin.
Government Diversifying the National Economy through the Non-oil Sector

• Oil sector generates more than 95% of Nigeria’s export revenues.
• The sector accounts for about 85% of Nigeria’s foreign exchange earnings.
• The Oil and Gas Sector of the economy accounts for one-third of the country’s Gross Domestic Product.
• The Oil and Gas Sector employs about 6% or less of the work force.
• The sector is subject to major price fluctuations and volatility, as we are currently experiencing.
Revitalisation of the Minerals and Metals Sector

- This sector has the potential of driving our national economic growth (compared to its current contribution of less than 1.0% of GDP).
- Growth of the sector will diversify the national economy and minimize over-dependence on Oil and Gas as primary sources of revenue.
- Upstream and downstream activities will greatly promote sustainable economic growth.
Production

• Widespread Gold production.

• World’s 6th largest producer of Cassiterite (Tin Ore) mostly by British Owned Companies

• Exporter of Coal.

• Major exporter of Columbite and Tantalite (Coltan).

• Substantial Wolfram and Lead/Zinc Sulphide production.
the Mining Industry in Nigeria

• “Oil Boom”

• Inefficient State Operations

• State participation in Mining Activities

• Depleted Surface Alluvial Deposits (Especially Tin)

• Collapse of commodity prices in the mid-1980s
Nigeria’s Mining Sector Reform (Pre-2005)

- Inadequate Geological Information & Data.
- The 1999 Minerals & Mining Act allowed for substantial subjectivity.
- Opaque and Inefficient Licensing Procedures Leading to speculative title holding.
- Cumbersome mining license application processes
- Prevalence of Illegal Mining Activities.
- Jurisdictional Conflicts between Federal and State Governments.
Outcomes of the Mineral Sector Reform

- Reorientation of Government from ‘Owner-Operator’ to ‘Administrator-Regulator’
- Private Sector to be engine of Growth
- Liberal & Transparent Access to Mining Titles
- Guaranteed Security of Tenure of Mining Titles
- Competitive Fiscal Incentives
- Strengthening Geological Data Generation
- Institutional and Human Capacity building
Elements of Recent Government Policy on Solid Minerals

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- Development of solid minerals to be driven by the private sector

- Government now Regulator-Administrator

- Government is providing an enabling environment for private sector participation

- Government has established the necessary institutional and regulatory framework
Nigerian Minerals and Mining Act, 2007

- Enacted in March, 2007
- Based on international best practices
- Modeled after successful mining jurisdictions
• Security of tenure of titles/rights.

• Competition for mining titles/rights on ‘first come, first served’ basis.

• Application of the principle of ‘use it or lose it’ in mining title/rights administration.

• Use of time limits for granting titles.
Key Provisions of the New Mining Act – Contd.

• Creation of a Mining Cadastre System in Mineral Title Administration.

• Introduction of Community Development Agreement, Environmental Protection and Mitigation Measures.

• Transferability of Mining Rights.
Improved Enabling Environment

- Favourable Tax Regime

- Investment Friendly Policy and Legislation
  - Security of Tenure
  - Attractive Fiscal Regime
  - Divestment by Government from Mining Activities to Open Additional Areas for Private Investors

- Internationally Competitive Fiscal Incentives (Enshrined in the Law)
Improved Enabling Environment – Contd.

• Increased Support Mechanisms and Facilities (e.g. infrastructure and improved service delivery, etc.)

• Enhanced Institutional Capacity for Monitoring and Supervision, etc
Improved Enabling Environment – Contd.

- A Robust and Liberalised Economy
- Minimal Public Debt
- Developing New and Rehabilitating Existing Railway Infrastructure Nationwide
OPPORTUNITIES IN NIGERIA’S MINERALS AND METALS SECTOR
Nigeria’s Mineral Endowment

• Nigeria is endowed with many solid minerals.

• Solid minerals have been found in more than 500 locations in the country.

• All the 36 States of the Federation and the Federal Capital Territory have more than one mineral type.

• The Ministry identified seven mineral commodities with the potential for development,
Primary Minerals

- Gold
- Tarsand (Bitumen)
- Coal
- Iron Ore
- Columbite-tantalite
- Tin Ore
- Wolframite
- Lead – Zinc Sulphides
- Industrial Minerals
Nigeria’s Seven Strategic Solid Minerals

1. Gold – Several prospects have been identified in many locations.
2. Tarsand (Bitumen) – Estimated Resource: 27 billion barrels of oil equivalent.
3. Coal – Estimated Resource 2.7 billion tonnes.
5. Limestone – Estimated at 2.23 trillion tonnes.
7. Lead/Zinc Sulphides – Estimated at over 1 million tonnes.
Minerals of Special Focus

• Gold

• Iron Ore

• Coal for Power Generation

• Tarsand (Bitumen)

• Limestone
At least 50 minerals occur in more than 500 locations in Nigeria
Mineral Deposits of Nigeria
Gold in Nigeria

Associated with the schist belts of the western half of Nigeria.

Schist Belt in blue is similar to gold bearing rocks in Ghana
Gold in Nigeria is found in alluvial, eluvial and primary veins from several parts of schist belts in the Northwest and Southwest Nigeria.
INVESTMENT OPPORTUNITIES FOR GOLD

• Occurs in primary, alluvial, eluvial forms and can be found at:
  • Okolom/Kogi State, with grades from 1.0-36g/ton
  • Dogondaji/Kogi State with grade values from 1.0-75g/ton
  • Waya/Kebbi State, with grade values 0.4 - 11g/ton
  • Iperindo/Osun State, as primary gold
    • Recent drilling by CGA Mining (former Central Asia Gold)
    • 3,000 metres of coring has proved more than 300,000 ounces. 2 million ounces estimated.

• Other major occurrences in Ogun, Adamawa, Edo, Kwara, Niger, Kaduna and Zamfara States
COLUMBITE-TANTALITE
(COLTAN)

• In recent past, Nigeria has been the largest producer of Coltan in Africa.

• Wide spread Artisanal and Small Scale Mining Activities.
IRON ORE

• There is significant commercial deposits of Iron Ore

• Estimated Iron Ore Resource of 3 billion tonnes

• Iron Ore grades range from 32% to 50% iron content

• Most of the Iron Ore deposits are close to Ministry of Mines and Steel Development
NIGERIA’S STEEL SECTOR

• Government considers the development of its steel sector to be of strategic economic importance.

• In view of Government’s privatisation programme, any investment of its steel sector will be driven by market principles and not government intervention.

• Nigeria is a country with rapidly growing economy. There is a large opportunity for local steel production.

• Liberalised financial and export conditions exist to encourage any investment in this sector.
COAL

• Discovered in 1909

• Exploration/mining started in 1913.

• Mainly sub-bituminous and has been found in more than 22 locations, in central and eastern Nigeria.

• Some Coking Coal has also been found.

• Proven reserves of over 639 million tonnes with a further 2,750 million tonnes inferred
COAL – Contd.

• Nigerian Coal Corporation mineral properties being privatised.

• Three Coal Blocks have been sold through open bidding process.

• Greenfield and brownfield areas available for auctioning.
• There is a new focus in developing the nation’s coal resources for power generation

• A collaboration with the Ministry of Power to facilitate Coal to Power Generation projects by the private sector

• Successful concessionaires have carried out extensive work for the use of Coal in Power Generation
• First reported in 1900 and exploration began in 1905.

• Over 120 exploration wells were sunk to determine the quantity and quality.

• Estimated resource of about 27 billion barrels of oil equivalent.

• Blocks being sold through an open and competitive bidding process.
The Ministry will soon commence the bidding process for the allocation of Bitumen and Tarsand blocks.
• Divest government from mining operating interests

• Attract strong, credible players into the mining sector

• Several properties sold: Gold, Kaolin, Barytes, Coal
Geo-Science Data Generation

• Government continues to generate new geo-science data to facilitate private sector investment

• Many agencies of Government are involved in the generation and upgrading of critical data
Airborne Geophysical Survey
Airborne Geophysical Survey – Contd.

• Phase (1) covering 44% of the country completed and processed.

• Magnetic and Radiometric Data available.

• Coverage of the rest of the country is ongoing.
Specific Exploration of Mineral Targets

- Airborne geophysical surveys and other surveys have indicated the occurrence of mineralized zones in several parts of the country.

- Nigerian Geological Survey Agency (NGSA) is carrying out further exploration of mineral targets.
Thank you for your attention.