

NIGERIA – Overview of Mineral Resources

Stagnation in the solid minerals sector cannot simply be attributed to the meteoric rise of oil: poor management by state-owned enterprises – compounded by corruption and an incoherent exploitation of resources – has also played its part.

Minerals



Nigeria

Nigeria is endowed with numerous Mineral Resources such as copper, lead, manganese, gold, iron barite, zinc, gypsum, bitumen, coal, etc. Despite Nigeria’s huge resources, development is done mostly by artisanal and small scale miners. Artisanal mining refers to informal activities undertaken by individuals and groups which are heavily dependent on manual labor and using simple implements and methods of exploration and exploitation.

Nigeria is endowed with enormous mineral resources which when properly harnessed can lead to its industrial development and prospects. The mining industry is faced with several problems which include policy inconsistency and lack of adequate legislation, high risk and health hazards, weak regulation, lack of well-equipped laboratories, unwholesome practices of stakeholders and inadequate number of trained personnel, access to capital, lack of appropriate technology and machinery, and environmental degradation and pollution.

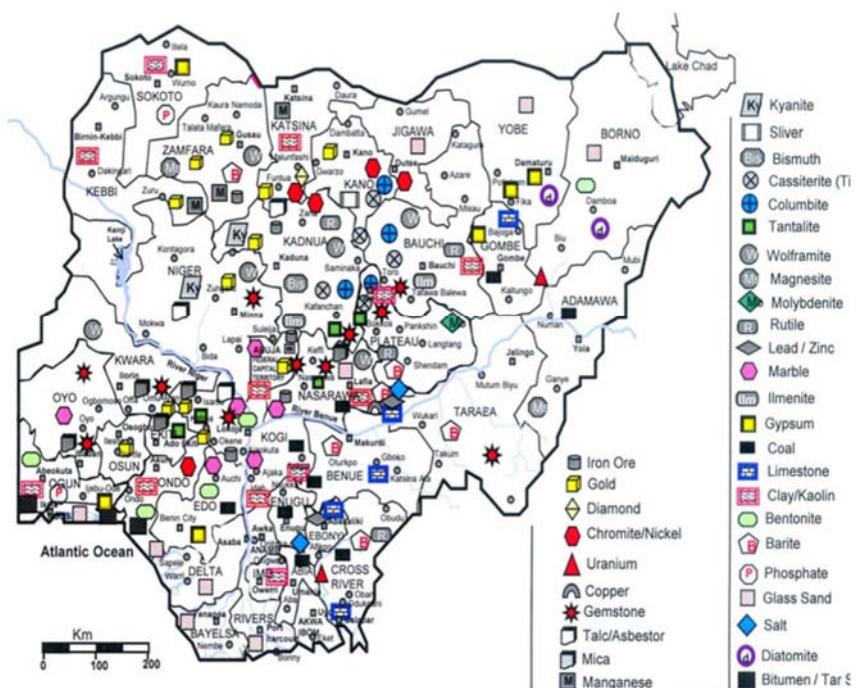
Background

Nigeria has a long history of mining which dates back to 1902 with commercial mining of tin on the Jos Plateau by colonial mining investors. It is expected that by now the mineral sector would have developed in scope and depth given the early introduction of the art in Nigeria. However, the mineral sector presently contributes only a meagre and un-substantiated 0.3% to GDP as against the oil and gas sector which contributes about 90% of the nation’s foreign exchange earnings, and about 25% of GDP is a matter of concern.

Mineral development and exploitation in Nigeria has been highly focused on its oil industry. In an attempt to improve on the contribution of the mineral sector to the National Development, the Federal Government has liberalized foreign investment in Nigeria. The reasons are attributable to constraints which include inadequate access to investment capital, reliable data, land tenure and mineral rights holding, infrastructure, technology, taxation, security of investment and environmental protection policies.

Further, the evaluation of raw materials to determine their suitability for use as industrial minerals requires technical test work, mineral processing trials and end-product evaluation.

An overview of the solid mineral resources distribution map of Nigeria



METALLIC MINERALS IN NIGERIA

Estimated Mineral Deposits in Nigeria

S/N	MINERAL	LOCATION		ESTIMATED RESERVE	USER INDUSTRIES	EX-LOCATION	QUALITY
1	Gold	Ilesha (Osun State) Niger State, Igarra (Edo State), Sokoto State Kaduna State, Kwara State			Jewellery and ornament industries	Most of the deposits are not exploited	
2	Lead-Zinc Ore (Galena)	Ririwai (Kano State) Zuru (Kebbi State) Wase (Plateau State) Ababaliki (Enugu State) Ohaozara, Ishiagu (Abia) Bauchi, Kogi and Cross River States	1,200,000 (in Abakaliki) other deposits are yet to be analysed	Lead and Zinc for battery manufacturing and engineering industries	Most of the deposits are not being exploited		Lead (Pb) 70% Zinc (Zn) 29%
3	Iron Ore	Itakpe (Kogi State), Benue State, Sokoto State, Bauchi State, Borno State, Plateau State, Enugu State	2,500,000,000	Steel manufacture and engineering works	Steel manufacturing and steel rolling mills have been established to exploit some of the deposits.		
4	Columbite	Plateau State, Kaduna State, Bauchi State, Kano State, Akwa-Ibom State			Used for producing special steels, ferro-alloys, electronics tube filaments (in rocket and aircraft manufacture)	Small quantities are being exploited. Level of exploitation is < low.	High grade
5	Ilmenite	Jos, Plateau State, Abakaliki in Enugu State			Production of titanium dioxide pigment, and in steel industries	Lack of appropriate technology that can convert ilmenite proven on the Jos Plateau	
6	Cassiterite	Jos, Plateau State, Kwara, Benue, Niger and Ondo States			Tin plating, hardening of copper and lead in alloys	Partial exploration and exploration	High grade
7	Uranium	Ammunition, defense industries, generating electricity				Very low exploration, investigation and exploitation	
8	Copper	Rishi (Bauchi) Zakare, and Banki in Kano State			Used in ammunition, communication and steel industries	Detailed exploration and evaluation required	
9	Molybdenite	Kigom, Plateau State and Ondo States			Special steel, radar equipment, chemical and paint industries	Detail exploration and evaluation required	
10	Manganese			Kaduna, Niger and Sokoto States	Special steel alloys abrasives, etc	Lack of detailed exploration and development	
11	Wolframite	Electrical and electronic industries		Plateau and Kaduna States	Special and electronic industries	More detailed exploration and evaluation needed	Good quality

12	Rutile and Diorite	Plateau and Kaduna State		Used in stainless and special steel for military fillers	Lack of detailed investigation	High grade
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MINING AND VISION FOR 2020

Nigeria has a long history of mining which dates back to 1902 with commercial mining of tin on the Jos Plateau by colonial mining investors. It is expected that by now the mineral sector would have developed in scope and depth given the early introduction of the art in Nigeria. That the mineral sector presently contributes only a meagre and unsubstantiated 0.3% to GDP as against the oil and gas sector, which contributes about 90% of the nation's foreign exchange earnings, and about 25% of GDP is a matter of concern.

How do we reconcile the Nigerian scenario with that of Ghana where mining accounts for 5% of the country's GDP; and minerals contributing 37% of total export (with gold contributing over 90% of the total mineral export) To date, Ghana is Africa's largest gold producer with production dominated by its indigenous Ashanti Gold Fields.

Even as Nigeria has made a major leap in recent times in terms of introducing the long awaited legal and policy frameworks for mineral investment in line with international best practice, the Bureau for Public Enterprise has only been able to sale some fraction of the mineral investments of the Nigerian Mining Corporation and the Nigerian Coal Corporation and their subsidiaries. Mineral development and exploitation in Nigeria has been highly focused on its oil industry. In an attempt to improve on the contribution of the mineral sector to the National Development, the Federal Government has liberalized foreign investment in Nigeria. Investment incentives have also been introduced to attract foreign participation. The mining majors in Nigeria have so far recorded these notwithstanding, no significant investments. The reasons are attributable to constraints, which include inadequate access to investment capital, reliable data, land tenure and mineral rights holding, infrastructure, technology, taxation, security of investment and environmental protection policies. Consequently, the mining activity that appears to prevail in the country is that of illegal and low level artisanal participation.

ELIPSE'S ROLE & OBJECTIVES

Elipse International is an Indigenous mining company registered under the Nigerian law as a Mining and Exploration, Mineral Processing and Export company. The company was founded, operated and managed in 2008 under a business name Elipse International Solutions but was later incorporated into law in April 17, 2013. Elipse International Exploration Solutions Limited and is a member of the *ELIPSE GROUP*. The company is set up with an uncommon vision and managed by experienced innovative executive with extensive knowledge in the mining and metallurgical industry.

Elipse International continues to play a key role in our market and aggressively pursue partnerships and ventures with overseas partners, which are the fundamental area of our business success. As part of the company strategic plans, we envision to tie-up with foreign investors and collaborating with the government in funding and developing mega-mining projects vital towards a strong and sustainable economy. Such projects shall promote inflow of foreign investment and at the same time promote employment to the large majority is the focus of our business vision.

As well, Elipse International is doing more than just trading minerals. We mine the best products with high-grade quality our clients demand. Moreover, with our extensive knowledge of the mining industry, market insight, logistics support and network of traders and mandates, we can be an elegant supplier to all prospective clients worldwide. Our experience, dedicated people, our drive to become the standard of excellence in customer services will enables us to offer the best in the market we serve.

Through utilization of our professional knowledge as well as our expertise in the mining operations, we aimed to help customers streamline and enhance the opportunity to reduce their cost of raw materials. The combination of outstanding product and expert advice is a winning fusion which will enlarger substantial profit to our customers' bottom lines. Further, it is our mission to provide access to adaptive and scalable technologies to achieve growth and development by employing infrastructure as a catalyst and platform for creating socio-economic development in Nigeria.

JOINT VENTURE AND BUSINESS ALLIANCE FORMATION

The mining industry is at a crossroads where demand for commodities is skyrocketing. At the same time, many miners are taking measures to streamline their operations, limit the export of natural resources, coupled with a lack of skilled labor, and thus creating a supply shortage that is challenging mining companies to rethink their operational strategies.

Elipse International is well positioned to create a new powerhouse in Nigeria mining industry with the potential to become a lead producer of minerals such as manganese, copper, zinc, lead, tin and lithium ores. We are committed to working with our partners and the public sector to presents an innovative and forward-looking approach to addressing the traditional problems of mining and obstacles in attracting capital financing. Our principals share a common set of values, marked by a commitment to the highest standards of integrity and a desire to build close and lasting relationships with its management team and its business partners.

In today's turbulent times, formations of strategic alliances enable business to gain competitive advantage through access to a partner's resources, including markets, technologies, capital and people. It is our mission to achieve growth and development by employing "partnership" as a catalyst and platform for creating business success. However, creating fruitful partnerships takes time and effort, in which all participants agree to work together to achieve a common goal or undertake a specific task and to share risks, responsibilities, resources, competencies and benefits.

In this rapidly changing mineral commodity environment, Elipse International strongly believed that we bring value to our clients by maximizing cost-effective solutions by taking care of all freight logistics procedures like vessel chartering, customs clearance, freight forwarding, transportation, containerization, warehousing, insurance, etc. by aligning ourselves with reliable service partners both locally and internationally.

As a company providing trading services for our clients, we continually maintain existing and develop new supplier's relationships, while insuring service performance and total customer satisfaction, thereby lowering the cost of each transaction. The selection of strategic partners with whom to collaborate is the key to achieving success. Creativity is now the keys to successful business relationship where the most successful companies build synergy between them that also fosters enthusiasm and trust. And that's only the beginning.

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