



FEDERAL REPUBLIC OF NIGERIA
MINISTRY OF MINES AND STEEL DEVELOPMENT
OFFICE OF THE HON. MINISTER OF STATE

Address delivered by

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at the:

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19TH ANNUAL AFRICA MINING BREAKFAST FORUM*

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Protocols

I feel highly honoured to be invited to speak at this Breakfast Forum organised on the sidelines of what is arguably the world's largest Mining Investment Convention, PDAC.

2. Over the years, the Annual African Mining Breakfast Seminar promoted by MineAfrica has become the premier platform for reaching international mining and financial executives, government representatives and service providers interested in mining in Africa. I must therefore register my appreciation over the technical depth and rich opportunities and experience offered here.

3. As the resources available for exploration and investment in Mining become even more scarce with the global economic downturn, it is imperative that we continue to promote a more sustainable minerals and metals industry. For us in Africa, it can no longer be business as usual both in terms of our governance structure and the type of relationships we can afford to have with our development and investment partners.

4. The fact is, with so much poverty and infrastructure deficit, and so little money, we are forced to look for creative means of getting the best out of the huge natural resources that abound in the continent. In doing this, we require not

only the understanding and cooperation of our partners, but their active support as well.

5. So much of what is wrong with the continent today has some correlation with the management of our mineral resources. Indeed, many of the wars that have ruined lives and stunted development in Africa have been fought over control of one mineral resource or the other. It is a fact that war zones often share the same coordinates with large deposits of precious minerals and this cannot be mere coincidence.

6. In other words, Africa's underdevelopment is quite frankly the result of improper management and distribution of its revenues from the abundant natural resources. As Ali Mazrui has noted, Africa is like the Garden of Eden with so much of everything but not enough management skill to avert disaster.

7. The inability to translate our abundant natural resources into viable industries that can provide employment to our youths and create wealth in our communities has been the cause of so much of our problems ranging from migration and the attendant horrors, to rising incidents of terrorism and the rapid development of a culture of violence. The devil may indeed find work for idle hands, but these are usually jobs that leave the hands bloody.

8. There are many ways that we can begin to resolve these issues but none of these solutions can exclude the need to ensure that our people get more opportunities in sharing the benefits of the resources within their surroundings.

9. For too long we have remained mostly a continent of huge potentials whose raw materials are taken out for manufacture elsewhere. For too long we have been an import dependant continent which buys what it also produces, because it lacked the technology to exploit its resources. For too long we have sold our minerals raw without adding any value and therefore have gotten less than they are worth.

10. As difficult as it may be, there must be a deliberate paradigm shift by investors to build downstream ecosystems that expand local content and revenues to allow national and sub-national entities to provide infrastructure, enough jobs to stem the tide of immigration and improve security. Government must improve sector governance, de-risk the sector by providing reliable exploration data sets, tailor policies that emphasise value addition and mainstream the informal artisanal mining into the legal system.

11. In my country, Nigeria, we have developed a robust roadmap for shared mining prosperity. A number of reforms are ongoing, especially now that we

have an administration that is determined to make the mining sector the frontier of its economic diversification programme. In the last three years we have been able to vigorously pursue our aspiration of building 'a world class minerals and mining ecosystem designed to serve a targeted domestic and export market'.

12. We have so far tremendously improved funding for the sector, strengthened the institutional capacity of our staff to effectively regulate the sector, increased participation of key enablers and stakeholders and improved the collection and dissemination of geosciences data. Indeed, only recently, we secured the delivery of 26,000 line kilometre of Electromagnetic data for three regions in Nigeria.

13. The result of all these reforms have been encouraging, and according to the World Risk Report published by the Mining Journal, the Nigeria Mining Jurisdiction is now considered to have a better investment risk profile than several other leading jurisdictions.

14. We have also seen a 300% increase in revenue from royalties and fees, and a Mining sector growth of 2.24 % even during the period of economic recession. However, we have not seen corresponding investment from medium to large scale mining companies. Our mineral landscape is still overly dominated by the activities of small scale miners whose investment profile is meagre. Nigeria is still a pioneer mining jurisdiction with shallow deposits and attractive laws that make it a haven for mining investments.

15. We encourage mining companies operating in Africa to take their Corporate Social Responsibilities more seriously, and think of how they can give back to the communities where they operate, in proportion to their production. A little more judicious distribution of wealth is what we need in order to engender sustainable mining.

16. Climate change and urbanisation take a great toll on Africa. In the light of the degradation and pollution caused by mining activities, this phenomena has greatly worsened, leading to increased poverty levels and frequent violence in mining communities.

17. Incidentally, although we hardly produce any guns in Africa, they seem to find their way there with such ease, and are more readily available than the essential drugs we need to fight recurrent diseases. Permit me to use this forum to please appeal to our foreign partners to help curb the movement of small arms to Africa because we have shed too much blood already.

18. I believe that it is time we change the way Mining Business is done in Africa. I believe that with the kind of resources we have in the continent, our people have no business dying from hunger, poverty or common diseases. I believe that this Breakfast Forum can provide the pivot for the kind of change we seek in our mining ecosystem.

19. Distinguished guests, permit me to thank the organisers of this event for inviting me here as I wish you all a successful meeting.

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