

Highlights of 2021 Solid Minerals Industry Report

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Focus of the Audit



Theme

Impact built on blocking leakages to grow revenue



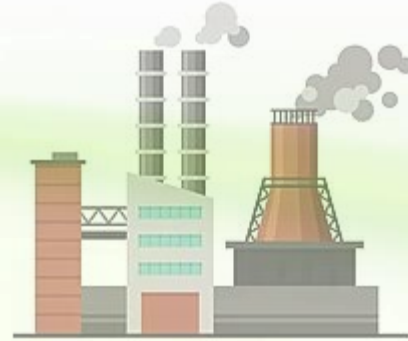
12th Cycle of SM Report by NEITI





Companies & Key Government Agencies Covered by the Report

1,214



Extractive Companies

3



Government Entities

A total of 914 companies made payment of royalty out of which 121 met the materiality threshold and were responsible for 92% total royalty payment for the year.



Key Highlights of the Report

Total revenue generated by the sector in the year under review

₦193.59 billion



Total revenue generated by government from the sector in **2021**

2021: Increase of ~~₦~~60.32 billion or 51.89%

2020: ~~₦~~116.82 billion

₦177.44 billion

Financial flows to the Federation
Account





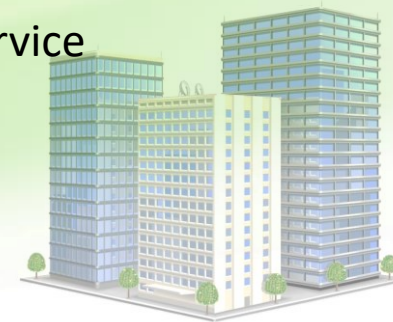
Key Highlights of the Report

Breakdown of the Revenues as generated by the agencies

FIRS	N169.52 Billion
Mining Cadastre Office	N4.3 Billion
Mining Inspectorate Department	N3.62 Billion



N1.06 Billion Company Outstanding financial liabilities to government~failure of some of the companies to pay their annual service fees for the respective mineral titles.





Key Highlights of the Report

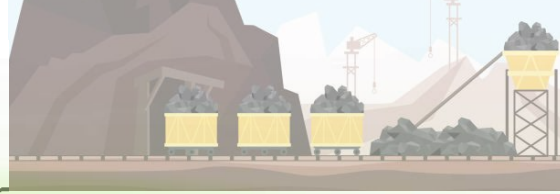
Trend of Sector Contribution to FGN Receipts

The sector has contributed ₦818.04billion (USD3.2billion) to Federal Government's receipts between 2007 and 2021

S/N	Year	No. of Companies	FGN Receipts billion ₦
1	2007	78	7.59
2	2008	78	10.57
3	2009	78	19.15
4	2010	78	17.1
5	2011	67	27.01
6	2012	65	25.57
7	2013	65	30.25
8	2014	39	49.17
9	2015	42	64.46
10	2016	56	43.22
11	2017	59	52.76
12	2018	69	69.47
13	2019	74	79.96
14	2020	102	128.17
15	2021	121	193.59
Total			818.04



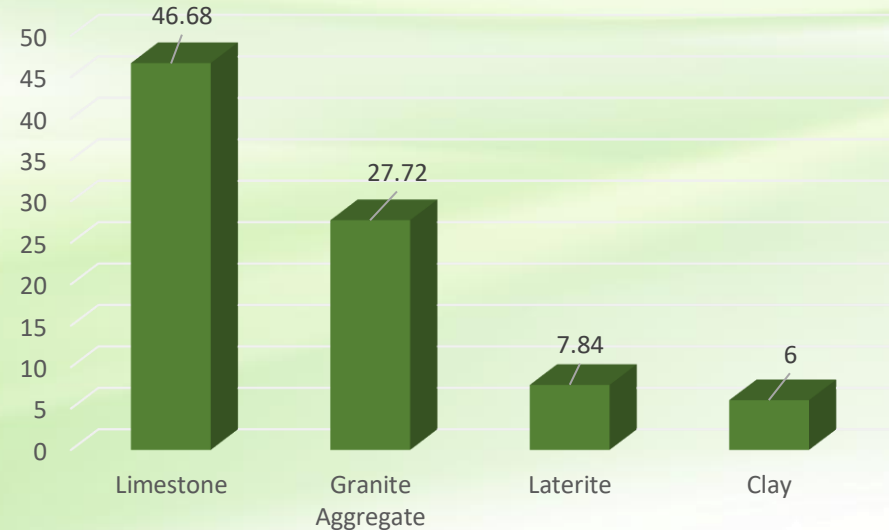
Specific Minerals Contribution by Quantity



Limestone and Granite were the most produced minerals in 2021 and accounts for about 74.4% of the total production.

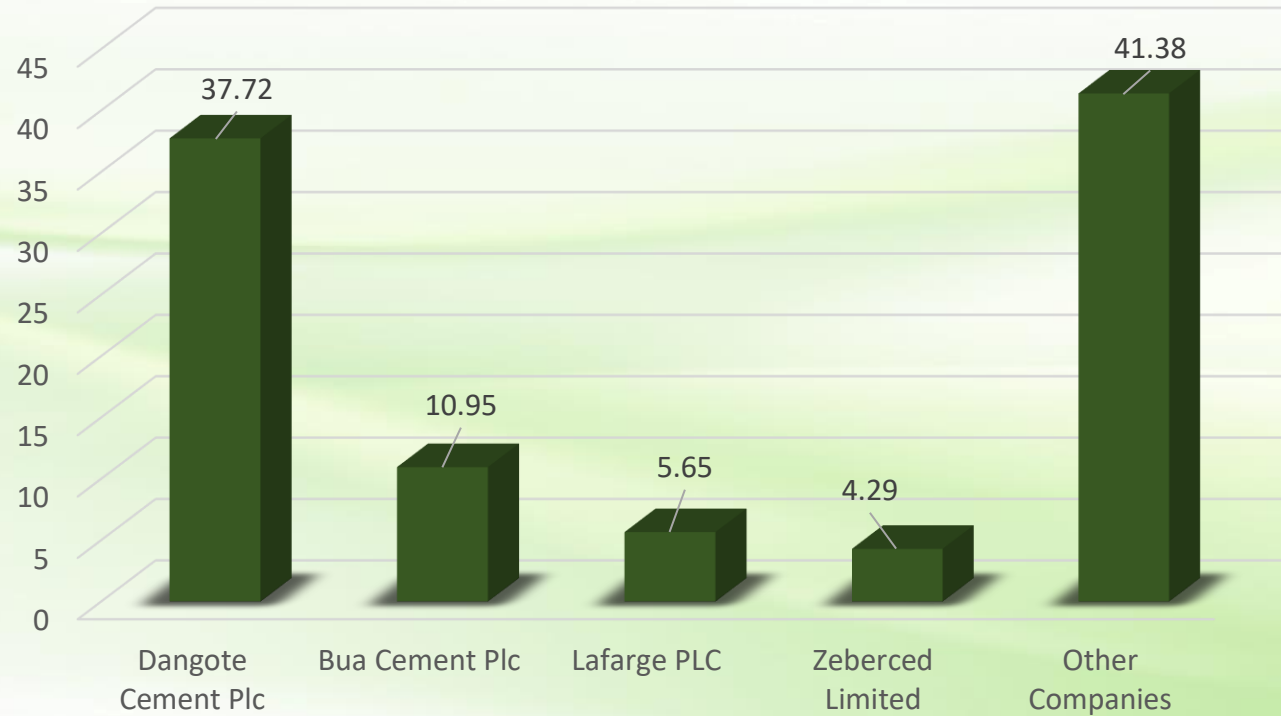


76.28 Million tons
of minerals mined





Company by Company Quantity Production

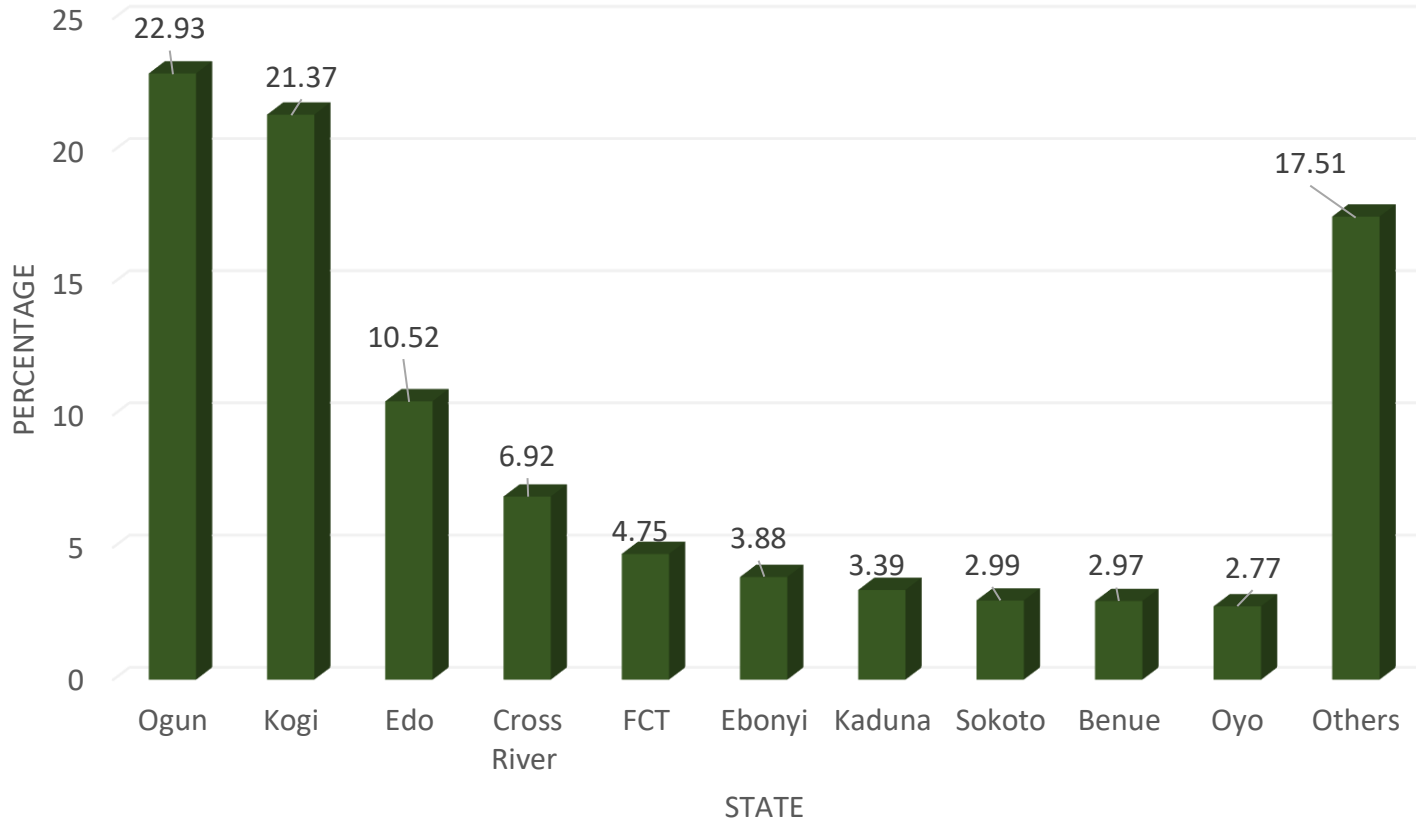


Dangote Cement Plc, Lafarge Africa Plc, BUA and Zeberced production volume accounted for 58.61%.





States of the Federation Contribution to Solid Minerals Production



Ogun, Kogi, Edo, Cross River and FCT were the top solid mineral producing states in 2021 with a total contribution of 66.49% to total production volume.





Contribution by Geopolitical Zones



North~Central, South~West and South~South had the highest impact on total production with 31.2%, 30.5% & 23.7% respectively in 2021

South~East contributed the least at 0.94% contribution to production volume and 0.9% to royalty.





Issuances of Licenses (2020-2021)



The details of licenses issued for the year 2020 - 2021



	2020	2021
Exploration Licence (EL)	516	840
Mining Lease (ML)	12	40
Quarry Lease (QL)	185	255
Small Scale Mining Lease (SSML)	598	771
Reconnaissance Permit (RP)	171	139
Total	1,482	2,045

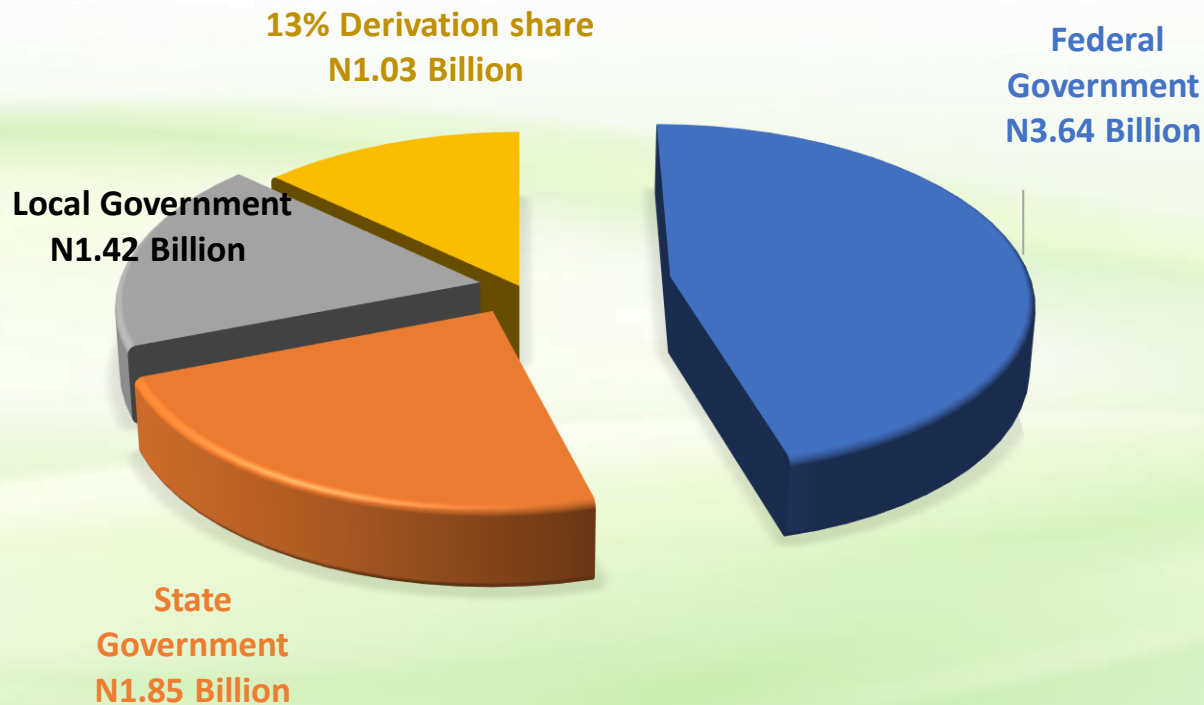
Increase of 85% in number of artisanal minerals operators to 2,336 across the country

No commensurate data in production, royalty payments, exports, etc. to support this increase in operators.



Solid Minerals Revenue Account

Distribution to 3 tiers of Government including 13% Derivation



Total revenue shared
₦7.94 Billion

S/N	Beneficiary	Applicable Rate %
1	Federal Government	45.83
2	State Government	23.25
3	Local Government	17.92
4	13% Derivation share	13
	Total	100.00



NEITI Solid Minerals Report & Nigeria's Energy Transition Plan

Energy Transition Minerals or the future minerals as listed below.

- Cobalt
- Lithium
- Nickel
- Copper
- Graphite
- Titanium

20 exploration licenses for Lithium

30 exploration licenses for Copper respectively issued in 2021.



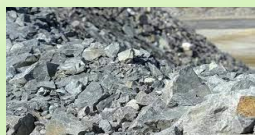
Copper



cobalt



Graphite

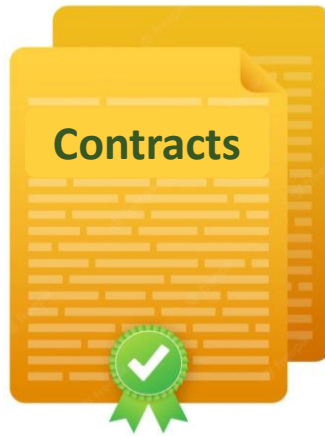


Lithium



Public Disclosure on Solid Minerals Contracts & Beneficial Ownership

Contracts

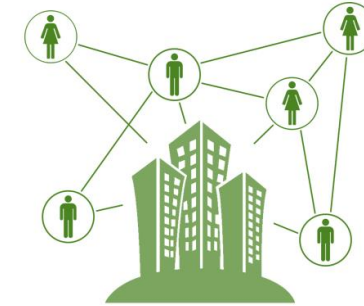


Section 116(1) of the Nigerian Minerals and Mining Act (NMMA) 2007 provides a community Development Agreement (CDA) is signed between company and the host community.

67 CDAs out of 121 companies covered in the report were obtained and documented.

NEITI website has additional information on CDAs collected during the reconciliation process.

Beneficial Ownership



Beneficial owners of companies are natural persons who directly or indirectly own or control a corporate entity.

The beneficial ownership data are publicly accessible either through the NEITI or the CAC Portal.

107

BO information were obtained

out of **121** companies covered in the audit.



Nigeria's Solid Minerals Exports & Destinations

The total minerals exported

143,000 tons.

But First patriots contributed the highest value~ \$44.83 Million.

Export Destination by Value

China	87.89%
Malaysia	4.64%
Korea	1.41%
Thailand	1.17%
UAE	1.11%



Export by Destination

China accounted for 95% and 88% of the total export volume and value respectively



Export by Mineral Type

Lead ores and concentrates was the highest mineral exported, accounting for 7.7% of the total export and 35.3% FOB value.



Export Volume by Company

Sino Min-metals Co. Limited	44.07%
Synee Alumony Mining Limited	7.19%
First Patriot Ltd	3.63%
Others	45.11%

Contribution of the Sector to the Economy

0.63%

Contribution to GDP

Nigeria's GDP in 2021 was ₦173.53 trillion.
Contribution of the Solid minerals sector

₦1.10 trillion



0.24%

Contribution to Export

The value of Nigeria's export in 2021 was ₦18,200 billion. Solid minerals sector contribution was

₦43.68 billion

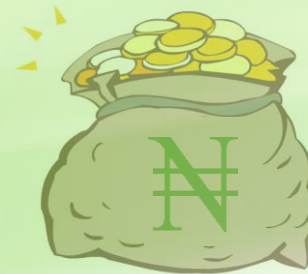
2.62%

Contribution to government revenue

The federal government revenue collection
₦6.63 trillion.

Solid minerals sector contribution ~

₦173.98 billion





Key Findings and Recommendations

The report made a total of 44 findings & recommendations from Page 76 ~94 of the report covering the following areas:

- Regulation issues
- Financial Issues
- Environmental Issues
- Process Issues
- Production
- Volume management
- Revenue Generation
- Global emerging development issues in the Solid Minerals sector



Key Findings and Recommendations

	Findings	Recommendation
1	<p>The total revenue from the sector over the last fifteen years (2007 – 2021) was 814.59bn. This amount is significantly low compared to the economic potential of the sector.</p>	<p>The FGN through the MMSD should establish a Special Purpose Vehicle (SPV) dedicated to de-risking the solid minerals sector value chain.</p> <p>Furthermore, the MMSD and MCO should constantly engage with the relevant stakeholders to sustain conducive environment for investments and revenue growth in the sector.</p>



Key Findings and Recommendations

	Findings	Recommendation
4	The report noted a significant variance of 38,145.85 tons between solid minerals export data reported by NCS and MMSD-MID. This variance is as a result of non-collaboration between the NCS and MMSD.	MMSD-MID’s collaboration with the NCS on the issue of export permit. The NCS should enforce compliance on export permits from MID prior to mineral export.
5	This report has found that the signed CDAs in the custody of the MMSD(MECD) are not publicly accessible.	Host all signed CDAs on MMSD website to make them easily accessible to the public.



Key Findings and Recommendations

	Findings	Recommendation
6	<p>This report noted an emerging phase in the mining sector ~ Nigeria Energy Transition Plan, which seeks to create significant investment opportunities for the establishment and expansion of industries related to solar energy, hydrogen, and electric vehicles.</p>	<p>The FGN should collaborate with relevant stakeholders to ensure that the Energy Transition Plan (ETP) is consciously implemented.</p>



Key Findings and Recommendations

	Findings	Recommendation
7	<p>Only 39 out of 121 companies made the mandatory social payments as contained in the CDA signed with their host communities while 10 companies made only non -mandatory social payments/expenditures.</p> <p>This reveals poor compliance to the social benefit to host communities' requirements of the NMMA 2007 and NMMR 2011 as embedded in the CDA's.</p>	<p>The MMSD and MCO should collaborate on a framework for monitoring compliance with the terms of MMA 2007 and MMR 2011 and impose appropriate penalties on defaulters.</p>

Thank you

