

NIGERIA

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The solid minerals sector of Nigeria continues to elude large-scale commercial development although extensive small-scale operations thrive, particularly in response to the tantalum market. Small-scale barytes production continues to feed the drilling mud business.

Although the Federal Government has promoted the mining sector, little has been done to fund and implement the necessary changes and clarification to mining title issues, and to monitoring and control regulations for mining operations. A very negative development for local currency-indexed operators is the extensive increases in mining permit fees and duties, which seriously affect small-scale profitability. These fee increases are not expected to deter or affect any large-scale commercial operations, however.

The control of mineral resources has become an issue for debate between the Federal Government and the individual states, with resolution of the issue anticipated in 2001. To date, it would appear that the states will have effective control over the development of the resources under a National Policy consistent with the aims and objectives of the Federal Capital.

Despite these uncertainties, there is considerable and tangible optimism in a local industry which remains under-capitalised.

Once again, three main investor groups have been active.

1. Local mining and exploration companies
2. Foreign exploration companies
3. Parastatal and quasi parastatal organisations.

Exploration is dominated by numerous local companies including:

1. Bakuwa Mining Works of Abuja, which continues to concentrate on tantalite projects in the middle belt region.
2. Transafric Technical Services Ltd, which has acquired the prospecting rights to the Ijero pegmatites, in Ekiti State.
3. Aswad Mines Ltd, which has acquired the rights to polymetallic tin, zinc, tantalum, and the Nb hard-rock properties in the Ririwai and Toro areas.
4. Geosearch Investments Ltd, which has acquired all requisite rights to the production of gold and bitumen mining.
5. Gindiri Tin Mines Co. Nigeria Ltd of Jos, which holds licences for gemstones, tin, tantalum and barytes throughout the north and central states of the country. It also produces barytes for delivery to drilling mud companies.
6. Quillos International, which continues to develop and acquire mining projects in the north west and middle belt regions. It has solicited the help of Alluvial Dredging and Mining Services of the Netherlands to promote and develop its tantalite and gold projects.

Most foreign companies continue to take a wait and see attitude. Two of the active members have been Columbia River Resources Ltd. and West African Venture Exchange Corp., both from Canada.

Columbia River continues to pursue and evaluate tantalite-mining opportunities with a view to large-scale commercial production. The principle issue facing the successful implementation of its programme is securing unencumbered legal title.

West African Ventures Exchange (Nigeria) Ltd has acquired the following project interests:

1. A joint venture with Santrin International Co. for the exploration/development of mineral properties covering an area in Oyo and Oshun States, Nigeria.
2. A joint venture with Wale Engineers Nigeria Ltd. for the exploration/development of zinc and limestone on property held by Wale.
3. A joint venture with Evan Exploration and Development Co. (Nigeria) to conduct mineral evaluation for Edo State, Nigeria. This project has been funded by the Edo State Government and is currently underway. The project includes an airborne magnetic survey and extensive groundwork. The company has been granted a first right to develop properties of interest.

The third group of investors is represented by parastatals, and quasi parastatals, and include The Nigerian Mining Corp., Consolidated Tin Mines, National Steel Raw Materials Exploration Agency and Nigerian Coal Corp. Although these organisations have been attempting to invigorate their operations, they have met with little success to date.

A number of promotional seminars and conferences were held during 2000. Mooregate Ltd of Lagos hosted The West African Minerals Seminar in May in London. It was attended by some 100 delegates,



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speakers and participants, including international producers and suppliers.

In September 2000 the Honourable Abdulahi Adamu, Governor of Nassarawa State hosted the State's second annual economic summit. Special guests included a representative group from the office of International Trade, US Small Business Administration. As the official home of solid minerals in Nigeria, Nassarawa has been focussing on the development and promotion of its solid minerals potential, particularly through the support and encouragement of small businesses.