

CLIENT ALERT

The Revised Annual Service Fees for Mineral Title Holders

📍 LAGOS | ABUJA | CALABAR



INTRODUCTION

In July 2024, the Ministry of Solid Mineral Development (the *Ministry*) introduced a new schedule of fees for the Mining Sector as part of the Government's broader strategy to reposition the industry for economic consolidation and enhance international competitiveness. The fee adjustments were aimed at curbing speculation and ensuring that only serious investors remained active in the sector. However, the steep increases—up to 2,000% for Exploration Licences and 4,000% for Mining Leases—sparked widespread concerns among existing title holders who had made financial commitments based on the previous fee structure.

In response to these concerns, the Ministry announced a downward revision of the annual service fees in December 2024 to provide financial relief to title holders while maintaining the Government's objectives of fostering genuine investment and regulatory compliance. While some fees remain unchanged, key adjustments have been made to Application and Renewal fees, Reconnaissance Permits, Exploration Licences, Small Scale Mining Leases, Quarry Leases, and Water Use Permits.

The revised schedule of fees aims to strike a balance between sustaining government

revenue, ensuring regulatory oversight, and maintaining the economic viability of mining operations. These changes offer immediate relief to Exploration Licence holders and other stakeholders, allowing them to align their financial planning with the revised fee structure. The Ministry anticipates that this recalibration will enhance operational efficiency, improve investor confidence, and attract both local and international investment into the sector.

While the revised rates remain relatively high compared to pre-2024 levels, title holders are encouraged to explore cost-saving strategies such as joint venture partnerships, diversification into value-added services, and integrating related business activities to mitigate the impact of these adjustments.

Below is the updated schedule of mining license fees:

S/N	Title	Transaction type	Current fee (Naira)	Approved fee	Justification for recommended revised fee
1	Reconnaissance Permit (RP)	New Application	300,000.00	N300,000.00 @ 500% (current fee maintained)	To meet up with the market entry control standards required by EFCC (SCUML) & NFIU and other validation checks carried out by the Office and also meet up with current economic realities
		Renewal	300,000.00	N300, 000.00 @ 500%	New fee maintained to meet up with current economic realities
		Late Renewal Penalty rate	600,000.00	N600,000.00 @ 500% (current fee maintained)	To encourage title holders to apply for renewal of Mineral Title early enough within the stipulated timeframe in line with the provisions of the mining Act, 2007 and the Regulations, 2011 to discourage speculation
2	Exploration Licence (EL)	New Application	1st 100 Cu's 600,000.00	1st 100CUs N500,000.00 (@400%)	To meet up with the market entry control standards required by EFCC (SCUML) & NFIU and other validation checks carried out by the Office and also meet up with current economic realities
		Additional Cu	100,000.00	N50,000.00 (@4900%)	To discourage Mineral Title speculation
		Annual Service Fee (ASF) 1st Term	31,500.00	N20,000.00 (@1233.333%)	To discourage Mineral Title speculation
		Annual Service Fee (ASF) 2nd Term	42,000.00	N30,000.00 (@1400%)	To discourage Mineral Title speculation
		Annual Service Fee (ASF) 3rd Term	93,000.00	N70,000.00 (@2233.333%)	Concor with Stakeholders' recommendation considering that there is no return on investment on exploration activities.
		Renewal	1st 100 Cu's 900,000.00	N700,000.00 (@366.667%)	To meet up with current economic realities, and also discourage speculators

		Additional Cu cost for 1st renewal per Cu after exceeding the Cu threshold	33,000.00	N30,000.00 (@900%)	To meet up with current economic realities
		Late Renewal Penalty rate	1,500,000.00	N1,500,000.00 (@300%) current fee maintained	To encourage title holders to apply for renewal of Mineral Title early enough within the stipulated timeframe according to the NMMA, 2007 Law discourage speculation
3	Small Scale Mining Lease (SSML)	New Application	1st 2 Cu's 300,000.00	N300,000.00 (current fee maintained)	To meet up with the market entry control standards required by EFCC (SCUML) & NFIU and other validation checks carried out by the Office and also meet up with current economic realities
		Additional Cu	260,000.00	N200,000.00 (@900%)	To meet up with current economic realities
		Annual Service Fee (ASF) 1st Term	260,000.00	N200,000.00 (@900%)	To meet up with current economic realities
		Annual Service Fee (ASF) 2nd Term and Subsequent Terms	420,000.00	N400,000.00 (@1900%)	To meet up with current economic realities
		Renewal	1st 2 Cu's 600,000.00	N500,000.00 (@900%)	To meet up with current economic realities
		Additional cost per Cu after exceeding the Cu threshold	330,000.00	N300,000.00 (@900%)	To meet up with current economic realities
		Late Renewal Penalty rate	1,500,000.00	N1,500,000.00 @ 500% (current fee maintained)	To encourage title holders to apply for renewal of Mineral Title early enough within the stipulated timeframe according to the NMMA, 2007 Law discourage speculation

4	Quarry Lease (QL)	New Application	1st 2 Cu's 600,000.00	N600,000.00 @ (current fee maintained)	To meet up with the market entry control standards required by EFCC (SCUML) & NFIU and other validation checks carried out by the Office and also meet up with current economic realities
		Additional Cu	300,000.00	N250,000.00 (@400%)	To meet up with current economic realities
		Annual Service Fee (ASF) 1st Term	500,000.00	N400,000.00 (@700%)	To meet up with current economic realities
		Annual Service Fee (ASF) 2nd Term and subsequent Terms	1,100,000.00	N700,000.00 (@600%)	To meet up with current economic realities
		Renewal	1st 2 Cu's 1,200,000.00	N1,000,000.00 (@400%)	To meet up with current economic realities
		Additional cost per Cu after exceeding the Cu threshold	550,000.00	N550,000.00 @1000% (current fee maintained)	To meet up with current economic realities
		Late Renewal Penalty rate	1,500,000.00	N1,500,000.00 @500% (current fee maintained)	To encourage title holders to apply for renewal of Mineral Title early enough within the stipulated timeframe according to the NMMA, 2007 Law discourage speculation
5	Mining Lease (ML)	New Application	3,000,000.00	3,000,000 @ 500% (current fee maintained)	To meet up with the market entry control standards required by EFCC (SCUML) & NFIU and other validation checks carried out by the Office and also meet up with current economic realities
		Annual Service Fee (ASF) 1st year	1,050,000.00	N500,000.00 @1900% for 1st year and N1,000,000.00 @ 3900% for subsequent years	To meet up with current economic realities
		Renewal	3,000,000.00	3,000,000.00 @ 300% (current fee	To meet up with current economic realities

		Late Renewal Penalty rate	3,000,000.00	3,000,000.00 @ 500% (current fee maintained)	To encourage title holders to apply for renewal of Mineral Title early enough within the stipulated timeframe according to the NMMA, 2007 Law discourage speculation
6	Water Use Permit (WUP)	New Application	550,000.00	N300,000.00 (@500%)	To meet up with current economic realities
7	EL, SSML, QL, & ML	Relinquishment	550,000.00	N250,000.00 (@400%)	To meet up with current economic realities
8	EL, SSML, QL, & ML	Additional Mineral	550,000.00	N300,000.00 (@500%)	To meet up with current economic realities

Should you require further clarification on how these changes impact your operations, please do not hesitate to reach out to our Energy and

CONTACTS



OLA ALOKOLARO

ola.alokolaro@advocaat-law.com



HASSAN SHERIF

hassan.sherif@advocaat-law.com