



Nigeria's Mining Licence Revocations: Legal Insights and Compliance Strategies for Dormant Licence Holders



**Lolade
Ososami**
Partner



**Amina
Ibrahim**
Partner



**Etido
David**
Senior
Associate



**Emmanuel
Waba**
Trainee
Associate



Introduction

The Federal Government of Nigeria (FGN) is set to revoke over 1,000 inactive mining licences. This move is part of its ongoing economic and technical reforms aimed at revitalising Nigeria's mining sector and driving industrial growth.

The announcement was made by Dr. Dele Alake, Minister of Solid Minerals Development, during the National Steel Summit held in Abuja on 14th August 2025. This signals a new era of accountability and productivity in Nigeria's extractive industries, positioning the country among the fastest-growing economies in the global mining industry.

Risk of revocation of dormant licenses by the FGN

The Minister's statement serves as a wake-up call to holders of dormant licences, as the declaration follows the November 2023 revocation of 1,633 licences and the May 2024 cancellation of 924 licences, which included: 528 exploration licences, 20 mining leases, 101 quarry licences and 273 small-scale mining permits. This clearly shows that the FGN is serious about its decision to take action against speculative licence holders. The goal is to eliminate opportunism and redirect Nigeria's mineral wealth toward job creation, industrial supply, and national prosperity.

Is Your Licence Dormant? Here's What You Need to Know

It's not uncommon for companies or individuals, whether local or foreign investors, to acquire mining licences in Nigeria but fail to unlock their economic potential. This is because they may be faced with different challenges, which often include security and mobilising equipment to the licensed site (particularly when relying on rented machinery).

If you currently hold a mining licence that has not been activated or developed, you may be at risk of revocation. Under the FGN's "Use it or lose it" policy adopted last year, the federal Government exercised its powers to revoke dormant licences and during this process, 924 licences were revoked.

Key Points to Note

- Revocation follows due legal notice, typically published in the Federal Government Gazette.
- Licence holders are usually given 30 days to regularise their status (as was given last year).
- Reinstatement fines may apply. Hence, ₦10 million for revoked mining licences, ₦7.5 million for small-scale mining licences and ₦5 million for exploration licences



How to Comply and Stay Ahead.

To avoid revocation, dormant licence holders should act swiftly and strategically by doing the following:

1. Licence holders should check their licence category, expiration date, and activity history and identify gaps in compliance, reporting, or site development;
2. Licence holders should seek clarification on their licence status, submit updated documentation and demonstrate intent to activate operations at the Mining Cadastre Office.
3. Licence holders should outline timelines for exploration or production and include environmental impact assessments and community engagement plans.
4. Where their licence is flagged, licence holders should pay applicable fines and keep records of all payments and correspondence.
5. Licence holders should commence physical operations or mobilise equipment to their licensed area.
6. Licence holders are encouraged to maintain compliance records of cadastral units that demonstrate proven mineral reserves in commercial quantities.
7. Licence holders should cultivate constructive and cooperative relationships with landowners and community leaders within their mining cadastral units.

What Does This Mean for Potential Investors?

The FGN's revocation plan also opens new investment opportunities. The government has reaffirmed a first-come, first-served approach to acquiring newly available licences. This means global investors can now apply for revoked licences.

As stated by the Minister on 24th April 2024: "Investors across the globe are now free to apply for any of the affected Cadastral Units based on a first-come, first-served basis." This presents an opportunity for investors to:

- Partner with local communities and technical experts
- Revive dormant sites
- Align operations with Nigeria's steel production goals

Conclusion

The Federal Government's directives attempt to redefine the Nigerian mining industry and extractive future. Licence holders are no longer judged by possession of a mining license but by performance, purpose, and alignment with national development goals.

This is a defining moment for stakeholders: those who respond with urgency, transparency, and strategic intent will safeguard their licences and position themselves as key players in Nigeria's industrial recalibration. It also presents itself as an opportunity for both local and foreign investors to maximise the economic potential of Nigeria's mining sector.