



The Conduit Annual

Mining & Metals
2025 Review | 2026 Outlook

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FOREWARD

Nigeria's mining sector entered what seems to be a critical inflection point in 2025, with the Federal Government intensifying efforts to position the sector as a credible contributor to growing its non-oil revenues. The year witnessed improved policy implementation and more assertive regulatory enforcement. While the sector largely remains exploration driven, we saw increased investment activity in value addition and downstream processing, particularly in lithium and industrial minerals, reflecting a response to the Government's vision for a shift away from raw mineral exports toward domestic beneficiation. Subnational governments continued to emerge as active participants in the sector, with states such as Bauchi, Kaduna, Kebbi and Nasarawa taking steps to advance exploration initiatives and improve access to capital.

The sector's trajectory in 2026 will depend on the government's ability to sustain reform momentum, especially if it is able to address long-standing structural constraints, particularly in security, infrastructure, and geological data availability.

In this annual roundup of ***The Conduit***, which we launched as our monthly newsletter in 2025 to track developments across the sector, we consolidate our insights into a comprehensive review. We discuss regulatory developments, notable transactions and projects across the mining value chain, and the key challenges that constrained performance during the year. We conclude with an outlook that assesses anticipated regulatory implementation and the market trends that are likely to shape the sector in 2026.

We hope that this publication provides context, clarity and insights for investors, operators and policymakers engaging with Nigeria's evolving mining and metals landscape.

'Gbite Adeniji
Managing Partner

GLOSSARY

Abbreviation	Meaning
EDT Credit	Economic Development Tax Credit
KMDC	Kaduna Mining Development Company
MSMD	Ministry of Solid Minerals Development
MT	Metric Tonne
NGSA	Nigerian Geological Survey Agency
NSMC	Nigerian Solid Minerals Company
NTA	Nigeria Tax Act 2025
Q1	First Quarter
Q2	Second Quarter
Q3	Third Quarter



MARKET DYNAMICS

The market dynamics for Nigeria's mining sector in 2025 were shaped by continued volatility alongside a deliberate push for a transition from raw extraction to a more strategic, value-added industry. Although the mining industry commenced the year poorly across some critical segments, the latter part of the year recorded a sharp rebound reflecting drastic improvement, amidst regulatory reforms and increased attention towards the growth of the industry.

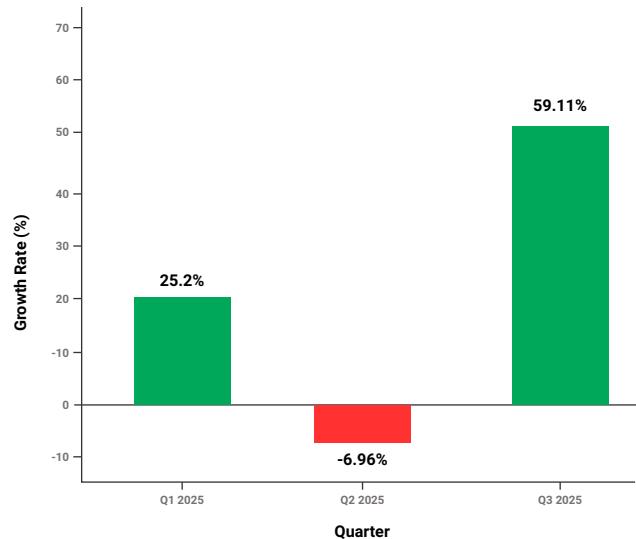


Figure 1: Metal Ores Sub-Sector Growth Rate

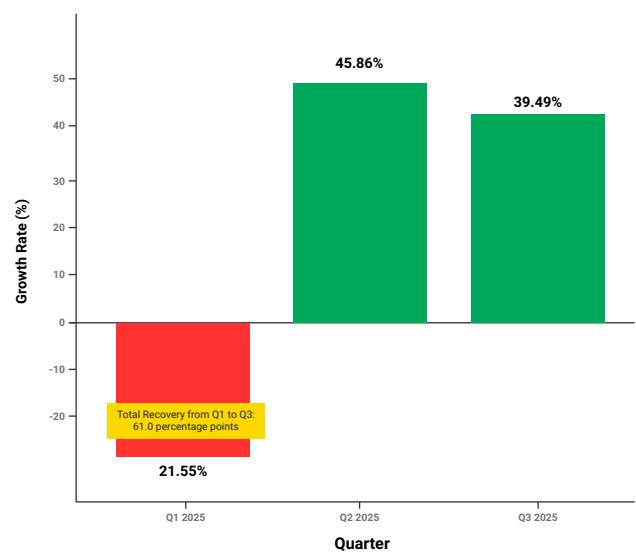


Figure 2: Quarrying and Other Minerals Sub-Sector Growth Rate

1.1 Growth Rates Across Key Sectors

According to data from the National Bureau of Statistics, the metal ores sub-sector displayed the most pronounced volatility, recording a year-on-year real growth of 25.20% in Q1 2025,¹ contracting sharply to -6.96% in Q2 2025,² and rebounding strongly to 59.11% in Q3 2025.³

Concurrently, the quarrying and other minerals sub-sector also recorded significant fluctuations declining by -21.55% in Q1 2025, before expanding by 45.86% in Q2 2025 and 39.49% in Q3 2025.

The Coal mining sector followed a similar trajectory. Output declined by -22.28% in Q1, but reversed sharply in subsequent quarters, recording strong real growth of 57.53% in Q2 and 57.96% in Q3.

1. https://microdata.nigerianstat.gov.ng/index.php/catalog/147/download/1258/Q1_2025_GDP%20Report.pdf
 2. <https://microdata.nigerianstat.gov.ng/index.php/catalog/147/download/1287/Q2%202025%20GDP.zip>
 3. https://microdata.nigerianstat.gov.ng/index.php/catalog/147/download/1317/GDP_Report_Q32025.zip

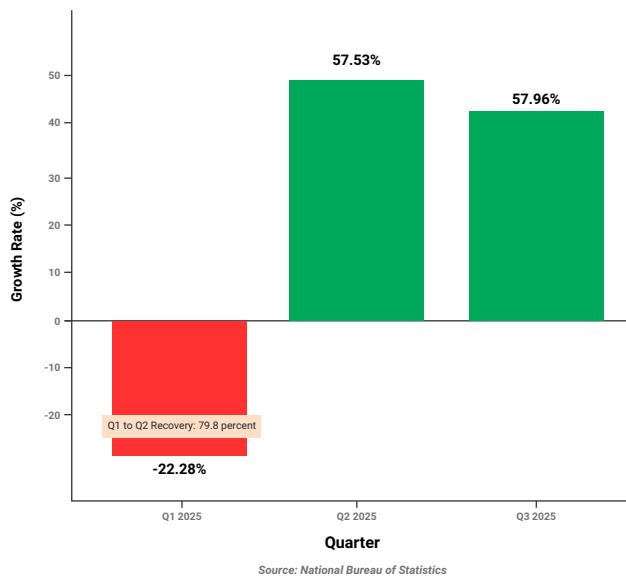


Figure 3: Coal Mining Sub-Sector Growth Rate

Government revenue from the mining sector in 2025 mirrored the volatility observed in the overall sector performance. Cumulative remittances to the Federation Account totalled N63.92bn between January and November,⁴ with full-year remittances projected to exceed N70bn.⁵ This represents a sharp increase from approximately N38bn recorded in the prior year, reflecting in part the increase in annual service fees for mineral titles and other statutory charges, as well as stricter regulatory enforcement of payment obligations.

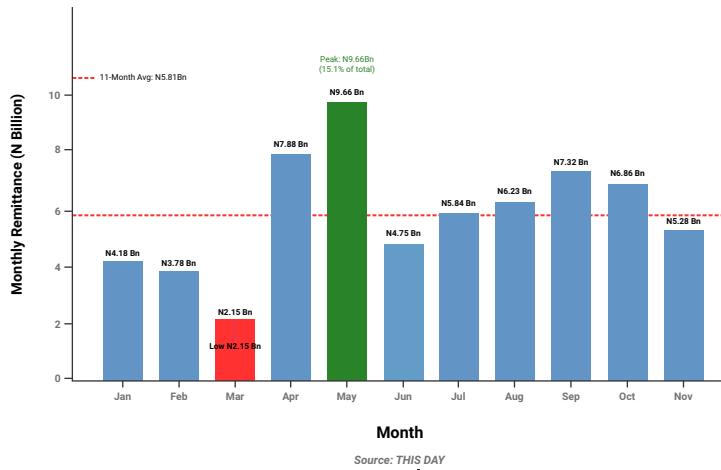


Figure 4: Solid Minerals Remittance to the Federation Account (Jan–Nov 2025)

Overall, the pattern of contraction, recovery and expansion observed across the mining sub-sectors, together with government collections, points to increasing extraction activity and a stabilizing effect driven by governmental intervention. Even though the mining sector remains a relatively small contributor to the broader economy, greater policy interventions led by the Ministry of Solid Minerals Development (MSMD), signals a growing national priority to unlock and maximise mineral wealth.⁶

1.2 Emerging and New Discoveries

2025 also saw several discoveries announced by subnational actors. In March 2025, Kebbi State reported the identification of 5 additional mineral deposits raising the state's total identified minerals to over 30 minerals.⁷ The new discoveries include limestone, iron ore, bauxite, coal, and kaolin. Similarly, Kaduna State announced a multi-metallic discovery in Gidan Waya, Jemaa Local Government Area, with preliminary results indicating inferred quantities of gold, lithium, copper, and nickel, alongside inferred resources of 97MT of enriched tantalum and niobium ore bodies. These announcements underscore the breath of Nigeria's mineral potential and point to an expansion of exploration activity at the subnational level.



4. <https://www.thisdaylive.com/2025/12/31/solid-minerals-delivered-n63-92bn-to-federation-account-in-11-months/>

5. https://www.vanguardngr.com/2026/01/solid-minerals-records-337-revenue-rise-to-n70bn-in-2025/#google_vignette

6. https://microdata.nigerianstat.gov.ng/index.php/catalog/147/download/1256/GDP_Rebasing_2025.%20Final.pdf

7. https://www.vanguardngr.com/2025/03/kebbi-discovers-five-new-mineral-deposits-expands-total-to-over-30/#google_vignette



REGULATORY & POLICY DEVELOPMENTS

Certain policy reforms targeted at long-standing weaknesses in mineral title administration, geological data availability, revenue administration and security, amongst other areas, were undertaken in 2025. These reforms demonstrated the commitment of the Federal Government to strengthen institutional coordination, improve transparency, and reposition solid minerals as a credible contributor to Nigeria's non-oil revenue.

2.1 Regulatory Enforcement and Compliance Measures

I Licence Revocations

2025 marked one of the most assertive regulatory enforcement periods in Nigeria's mining sector, reflecting the Federal Government's determination to address long-standing challenges associated with illegal mining and dormant licences. For years, inactive titles and unlicensed operations had undermined sectoral growth, exacerbated security concerns and discouraged credible investment. In response, the Minister of Solid Minerals Development, Dr. Dele Alake (the "Minister"), directed the revocation of dormant

licences by the Mining Cadastre Office, particularly those in default of the annual service fee obligation. This drive coincided with the increase in annual service fees in the prior year, which placed additional financial pressure on licence holders and contributed to higher levels of non-compliance.

Since 2023, more than **4,700 mineral titles** have been revoked under a broad clean-up exercise of the mineral title system.⁸ Over **1,400 expired licences** were cancelled by the Mining Cadastre Office, and **2,338 applications** that did not meet statutory requirements were declined, whilst there were **971** instances where applicants received mineral title notifications but failed to complete the required payments.

ESG Enforcement: Community Development Agreements

As part of the broader licensing enforcement drive in 2025 and to promote responsible mining, the Federal Government signalled an intention to intensify enforcement of social obligations by issuing a firm deadline to all mining companies operating in Nigeria, requiring them to finalize and submit their Community Development Agreements to the Mines Inspectorate Department of the MSMD for documentation no later than December 31, 2025. The Minister emphasized that failure to comply with this deadline will lead to consequences such as the potential revocation of operating licences and payment of reparations to host communities.

8. <https://punchng.com/fg-revoked-4709-licences-to-sanitise-mining-sector-official/>

Increased Enforcement and Clampdown on Illegal Mining

In 2025, the government intensified its efforts to clamp down on illegal mining, reflecting a broader shift towards treating illegal mining as both a security, economic and environmental threat.

At the federal level, security operatives undertook high-profile interventions against large-scale illegal mining operations. For example, in July, the Nigeria Security and Civil Defence Corps (NSCDC) shut down a major illegal lithium mining operation in Libata, Kebbi State, alleging mineral theft valued at over N1.43 trillion over the course of two years.⁹ In August, the mining marshals sealed an illegal gold operation in Gwagwalada, Abuja after artisanal miners invaded a farmland upon the discovery of a gold vein.¹⁰

State governments also adopted more assertive measures as part of wider efforts to restore order, address environmental degradation and respond to insecurity linked to illegal mining. For example, in Plateau State, the Governor issued an Executive Order suspending all exploration and extraction activities due to rising insecurity linked to illegal mining. A technical committee was constituted to review existing titles, while joint operations with the Nigerian Police led to the arrest of over 100 illegal miners.

Regional cooperation also emerged as response to the scale of the challenge. Governors and traditional rulers across parts of northern Nigeria proposed a 6-month suspension of all mining activities in the region and unveiled a security trust fund aimed at tackling insecurity linked to illegal mining networks.¹¹ State and local governments in 19 northern states pledged to jointly contribute 228 billion annually to the fund. The fund is intended to support a comprehensive audit of mining sites, reinforce joint security operations, and disrupt the illicit supply

chains that have enabled criminal mining activities to flourish.

These enforcement actions were complemented by legislative efforts to institutionalise the fight against illegal mining. In October 2025, the Nigeria Mines Rangers Service (Establishment) Bill, 2023 successfully passed the third reading at the Senate.¹² The Bill seeks to establish the Nigeria Mines Rangers Service as a specialized security outfit with a core mandate to prevent and combat illegal mining activities nationwide.

2.2 Fiscal Regime and Revenue Administration

I Centralised Revenue Monitoring

Another notable regulatory development in 2025 was the launch by the Federal Government of an independent solid minerals revenue data platform for the Revenue Mobilisation Allocation and Fiscal Commission.¹³ The platform is designed to provide a single, discrepancy-free repository for revenue data across all states, enabling verification, comparison, and more accurate attribution of mineral earnings to the Federation Account. This move signals an intent to address long-standing opacity in the sector, particularly the fragmented reporting systems that have historically undermined investor confidence, complicated royalty administration, and weakened the fiscal link between mining activity and government revenue.

I The New Tax Laws

The enactment of the Nigeria Tax Act 2025 (NTA) and the Nigeria Tax Administration Act 2025 has introduced a new fiscal framework for mineral operations. These laws replace the fragmented fiscal framework under the Mining Act 2007 and Companies Income Tax Act by creating a unified fiscal regime that

9. <https://www.premiumtimesng.com/regional/nwest/810487-kebbi-mine-sealed-over-alleged-illegal-n1-4tr-lithium-extraction.html>

10. <https://punchng.com/fq-shuts-illegal-gold-mining-site-in-abuja/>

11. <https://punchng.com/abductions-surge-northern-govs-demand-mining-suspension-unveil-n228bn-security-fund/>

12. <https://naltf.gov.ng/senate-passes-bill-to-establish-nigeria-mines-rangers-service/>

13. <https://thenationonlineng.net/fq-launches-independent-data-platform-to-monitor-solid-minerals-revenue/>

significantly alters the incentives and compliance requirements for mining operators.

One of the most notable changes is the removal of the three-year tax holiday previously granted to new mining companies entering into production. In its place, the NTA introduced the Economic Development Tax Credit (EDT Credit), a targeted incentive for companies investing in the development and exploitation of specific minerals such as lead, zinc, iron ore, and gold. However, this benefit comes with a threshold of ₦10 billion in qualifying capital expenditure, potentially making it non-accessible to small-scale projects.

Royalty provisions have also been overhauled. The NTA prescribes significantly higher ad valorem royalty rates compared to the previous framework, with the royalty rates for gold concentrate rising from 3% to 15%, coal from 3% to 7.5%, and lithium ore from 3% to 10%. Also, administration of royalties has been relocated from the MSMD to the Nigeria Revenue Service, which now enforces strict monthly self-assessment filings and imposes severe financial penalties for defaults, including interest at prevailing monetary policy rates and potential licence revocation.

Additionally, the NTA introduces a more favourable approach to environmental compliance costs as contributions to approved environmental and rehabilitation funds are now immediately tax-deductible, rather than being deferred until the actual expenditure occurs.

2.3 Geological Data Acquisition

Consolidation of Geological Data and Improved Coordination

For decades, geological datasets have been dispersed across ministries and agencies, resulting in duplication,

inconsistent reporting, and, critically, information asymmetries that distort investment decisions. A directive of President Bola Ahmed Tinubu mandating the consolidation of all geological data under the Nigerian Geological Survey Agency (NGSA)¹⁴ will result in the centralisation of these datasets under the NGSA, enhance transparency and standardisation of data, reduce transaction risks for investors, and strengthen Nigeria's competitiveness in global mineral exploration markets.

2.4 Industrial Policy

I Shift Towards Domestic Value Addition

The Federal Government also announced plans to stop the export of raw mineral ores while promoting in-country value addition through the establishment of processing clusters and targeted partnerships. This position is a departure from Nigeria's historical dependence on raw mineral exports, which has limited local participation and constrained industrialisation prospects. The policy shift aims to integrate exploration, refining and manufacturing within a domestic value chain, positioning minerals to serve as industrial inputs rather than as unprocessed exports.



14. <https://punchng.com/tinubu-orders-consolidation-of-geological-data-to-boost-mining-sector/>



NOTABLE INDUSTRY TRANSACTIONS AND PROJECTS

3.1 Lithium Mining & Processing

Lithium has emerged as the most sought after mineral within Nigeria's mining sector in the past few years, accounting for a significant share of major transactions and projects in 2025. This momentum is largely driven by downstream processing investments, reflecting growing investor confidence in the Federal Government's value addition policy. According to the Minister, Chinese investors have committed over US\$1.3 billion to lithium processing projects across Nigeria, with at least four facilities projected to be completed in 2025. This investment trend aligns with broader Chinese investment strategies across Africa aimed at securing lithium feedstock amid long-term expectations of rising demand from the electric-vehicle battery sector. Below are some notable transactions and projects in this space:

Canmax– Jiangxi Jiuling Acquisition of Controlling Interest in Lithium Processing Projects

A joint venture between Canmax Technologies Co. Ltd and Jiangxi Jiuling Lithium Co. Ltd acquired a controlli-

ng stake in Ganfeng Lithium Industry Ltd, the developer of a 6,000MT lithium processing plant in the Nasarawa State.¹⁵ Beyond these projects, Canmax has announced plans to invest more than US\$200 million in developing two additional lithium mining deposits in northern Nigeria in partnership with a local firm

Collaboration between El-Tahdam and TSG Group on Lithium Processing

El-Tahdam Exploration Limited secured a partnership with TSG Mining Group to provide US\$500 million financing towards the development of 3 lithium processing plants in Kebbi, Kwara, and Kaduna States and a lithium carbonate plant in Lagos.¹⁶ El-Tahdam had already invested over US\$5 million in exploration efforts over the past three years and spent one year developing its Lithium processing capacity. TSG's major investors are Zhejiang State-Owned Capital and Sunwoda, a major lithium-ion battery manufacturer.

Chariot and Continental Joint Venture

Chariot Corporation Limited entered a joint venture with Continental Lithium Limited to acquire a 66.7% interest in a 254 km² hard rock lithium portfolio in Nigeria, with Continental retaining 33.3%.¹⁷ As part of the deal, Chariot will invest US\$1.5 million in cash and commit at least US\$10 million in funding for exploration and development.



15. Ganfeng Lithium attracted attention in 2023 after launching the construction of a US\$250 million 3,000MT lithium refinery

<https://www.bloomberg.com/news/articles/2025-02-12/chinese-lithium-firms-take-over-copycat-nigeria-refinery-project?embedded-checkout=true>

16. <https://www.premiumtimesng.com/news/783104-kebbi-poised-to-become-lithium-processing-hub-as-el-tahdam-secures-500m-investment.html>

17. <https://finance.yahoo.com/news/continental-lithium-announces-strategic-joint-140000927.html>

3.2 Activities of Sub-Nationals

I Establishment of Kaduna's State Mining Company

In July 2025, the Governor of Kaduna State signed into law legislation establishing the Kaduna Mining Development Company (KMDC), the state's investment vehicle aimed at harnessing the vast mineral resources in the state for increased internally generated revenue and job creation.¹⁸ KMDC aims to directly engage in the exploration, mining, processing, and export of minerals while also partnering with private investors.

Core International will jointly structure the fund and secure anchor capital, with a view to making it fully operational by the Q1 2026. The fund is intended to be private-sector driven and designed to de-risk early-stage exploration projects by co-financing drilling and initial project preparation, enhancing Kaduna State's attractiveness to foreign and domestic capital seeking bankable mineral assets.



KMDC Multi-Metallic Mineral discovery and Jemaa Resource Project

A significant development for Kaduna State's mining sector occurred in October 2025 with the announcement by KMDC of a multi-metallic mineral discovery in Gidan Waya, Jemaa Local Government Area.¹⁹ Preliminary results indicate substantial inferred quantities of minerals such as gold, lithium, copper and nickel, alongside enriched ores containing tantalum, niobium, tin and tungsten. The discovery was made by Kian Smith for the KMDC – Anka Metals Joint venture. Following these findings, a special purpose vehicle has been established for the Jemaa Resource Project to advance further evaluation and development of the mineral deposits.²⁰

II US\$150 million Green Mining Investment Fund

In November 2025, the Kaduna State Government launched a US\$150 million Green Mining Investment Fund specifically targeting minerals critical to the global energy transition, including lithium, rare earth elements, and gold.²¹ This announcement was made on the sidelines of the G20 Summit in Johannesburg, South Africa, where the Kaduna State Government executed a Memorandum of Understanding (MOU) with international advisory firm, Core International, in relation to the fund. Under the MOU, KMDC and

18. <https://von.gov.ng/kaduna-state-assembly-passes-bill-to-establish-mining-company/>

19. <https://businessday.ng/news/article/kaduna-state-unveils-major-multi-metallic-mineral-discovery-launches-jemaa-resource-project/>

20. <https://kdsq.gov.ng/kaduna-discovers-gold-lithium-copper-deposits/>

21. <https://africanminingmarket.com/kaduna-state-in-nigeria-launches-usd150-million-green-mining-investment-fund-at-g20-summit-mandates-core-international-to-secure-q1-2026-deployment/24310/>

Bauchi State Joint Venture with Shandong Company

Bauchi State announced a partnership with Shandong Minsheng Group, a consortium of Chinese investors, to establish a joint venture exploration company, Bauchi-Minsheng Corporation Company Nigeria Limited.²² This development stemmed from a September 2023 Strategic Cooperation Framework Agreement between the parties. It is expected that the partnership will commence work on the exploration and small-scale mining licences issued in respect of sites in Dass and Toro areas of Bauchi State.

3.3 Other Notable Projects and Transactions

I 12,000 TPA Rare Earth Project in Nasarawa State

Hasetins Commodities Limited, a company which specialises in extracting and processing critical metals essential for high tech applications and defence systems has announced plans to construct a 12,000 tons per annum rare earth and critical minerals processing facility in Nasarawa State, which is poised to be the largest on the African continent. The project, which is valued at US\$400 million will increase Hasetins' total processing capacity from 6,000 tons per annum to 18,000 tons per annum, enabling the company to meet growing global demand for these minerals.²³

I US\$400 Million Steel Plant in Ogun State

Stellar Steel Company Limited, a subsidiary of Chinese firms, Galaxy Group and RSIN Group, is establishing a US\$400 million steel plant in Ewekoro, Ogun State.²⁴ The Ministry of Steel Development signed a Joint Cooperation Agreement with Stellar Steel, pledging to facilitate policy and infrastructure support to the project, including access to fiscal incentives and the inclusion of Stellar Steel's logistics project in the Natio-

nal Infrastructure plan. The project will be developed in phases with the first phase scheduled to commence in mid-2026. Once operational, the facility could contribute to reducing Nigeria's estimated \$4 billion annual steel import bill and support downstream industrial activity in the steel value chain.

3.4 Key Takeaway

Collectively, these transactions and projects reflect a gradual transition of the mining sector from a fragmented, export-oriented production model towards a more structured ecosystem driven by policies for improved data transparency, domestic processing, and international collaboration. The diversity of investments recorded in 2025 indicate that the mining sector is increasingly positioned as a strategic contributor to Nigeria's energy transition and long-term economic diversification.



22. <https://www.thisdaylive.com/2025/12/01/bauchi-chinese-firm-to-explore-state-mineral-resources/>

23. <https://www.vanguardngr.com/2025/06/hasetins-to-construct-400m-rare-earth-critical-metal-plant/>

24. <https://www.thisdaylive.com/2025/10/30/fg-firm-signs-400m-deal-to-boost-local-steel-production/>



KEY CHALLENGES IN THE MINING SECTOR

4.1 Illegal Mining

Illegal mining remained one of the most persistent and destabilising challenges in Nigeria's mining sector throughout 2025. The country reportedly lose over \$9 billion annually to unregulated extraction,²⁵ weak revenue mobilisation, and heightened insecurity around mining communities.

The Federal Government has intensified its surveillance and enforcement measures as a response to these challenges commencing with its approval in March 2025 of the procurement of N2.5 billion worth of satellite monitoring equipment to support real-time detection of illegal mining activities. According to the Minister, the system will feature monitoring screens in a central operations room, the Mines Marshal command centre, and the Minister's office, creating a continuous watch over mining hotspots and strengthening rapid-response capabilities.

To improve coordination, the NSCDC expanded collaboration with the United Nations Office on Drugs and Crime to strengthen intelligence sharing, track illicit mineral supply chains, and enhance

cooperation between state governments and security bodies.

Foreign involvement in illegal mining also drew attention. After reports of unlicensed operations by foreign nationals, the Chinese Ambassador to Nigeria publicly cautioned Chinese nationals against participating in illegal business activities, including mining.

Cumulatively, these developments point to an emerging, more structured enforcement landscape built around surveillance technology, state-level interventions, federal oversight, and international partnerships. The measures adopted in 2025 offer cautious hope that 2026 may see meaningful progress in curbing the impact of illegal mining.

4.2 Access to Global Investment

The mining market in Nigeria also faced critical headwinds, particularly concerning its access to global investment flows for precious metals. Although global investors committed over \$2.45 billion to gold mining deals across Africa between May 2024 and July 2025, coinciding with high international gold prices, Nigeria was notably excluded from these major investment transactions.²⁶ Other African nations like Ghana, Ivory Coast, and Tanzania secured billions in major deals from financiers like China's Zijin Mining and the Africa Finance Corporation. Nigeria's exclusion from these capital flows highlights persistent structural and policy challenges within the mining sector; however, recent reforms are expected to mitigate these barriers and support renewed global investor interest.

4.3 Infrastructure Deficits and High Operating Costs

The lack of supporting infrastructure remains a fundamental constraint on project viability across Nigeria. In 2025, infrastructure deficits, particularly inadequate access to reliable power and transportation links continued to slow the pace of exploration projects and pose challenges to the cost base of producing mines. These constraints disproportionately affect

25. <https://www.thecable.ng/reps-panel-nigeria-loses-9bn-yearly-to-illegal-mining/>

26. <https://guardian.ng/energy/nigeria-missing-as-africa-bags-2-45b-gold-mining-investment/>

mineral deposits located in areas with limited existing infrastructure. As a result, many projects remain stranded or sub-scale, despite favourable geological potential. Without foundational investment by the Government in relevant infrastructure in these mining corridors, the cost base of exploration and mining operations is likely to remain uncompetitive relative to peer jurisdictions.





OUTLOOK FOR 2026

The outlook for 2026 reflects a mining sector entering a more decisive phase of reform, building on the regulatory tightening, fiscal restructuring, and transaction momentum recorded in 2025. Policy actions taken during the year suggest a clear shift from ad-hoc oversight toward a more coordinated, data-enabled, and enforcement-oriented framework.

I Strengthening Coordination Across Institutions

The trajectory for 2026 will be shaped by continued efforts to strengthen coordination across the mining sector. The heavy emphasis in 2025 on centralised revenue monitoring through the Solid Minerals Revenue Platform and the consolidation of geological data under the NGSA sets the groundwork for higher-quality resource information and more transparent revenue flows. On the fiscal side, the new tax laws will continue to transition the sector toward a centralised, revenue-driven tax regime, eliminating tax holidays and introducing a performance-based incentive structures (i.e., the EDT Credit) for priority sub-sectors like gold, lithium and iron ore. This reform is expected to recalibrate investment incentives and make compliance more rigorous, particularly for smaller operators.

I Increased Security and Enforcement

Security and law enforcement reforms will also be advanced in 2026. The Nigeria Mines Rangers Service Bill, if signed into law, will institutionalise a specialised enforcement agency mandated to secure mining sites, enforce environmental and safety standards, and curtail illegal mining. More broadly, the policy trajectory in 2025, including strengthened licence administration, enhanced revenue monitoring and tighter enforcement, indicates a continued shift towards greater operational discipline and formalisation across the sector in 2026.

I Domestic Value Addition

Another key strategic direction for 2026 will be the continued transition toward domestic mineral processing and value addition. The policy shift away from raw mineral exports and toward in-country beneficiation, reflected in multiple lithium and gold refining investments announced recently, will likely be reinforced by both federal and state initiatives and gain further momentum. In this context, the commissioning of the Lekki Gold Refinery represents a significant milestone, positioning Nigeria to retain greater value from its gold production and reduce reliance on offshore refining and export of unprocessed minerals. Over time, the expansion of domestic processing capacity has the potential to strengthen supply chains, improve foreign exchange, and reposition the solid minerals sector as a more integrated contributor to industrial growth and export earnings.

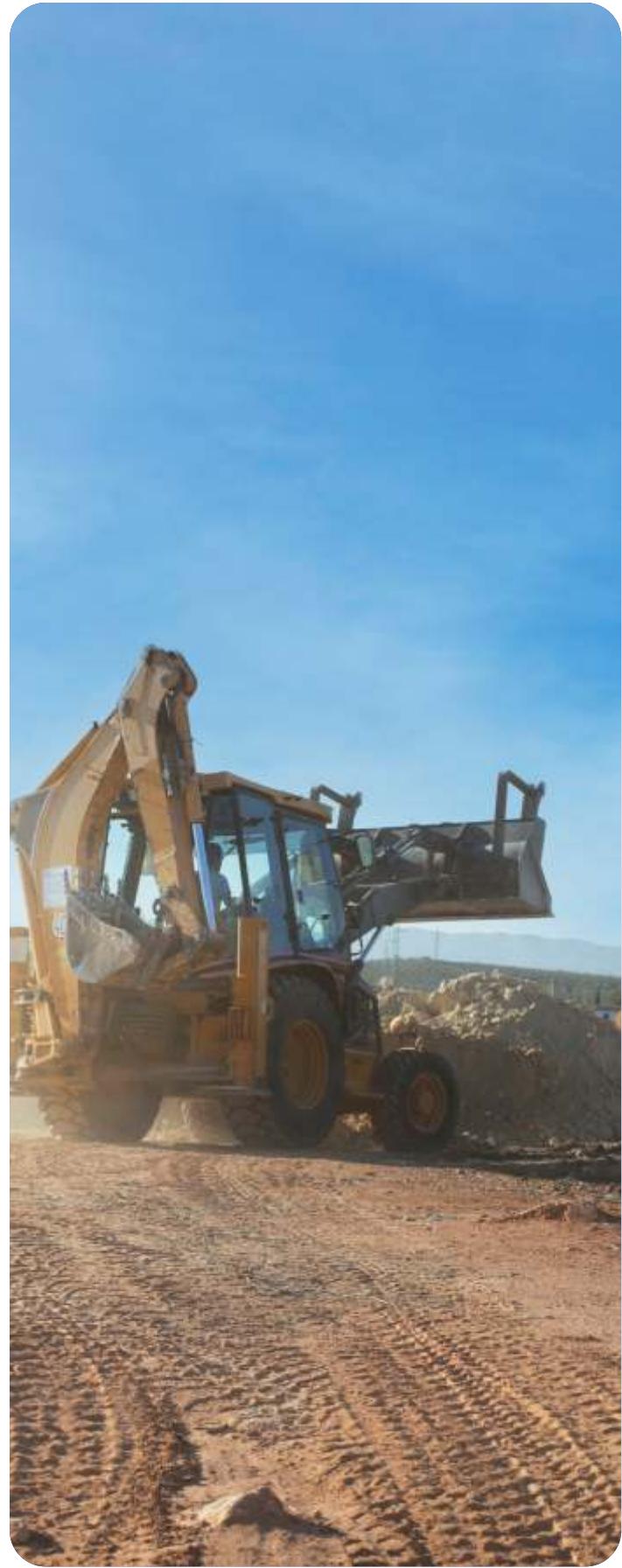
I Prospects for Increased Market Participation

More investment is expected in the sector in 2026 driven by the growing formalisation of mining operations, revenue assurance measures and improved geological data availability. These developments have already supported increased investment commitments, including in downstream lithium processing and steel manufacturing. These factors, coupled with broader international interest in critical minerals tied to the global energy transition, indicate that Nigeria may begin to capture an increased share of regional investment flows. Subnational initiatives, including as state-level investment funds targeting green minerals are likely to broaden the pool of market participants and support the development of project pipelines. As states like Bauchi, Kebbi, and Kaduna advance exploration projects within clearer policy frameworks, 2026 could see incremental progress towards project monetisation and early-stage development activity.

I Nigerian Solid Minerals Company

The establishment of NSMC represents a deliberate policy shift towards renewed state participation in mining at the federal level. The company is expected to play a catalytic role by de-risking early-stage projects and attraction of capital. If effectively governed, the company could address long-standing gaps in project development, access to finance, and the generation of credible geological data, which have historically constrained sector growth.

Looking ahead, market expectations for NSMC will largely depend on its ability to operate with commercial discipline, transparency, and insulation from political interference. For investors, the key test will be whether the company functions as a genuine partner that accelerates project execution, rather than as a gatekeeper to mineral opportunities. Its participation could improve confidence in the sector by signalling government commitment, particularly where the company's equity participation is used to unlock access.



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