



# ENERGY AND NATURAL RESOURCES REPORT



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## CHAPTER 1

# 2025 END-OF-YEAR NIGERIA MINING INDUSTRY REPORT

- 1.0 INTRODUCTION
- 2.0 ASSESSMENT OF THE 2016 MINING ROADMAP AND THE SHIFT TOWARD CRITICAL MINERALS
- 3.0 KEY ACTIVITIES FROM JULY 2025 – NOVEMBER 2025
- 4.0 PROJECTION FOR 2026 – POST-2016 ROADMAP
- 5.0 CONCLUSION



The year 2025 marks a historic inflection point for Nigeria's mining and solid minerals sector. It is the final year of the 10-year implementation horizon set by the 2016 Mining Roadmap ("the Roadmap") and, at the same time, the foundation year for a new, more targeted policy era anchored on energy transition and critical minerals.<sup>1</sup> Over the past decade, the Roadmap has provided a reference framework for reform, from legal and institutional restructuring to geoscience data generation and value addition. Yet, as observed in our 2025 Mid-Year Report, implementation has been uneven, with several long-term deliverables only partially realised as the Roadmap draws to a close.

Despite these gaps, the latter part of the year, July to December 2025 has been characterised by a notable deepening of reforms and a clear sharpening of strategic focus. In H2-2025, the Federal Government advanced an ambitious legislative agenda, progressed the operationalisation of the Nigeria Solid Minerals Company (NSMC), strengthened enforcement against illegal mining, and formally unveiled the Energy Transition and Critical Minerals (ETCM) Roadmap as a successor framework to the 2016 agenda. At the same time, Nigeria consolidated a broadening network of international partnerships, secured new investment

commitments in processing and value addition, and backed its policy intentions with an unprecedented budgetary allocation for the sector in the 2026 fiscal year.

Building on the analysis and projections contained in our 2025 Mid-Year Report, this End-of-Year Report assesses how the sector has evolved against the backdrop of the Roadmap's conclusion. It provides (i) an assessment of performance and structural gaps relative to the 2016 Roadmap's objectives, (ii) a review of key policy, regulatory, institutional, and investment developments between July and December 2025, and (iii) forward-looking projections for 2026 in the emerging post-Roadmap era, with particular emphasis on the ETCM value chain.



<sup>1</sup> In 2016 the Federal Ministry of Mines and Steel Development published the "Roadmap for the Growth and Development of the Nigerian Mining Industry" with the objective of addressing the key challenges identified in the mining sector and outlined strategies for rapid development and utilization of key minerals and metals. The roadmap adopted a phased 10-year implementation framework comprising immediate, short, medium, and long-term actions. The long-term phase was defined as years 5–10 of the plan, and the Mining Implementation and Strategy Team (MIST) was constituted with a corresponding 10-year mandate, signifying that the roadmap was designed to conclude in 2025.

## ASSESSMENT OF THE 2016 MINING ROADMAP AND THE SHIFT TOWARD CRITICAL MINERALS



As 2025 marks the conclusion of the 10-year horizon set by the 2016 Roadmap, this assessment reflects on both achievements and structural gaps. At its inception, the 2016 Mining Roadmap was conceived as an ambitious policy blueprint to replace the 2012 framework<sup>2</sup> and reposition the mining and solid minerals sector as a central pillar of Nigeria's economic diversification efforts. It sought to reduce over-reliance on oil by developing mining as a key growth sector, increasing mineral production and strengthening the sector's overall economic contribution.

One of the flagship targets of the 2016 Roadmap was to raise the sector's contribution to Nigeria's Gross Domestic Product ("GDP") from 0.55% to 10% by 2026.<sup>3</sup> According to the National

Bureau of Statistics data, the broader Mining and Quarrying sector recorded 4.61% year-on-year growth in Q2 2025, contributing approximately 4.23% to real GDP in this period.<sup>4</sup> Within the sector, quarrying and other minerals grew by 50.41%, while coal mining increased by 32.59%.<sup>5</sup> These outcomes, while below the ambitious scale envisioned under the 2016 roadmap, indicate a consistent upward trajectory from historically low baselines and reflect growing investor activity and policy reforms in the sector.

However, the landscape of mineral demand has evolved substantially since 2016, driven by the global energy transition and the surge in demand for critical minerals. In response, the Federal Government has begun updating and expanding the sector's



<sup>2</sup> In October 2012, a roadmap for the development of the Solid Mineral and Metals sector, based on a value chain approach, was approved by government.

<sup>3</sup> Nigeria Mining Growth Roadmap. [https://www.minesandsteel.gov.ng/wp-content/uploads/2016/09/Nigeria\\_Mining\\_Growth\\_Roadmap\\_Final.pdf](https://www.minesandsteel.gov.ng/wp-content/uploads/2016/09/Nigeria_Mining_Growth_Roadmap_Final.pdf) [accessed November 14, 2025].

<sup>4</sup> Nigeria's mining sector records 4.61% growth in Q2 2025 <https://businessday.ng/news/article/nigerias-mining-sector-records-4-61-growth-in-q2-2025/> [accessed November 14, 2025].

<sup>5</sup> GDP Report Q2 2025 <https://www.morgancapitalgroup.com/pdf/GDP%20REPORT%20Q2%202025.pdf> [accessed November 14, 2025]

policy direction. The 2016 Roadmap is now being complemented by a new strategic framework focused on critical minerals and the energy-transition value chain.

In October 2025, at a Stakeholders Workshop focused on the implementation of the emerging framework for the development of the ETCM value chain, the Ministry formally unveiled a dedicated ETCM Roadmap.<sup>6</sup> The Minister emphasised the ministry's commitment to this updated strategy, which builds on the foundation of the 2016 Roadmap while shifting focus toward minerals essential to clean energy technologies, such as lithium, cobalt, nickel, and rare earths, among others, that are in high global demand.

The new Roadmap seeks to attract investment across the ETCM supply chain (from exploration to beneficiation and processing); build the enabling infrastructure and skilled workforce required for value addition; strengthen governance and environmental compliance, integrate artisanal and small-scale miners into formal value chains, and promote equitable sharing of mining-derived benefits among communities and governments.<sup>7</sup> The ETCM

Roadmap is also designed to complement the Ministry's existing 7-point agenda and align Nigeria's mining ambitions with continental strategies as the African Critical Minerals Strategy and African Mining Vision. Overall, it effectively updates and modernizes the 2016 Mining Roadmap by prioritizing high-value transition minerals and repositioning Nigeria to compete in the global energy-transition minerals market. It signals a shift from a broad-based mining growth strategy to a more targeted, value-chain-driven approach that reflects contemporary global realities.



<sup>6</sup> FG Plots New Roadmap for Solid Minerals Development <https://msmd.gov.ng/fg-plots-new-roadmap-for-solid-minerals-development/#:-text=The%20Federal%20Government%20has%20reaffirmed,minerals%20value%20chain%20in%20Nigeria> [accessed November 14, 2025]

<sup>7</sup> Ibid.

Since our last report, the Nigerian mining sector has witnessed significant developments, policy shifts, and stakeholder engagements that are set to shape the direction of the industry. These include;

#### ACHIEVING N28 BILLION REVENUE AMID CRACKDOWN ON ILLEGAL MINING

In H1-2025, we highlighted the persistent challenge of illegal mining and the government's increasing efforts to sanitize the sector through task-force operations, recounting the significant strides made by the ministry's specialized marshal unit in collaboration with the Nigeria Security and Civil Defence Corps ("NSCDC") to crack down on illegal mining activities. Sometime in October 2025, the Minister disclosed at the South-West stakeholders' dialogue, organised by Afenifere, the Pan-Yoruba socio-cultural group, in collaboration with the DAWN Commission and South-West governors, that over 90 mining sites previously controlled by illegal operators generated a revenue of N28 billion in 2024.<sup>8</sup> He further stated that the South-West region alone contributed N7.2 billion, making it the highest contributor to mining revenues accruing to the Federal Government.<sup>9</sup>

Furthermore, in a continued bid to curb illegal mining, the Federal Government partnered with the United Nations Office on Drugs and Crime (UNODC) to launch a specialised capacity-building programme for the NSCDC Mining Marshals. This initiative is aimed at equipping officers with enhanced skills to detect, investigate, and disrupt criminal and terrorist financial networks linked to mineral exploitation.<sup>10</sup>

#### LEGISLATIVE REFORM AND CAPACITY-BUILDING IN NIGERIA'S SOLID MINERALS SECTOR

As highlighted in our Mid-Year Report, Nigeria entered 2025 with renewed commitment to strengthening the legal and regulatory framework governing the solid minerals sector. In H2-2025, this momentum accelerated significantly. True to the 2016 Roadmap which emphasises legal reform, institutional coordination, and regulatory clarity, the Federal Government and National Assembly advanced several legislative measures aimed at modernising the sector, enhancing investor confidence, and improving governance across the value chain. These measures include:

<sup>8</sup> FG generated N28bn, recovered 90 mining sites in 2024 – Alake. <https://punchng.com/federal-government-generated-n28bn-recovered-90-mining-sites-in-2024-alake/> [accessed November 14, 2025]

<sup>9</sup> Alake: Southwest contributes over N7b mining revenue in nine months. <https://thenationonlineng.net/alake-southwest-contributes-over-n7b-mining-revenue-in-nine-months/> [accessed November 20, 2025]

<sup>10</sup> UNODC partners NSCDC to strengthen Nigeria's fight against illegal mining <https://thenationonlineng.net/unodc-partners-nscdc-to-strengthen-nigerias-fight-against-illegal-mining/> [accessed November 27, 2025]

### a. Introducing 12 Bills to Reposition the Mining Sector

On 11 September 2025, the House of Representatives commenced deliberations on twelve (12) bills designed to address core gaps in Nigeria's solid minerals governance architecture. These bills collectively target legal reforms, regulatory streamlining, institutional strengthening, funding mechanisms, and human capital development. The 12 legislative reforms include:

- i. A bill for an act to repeal the Nigerian Coal Corporation Act, Cap. 95, Laws of the Federation of Nigeria, 2004, and enact the Nigeria Coal Development Commission Enugu and for related matters (HB.667).
- ii. A bill for an act to assure adequate funding for mineral resources exploration and extraction through public-private partnership (PPP) and for related matters (HB.289).
- iii. A bill for an act to establish the Lithium Development Commission of Nigeria to provide a legal framework

for the promotion of research study, investment, exploration, production of lithium, develop a vertically integrated lithium industry, create a roadmap for developing the infrastructure required by potential lithium mines in Nigeria, and design the regulatory framework governing the sector in Nigeria, and for related matters (HB.2137).

- iv. A bill for an act to establish the Federal Institute of Mining and Geosciences, Takum, Taraba State, to provide courses of instruction, training, and research in the exploration and exploitation of minerals for national development, and for related matters (HB.2361).
- v. A bill for an act to establish the Federal Institute of Mining and Geosciences, Ikoro, Ekiti State, to provide courses of instruction, training, and research in the exploration and exploitation of minerals for national development, and for related matters (HB.2364).

- vi. A bill for an act to establish the Federal Institute of Mining and Geosciences, Garaku, Nasarawa State, to provide courses of instruction, training, and research in the exploration and exploitation of minerals for national development, and for related matters.
- vii. A bill for an act to establish the Nigerian Mining Development Bank (NMDB) to provide financial support, promote investment, and foster sustainable development in the mining sector of Nigeria, and for related matters (HB.808).
- viii. A bill for an act to establish the Federal Institute of Mining and Geosciences, Akmpakpa, Cross River State, to provide courses of instruction, training, and research in the exploration and exploitation of minerals for national development, and for related matters.
- ix. A bill for an act to establish the Federal Institute of Mining and Geosciences, Gusau, Zamfara State, to provide courses of instruction, training, and research in the exploration and exploitation of minerals for national development, and for related matters.
- x. A bill for an act to establish the Federal Institute of Mining and Geosciences, Umuahia, Abia State, to provide courses of instruction, training, and research in the exploration and exploitation of minerals for national development, and for related matters.
- xi. A bill for an act to establish the Nigerian Solid Mineral Communities Development Commission and related matters.
- xii. Nigerian Institute of Mining and Geosciences Act (Amendment) Bill, 2024.

These reforms intend, amongst others to modernise old and obsolete legal instruments, create new institutions, such as the Lithium Development Commission and the Nigerian Mining Development Bank, that will position Nigeria to benefit from global shifts in energy transition and critical minerals demand, and establish Institutes of Mining and Geosciences in the various geopolitical zones of the country.



**b. Host Communities Development Commission Bill**

Host communities remain central to Nigeria's mining industry; hence, their rights, welfare and environmental protection cannot be overlooked. Persistent concerns over environmental degradation, inequitable benefit-sharing, and illicit mining practices continue to fuel tension in mineral-producing communities, underscoring the need for a more structured regulatory framework. At a public hearing on September 11, 2025, the House of Representatives considered a bill sponsored by Hon. Sunday Dekiri, which had passed its second reading in July 2024. The bill seeks to establish a Host Communities

Development Commission to safeguard the rights of communities where solid minerals are mined and to ensure they benefit directly from the resources extracted from their lands.<sup>11</sup>

Lawmakers described the initiative as long overdue. The proposed framework ensures that mining communities are adequately represented in decision-making, that a fair share of mineral wealth is reinvested locally, and mandate development projects tailored to urgent social, environmental, and economic needs. However, some industry stakeholders raised concerns about potential overlaps with the Nigerian Minerals and Mining Act 2007,

<sup>11</sup> Reps move to establish commission to protect host communities' rights <https://guardian.ng/business-services/industry/mining-reps-move-to-establish-commission-to-protect-host-communities-rights/> [accessed November 14, 2025]

which vests exclusive control of mineral resources in the Federal Government and currently limits host community obligations to surface rents and Community Development Agreements (“CDAs”).<sup>12</sup> Stakeholders cautioned that the bill’s provisions, such as mandatory equity participation and profit-sharing for host communities, could deter investment and undermine existing investment rights.

Despite these concerns, the Committee reaffirmed the House’s commitment to prioritising the development and welfare of host communities, emphasising that communities must not remain marginalised while companies continue to profit from their resources.

#### c. Mines Rangers Service Bill

On October 21, 2025, the Senate also passed the Nigeria Mines Rangers Service Establishment Bill 2025 (SB. 235), aimed at establishing a specialised security outfit designed to tackle illegal mining activities across the country as part of the efforts to strengthen oversight in

the mining sector.<sup>13</sup> The bill is intended to improve regulation and enforcement under the existing Minerals and Mining Act.

The proposed Mines Rangers Service serves as a specialised enforcement agency tasked with securing mining sites and ensuring compliance with the nation’s mining laws. Once established, the Rangers will be physically present at mining sites across the country and serve as eyes on the ground to monitor and safeguard the extraction of our national resources.

Importantly, the new Mines Rangers Service is intended to complement, rather than replace the existing Mining Marshals deployed earlier in the year by the Ministry and the Nigeria Security and Civil Defence Corps (NSCDC).

While the Mining Marshals focus primarily on rapid response interventions and joint security operations, the Mines Rangers Service is envisioned as a more permanent, institutionally grounded enforcement structure with

<sup>12</sup> Reps Consider Bill to Protect Rights of Mining Host Communities. Nigeria: Reps Consider Bill to Protect Rights of Mining Host Communities - allAfrica.com [accessed November 14, 2025]

<sup>13</sup> Senate Passes Bill To Establish Nigeria Mines Rangers Service. <https://www.channelstv.com/2025/10/21/senate-passes-bill-to-establish-nigeria-mines-rangers-service-to-curb-illegal->

broader regulatory functions. Together, both entities are expected to strengthen Nigeria's capacity to combat illegal mining and safeguard the nation's mineral assets.

#### d. Other Legislative Reforms

Amongst other legislative reforms, the House of Representatives presented the Minerals and Mining Act (Amendment) Bill, 2025 (HB.2276)<sup>14</sup> on June 26, 2025, for first reading. This proposed amendment seeks to grant States greater roles in mineral resource management and improve the governance of mining rights. This aligns with growing calls to decentralise Nigeria's exclusive Federal control over mining licenses and promote improved coordination between the Federal and State authorities.

In addition, the Nigeria Extractive Industries Transparency Initiative (NEITI) in September 2025 also urged swift legislative action to overhaul the current solid minerals legal framework to pass a new Solid Minerals Reform Act within 12 months.<sup>15</sup> The reform agenda includes the establishment of a high-level National Minerals Commission/Council and other measures designed to transform "buried wealth" into visible and sustainable prosperity.

#### OPERATIONALISATION OF THE NIGERIAN SOLID MINERALS COMPANY (NSMC)

In the Mid-Year Report, we noted the Federal Government's plans to establish the Nigerian Solid Minerals Corporation ("NSMC") as a commercially oriented, NLNG-style corporate vehicle designed to drive investment, promote value addition, and reduce direct government control in mining operations. At that time, the NSMC was still at the proposal stage, with an anticipated ownership structure of 50% private investors, 25% Federal Government, and 25% Nigerian citizens through a public offer. By the end of 2025, the initiative will have moved from concept to early implementation. Sometime in July, at the Ministerial Retreat of the Ministry of Solid Minerals in Abuja, the Minister formally announced the commencement of skeletal operations of the NSMC and the opening of its Abuja office.<sup>16</sup> He also confirmed the appointment of Mr. Martins Imonitie, a seasoned banker and mining finance expert, as the Company's Pioneer Chief Executive Officer.

The operationalisation of the NSMC is part of a broader performance framework that aligns with the Ministry's 7-Point

<sup>14</sup> House Of Representatives Federal Republic of Nigeria Order Paper Thursday, 26 June 2025. <https://placng.org/i/wp-content/uploads/2025/06/House-of-Reps-order-paper-26-June-2025.pdf> [accessed November 14, 2025]

<sup>15</sup> NEITI calls for urgent reform of Nigeria's solid minerals sector. <https://www.premiumtimesng.com/business/business-news/824059-neiti-calls-for-urgent-reform-of-nigerias-solid-minerals-sector.html> [accessed November 14, 2025]

<sup>16</sup> Nigerian Solid Minerals company begins operations – Alake <https://www.vanguardngr.com/2025/07/nigerian-solid-minerals-company-begins-operations-alake/> [accessed December 4, 2025]

Agenda and the Administration's push for a private-sector-driven minerals economy. According to the Minister, the past two years have recorded tangible progress, including the deployment of Mining Marshals to combat illegal mining, improved geological data, establishment of artisanal cooperatives, and the adoption of Africa's policy on mineral value addition.

The Minister emphasised that the NSMC will not replicate the defunct Nigerian Mining Corporation ("NMC"). Rather, it will adopt a commercially oriented governance model and optimise selected legacy assets inherited from the NMC, while ensuring transparency, operational independence and investor confidence.

The Minister also noted the continuing challenge of State-level restrictions on mining activities, reiterating that mineral regulation remains under the Federal Government's Exclusive Legislative List but requires cooperative federalism to achieve impact. Legislative leaders, including Senator Ekong Sampson (Chair, Senate Committee on Solid Minerals) and Hon. Jonathan Gaza Gbefwi (House Committee Chair), expressed support for the NSMC and pledged to accelerate the passage of enabling laws that will unlock the sector's full economic potential.



### ACCELERATING AFRICAN MINING CAPITAL: LAUNCH OF THE \$250 MILLION AFRICANS FOR AFRICA FUND

In our Mid-Year Report, we highlighted the Federal Government's plan to establish the Africans for Africa Fund (AfA Fund), a landmark initiative designed to mobilise intra-African capital for mining and natural resources development. In H2-2025, this vision materialised with the official launch of the AfA Fund at the African Natural Resources and Energy Investment Summit ("AFNIS") 2025 Summit in Abuja.

The Managing Director of the AfA Initiative, sometime in July, announced that the Fund will deploy \$250 million to strengthen African ownership in the mining industry and shift the continent away from extractive, externally dominated investment models. An initial close of \$50 million is expected, with commitments from at least 10 institutional investors already in advanced stages. The first phase, targeted at \$100 million, will support five to seven early-stage mining projects with strong local participation.

The Fund's promoters, Core International, Motimosé Metals, Africa Minerals Strategy Group, and Allied Trust Asset

Management emphasised that Africa holds 35% of global mineral resources yet captures only marginal value from extraction. The AfA Fund aims to reverse this through three core objectives: creating wealth for Africans from African resources, achieving competitive parity with foreign mining companies, and uplifting frontline mineral-bearing communities who hold the social licence to operate.

According to Co-founder Suleiman Zakari, the Fund responds to a projected \$2.1 trillion global mining investment gap by 2050, including the need for 61 new copper mines and 52 new lithium mines to meet global energy transition demands. The AfA Fund positions itself as a catalytic African vehicle to meet these requirements through innovative, locally driven financing. The launch reinforces Nigeria's broader mining reform agenda and aligns with the value-addition, beneficiation, and regional industrialisation priorities outlined earlier in the year.



### NIGERIA'S ENTRY INTO THE AFRICA MINERALS STRATEGY GROUP

At the AFNIS 2025 held in July, Nigeria announced its formal entry as a member of the Africa Minerals Strategy Group (“AMSG”).<sup>17</sup> At the official signing ceremony, Nigeria endorsed the AMSG Charter, signalling its alignment with other African nations committed to advancing African-led exploration, industrialisation, and critical mineral security.

The signing highlights Nigeria's readiness to collaborate in developing regional mineral value chains, industrial corridors, and cross-border beneficiation infrastructure. The AMSG platform is rapidly emerging as the continent's leading mechanism for driving coordinated policies on mineral governance, infrastructure development, and sustainable beneficiation.

### NIGERIA-JAPAN EXPLORE MINING COOPERATION AND INVESTMENT OPPORTUNITIES AT TICAD9

In our last report, we highlighted international partnerships and engagements with Australia, Saudi-Arabia, South Africa and China, amongst others. These collaborations focused on strengthening geological capacity, enhancing mineral exploration, advancing value-addition, and supporting technology transfer. Australia deepened cooperation on mining governance and investment;<sup>18</sup> Saudi Arabia expanded technical collaboration and market linkages;<sup>19</sup> South Africa executed an MoU on geoscience, processing and skills development;<sup>20</sup> while China advanced commitments on lithium beneficiation and EV manufacturing.<sup>21</sup> Together, these engagements signal strengthened international confidence in Nigeria's policy direction and its readiness to attract credible, long-term investment.

<sup>17</sup> Nigeria joins Africa Minerals Strategy Group at landmark AFNIS 2025 Summit. Nigeria joins Africa Minerals Strategy Group at landmark AFNIS 2025 Summit - Gh Extractives [accessed November 27, 2025]

<sup>18</sup> Australia, Nigeria To Deepen Collaboration on Mining [https://fmio.gov.ng/australia-nigeria-to-deepen-collaboration-on-mining/?utm\\_source](https://fmio.gov.ng/australia-nigeria-to-deepen-collaboration-on-mining/?utm_source)

<sup>19</sup> Nigeria, Saudi Arabia pledge collaboration on mining sector development [https://www.premiumtimesng.com/news/657582-nigeria-saudi-arabia-pledge-collaboration-on-mining-sector-development.html?utm\\_source](https://www.premiumtimesng.com/news/657582-nigeria-saudi-arabia-pledge-collaboration-on-mining-sector-development.html?utm_source) [accessed November 27, 2025]

<sup>20</sup> Nigeria signs minerals pact with South Africa in diversification push [https://www.reuters.com/world/africa/nigeria-signs-minerals-pact-with-south-africa-diversification-push-2025-04-17/?utm\\_source](https://www.reuters.com/world/africa/nigeria-signs-minerals-pact-with-south-africa-diversification-push-2025-04-17/?utm_source) [accessed November 27, 2025]

<sup>21</sup> Chinese companies grab stake in Nigeria's lithium and EV future [https://african.business/2025/07/resources/chinese-companies-grab-stake-in-nigerias-lithium-and-ev-future?utm\\_source](https://african.business/2025/07/resources/chinese-companies-grab-stake-in-nigerias-lithium-and-ev-future?utm_source) [accessed November 27, 2025]

Since then, Japanese corporations have shown interest in Nigeria's minerals, especially those needed for high-tech manufacturing. At the Ninth Tokyo International Conference on African Development (TICAD 9) in October 2025, the Minister met with officials of the Japan Organisation for Metals and Energy Security (JOGMEC) and major Japanese trading houses (Mitsubishi, Sumitomo, Mitsui) to promote Nigerian mining projects.<sup>22</sup>

JOGMEC pledged to work out plans to encourage Japanese mining companies to invest in Nigeria's mining sector. This engagement marks Japan's clearest signal yet of its intent to diversify mineral supply chains toward reliable African partners. Discussions at TICAD9 centred on opportunities in lithium, rare earth elements, graphite and base metals resources critical to Japan's semiconductor, battery and automotive industries. The parties also explored possibilities for technical assistance in geological mapping, responsible mining practices, and downstream value-addition. With Japan seeking to secure mineral inputs and Nigeria positioning itself as a credible investment destination, the TICAD9 meetings represent a significant step toward structured bilateral cooperation and potential high-quality Japanese investment in Nigeria's mineral value chains.<sup>23</sup>

## N1TRILLION BUDGET ALLOCATION TO THE MINING SECTOR

The Federal Government of Nigeria has approved a total budget allocation of N1 Trillion to the mining and solid minerals sector for the 2026 fiscal year, signalling an unprecedented commitment to the sector's transformation.<sup>24</sup> The allocation represents a significant increase from previous years and is designed to accelerate infrastructure development, geological surveys, capacity-building initiatives, and value-addition projects. The 2026 budget signals the government's strategic intent to create a conducive environment for both local and foreign investors while addressing longstanding sectoral challenges, including regulatory gaps, artisanal mining integration, and infrastructure deficits. Analysts expect the funding to unlock a multiplier effect, potentially boosting domestic mineral production, increasing employment, and contributing more robustly to Nigeria's GDP.

## ADVANCING LOCAL VALUE ADDITION: COMMISSIONING OF NIGERIA'S LARGEST LITHIUM PROCESSING PLANT

In our Mid-Year Report, we noted President Bola Tinubu's call at the inaugural West Africa Economic Summit for African countries to shift from the extractive "pit-to-port" model toward local processing, regional value chains, and industrial transformation.

<sup>22</sup> Nigeria, Japan Align Mining Plans at TICAD 9. <https://msmd.gov.ng/nigeria-japan-align-mining-plans-at-ticad-9/#:~:text=Minister%20of%20Solid%20Minerals%20Development%2C,invest%20in%20Nigeria%20%99s%20mining%20sector> [accessed November 27, 2025]

<sup>23</sup> Nigeria, Japan agree to strengthen mining collaboration at 9th edition of TICAD [https://www.westernpost.ng/nigeria-japan-agree-to-strengthen-mining-collaboration-at-9th-edition-of-ticad/?utm\\_source=chatgpt.com](https://www.westernpost.ng/nigeria-japan-agree-to-strengthen-mining-collaboration-at-9th-edition-of-ticad/?utm_source=chatgpt.com) [accessed November 27, 2025]

<sup>24</sup> Solid minerals sector takes centre stage in N4.5tr budget boost <https://guardian.ng/news/nigeria/national/solid-minerals-sector-takes-centre-stage-in-n4-5tr-budget-boost->

We also highlighted the administration's early progress, including the commissioning of Nigeria's first lithium processing plant in Nasarawa in 2024 and subsequent plants in Kebbi, Kwara, and Nasarawa States in 2025 under the National Integrated Minerals Processing Strategy (NIMPS). These developments formed part of a broader national push to ensure that no mining licence is issued without a domestic processing plan and to accelerate beneficiation-led industrialisation.

This policy trajectory advanced further in H2-2025 with the announcement that President Tinubu will commission Nigeria's

most advanced 66,000-tonne lithium processing plant in Nasarawa State. According to the Minister of Solid Minerals Development, the facility represents a major milestone in Nigeria's push to process minerals locally rather than export them in raw form. Described as a "game changer," the new plant is expected to strengthen Nigeria's position in the global battery-minerals value chain, drive industrialisation, and boost export earnings. The project reinforces the administration's broader agenda of value addition, infrastructure expansion, and sectoral competitiveness, aligning directly with the strategic priorities outlined earlier in the year.



As Nigeria moves beyond the 2016 Mining Roadmap's 10-year horizon, 2026 will be a pivotal year for consolidating the reforms, investments and partnerships that gathered pace in H2-2025. Many of the trends we projected in our Mid-Year Report for the second half of 2025, including the operationalisation of new institutions, deepening of strategic bilateral partnerships, expansion of beneficiation capacity, and strengthening of the legal framework, will need to be carried forward and scaled up if the sector is to transition from policy experimentation to sustained, measurable growth.

Policy continuity will be critical. In H2-2025, we anticipated a shift from broad-based growth ambitions under the 2016 Roadmap toward a more targeted, value-chain-driven strategy centred on ETCM. In 2026, the immediate priority is sustained implementation of the ETCM Roadmap, ensuring that it dovetails with the Ministry's 7-Point Agenda and the broader industrialisation goals of the current administration. This includes maintaining the requirement for domestic processing plans as a condition for licensing, scaling up beneficiation capacity under the National Integrated Minerals Processing Strategy (NIMPS), and

deepening linkages between mining, manufacturing, and export-oriented value chains, particularly around lithium and other battery minerals, where H2-2025 saw significant momentum.

On the legislative front, our Mid-Year projections underscored the importance of passing a modernised Nigerian Minerals and Mining Act, alongside complementary instruments such as the Nigerian Metallurgical Industry Bill. That outlook remains unchanged, but the urgency is now greater. A reformed Act in 2026 will be central to unlocking the sector's next growth phase by clarifying definitions, streamlining and digitising licensing procedures, strengthening environmental and social safeguards, and more clearly allocating roles and responsibilities between Federal and State governments. Complementary bills, including those establishing the Lithium Development Commission, the Mines Rangers Service, the Nigerian Mining Development Bank, and the Nigerian Solid Mineral Host Communities Development Commission, are expected to move from legislative deliberation in late 2025 to operationalisation in 2026. Together, these instruments should enhance regulatory clarity, enforcement capacity, funding access, and host-community governance, thereby improving the overall investment climate.

Institutionally, our Mid-Year Report projected that the Nigeria Solid Minerals Corporation (NSMC) would become operational in H2-2025 as a commercially driven national mining champion. By end of 2025, skeletal operations had commenced. In 2026, the NSMC is expected to transition from early set-up to full commercial activity. Key milestones include the consolidation and optimisation of selected legacy assets, the execution of its first joint-venture arrangements, and progress toward the envisaged ownership structure of 50% to private investors, 25% to the Federal Government, and 25% to Nigerian citizens through a public offer. If underpinned by strong corporate governance and operational independence, the NSMC could emerge as a flagship vehicle for crowding in private capital and setting benchmarks for transparency and efficiency in State-anchored mining ventures.

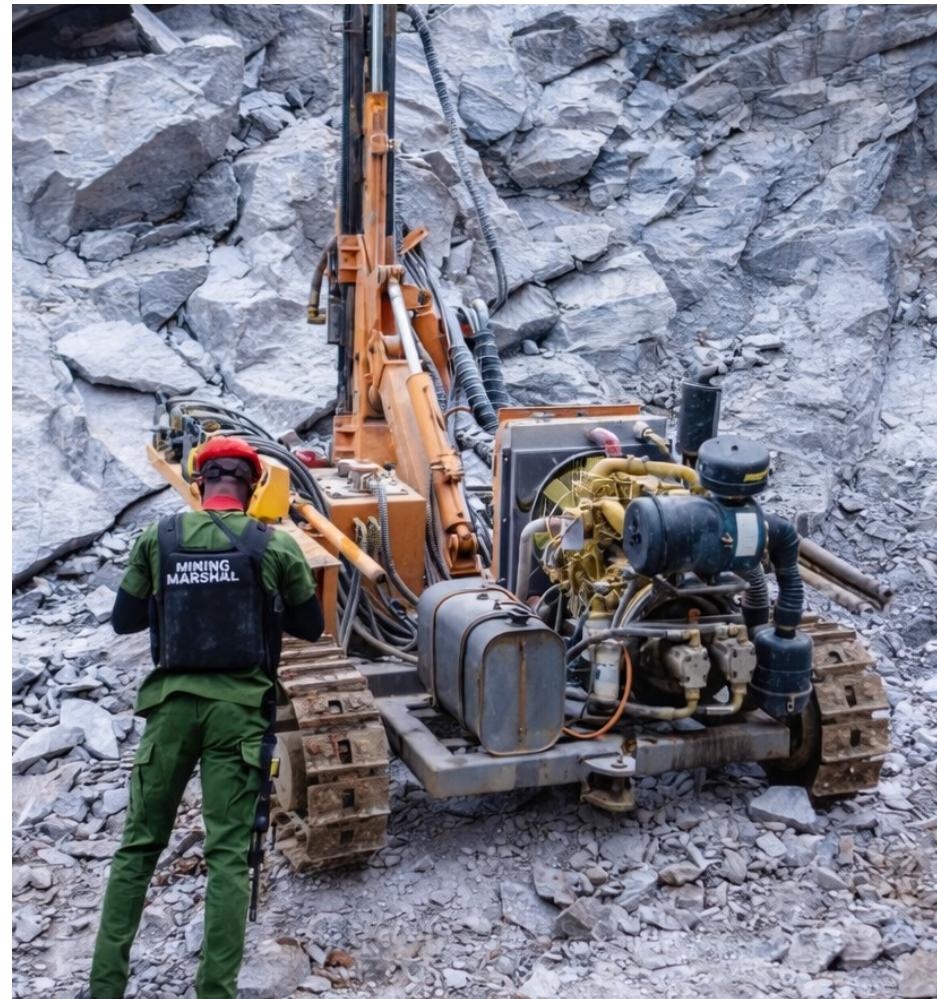
Nigeria's expanding network of international partnerships, which we projected in H2-2025 to enter implementation phases, particularly with Australia, Saudi Arabia, South Africa and others, is also expected to mature into concrete project pipelines in 2026. Engagements with Australia on geological data and solar integration, Saudi Arabia on lithium processing and gold trading,

South Africa on joint geoscience and mineral processing, China on lithium beneficiation and EV manufacturing, and Japan on high-tech minerals are likely to translate into new investments, technology transfer agreements, and joint exploration and processing ventures in 2026. Nigeria's membership of the Africa Minerals Strategy Group (AMSG), alongside the launch of the US\$250 million Africans for Africa Fund, is poised to strengthen regional value-chain development and African-led financing for critical mineral projects, reducing over-reliance on external capital and improving local value retention.

Domestically, the Mid-Year Report anticipated that States such as Nasarawa, Kebbi and Kogi would ramp up mining-linked infrastructure and that decentralised oversight via MIREMCOs would expand. In 2026, the unprecedented budget allocation of approximately N1 trillion to the mining and solid minerals sector, if effectively deployed, could be transformative for these efforts. Priority areas for impact include upgrading transport and energy infrastructure serving mining corridors, expanding high quality geoscience data coverage, strengthening the capacity of regulatory institutions (such as the Mining Cadastre Office and the Nigerian Geological Survey Agency), and scaling structured

programmes for artisanal and small-scale miners. Coupled with enhanced security measures under the Mines Rangers Service and the NSCDC Mining Marshals, these interventions are expected to reduce illegal mining, improve revenue capture, and create a more predictable operating environment.

Overall, the projections we set out for H2-2025 in our Mid-Year Report, from institutional roll-out and legislative reform to beneficiation-driven industrialisation and deeper international cooperation, will now converge in 2026 as a test of policy execution. If policy consistency is maintained, key reforms are enacted and implemented, and both domestic and international financing commitments are successfully converted into bankable projects, 2026 could mark a decisive shift in Nigeria's mining narrative. The sector would be positioned to move from a historically underperforming segment to a credible, investment-ready, and strategically aligned pillar of economic diversification in the post-2016 Roadmap era.





The close of 2025 marks the end of the 2016 Mining Roadmap's 10-year horizon and a turning point for Nigeria's mining sector. While progress over the decade has been uneven and slow, and key targets on legal reform, infrastructure and geoscience data remain only partly met, the trajectory in the last two years, especially 2025, has been clearly upward, with deeper reforms, stronger institutions and rising investor interest in both traditional and energy-transition minerals.

This Report has highlighted that tension between persistent structural challenges, illegal mining, regulatory fragmentation, security risks, host-community tensions and funding gaps, and a much clearer reform direction. The operationalisation of the (NSMC), launch of the (ETCM) Roadmap, rollout of specialised

enforcement structures, advancing legislative overhaul and a record 2026 budget allocation all indicate that mining is now central to Nigeria's diversification agenda.

Looking ahead, the decisive test is execution. Converting policy into law, MOUs into operating projects, and new institutions into credible, well-governed actors, alongside disciplined deployment of the N1 trillion allocation, will determine whether mineral endowment is translated into broad-based prosperity. If Nigeria sustains policy consistency, strengthens coordination, places host communities at the centre of benefit-sharing and upholds transparency and environmental stewardship, the post-2016 era can redefine the sector as a credible, investment-ready and globally competitive pillar of economic diversification.

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