B&C Babalakin & Co.
LEGAL PRACTITIONERS

# A MID-YEAR REVIEW:

## 5 PIVOTAL LEGAL AND ECONOMIC DYNAMICS RESHAPING NIGERIA'S MINING SECTOR

## INTRODUCTION

The Nigerian Mining Industry is emerging as one of the foremost sectors contributing to the economic diversification and industrial development of the Nigerian economy.

To fully harness this potential and reform the sector, the Minister of Solid Minerals Development, Dr Dele Alake, launched a Seven-Point Agenda for the sector.[1]

In furtherance of this, the Federal Government has launched new programmes, entered beneficial partnerships, and collaborated on projects aimed at restoring discipline in licensing, promoting investment, strengthening compliance, improving transparency, and advancing value addition/beneficiation.
Against this backdrop, this newsletter has identified five (5) industry updates which cut across the first half of the year 2026 and are considered to be pivotal to the sector and its positioning in Nigeria and globally.

1 Jerry Emmason; "Alake Unveils 7-Point Agenda for Solid Minerals." Available at: https://leadership.ng/alake-unveils-7-point-agenda-for-solid-minerals/. Accessed 6 July 2026. The seven points agenda include: the creation of the Nigerian Solid Minerals Corporation, Joint Ventures with Mining Multinationals, Big Data on specific seven priority minerals and their deposits, 30-day grace for illegal miners to join artisanal cooperatives, Mines Surveillance Task Force and Mine Police, Comprehensive review of all mining licenses and the creation of six Mineral Processing Centres to focus on Value-Added products.

## 1. AFC-SMDF PARTNERSHIP[2]

In March 2026, the Africa Finance Corporation (AFC) and the Federal Government of Nigeria through the Solid Minerals Development Fund (SMDF) signed a Memorandum of Understanding to jointly fund three (3) projects.

**The projects are:**

**1.** The construction of a $1.3 billion alumina refinery, estimated to generate 1 million tonnes of bauxite ore per annum, utilizing a modern Bayer-process flowsheet with an on-site gas-fired cogeneration plant for steam and power.

**2.** A comprehensive geoscience mapping exercise.

**3.** An investment vehicle to realise the delivery of the refinery and geoscience mapping exercise.

2 Federal Ministry of Information and National Orientation"FG, AFC Sign Landmark $1.3 Billion Alumina Deal. "Available at: https://fmino.gov.ng/fg-afc-sign-landmark-1-3billion-alumina-deal/. Accessed 6 July 2026.

It is projected that the project will contribute $1.2 billion to GDP annually, over $25 billion to the national economy across its lifecycle (approximately twenty (20) years of operation at 95% utilization) and generate $8 billion in foreign exchange earnings.[3]

## KEY TAKEAWAY

The collaboration between the (AFC) and the Federal Government of Nigeria is an unprecedented move to assuage the financial deficit in the mining sector in Nigeria and to boost the sector's contribution to the Nigerian economy. The geo-mapping innovation also portends the generation of reliable mineral data to ensure a comprehensive database of Nigeria's mineral deposit.

## 2. NIGERIA - TURKEY PARTNERSHIP

In line with the promotion of investment in the Solid Minerals sector in Nigeria, the Nigerian Government in May 2026, on the sidelines of the 2nd Istanbul Natural Resources Summit, executed a Memorandum of Understanding (MoU) with Turkey.

This MoU covers collaboration in mining technology, geological exploration, digital systems, and capacity building, aligning with Nigeria's industry reforms and transparency goals.[4]


3 Ibid.

4 Business Insider Africa; "Nigeria Targets Turkish Investors with New Deal to Unlock $750bn Minerals Sector. "Available at: https://africa.businessinsider.com/local/markets/nigeria-targets-turkish-investors-with-new-deal-to-unlock-dollar750bn-minerals-sector/l4bx7vp. Accessed 6 July 2026.

## KEY TAKEAWAY

While this MoU builds investor confidence, market participants may wonder how it differs from the mining cooperation agreement signed in 2021. While the 2021 agreement laid a broad framework for bilateral relations, the 2026 MoU focuses strictly on actionable technical implementation, specifically the digitization of geological exploration systems. It therefore becomes imperative for investors with existing Turkish Joint Venture partners to review whether prior cooperation agreements need to be updated so as to align with the technical implementation focus of the 2026 MoU, particularly around geological data-sharing protocols.

## 3. DISCOVERY OF KADUNA POLYMETALLIC MINERAL PROVINCE

The Minister of Solid Minerals Development, Dr Dele Alake, announced the discovery of a polymetallic mineral province in Kaduna State in June 2026. This announcement was made at the opening ceremony of the African Natural Resources and Energy Investment Summit 2026 (AFNIS 2026).[5]

As confirmed by the Nigerian Geological Survey Agency, the exploration in the province revealed an exceptionally high-grade deposit of strategic minerals including deposits of gold, nickel, copper, lithium, and rare earth minerals.

This positions Nigeria as a strategic hub for critical minerals required for the clean energy transition. With the right regulatory, environmental, and commercial framework, the discovery could meaningfully contribute to the sector's growth and to Nigeria's broader economic diversification away from crude oil dependence.

5 Damilola Aina; "FG Discovers Major Platinum, Lithium, Rare Metals Deposits in Kaduna. "Available at:https://punchng.com/fg-discovers-major-platinum-lithium-rare-metals-deposits-in-kaduna/ Accessed 6 July 2026.

## KEY TAKEAWAY

This discovery will attract significant interest and participation in the industry as it boosts the desire to obtain mineral titles in the province. As such, operators should anticipate a more competitive title acquisition environment.

The regional security situation remains a distinct concern. Hence, operators and investors interested in operating in the province should consider the inclusion of robust contractual safeguards in transaction documents such as carefully drafted *Force Majeure* and security clauses. Importantly, there is also a need to participate in stakeholder engagements and comply with the statutorily required Community Development Agreements (CDAs) to manage local risks, promote community relations and mitigate regional security risk.

## 4. LAUNCH OF THE EARLY-STAGE [6] MINERAL EXPLORATION AND RESEARCH GRANT ENDOWMENT PROGRAMME (EMERGE)

One of the debilitating issues affecting the mining industry is access to early-stage capital for mineral exploration. To combat this, in June 2026, the Federal Government launched the Early-Stage Mineral Exploration and Research Grant Endowment Programme (EMERGE).

The programme is expected to improve and encourage early-stage mineral exploration, local processing, and support research institutions through the provision of catalytic grants.[7] The details on how to access EMERGE are contained here.

## KEY TAKEAWAY

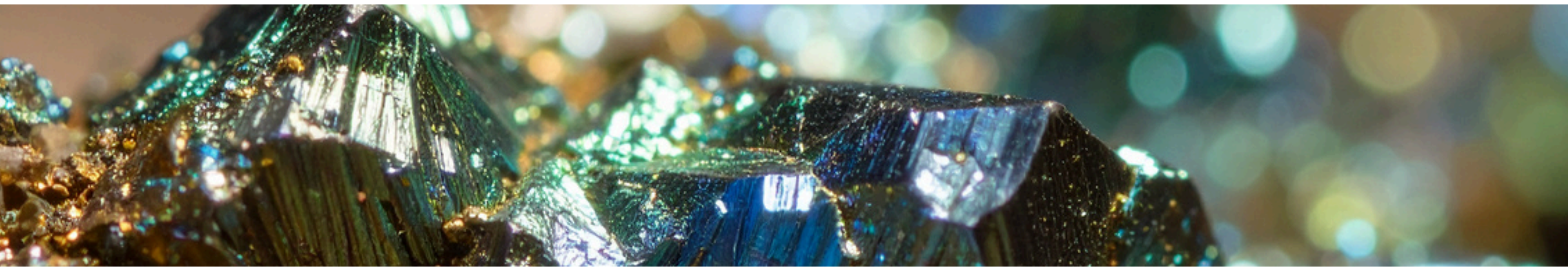
By directly addressing the lack of high-risk capital for early-stage greenfield exploration, EMERGE creates a more "bankable" pipeline for junior mining companies. Operators seeking to tap into this grant must maintain robust corporate governance and strict compliance with title maintenance under the Mining Cadastre Office to pass necessary vetting. Applicants should also seek early advice on the tax treatment of the grant receipts.

## 5. CRITICAL MINERALS REPORT FOR GREEN INDUSTRIALISATION IN NIGERIA

The Council for Critical Minerals Development in the Global South ("the Council") aims to deliver tailored data and analytics and facilitate south-south and international collaboration to support emerging economies and build secure mineral supply chains that anchor domestic industrialisation and development goals.[8]

In June 2026, the Council presented its report on critical minerals for green industrialisation in Nigeria to the Minister of Solid Minerals Development, Dr. Dele Alake, at AFNIS 2026.

The report maps Nigeria's domestic demand, supply, and trade patterns, identifies structural gaps in the mineral value chain, and provides mineral-specific policy pathways to leverage Nigeria's resources such as lithium, copper, and bauxite for its green industrialisation.[9]



6 Oyinlola Elizabeth Ojetola; "FG Launches EMERGE Programme to Fund Mining Exploration, Local Processing. "Available at: https://ekohotblog.com/fg-launches-emerge-programme-to-fund-mining-exploration-local-processing/. Accessed 6 July 2026.

7 Solid Minerals Development Fund (SMDF); "EMERGE | SMDF Mining Grant Programme." Available at: https://smdf-emerge.com.ng/. Accessed 6 July 2026.

8 Council for Critical Minerals Development in the Global South; "About the Council for Critical Minerals Development in the Global South. "Available at: https://www.transitionmineralscouncil.org/about. Accessed 6 July 2026.

9 Sustainable Energy for All (SEforALL); "Nigeria Receives Critical Minerals Report to Power Green Industrialisation at AFNIS 2026." Available at: https://www.seforall.org/news/nigeria-receives-critical-minerals-report-to-power-green-industrialisation-at-afnis-2026. Accessed 6 July 2026.

## KEY TAKEAWAY

This report is likely to shape near-term policy direction, particularly around mineral-to-manufacturing localisation and clean energy component production. Investors in the sector, especially those active in lithium, copper, and bauxite projects, should factor the report's proposed policy pathways into their transaction structuring, and monitor the Ministry's follow-up statements for concrete regulatory uptake through the other half of 2026.

## CONCLUSION

The first half of 2026 demonstrates that Nigeria's solid minerals sector is moving away from purely speculative activity toward structured, capital-intensive infrastructure development. For investors, success in this evolving market requires equal attention to geological potential and strict regulatory, environmental, and corporate compliance.

**Disclaimer:** This update is for informational purposes only and does not constitute legal advice. For specific inquiries regarding mining assets, regulatory compliance, or project financing in Nigeria, please contact our Mining team at mining@babalakinandco.com.

**Kehinde Daodu**
Partner

**Doherty Taiwo**
Senior Associate

**Tawakalt Ibitola Ibidunni**
Associate

**Amina Abubakar Umar**
Associate