

# Barite Ore Mining and Milling in Nigeria The Feasibility Report.

<https://marketpublishers.com/r/B23545BBCC2EN.html>

Date: December 2012

Pages: 45

Price: US\$ 750.00 (Single User License)

ID: B23545BBCC2EN

## Abstracts

The Nigeria nation is blessed with abundant mineral resources; fossil fuels and solid minerals. The most popular being the fossil fuels since these constitute the nation's greatest foreign exchange earner. They have, therefore, tended to overshadow the solid mineral sector of mining industry.

It is reassuring to note that the government has progressively in recent past years shown great interest in the exploitation of Nigeria's solid minerals as a means of diversifying our economic base, putting in place the NATIONAL POLICY ON MINERALS METAL IN NIGERIA and other such policy documents in order to drive investment in the sector.

Solid minerals are many types occurring in many diverse environments in response to many diverse geology and geologic events. The resources can nonetheless be discussed under five (5) groups thus:

1. Iron and Iron-alloy metals
2. Non-ferrous Industrial metals
3. Precious metals
4. Metal fuel
5. Industrial minerals

Exploitation of the Non-metallic Minerals has not attained the desired level, mainly because of the various constraints associated with their exploitation, development and processing for utilization. Many of the non-metallic minerals, which are vital to the industrial take off of the country, have been found in commercial quantities within the country.

They include limestone, dolomite, marble, kaolin, barite, diatomite, feldspar, quartz and silica sands, gypsum, talc, silimanite, kyanite, phosphate, salt and bentonite.

Barite is the principal ore of barium, which is essential in the formulation of drilling mud. Drilling mud is a mixture of different types of chemicals in water or oil, which is used in water, solid minerals or petroleum drilling.

Baryte is an important weighing ingredient and its usefulness as an addition in drilling mud is that when ground or crushed and added to the fluid, it increases the density of the fluid to counteract formation pressure as well as provide density to the drilling bit for drilling mud in the petroleum industry, The higher the specific gravity of barite, the more useful it is in drilling mud formulation.

It is estimated that Nigeria has over two million {2,000,000} tons of barite ore deposit of scattered in different parts of the country to include Benue, Nassarrawa, Plateau and Cross River states.

This report seeks to examine the financial viability or otherwise of establishing Barite ore mining and crushing plant in Nigeria.

The production capacity of the proposed business is 200 tons per day and the required startup capital estimate of the business is N 275,347,640.95 and it would be funded from 30% equity N 82,604,292.29 and 70% loan N 192,743,348.67. The loan would be used to finance our purchase and installation of the production plant and the working capital.

We expect the business to generate a net profit after tax of N 752,697,632.1 and N 766,367,436.3 in the first and second year with the repayment plan of two {2} years with moratorium period of three {2} months. The assumed interest rate for the loan is 25%.

The total manpower required to run the business is about forty one {41} persons.

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