



UDO UDOMA &
BELO-OSAGIE



Mining & Metals

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MINING & METALS

As global interest in mining activities continues to soar, the Nigerian mining sector has emerged as a pivotal player, attracting both domestic and international investors. UUBO, with its dedicated Mining Team, stands at the forefront of this dynamic landscape, offering unparalleled expertise and a proven track record dating back to 1996.

Our involvement in the Nigerian Mining sector is exemplified by our strides in advising on numerous major transactions within Nigeria's mining sector. Presently, we represent prominent companies listed on the Toronto Stock Exchange (TSX) and the Australian Stock Exchange (ASX:KFE), respectively. We also represent companies from Asia and LATAM.

Notably, our founding partner, now of counsel, was a member of the Presidential Committee established to review the National Policy on Solid Minerals Development in 1995. In 2016, he also developed the economic recovery and growth plan, which included a proposal to diversify the Nigerian economy through the reform of various sectors, including solid minerals.

Our team consists of experts who are able to navigate the evolving regulatory and legal framework that govern the Nigerian mining industry, bringing to bear our expertise in the extractive industry, energy, finance, tax and policy advocacy.

INDUSTRY PUBLICATIONS

An Overview of the Legal & Regulatory Framework of the Nigerian Mining Sector Overview of the Nigerian Mining Sector

The Nigerian mining sector is evolving. Before the discovery of crude oil in the early sixties, the solid minerals and agricultural sectors were the largest contributors to Nigeria's GDP. The Nigerian Mining Corporation, established in 1972 as the National Mining company, and its subsidiaries are on the list of assets that the Nigerian government seeks to privatise.

The Nigerian government has been trying to revamp the sector by attracting private domestic and foreign investment. The government estimated total revenue from the mining sector reached N2.9 billion in 2022, expected to increase by 25% to N3.6bn. The National Bureau of Statistics reported that the mining & quarrying sector grew nominally by 31.90% (year-on-year) in Q3 2023. Nigeria is abundantly endowed with 44 different types of minerals available in commercial quantities across more than 500 locations in the 36 states of the Federation, including the Federal Capital Territory, Abuja.

Legislation

The principal laws that regulate the Nigerian mining industry are the Constitution of the Federal Republic of Nigeria, the Nigerian Minerals and Mining Act, 2007, the Nigerian Minerals and Mining Regulations, 2011 and Guidelines that govern various aspects of mining and related activities. Other relevant laws include those that govern environmental issues, land use, water use, nuclear safety, and radiation protection, amongst others.

Regulation

The sector is primarily regulated by the Ministry of Solid Minerals Development, the Mining Cadastre Office, the Mines Inspectorate Department, and the Mines Environmental Compliance Department. Other relevant federal regulators that have a measure of regulatory oversight over mining activities include the Federal Ministry of the Environment, the relevant state ministries of land and the National Environmental Standards and Regulations Enforcement Agency.

Ownership of Minerals

By virtue of section 44(3) of the Constitution, the entire property in and control of all minerals in Nigeria is vested in the government of the federation. There are no foreign ownership restrictions specific to the Nigerian mining sector. However, section 78 of the CAMA requires any foreign company that intends to carry on business in Nigeria to incorporate a separate entity in Nigeria for that purpose.

Local Content

There is a Nigerian Content Development and Enforcement Bill currently before the House of Representatives, and if passed into law, Nigerians will have to be given first consideration for employment and training in the Nigerian Solid Minerals sector. The Mining laws do not provide for foreign ownership restrictions, though individuals applying for a small-scale lease must be Nigerian citizens. A foreigner can only make such an application through a Nigerian entity, notwithstanding that it is foreign owned.

Acquisition of Mining Rights

The Mining Act provides the framework for exploration and exploitation of solid minerals in Nigeria. Mining rights are granted to Nigerian citizens who have not been convicted of criminal offences, companies incorporated in Nigeria and mining co-operatives. Rights granted include reconnaissance permits (1 year, renewable annually), exploration licences (3 years, renewable for 2 terms of 2 years each), small-scale mining leases (5 years, renewable), mining leases (25 years, renewable every 24 years), and quarry leases (5 years, renewable).

Export Regulations

The Nigerian government is reviewing the final draft of the Export Guidelines for solid Minerals. Under current rules, mineral title holders must notify the Minister for sample exports, providing description, quantity, and purpose. Commercial exporters must obtain permits from the Mines Inspectorate Department and comply with general Nigerian export requirements.

Tax

Mining companies are liable to companies' income tax, tertiary education tax at 2% of assessable profit, VAT at 7.5% on minerals sold in Nigeria, and royalties between 3% and 5%. Capital gains tax at 10% applies to mineral title transfers. Titleholders receive various incentives including a three-year tax holiday (extendable by two years), 95% capital allowance on qualifying expenditure, import duty exemptions, and loss carry-forward provisions.

ESG

ESG compliance is implemented through NEITI, ensuring transparency in government investments and company payments. Nigeria achieved "satisfactory progress" in implementing the EITI Standard, among only eight countries of 53 members. Companies must execute Community Development Agreements with host communities, and ESG is regulated by the Mines Environmental Compliance Department.

Meet the Team



Lolade Ososami

Partner
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Lolade Ososami is a Partner at Udo Udoma & Belo-Osagie, where she heads the firm's Mining and Metals, and Taxation teams. She also co-leads the firm's Oil & Gas, Corporate Advisory, and Compliance teams.

Lolade has advised on transactions relating to mineral rights acquisitions, mineral exploration, mine development projects, the establishment of mineral processing plants, and beneficiation projects. She contributes to the Mining in Africa Legal Database, an online resource for investors, financiers, and developers in mining. She has contributed to fiscal policy reforms in the extractive industry and occasionally advises government leaders on policy issues. Lolade also has substantial experience in the legal and regulatory framework for international investment in Nigeria and advises on diverse domestic and cross-border commercial transactions across various sectors.

She is renowned for her expertise in international tax and taxation of diverse commercial transactions and has received recognition from the IFLR, Who's Who Legal, and the ITR. Her sound understanding of the fiscal frameworks in Nigeria's extractive sector enhances the quality of her advice to clients.

Lolade is a member of the Energy and Tax Committees of the International Bar Association, a member of the Mining Committee of the Section on Business Law of the Nigerian Bar Association, a past President of the Tax Committee of the Section on Business Law of the Nigerian Bar Association, a Fellow of the Chartered Institute of Taxation of Nigeria, and a member of the International Fiscal Association



Amina Ibrahim

Partner
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Amina Ibrahim is a Partner at Udo Udoma & Belo-Osagie and the head of the Firm's Abuja office, specialising in Mining & Metals, General Corporate Advisory, Mergers & Acquisitions, Corporate Immigration, Real Estate, and Regulatory Compliance.

Amina has played a key role in some of the most notable transaction in the Nigerian mining sector in recent years, where her expertise in this growing field has been acknowledged across several forums. She routinely advises on transactions involving the acquisition of mineral titles, possess and purchase licenses, and development of beneficiation projects.

Her work also spans investment transactions across sectors like education, healthcare, and manufacturing, where she has structured investments to align with clients' objectives.

Her mining sector experience includes assisting client's with complying with licence maintenance obligations and regulatory compliance. She has helped these clients navigate the regulatory landscape and ensure compliance with relevant mining laws and regulations, as well as resolving disputes arising from the transfer of mineral titles between mineral titleholders and potential acquirers.



Etido David

Senior Associate
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Etido David is a member of the firm's Mining and Metals, Corporate Advisory, Mergers & Acquisitions, and Private Equity teams. He has been involved in a wide range of matters, including mining, general corporate advisory, tax, mergers & acquisitions, private equity, debt financing, real estate, and regulatory compliance.

Etido has advised on transactions relating to the acquisition of mineral titles, the establishment of mineral processing plants, and beneficiation projects. He has assisted numerous companies in achieving regulatory compliance within the mining sector.

Additionally, he has advised on various investment transactions across multiple sectors, including mining, education, health, and manufacturing, and has helped structure these investments to optimise clients' objectives.



Founded in 1983, Udo Udoma & Belo-Osagie is a multi-specialisation full service corporate and commercial law firm with offices in Nigeria's key commercial centres and an affiliate in Ghana. The firm's corporate practice is supported by a company secretarial department, Alsec Nominees Limited, which provides a full range of company secretarial services, and our sub-firm, U-Law which caters exclusively to entrepreneurs, MSMEs, startups, and growth businesses across several industries. It is designed as a one-stop shop for all basic business-related legal needs, providing high-quality support, in a simplified and straightforward manner, at competitive prices.

We are privileged to work with diverse local and international clients to create and implement innovative practical solutions that facilitate business in Nigeria and beyond. When required, we are well-placed to work

with a select network of leading African and international law firms with whom we enjoy established, non-exclusive relationships.

Our core philosophy is that legal advice should be of the highest possible standard, accessible, commercially oriented, and consistently sound on principle. As a firm we have developed a reputation for advising on a wide range of transactions including those that are complex, unusual or new to the market in which our clients operate, for generating innovative and practical legal solutions, and for effectively resolving disputes – within a relatively short period of time.

Our goal is to remain the preferred firm for facilitating corporate and commercial transactions and resolving disputes in the rapidly changing world of Nigerian and African businesses.

Specialisations

AVIATION

BANKING & FINANCE

CAPITAL MARKETS

COMPANY SECRETARIAL SERVICES

COMPETITION

COMPLIANCE & INVESTIGATIONS

CORPORATE ADVISORY

DISPUTE RESOLUTION

EMPLOYMENT LAW

ENERGY & INFRASTRUCTURE

FINTECH

INTELLECTUAL PROPERTY

MERGERS, ACQUISITIONS & RESTRUCTURING

MINING & METALS

OIL & GAS

PRIVATE EQUITY

REAL ESTATE

SPORTS, MEDIA & ENTERTAINMENT

TAX

TELECOMMUNICATIONS, MEDIA & TECHNOLOGY/DATA PROTECTION



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