**Nigerian Mining Industry: Opportunities for Foreign Investors**

Nigeria is endowed with numerous mineral resources such as talc, iron ore, bitumen, gold, rock salt, gypsum, lead/zinc, coal, gemstones, kaolin, tantalite, bentonite and baryte located in different parts of the country in commercial quantity. The ownership of the mineral resources is vested in the Federal Government of Nigeria as custodian on behalf of the citizens of the country.

The Nigerian government has recognized that the successful exploration and exploitation of its mineral resources requires both technical expertise and financial strength to a large extent can be provided by foreign investors. The government grants mineral titles to allow suitable investors to explore for, mine and market mineral resources. Thus, the role of the government has transformed from that of ‘owner-operator’ to ‘administrator-regulator’.

Applications for mineral titles and licenses are considered on a first –come, first-served basis and may be made by any investor, at any time, over any area not covered by an existing title or not otherwise reserved by the government. An investor may enter into the mining industry in Nigeria through the acquisition of an existing mining property from the original owner however an approval must be obtained from the Ministry of Solid Minerals Development for such acquisition or by obtaining an application either for a Prospecting Right (PR), an Exclusive Prospecting License (EPL), or a Special Exclusive Prospecting License (SEPL).

The application shall state the financial and technical capability qualifying the applicant for an entry into the mining sector. In order to encourage foreign investment in the mining industry the government has put in place incentives such as grant of a three-year tax holiday to new mining companies which may be extended for one further period of two years. Mining operators are granted exemption from payment of customs and import duties in respect of plant, machinery, equipment and accessories imported specifically and exclusively for mining operations.

In addition, every holder of a mineral title is guaranteed free transferability of funds through the Central Bank of Nigeria and also permission to retain a portion of their foreign exchange in a foreign exchange domiciliary account for use in acquiring spare parts and other inputs required for the mining operation which would otherwise not be readily available without the use of such earning.

Apart from mining operations an investor may in engage in the business of importation and local marketing of modern mining equipment, modern mineral testing and quality control technologies and reagents or engage in local sales and export of crude or processed solid minerals.