CONEX ERNST & YOUNG Audit

Société Nationale Industrielle et Minière SNIM

Year ended December 31, 2024

Statutory auditor's and independent auditor's report on the annual financial statements

CONEX
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Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Société Nationale Industrielle et Minière SNIM

Year ended December 31, 2024

Statutory auditor's and independent auditor's report on the annual financial statements

To the President,

Opinion

We have audited the annual financial statements of SNIM, which comprise a statement of financial position as at December 31, 2024, as well as the income statement, statement of changes in equity and cash flow statement for year ended December 31, 2024 and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the annual financial statements in France, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as Management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

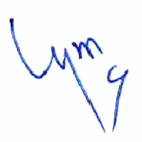
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nouakchott and Paris-La Défense, April 30, 2025

The Statutory Auditor and the Independent Auditor

The Statutory Auditor
CONEX



Ely Mohamed M'bareck

The Independent Auditor
ERNST & YOUNG Audit

Moez Ajmi

SOCIETE NATIONALE INDUSTRIELLE ET MINIERE

STANDALONE FINANCIAL STATEMENTS

YEAR ENDED ON DECEMBER 31st, 2024

SNIM
STATEMENT OF FINANCIAL POSITION
As at December 31 st, 2024

ASSETS

IN MMRU	Note	31/12/2024	31/12/2023
Non-current assets			
Property, Plant & Equipment	4.1	67 491	65 253
Intangible assets	4.2	191	177
Non-current financial assets	4.3	2 041	1 823
Investment in associates	4.3	5 799	5 594
Total of non-current assets		**75 522**	**72 847**
Current Assets			
Inventories and work in progress	4.4	12 403	9 873
Trade receivables	4.5	7 696	9 217
Other receivables	4.6	6 546	4 779
Current financial assets	4.7	19	49
Cash and cash equivalents	4.8	48 500	48 339
Total current assets		**75 165**	**72 256**
TOTAL ASSETS		**150 687**	**145 103**

EQUITY & LIABILITIES

IN MMRU	Note	31/12/2024	31/12/2023
Equity			
Issued capital	4.9	**18 270**	**18 270**
Share premium		646	646
Contribution premium		1 228	1 228
Legal reserves		1 827	1 827
Other comprehensive income	4.7-4.11	6 855	6 458
Retained earnings		96 887	93 741
Total Equity		**125 714**	**122 171**
Non-current liabilities			
Financial debts (portions over 1 year)	4.10	531	1 079
Retirement benefit obligations	4.11	7 787	7 034
Provisions	4.12	493	790
Total non-current liabilities		**8 812**	**8 902**
Current Liabilities			
Financial debts (portions at less than 1 year)	4.10	818	908
Trade payables	4.13	9 033	6 483
State and other public taxes	4.14	2 577	3 024
Other payables	4.15	3 584	3 597
Forward contracts	4.7	151	17
Total current liabilities		**16 162**	**14 030**
TOTAL EQUITY AND LIABILITIES		**150 687**	**145 103**

SNIM
INCOME STATEMENT
Period of 12 months ended December 31st, 2024

IN MMRU	Note	31/12/2024	31/12/2023
Iron ore sales	5.1	**45 673**	**50 053**
Revenue from ancillary business activities	5.2	744	740
Revenue		**46 417**	**50 793**
Changes in inventory of finished goods and work-in-progress		506	264
Capitalized production		670	670
Raw materials and consumables used	5.3	(16 732)	(15 459)
Gross Profit		**30 860**	**36 269**
Other operating income	5.4	38	370
Personnel expenses	5.5	(8 680)	(7 672)
Depreciation, amortization and provision expenses	5.6	(5 612)	(8 513)
Taxes and duties	5.7	(313)	(66)
Other operating expenses	5.8	(3 686)	(3 409)
Operating profit		**12 607**	**16 979**
Financial income	5.9	2 332	2 186
Financial expenses	5.10	(152)	(128)
Profit before tax		**14 788**	**19 037**
Income tax expense		(4 157)	(4 542)
Profit for the year		**10 631**	**14 495**
Earnings per share in Ouguiya	5.11	**582**	**793**

STATEMENT OF COMPRENSIVE INCOME

IN MMRU	31/12/2024	31/12/2023
Net Result of the year	10 631	14 495
Other comprehensive income	397	658
Comprehensive Income	**11 028**	**15 153**

SNIM
STATEMENT OF CASH FLOWS
Period of 12 months ended December 31st, 2024

IN MMRU	Note	31/12/2024	31/12/2023
Operating activities			
Income before tax		14 788	19 037
Amortization, depreciation and provision	6.1	6 611	9 423
Reversal of amortization, depreciation and provisions	6.4	(1 111)	(1 054)
Gains /losses on asset sales		-	-
Gains /losses on exchange	6.5	553	633
Investment income		(2 317)	(2 162)
Financial expenses		74	103
Changes in working capital	6.2	(907)	208
Cash flow generated by operating activities		**17 689**	**26 188**
Interest paid		(76)	(101)
Income tax paid		(4 666)	(3 554)
Net cash flow from operating activities		**12 947**	**22 532**
Investing activities			
Acquisition of fixed assets	6.3	(7 209)	(11 801)
Interests received		2 215	2 014
Dividends received		102	148
Net cash flow from investing activities		**(4 892)**	**(9 639)**
Financing activities			
Other financial payments		311	241
Payments on long-term borrowings		(631)	(251)
Other financial Proceeds		(86)	(50)
Dividends paid		(7 488)	(7 878)
Net cash flow from financing activities		**(7 894)**	**(7 938)**
Cash and cash equivalents at the beginning of the period		**48 339**	**43 384**
Net Change in cash and cash equivalents		161	4 955
Cash and cash equivalents at the end of the period	**6.6**	**48 500**	**48 339**

SNIM
STATEMENT OF CHANGES OF EQUIITY
As of December 31st,2024

IN MMRU	Issued Capital	Share premium	Contribution premium	Legal reserves	Other comprehensive income	Accumulated profits	Total
Shareholders' equity as of January 1st, 2023	**18 270**	**646**	**1228**	**1 827**	**5 800**	**87 126**	**114 898**
Revaluation of financial instruments	-	-	-	-	(38)	-	(38)
Revaluation for pension plans	-	-	-	-	(1 772)	-	(1 772)
Reserve allocation	-	-	-	-	2 468	-	2 468
Net result of the period	-	-	-	-	-	14 495	14 495
Dividends	-	-	-	-	-	(7 880)	(7 880)
Shareholders' equity as of January 1st,2024	**18 270**	**646**	**1228**	**1 827**	**6 458**	**93 741**	**122 171**
Revaluation of financial instruments	-	-	-	-	(107)	-	(107)
Revaluation for pension plans	-	-	-	-	(151)*	-	(151)
Exchange difference on conversion into the reporting currency	-	-	-	-	655**	-	655
Net result of the period	-	-	-	-	-	10 631	10 631
Dividends	-	-	-	-	-	(7 485)	(7 485)
Shareholders' equity as of December 31st,2024	**18 270**	**646**	**1228**	**1 827**	**6 855**	**96 887**	**125 714**

*151 MMRU increase in retirement benefits related to changes in experiences accounted for in other comprehensive income.
**655 MMRU of exchange difference on the conversion into the presentation currency resulting from an exchange gain of 4,987 MMRU and an exchange loss of 4,331 MMRU, recognized in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
As at December 31st, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

The statutory financial statements for the year ended December 31st, 2024, were authorized for issuance in accordance with Board of Directors resolution on **April 29th, 2025.**

1- MAIN EVENTS OF THE YEAR 2024

The financial year 2024 has been marked by the following events:

- Mineral sales amount to 45.7 billion MRU (1.2 billion USD), in decrease by 9% compared to 2023, due to the decline in iron ore prices.
- Sales volume amounts to 14.2 million tons, up 1% compared to 2023.
- Development of a new strategic plan (2024–2025) for the iron value chain, with implementation starting in 2024.
- Authorization for investments of 457 MUSD (~18,147 billion MRU) for the extension of the railway as part of "El AOUJ" and "TAKUMUL" projects.

2- PURPOSE AND ACTIVITIES OF THE COMPANY

The National Industrial and Mining Company (SNIM) is a limited company under Mauritanian laws. The company is registered in the Islamic Republic of Mauritania. The company headquarters are located in Nouadhibou, PO. 42.

The company carries out the exploration, production and marketing of iron ore. The company extracts iron ore from the mines of M'haoudat, Guelbs and Kédia.

3- ACCOUNTING POLICIES

3-1 Principles for the preparation of the Financial Statements

3 .1.1 *Applicable standards*

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The publication of the financial statements in IFRS is justified by:

- ✓ The wish for harmonization expressed by investors and sponsors, who are the main users of our financial statements.
- ✓ The use of these standards by SNIM's partners.
- ✓ Our concern to give comparable financial information.

Standards, amendments and interpretation applicable as of January 1st, 2024

The financial statements as of December 31st, 2024 have been prepared in accordance with IFRS (International Financial Reporting Standards) as approved by the EU (European Union) in effect on that date, and in accordance with IFRS standard as issued by the IASB (International Accounting Standards Board) and mandatory as at December 31st, 2024.

New, Revised or Amended IFRSs that must be applied from January 1, 2024

The following IFRS standards and IFRIC interpretations, effective from January 1, 2024, had no material impact on SNIM's financial statements.

Standards	Topics
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	"Non-current Liabilities with Covenants"
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback – Amendments
Amendments to IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

New, Revised or Amended IFRSs not yet mandatory as of December 31st, 2024

The IFRS standards and IFRIC interpretations published by the IASB that are not yet mandatory should not have a significant impact on SNIM's financial statements.

Standards	Topics	Effective date
Amendments to IAS 21	Lack of exchangeability	January 1st, 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1st, 2026
Amendments to IFRS 9 and IFRS 7	Power Purchase Agreements	January 1st, 2026

3.1.2 General principles

The principles used are based on the historical cost method and the accrual basis of accounting method, except for (1) derivative financial instruments and (2) categories of reevaluated fixed assets that have been measured at fair value.

The carrying values of assets and liabilities that are hedged at fair value are adjusted to record changes in the fair value attributable to the risks that are being hedged.

The financial statements are presented and evaluated in ouguiyas. All tables and annexes are presented in millions of ouguiyas (MMRUs).
The income statement is presented by nature.

3-2 Property, plant, and equipment

Accounting policies:

Tangible assets are recorded on the basis of cost model according to the standard IAS 16. Cost includes the purchase price, all costs necessary to bring the asset into working condition less the accumulated depreciation and impairment. The fair value model is applied for some asset categories as following:

- Buildings: Acquisition cost
- Specialized complex installations: Fair value
- Railway rolling stock and railroad track equipment: Fair value
- Operating equipment: Acquisition cost
- Transport equipment: Acquisition cost
- Other tangible assets: Acquisition cost

Depreciation:

Depreciation of tangible assets is calculated on a straight-line basis over the useful life of the asset to reflect the rhythm of consumption of the future economic advantages expected from the asset according to the IAS 16.
The estimated useful life of the respective asset categories are as follows:

- Buildings: 14 to 30 years
- Specialized complex installations: 15 to 30 years
- Railway rolling stock and railroad equipment: 10 to 30 years
- Operating equipment: 5 to 30 years
- Transport equipment: 5 years
- Other tangible assets: 5 years

Lease agreements

SNIM assesses whether a contract is, or contains, a lease, at inception of the contract in accordance with IFRS 16.
A right-of-use asset and a corresponding lease liability are recognized with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets.

The right-of-use assets are initially recorded at the commencement date of the lease when the underlying asset is available for use. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Right-of-use assets are presented within “Property, plant and equipment” and lease liabilities within “Financing liabilities” and the principal portion of lease payments is classified within financing activities and the interest portion within operating activities.

Impairment

The carrying value of tangible assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may be inferior to the recoverable amount.
If any such indication exists and when the carrying values exceed the estimated recoverable amount, the asset or cash-generating units are written down to their recoverable value.

The recoverable amount of property, plant and equipment is the greater of the fair value net of disposal costs and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments, the time value of money as well as the specific risks to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

Stripping costs

In surface mining operations, entities may find it necessary to remove mine waste materials ('overburden') to gain access to mineral ore deposits. This waste removal activity is known as 'stripping'. There can be two benefits accruing to the entity from the stripping activity: usable ore that can be used to produce inventory and an improved access to further quantities of material that will be mined in future periods.

- **Stripping cost incurred during the development phase:** costs incurred are capitalized and are included in the cost of mine construction and subsequently amortized over its useful life. Capitalization of discovery costs ceases when the mine or component is commissioned and ready for use as planned by management.
- **Stripping cost incurred during the operating phase:** IFRIC 20 provides for the following treatments:

  (a) Accounted for as current costs of production in accordance with IAS 2 if they are related to routine stripping cost.
  (b) Recognition as a non-current asset (stripping activity asset') when stripping activities provide better access to the natural resource in subsequent periods if, and only if, all of the following conditions are met:

    (i) It is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
    (ii) The entity can identify the component of the ore body for which access has been improved;
    iii) The costs relating to the stripping activity associated with that component can be measured reliably.

Given the constraints related to the implementation of the standard that affect the reliability of the information to be produced, the stripping cost incurred during the production phase is allocated to inventories produced during the period.

The costs of obligations for dismantling, removing and restoring the site

Within the context of the Guelbs 2 project and the mineral port, implicit commitments could lead SNIM to recognize assets with a view to the dismantling and/or rehabilitation of the facilities. SNIM also remains attentive to any changes in legislation and decisions taken in such matters by the Mauritian authorities (cf.3.14 Site rehabilitation).

3-3 Intangible assets

Intangible assets are recognized at their acquisition cost in accordance with IAS 38. They are depreciated on a straight-line basis over their estimated useful life, between 3 and 5 years.
The carrying value of intangible assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may be less than its recoverable amount or when the asset does not meet the amortization requirements of IAS 38 (economic benefits consumed over several years).

The company’s intangible assets do not include any Goodwill.

3-4 Exploration for and Evaluation of Mineral Resources

IFRS 6, which specifies the financial information to be disclosed relative to the exploration and evaluation of mineral resources, has been mandatory since 2006.

An entity shall determine an accounting policy specifying which expenditures are recognized as assets of exploration and apply the policy consistently and permanently, the method applied by SNIM is as follows:
For intangible assets, recognized expenditures are as specified in §9 and only concern the research and development costs provided for by IFRS 6, including:

- ✓ Acquisition of rights to explore,
- ✓ Topographical, geological, geochemical, and geophysical studies.
- ✓ Exploratory drilling,
- ✓ Trenching,
- ✓ Sampling

For tangible assets these are the tangible assets used by the entity dedicated to research.

3-5 Non-current financial assets

The Company grants interest-free loans to employees. Deposits and guarantees, requested by the Mauritanian electricity, water and telecommunications companies, are intended to cover the risk of credit and potential equipment damage. Loans and guarantees are accounted for at their historical cost.

3-6 Investments in associates

Investments in subsidiaries, joint ventures and associates are recorded in the statement of financial position at their acquisition value in accordance with the provisions of IAS 27. A provision is made in the event of a loss in value at the acquisition value.

3-7 Inventories and work-in-progress

Inventories and work in progress are mainly composed of raw materials, iron ore and other supplies (Spare parts).

In accordance with IAS 2, raw materials, and other supplies, including spare parts, are valued at the lower of the weighted average cost and net realizable value.

Inventories of iron ore and other supplies are depreciated every year and are valued at its net realizable value. The depreciation method of raw materials and other supplies can be presented as follows:

Items in stock:

- No depreciation on items with a regular consumption for which coverage is less or equal to one year;
- 15% Statistical depreciation per year for items having recorded at least one movement (consumption) during the last three years;
- 100% Statistical depreciation per year for dead items (items with no movement in the last three years except strategic items)
- 100% Statistical depreciation per year for disputed items

Iron ore inventories:

Inventories of iron ore, including ore stockpiles, are valued at their weighted average price or at their net realizable value if such value proves to be lower. The cost includes the direct costs of the mines, the production sites, the railway and the port, as well as a portion of amortization and depreciation and general expenses. This valuation does not take into account financial expenses, the fixed and variable general administrative expenses incurred to transform the raw materials into finished products and the costs related to sales and marketing.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The ore with a poor quality is totally depreciated. It has no market value.

3-8 Impairment test

In accordance with IAS 36, impairment tests are performed on tangible and intangible assets when any indication of potential loss of value is identified. Such tests are performed at least once a year on intangible assets with an indefinite useful life and on goodwill.

When the net book value of assets grouped together in a cash-generating unit exceeds their recoverable value, depreciation is recorded for an amount corresponding to the difference between the net book value and the recoverable value. Recoverable value is defined as the highest value between the asset's fair value less costs to sell and its useful value. Useful value is determined according to the discounted cash-flow method.

In case of cash generating unit, goodwill on consolidation is apportioned by cash-generating unit for the purposes of the impairment test. Depreciation that is charged at first on goodwill when necessary, is recognized in a specific section of the income statement when the amounts are significant. Any impairment recorded on goodwill cannot be reversed later.

Cash generating unit definition

According to IAS 36, goodwill, tangible asset and intangible asset values are subject to impairment tests whenever there is an indication of loss of value. These indications are reviewed at year-end. This test must be performed at least once a year for assets with an undefined life, a category which does not exist at SNIM.

In order to perform such a test, assets are gathered into cash-generating units (CGUs). These CGUs are composed of homogeneous assets which generate cash-flows that are largely independent of cash-flows generated by other groups of assets.

The criterion for defining CGUs has led SNIM to make the following grouping:
Company SNIM: this is a homogeneous, integrated unit which groups the three mines operated at Zouerate, the private railway siding and the port facilities in Nouadhibou. These items cannot generate cash-flows that are largely independent of cash-flows generated by the other components of SNIM.

The useful value of these units is determined according to net discounted cash-flows. When the net value of assets grouped into a cash-generating unit exceeds its useful value, depreciation is recorded for an amount corresponding to the difference between net value and useful value. Depreciation is allocated first to reduce the carrying amount of any goodwill.

3-9 Trade receivable

Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts in accordance with IFRS 9. An estimate for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are recorded as losses when identified as such.

3-10 Borrowing cost

In accordance with IAS 23, borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are recorded as part of the cost of that asset. Since 2016, all interests of qualifying assets have been recorded in expenses further to the putting into service of the projects relative to it (mainly Guelb, Port).

3-11 Cash or cash-equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents correspond to the definition above and are net of outstanding bank overdrafts.

3-12 Financial debts

SNIM's financial debt is mainly contracted with international financial sponsors at preferred rates.

loans at preferred rates should initially be measured at fair value, i.e.,. at the present value of all future cash receipts discounted using the prevailing market rate(s) of interest for a similar instrument (similar as to currency, term, type of interest rate and other factors) with a similar credit rating. Any additional amount lent is an expense or a reduction of income unless it qualifies for recognition as some other type of asset.

In order to determine the market value of a loan granted at a preferential rate, and therefore off the market, it is necessary to reliably determine a discount rate for future flows.

In view of SNIM's specific environment, the market information that is necessary for determining a rate trend, in order to calculate the market value of favorable-rate loans, is not available because of the following:

- No market for long-term financing of private business in foreign currencies exists in Mauritania,
- It is difficult to evaluate SNIM's credit spread,
- No comparable ore extracting company exists in Western Africa.

It is consequently impossible to reliably determine a market value for the favorable-rate loans taken out by SNIM. In such a case SNIM measure the financial assets and liabilities at transaction price, which equals the amounts received. Interest is recorded on a nominal rate basis.

The debt ratio calculated from the data of the year ended 31/12/2024 is -2,56.

Within the context of the Development and Modernization Project, SNIM signed financing agreements with commercial financial institutions and institutional sponsors. Among these agreements, two loans contracted within the following banking pool:

i) the African development bank, the French Development Agency, the European Investment Bank, the Islamic Development bank, BNP Paribas, Société Générale, BHF-BANK Aktiengestellschaft et Kfw as regards the financing GuelbII project and

ii) BNP Paribas, Société Générale, BHF-BANK Aktiengestellschaft and Kfw for the financing of new mineral harbor project.

These two bank loans are subject to covenants requiring compliance with certain ratios. Failure to comply with these ratios gives lenders the option to require early repayment of their loans. The ratios are calculated every six months on the basis of the individual and consolidated financial statements.

These ratios are as follows:

- o Debt coverage service ratio (Free Cash-Flow /Debt Service): >1,3
- o Indebtedness Ratio (DLMT/Exceeds gross operating): <3,5
- o Ratio of Financial Structure (DLM / Equity): <2
- o Curent Ratio (Curent Assets /Curent liabilities) : >1,5

On June 20, 2018, SNIM concluded an agreement with its donors, the main terms of which are as follows:

1) Debt ratio: The Debt Ratio (financial debt to EBITDA) is replaced by the Net Debt Ratio (net debt (net of cash on financial debt) to EBITDA).

2) Communication to lenders on a monthly basis of i) Cash Balance On shore and Offshore and ii) Customer invoicing

3) Communication to lenders of offtake contracts

4) The introduction of a new liquidity control: the minimum level of cash must be USD 100 million. Non-compliance will be considered as an Event of Default.

5) If the cash level falls below USD 150 million, SNIM agrees to have an analysis conducted by a third party of its forecasts and the measures taken to restore the cash level.

Bank loans for the Guelb II project and for the New Mineral Port Project are fully repaid.
All the ratios provided for by the terms of the contracts described below above have been respected as of December 31, 2024.

3-13 Allowance for contingencies

In accordance with standard IAS 37, provisions are booked when the company has a present obligation (legal or constructive) which has arisen as a result of a past event, when it is probable that an outflow of resources representing economic benefits will be necessary to extinguish the obligation and when the amount can be estimated reliably.
The obligations resulting from restructuring operations are recognized at the time of their announcement to the people concerned.

3-14 Site rehabilitation

The legal obligations as of December 31st, 2024, related to the rehabilitation of mining extraction sites are governed by the following regulatory framework:

<u>The obligation to rehabilitate sites is mentioned in 1979 mining code.</u>
This code, as updated in 2009 following the publication of law no. 2009-26 of 7 April 2009, states that the abandonment of the operations of any mining extraction zone must be the subject of a ministerial order defining the action taken in terms of “public health and safety and essential features of the environment”.
As at April 29th, 2025, the Council of Ministers has not adopted any decree instituting the practical obligations.

Law no. 2000-45 relating to the environment: The law confirms the existence of this legal obligation to rehabilitate extraction sites in Mauritania. Article 44 of this text, enacted on 26 July 2000, states that: «The operation of quarries and mines, as well as mineral exploration work, must be designed and performed in such a way that:
- It does not damage the environment surrounding the sites, or create or aggravate erosion phenomena
- The sites operated can be returned to their initial state.

The rehabilitation of the sites is the responsibility of the operator of the quarry or mine. The methods and deadlines for carrying out the work will be fixed by decree adopted on the basis of a joint report of the Minister for the Environment and the Minister for Mines."
(Title III: Protection of resources and the natural environment / Chapter III: Protection of the soil and subsoil / Article 44)
This law has been the subject of the adopting of the following decrees:

- Decree no. 2004-94 requires that an environmental impact assessment must be carried out before any mine with a capacity exceeding 100 tons/day is opened for operation
  The decree no. 2007-107 confirms this obligation and its article 7.8 requires that the measures taken in connection with this obligation to clean up the sites be accompanied by a bank guarantee, but it does not give any guidelines as to the interpretation of the term "rehabilitation".
  As at April 29th, 2025, these two decrees have not been published.

- On 4 February 2009, decree no. 2009-051 was adopted within the framework of the law on the environment
  The decree didn't modify the article 14 of decree no. 2008-159 ruling on the following obligation: "Two months before expiry of the operating license, the mining cadaster must inform the Mines and Geology Cadaster of such expiry so that it makes sure that the license-holder carries out the clean-up work in compliance with the provisions of the decree relating to the Mines Police and of the decree relating to the mining environment."

In conclusion, although the legal obligation exists, it is not accompanied by an implementing decree specifying its interpretation. As the obligation cannot be assessed reliably, no provision has been booked in the financial statements of SNIM as of year-end.

In addition, since the end of February 2011, SNIM has been certified ISO 14001. Within this context, the objectives set are :
- The environmental analysis of the sites, the launch of the environmental management plan and the definition of the environmental program targets.
- SNIM's legal department is monitoring any changes in the legislation relating to these obligations.
- Technical department is actually working on valuation hypothesis based on the interpretation of actual laws and based on informal obligations linked to ISO 14001's certification.

A provision will be recognized as soon as a reliable assessment of this obligation will be made. Variations of this passive evaluation will be record in accordance with IFRIC 1.

3-15 Employee benefits

Benefit pension plan:

The company has a benefit pension plan which is qualified as a defined-benefit pension plan. Note that there is no separately administered fund financing whole or part of the pension plan.

The method applied for evaluating the plan is that of the projected unit credit actuarial valuation method. This method consists in measuring the benefit according to the projected wage at the end of the employee's career and to the acquired rights at valuation date. Actuarial differences have been booked according to the corridor method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains or losses for each individual plan exceed 10 % of the higher of the defined-benefit obligation and the fair value of the plan assets. These gains or losses are recognized on the expected average remaining working lives of the employees participating in the plan.

The option provided by IAS 19 allowing the recognition of all the actuarial gaps in equity became mandatory as of 1st January 2013. The company recognizes all actuarial differences in equity in accordance with last amended IAS19.
The company offers certain additional non-post-employment benefits to its senior executives. These include mainly tax sharing, healthcare, company cars, fuel and allocated housing.

The costs related to these benefits are insignificant. Consequently, they are accounted for as expenses.

Definition of contribution plan:

SNIM has decided to set up, as from January 2011, a defined contribution supplementary pension plan with the following main characteristics:

- ✓ An employer contribution corresponding to 10% and an employee contribution corresponding to 7% of the reference salary
- ✓ The prior service cost is borne by SNIM
- ✓ The reference salary is the base salary plus the seniority bonus (cf. 4.11 Actuarial assumptions)

Increases and reversals of the lump-sum pension indemnities and supplementary pension are booked to personnel charges.

3-16 Income from ordinary activities

IFRS 15 requires the identification of service obligations for the transfer of goods and services to the customer for each contract. Revenue is recognized when the performance obligations are met on the basis of the amount of remuneration the company expects to receive in exchange for the transfer of goods and services to the customer.

Revenue from SNIM's ordinary activities consists essentially of mineral sales, which is recognized when control of the property is transferred to the buyer and the amount can be reasonably estimated. Mineral sales are made FOB and the transfer of control is made at the time of loading the minerals.

3-17 Government Grants

Government grants are recognized at their fair value when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with.
When the grant relates to an expense item, it is recognized, on a systematic basis, as income over the years necessary to match the grant to the costs that it is intended to offset.
When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual annuity.

3-18 Income tax

In view of SNIM's current fiscal status and the bases for the determination of tax (9% of the turnover) there are no deferred taxes.

3-19 Management of the functional and presentation currency

SNIM presents its financial statements in local currency, the Ouguiya.
The information system is currently set for the Ouguiya as functional currency, with the Dollar being used as parallel currency. However, the system allows the editing of financial statements presented in USD. Shareholders' equity based on USD as a functional currency and presented in MRU (converted to average annual rate) can be estimated at 143,844 MMRU against 125,714 MMRU in the presented financial statements.

3-20 Derivative financial instruments and Hedging transactions

SNIM uses derivative financial instruments to hedge against the risks relating to its business (exchange risk related to its operating, investing and financing activities).

Derivative financial instruments negotiated for hedging the company's exposure to risks linked to its business or to financing operations are qualified as cash-flow hedges where the company hedges exposure to variability in cash-flows attributable to a future transaction.

SNIM does not uses financial instruments to cover the exposure to variations in the fair value of assets or liabilities, except for the exchange risk, or to cover investment in foreign activity.

Cash-flow hedging respecting the eligibility criteria of the hedge accounting

Gains or losses on hedging instruments are recognized in equity for the portion that is determined to be effective and in the income statement for the ineffective portion. At the time the hedging transaction is recognized, the associated gains or losses that had previously been recognized in equity are transferred to the income statement for the same period as the hedged transaction and to the same account.

Hedge accounting ceases to be applied when the hedging instrument expires or is sold, terminated or exercised, or when it no longer meets the criteria for hedge accounting as defined in IFRS 9. In this case, the cumulative gain or loss on the hedging instrument initially recognized directly in equity shall be maintained separately in equity until the commitment or forecast transaction has occurred

In the event that the hedged transaction is not realized, the cumulative changes in value recognized directly in equity are recognized in profit or loss for the year.

Derivative financial instrument operations not qualifying for hedge accounting:

Gains or losses arising from the changes in the fair value of the derivative instruments (such as the put options or the conditional contracts so called exotic contracts), are taken directly to net profit or loss for the year.

All derivative financial instruments are stated in assets or liabilities at their fair value when the contract is negotiated and later revalued at the fair value at every year-end. The market value of forward contracts and interest rate swaps, during their lifetime and at maturity, is determined by an independent expert based on immediate and at term data at the time when the different underlying items and risk-free interest rate trends are valued for discounting.

During the option lifetime and at maturity, the market value is determined by an independent expert according to the Black and Scholes model, based on the following elements:

- ✓ Market value of the underlying item
- ✓ Option exercise price
- ✓ Sensitivity "to the forward currency"
- ✓ Risk-free interest rate.
- ✓ Maturity of the option.

3-21 Interest and dividends

Dividend revenue is recognized when the shareholders' right to receive the payment is established.
The company's accounting policy is to classify dividends and interest received as investing activities, dividends paid as financing activities and interest paid as operating activities in the Cash flow Statement.

3-22 Segment reporting

SNIM is dedicated to extraction of iron ore. Indeed. The analysis of the activity is carried out through geographical zones which constitute the primary level of sector-based information according to standard IFRS 8 "Sector-based investment" for the product of ordinary activities from external clients. Other information related to profit and loss, assets and liabilities are not followed by geographical zones. The group activity is indeed made integrally outside the Islamic Republic of Mauritania. Geographical zones can be identified as follows:

- China,
- Algeria,
- Italy,
- Japan,
- Australia,
- France,
- Other countries member of the European Union,
- Others

4- ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF FINANCIAL POSITION

4.1 Property, Plant & Equipment

Assets valued at fair value	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Gross value	51 728	2 195	158	(133)	53 948
Accumulated depreciation	27 769	2 089	158	(133)	29 883
NET VALUE	**23 959**	**105**	**-**	**-**	**24 064**

Assets valued at cost	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Gross value	66 004	5 969	(1)	(101)	71 870
Right of use assets	3 723	-	-	-	3 723
Accumulated depreciation	40 819	3 685	-	(84)	44 420
NET VALUE	**28 909**	**2 283**	**(1)**	**(18)**	**31 173**
TOTAL GROSS VALUE	**121 455**	**8 164**	**156**	**(234)**	**129 541**
TOTAL AMORTIZATION	**68 588**	**5 775**	**158**	**(216)**	**74 304**
FIXED ASSETS IN PROGRESS	**12 385**	**9 629**	**(9 857)**	**94**	**12 251**
NET VALUE FIXED ASSETS*	**65 253**	**12 018**	**(9 858)**	77	**67 491**

* Not including the net value of Prospecting Assets which amount to a low value of 0,3 MMRU as of December 31, 2024, and 0,4 MMRU as of December 31, 2023

The additions of the year 2024 amount to 9 629 MMRU of which 670 MMRU of capitalized production.

There are no events or evidence of impairment on the company's assets. Therefore, no impairment test has been performed.

There is also no collateral on property, plant, and equipment.

Capitalized borrowing costs:

The loan costs incorporated into the cost of assets for the year are as follows:

IN MMRU	31/12/2023	Incorporated costs during the period	31/12/2024
Guelb2	2 024	-	2 024
Mineral harbor	406	-	406
Harbor Dredging	200	-	200
Total	**2 630**	**-**	**2 630**

Finance leases

The gross value of the financial leases included in the final assets (see 4.1 Tangible fixed assets) is as follows:

IN MMRU	31/12/2023	Acquisitions	Disposals	31/12/2024
Renewal of Port Equipment (part BID)	7 69	-	-	7 69
Other materials Guelbs II (part BID)	2 324	-	-	2 324
Railway Materials (Part BID)	631	-	-	631
Gross value	**3 723**	**-**	**-**	**3 723**

Other materials Guelbs II correspond to:

- 10 mining trucks for 614 MMRU
- 6 locomotives for 573 MMRU
- 6 loading systems of wagon for 463 MMRU
- 4 wet concentrations for 674 MMRU

Railway materials correspond to:

- Concrete sleepers' plant for 375 MMRU
- Supplies of equipment of Railway for 256 MMRU

Finance lease obligations

Minimum lease payments in thousands of USD	31/12/2024	31/12/2023
Due within one year	-	2 655
From 2^{nd} to 5th year inclusive	-	-
More than five years	-	-
Less future financial charges	-	(65)
Finance lease debt	**-**	**2 589**

4.1.1 Property, plant, and equipment at fair value

Property, plant & equipment are valued at their acquisition cost except for the categories of fixed assets that were revalued during financial year 2000. The revalued amounts were confirmed during financial year 2001 by an independent expert, the firm Met-Chem.

Certain classes of assets have been regularly revalued since then, notably during financial year 2006. The fair value has been determined according to the replacement cost method less accumulated depreciation, as there was no market-based evidence.

The replacement cost has been estimated taking the following criteria into consideration:

- Value at purchase
- The technical condition of the equipment
- The useful life and the age of the equipment

GROSS VALUE IN MMRU	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Specialized complex installations	42 555	1 964	-	-	44 519
Railway rolling stock and railroad track	9 173	231	158	(133)	9 429
TOTAL	**51 728**	**2195**	**158**	**(133)**	**53 948**

DEPRECIATIONS	31/12/2023	Allowance	Transfers	Reversals	31/12/2024
Specialized complex installations	22 753	1 882	-	-	24 636
Railway rolling stock and railroad track	5 016	207	158	(133)	5 248
TOTAL	**27 769**	**2 089**	**158**	**(133)**	**29 883**

NET BOOK VALUE	31/12/2023	Increase / Allowance	Transfers	Diminution	31/12/2024
Specialized complex installations	19 802	82	-	-	19 883
Railway rolling stock and railroad track	4 157	24	-	-	4 181
TOTAL	**23 959**	**105**	**-**	**-**	**24 064**

4.1.2 Property, plant, and equipment at acquisition cost

GROSS VALUE IN MMRU	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Land	470	-	-	-	470
Land improvements	112	-	(1)	-	111
Buildings	29 069	1 032	-	(54)	30 047
Operating equipment	36 403	4 391	-	(30)	40 765
Transportation equipment	2 697	362	-	(9)	3 050
Office and IT equipment	615	58	-	-	673
Office furniture	363	125	-	(9)	480
TOTAL	**69 728**	**5 969**	**(1)**	**(101)**	**75 595**

Depreciation	31/12/2023	Allowance	Transfers	Reversals	31/12/2024
Land	-	-	-	-	-
Land improvements	17	-	-	-	17
Buildings	13 288	1 251	-	(39)	14 500
Operating equipment	24 565	2 099	-	(27)	26 636
Transportation equipment	2 037	286	-	(9)	2 314
Office and IT equipment	580	16	-	-	596
Office furniture	333	33	-	(9)	357
TOTAL	**40 819**	**3 685**	**-**	**(84)**	**44 420**

NET BOOK VALUE	31/12/2023	Increase/ Allowance	Transfers	Decrease	31/12/2024
Land	470	-	-	-	470
Land improvements	96	-	(1)	-	94
Buildings	15 781	(219)	-	(16)	15 546
Operating equipment	11 838	2 292	-	(2)	14 129
Transportation equipment	660	76	-	-	735
Office and IT equipment	35	42	-	-	77
Office furniture	30	92	-	-	123
TOTAL	**28 910**	**2 283**	**(1)**	**(18)**	**31 175**

The following table shows the gross values of fully depreciated property, plant and equipment that are still in use as of December 31st, 2024:

Description	Gross value	
IN MMRU	2 023	2 024
Buildings	1 673	1 840
Railway rolling stock and railroad track equipment	1 712	1 888
Specialized complex installations	9 485	10 376
Operating equipment	16 896	17 519
Transportation equipment	1 561	1 772
Other tangible assets	773	899
TOTAL	**32 100**	**34 294**

4.2 Intangible assets

Variation in Intangible gross fixed assets	31/12/2023	Acquisitions	Disposals	31/12/2024
Intangible fixed assets value	808	28	-	837
TOTAL	**808**	**28**	**-**	**837**

Change in depreciation	31/12/2023	Allowance	Reversals	31/12/2024
Intangible fixed assets value	631	15	-	646
TOTAL	**631**	**15**	**-**	**646**
Net Value	**177**	**13**	**-**	**191**

These intangible assets relate to acquired patents and software.

Sensitivity tests and goodwill value

In closing context, company's assessment regarding reasonably possible variations related to the key assumptions corresponds to the ranges of values used in the sensitivity tests.

According to IAS36, property, plant and equipment with extinct useful lives are subject to an impairment test when there are indications of an impairment possibility. Sensitivity tests on key assumptions, particularly operational, taking into account reasonably possible variations are carried out during the impairment test, namely:

- A sensitivity test on ore prices
- A sensitivity test on growth rates and WACC

During financial year 2024, no indication for impairment of fixed asset have been identified for the property, plant and equipment has been revealed.

4.3 Non-current financial assets and investments in Associates

IN MMRU	31/12/2024	31/12/2023
Loans and advances	2 164	1 954
Deposits and guarantees	15	7
Provision for other assets' impairment	(138)	(138)
Non-current financial assets	**2 041**	**1 823**
Investment in associates	**5 799**	**5 594**
TOTAL	**7 840**	**7 416**

4 .3.1 Non-current financial assets:

Loans and advances mainly include:

- Loans and advances granted to the company's employees. These loans are recorded at the value of the amounts lent and do not generate interest.
- The Najah loan, which relates to the tripartite agreement (State, SNIM and NAJAH) by which the State undertakes to pay the SNIM the remainder of the loan and NAJAH undertakes to carry out certain works in favor of the State.

Deposits and guarantees are valued on the disbursed amounts basis. The gap with their fair value is not significant.

The provision for impairment of non-current financial assets corresponds to the impairment of loans.

4.3.2 Investments in associates

IN MMRU	31/12/2023	Increase	Transfers	Disposals	31/12/2024
Investments in associates	8 749	-	-	(15)	8 734
Subsidiary loans	2 718	272	-	(7)	2 983
Gross Value	**11 467**	**272**	**-**	**(22)**	**11 718**
Impairment of Investments in associates	(4 689)	(68)	-	24	(4 733)
Impairment of Subsidiary Loans	(1 184)	(8)	-	7	(1 185)
Provision for impairment	**(5 874)**	**(76)**	**-**	**31**	**(5 919)**
Investments in associates	4 060	(68)	-	9	4 001
Subsidiary loans	1 534	264	-	-	1 798
Net Value	**5 594**	**196**	**-**	**9**	**5 799**

The decrease in Investments corresponds to:

- The liquidation of IQAR for an investment of : 15 MMRU (the relative impairment has been reversed)

The increase in Subsidiary loans corresponds to:

- Shareholder advances in favor of GMM and GHM 8 MMRU for each
- Shareholder advances in favor of SAMIA 86 MMRU
- Shareholder advances in favor of TAKAMUL 151 MMRU
- Shareholder advances in favor of SAFA 18 MMRU
- Shareholder advances in favor of SAMMA 0.5 MMRU

Investment in associated companies at 31 12 2024 In MMRU												
Company	**Capital**	**Equity other than capital**	**Share of capital held (in %)**	**Book value of the investment in the balance sheet**		**Loans or advances granted and not repaid in balance sheet**		**Guarantees and endorsements given**	**Revenue**	**Income**	**Total of balance sheet**	**Dividends received during the year**
				Gross	**Net**	**Gross**	**Net**					
SOMASERT	57	34	100%	56	56	-	-	-	125	10	140	4
SAFA	30	236	100%	28	28	18	18	-	248	18	406	10
SAMMA	10	285	53%	1	1	0	0	-	197	57	369	24
ATTM	1 890	(1 691)	79%	3 628	156	134	-	-	1 735	(53)	3 317	-
COMECA	20	163	92%	18	18	29	29	-	394	33	306	0
SAMIA	364	(221)	89%	326	128	107	107	-	42	(63)	412	-
GMM	110	(190)	96%	344	-	52	-	-	5	(98)	119	-
TUM	82	-	65%	82	-	-	-	-	-	-	-	-
EL AOUJ SA	2 457	(731)	50%	1 228	883	1 484	489	-	-	(41)	5 623	-
GIP	728	365	68%	495	495	-	-	-	144	39	1 963	32
MAIL	6 867	(6 802)	15%	810	538	-	-	-	1 687	(365)	5 907	-
DAMANE ASSURANCE SA	600	129	20%	120	120	-	-	-	143	68	1 119	10
M2E	50	13	100%	50	50	-	-	-	133	(23)	323	-
MSMS (TAKAMUL)	1 075	55	50%	535	535	589	589	-	-	4	4 510	-
AMSAGA	-	-	100%	-	-	4	-	-	-	-	-	-
GHM	1 591	(77)	62%	977	966	565	565	-	-	(43)	2 866	-
SRN	8	49	35%	3	3	-	-	-	271	37	115	15
ENCO	8	2	30%	2	2	-	-	-	7	1	11	-
GPIM	30	(8)	100%	30	22	-	-	-	0	(15)	58	-
	15 977	**(8 389)**		**8 734**	**4 001**	**2 983**	**1 798**	**-**	**5 131**	**(434)**	**27 564**	**95**

The business purpose of each of the subsidiaries is presented below:

- ***La Société Mauritanienne de Services et de Tourisme (SOMASERT)*** is managing hotel infrastructures and promotion of potential tourism in the country.
- ***La Société Arabe du Fer et de l'Acier (SAFA)*** is producing iron and operating an iron-foundry with a capacity of 2,000 tons.
- ***La Société d'Acconage et de Manutention en Mauritanie (SAMMA)*** operations of consignment, transit and handling in the ports of Nouakchott and Nouadhibou;
- ***La Société d'Assainissement, de Travaux, de Transport et de Maintenance (ATTM)*** civil engineering and road construction.
- ***La société Construction Mécanique de l'Atlantique (COMECA)*** manufacturing, production and repair framework mechanical parts, mechanical ensembles, and boiler works.
- ***La Société Arabe des Industries Métallurgiques (SAMIA)*** extracts and produces gypsum and plaster.
- ***La société Granite et Marbre de Mauritanie (GMM)*** exploitation and trade of ornemental stones, mainly granite and marble.
- ***Gestion des Installations Pétrolières (GIP)*** storage, transport and distribution of refined hydrocarbons.
- ***Tazadit Underground Mine*** search and underground mining of iron ore.
- ***El Aouj Mining Company (EMC)*** produces pellets for the direct reduction of iron ore from the El Aouj guelbs;
- ***Mauritanian Airlines International (MAIL)*** deals with the domestic, regional and international air transport.
- ***Damane Assurance:*** industrial insurance.
- ***Mauritanienne d'Eau et d'Electricité (M2E)*** execution and management of water and electricity distribution network.
- ***Mauritania Saudi Mining and Steel (TAKAMUL):*** produces and exports iron ore.
- ***Grand Hôtel de Mauritanie (GHM):*** construction and the management of hotels to cost categories.
- ***Société de Remorquage Nouadhibou (SRN)*** has for object the realization of activity of towing as well as any service of laminate and piloting in the port of Nouadhibou and in quite different port of Mauritania out outside.
- ***AMSAGA:*** The realization of geological exploration activities, and mining activities (production and exploitation)
- ***Engineering and Consulting Associes (ENCO):*** *Strategic and operational consulting services*
- ***Générale de la promotion immobilière S.A (GPIM) :*** Construction and property development management

Presentation of the Guelb El Aouj project

(a) General presentation of EMC

EL AOUJ MINING COMPANY (EMC) is a joint venture owned 50/50 by SNIM (the parent company) and Sphere Minerals, an Australian company wholly owned by the Glencore group, one of the world's leaders in natural resource trading.

EMC's vision is to become a major Mauritanian mining company that creates long-term wealth for the prosperity and well-being of its shareholders, employees, and local communities. Its goal is to develop the El Aouj Project in the Tiris Zemmour region, where it holds:

- a mining operating permit valid for 30 years covering 5 Guelbs (El Aouj East, Center, and West, Tintekrat, and Bouderga),
- a water operating permit valid for 30 years covering the Touajil and Aouchich aquifers.

EMC, together with its shareholders, has carried out a large-scale exploration program across all its 5 Guelbs, focusing on Guelb El Aouj East. The program, divided into several campaigns, totaled 179,100 meters of drilling. It allowed for the evaluation of mineral reserves at 4.4 billion tons of iron ore, half of which is located at Guelb El Aouj East.

The initial objective of the joint venture between SNIM and Sphere was to introduce the pelletization process in the country. Such a process was intended to produce a better quality than that currently obtained by SNIM at Guelb El Rhein. A feasibility study was conducted in 2008 and updated in 2010. It concluded that the water and energy consumption required for this treatment was excessive.

Given the very limited water resources in the Tiris Zemmour region, EMC's Board approved in 2013 the transition from pelletization to the production of concentrate similar to that produced by SNIM, following a conceptual study conducted in 2012.

Since then, EMC has completed all necessary studies for an excellent technical and financial definition of the Project, including the Pre-Feasibility Study, Feasibility Study, Front-End Engineering Design (FEED), Environmental and Social Impact Study, and Railway Capacity Study, among others.

Following all these studies and considering the global economic situation in 2018 (decline in iron ore prices), the financial model of the Project was capped at an Internal Rate of Return (IRR) of 8.5% for an annual production of 11.3 million tons at 66.5% Fe and a total investment of $1.372 billion. Such profitability was considered very low by the shareholders and did not justify an investment of such magnitude. The Project was then frozen in 2019.

(b) Project resumption

The year 2021 was marked by the shareholders' desire to resume the El Aouj Project, taking into account the increase in iron ore prices. This desire was realized through a change in the company's management and the shareholders' agreement to update the 2018 FEED study and mobilize the necessary financing.

Since August 2021, the EMC team has carried out all necessary operations to ensure the update of the Project and its feasibility:

- Verification and updating of the 2018 FEED technical study, relying on HATCH, in parallel with the resumption of the tenders launched in 2018 to account for price changes between 2018 and 2021. This allowed for a technically reliable and financially viable Project. The offers received in 2021 were updated in 2022, and price escalation mechanisms were incorporated into the financial model.
- Preparation and drafting of contracts for the various lots listed, relying on the English firm Fenwick & Elliot. This work was followed by legal negotiations with suppliers to develop properly formalized contracts accepted by all parties.
- Mobilization of financing relying on Société Générale as the investment bank.

(c) Financing mobilization

On one hand, the Project has initiated all necessary steps to prepare the financing application file, such as:

- Conducting a Technical Due Diligence audit of the Project by an external and independent company named SLR. SLR concluded on the technical feasibility of the Project and did not raise any technical issues.
- Conducting a Market Study (Marketing Due Diligence) of the Project by an external and independent company named CRU. CRU concluded on the feasibility of selling the future EMC product (rich concentrate) and provided its forecasts for the evolution of iron ore prices. CRU also proposed target markets, notably North Africa (Algeria and Egypt) and China.
- Updating the Environmental and Social Impact Study (EIES) by WSP. The next step is to recruit the Funders' Advisor for the EIES audit.
- Verification of contracts by a legal firm specializing in project financing to ensure the adequacy between contracts and bank requirements.
- Preparation of the Financial Model while awaiting the recruitment of the financial model auditor for the banks.

On the other hand, preliminary discussions with banks have taken place to develop a financing plan based on the actual appetite of the banks.

From these discussions, the following three points emerged:

- Firstly, multilateral banks such as IFC, DFC, the African Development Bank (AfDB), and the Islamic Development Bank (IsDB) have all shown their appetite for the Project.
- Secondly, given the provision of international equipment, Export Credit Agencies (ECA) from several countries such as the United States, Germany, and Finland have expressed interest in the project.
- Finally, there remains the possibility of contracting directly with commercial banks without ECA coverage to cover the remaining debt if necessary.

In conclusion, the preliminary analysis by SG showed an appetite of over $1.6 billion, which far exceeds the sought debt amount of $1.2 billion. Therefore, it can be concluded that obtaining financing for the El Aouj Project is possible, provided that the financing mobilization process continues.

(d) New partnerships

The financing mobilization process was halted during Q3 of 2023, awaiting the results of negotiations regarding shareholding between SNIM/Glencore and a potential future shareholder.

The potential arrival of this mining operator could have several advantages:

- Accelerate the launch of the Project by directly providing the necessary funds without resorting to banks.
- Reduce the construction duration from 5 years to 3 years by executing the Project under the EPCM strategy instead of DSB.
- Reduce the overall investment cost by eliminating amounts allocated to risks incurred by suppliers.

(e) Study update

The new partner began 2024 by signing a "Non-binding Term Sheet" with SNIM, allowing it to start reviewing the feasibility study of the El Aouj Project while awaiting the finalization of its transaction with Glencore.

During this year, it redesigned the Project by opting for a two-phase execution strategy, each producing 5.65 million tons per year.

Additionally, this year provided the opportunity to negotiate various "Term Sheets" with this new partner as well as with SNIM. These include the "Term Sheets" for the construction contract, production, ore transport, and production sale (offtake), among others.

Finally, the financing mobilization process with Société Générale continued throughout 2024 and resulted in the signing of mandate letters with two (2) of the main funders, namely IFC and DFC. These mandate letters allow these institutions to begin analyzing the funding request with a view to signing the financing, expected before the end of 2025 with the signing of the final investment decision (FID).

Presentation of TAKAMUL Joint venture

The Mauritanian Saudi Mining and Steel called TAKAMUL is a joint venture (JV) owned equally between SNIM (Société Nationale Industrielle et Minière) and HADEED (SAUDI IRON AND STEEL COMPANY).

The operating permit transfer decree No. 056/2020 grants 10% of the company's capital free of charge to the Mauritanian State and with an option for additional participation in cash.

The capital structure of TAKAMUL is as follows:

- 45% of the Saudi Steel Company (HADEED)
- 45% Société Nationale Minière de Mauritania SNIM (National Industrial and Mining Company).
- 10% Mauritanian State

The JV agreement was signed in September 2012 and the company was officially established on December 12, 2012 and registered under number 14 113 in Nouadhibou, Mauritania.

Under an agreement signed in June 2021 between SNIM and SABIC Mining, SABIC transferred all of its shares in TAKAMUL to HADEED, the subsidiary PIF (Public Investment Fund).

Mineral resources

The exploration programs carried out on the GUELB ATOMAI deposit in 2013 (magnetite Atomai located 9 km from the town of F'DERIK in the Zouerate region in Mauritania) show that it is a magnetite deposit with reserves of the entire permit amounts to 559.9 Mt.

The project aims to produce 10 Mt per year of pellets over 22 years starting Q4 2031.

Project studies

- From 2011 to 2017 geological and mining research campaigns were carried out in accordance with the Australian JORC CODE standard.
- The Bankable Feasibility Study (BFS) was completed in July 2019 and completed in 2020 by the Canadian firm AUSENCO.
- The water search programs for social needs and the project in the LAZRAGH area are completed in 2023 and the quantities requested for exploitation have been found.
- TAKAMUL continues to collaborate with its financial advisor, Société Générale, in accordance with the contract signed between them, in order to raise and mobilize financing for the project in alignment with the partners' vision.
- The FEED (Front End Engineering Design) study, which is a crucial step to ensure the success of the subsequent phases of the project, was completed at the end of April 2024.
- The evaluation of the Project Management Consultancy (PMC) bids is well advanced and is expected to be completed by May 2025.

Project schedule

- Q1 2026: Final investment decision
- Q1 2029: End of project construction
- Q4 2029: Commissioning of the project
- Q4 2031: Production ramp-up

4.4 Inventories and work-in-progress

IN MMRU	31/12/2024	31/12/2023
Raw materials at weighted average cost	14 485	12 340
Goods at weighted average cost	52	40
Ore at weighted average cost	4 896	4 334
Gross value of inventories	**19 433**	**16 714**
Impairment of raw materials	(4 097)	(4 292)
Impairment of ore inventories	(2 932)	(2 549)
Total net value	**12 403**	**9 873**

Inventories are valued at the lower of weighted average cost and net realizable value.

IN MMRU	31/12/2024	31/12/2023
Raw materials at weighted average cost	14 485	12 340
Raw materials at net realizable value	10 388	8 048
Goods	52	40
Iron ore at weighted average cost	4 896	4 334
Iron ore at net realizable value	1 964	1 785
Total inventories at the lower of weighted average cost and net realizable value	**12 403**	**9 873**

The company does not practice any pledge on stocks.

4.5 Trade receivables and related accounts

Trade receivables are detailed as follows:

IN MMRU	31/12/2024	31/12/2023
Iron ore trade receivables	5 459	7 984
Receivables due from group companies	875	638
Other trade receivables	2 163	1 224
Total Gross	**8 496**	**9 846**
Impairment of Iron ore trade receivables	(12)	(12)
Impairment of Receivables due from group companies	(539)	(367)
Impairment of Other trade receivables	(251)	(251)
Total impairment	**(801)**	**(629)**
Iron ore trade receivables net	5 447	7 972
Receivables due from group companies net	336	271
Other trade receivables net	1 912	974
Total net value	**7 696**	**9 217**

The table for the receivables' impairment is presented as follows:

IN MMRU	31/12/2024	31/12/2023
Impairment as of 1st January	**629**	**733**
Impairment loss under IFRS 9	-	-
Additional depreciation	172	(104)
Impairment as of 31st December	**801**	**629**
Amount recovered from impaired receivables	7 063	7 692
Gross amounts of impaired receivables	8 496	9 846

4.6 Other receivables

The other receivables are detailed as follows:

IN MMRU	31/12/2024	31/12/2023
Trade payables – debit balances	4 066	2 574
Personnel receivables	494	322
Trustee	110	113
Sundry receivables	90	127
Tax receivables	698	555
Deferred expenses	1 089	1 088
TOTAL	**6 546**	**4 779**

- Trade payables - debit balances are related to advances granted to its suppliers and orders realized before the issuing of the corresponding invoices.
- Personnel receivables are mainly related to short-term advances granted to staff.
- Tax receivables correspond to the VAT credit to be deducted from the unique tax.
- Deferred expenses are mainly related to prepaid expenses and revenues to be received

4.7 Financial instruments: disclosure

4.7.1 Financial instruments presented in the statement of financial position

The company defines its financial assets into the following categories: assets measured at fair value through profit or loss, assets and liabilities measured at amortized cost.

Financial assets are initially recognized at fair value which generally corresponds to the price paid, and do, to the acquisition cost (including related acquisition costs, where applicable). Subsequently, financial assets are measured at fair value or at amortized cost depending on the category of financial asset they belong to.

As from 1 January 2018, financial assets are classified in the categories "financial assets measured at amortized cost", "assets measured at fair value through other comprehensive income" and "financial assets measured at fair value through net income". This classification depends on the entity's business model for managing financial assets and the contractual conditions under which it is determined whether cash flows are only the payment of principal and interest (SPPI). Financial assets with an embedded derivative are considered in their entirety to determine whether their cash flows are SPPI.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it was acquired primarily for the purpose of resale in the short term. Derivative financial instruments are also designated as held for trading unless they qualify as hedges. They are classified as current assets.

Financial assets measured at amortized cost

Financial assets measured at amortized cost include debt instruments whose management intention is to collect contractual cash flows that correspond solely to the repayment of the nominal amount and the payment of interest on the remaining nominal amount due. At each balance sheet date, these assets are measured at amortized cost using the effective interest rate method. When there is objective evidence that the financial asset has lost all or part of its value, an impairment loss corresponding to the difference between the net carrying amount and the recoverable amount (discounting of expected cash flows at the original effective interest rate) is recognized in income. It is reversible if the recoverable amount is likely to change favorably in the future.

The main financial liabilities consist of borrowings and trade payables. The main purpose of these financial liabilities is to finance the company's operating activities.

On initial recognition, borrowings should be measured at fair value with transaction costs directly attributable to them as a result of the issuance of the liability being charged to them. Debt issue costs and premiums are not included in the initial cost but should be included in the calculation of amortized cost using the effective interest rate method and should be recognized in profit or loss on an actuarial basis over the life of the liability.

As at December 31st 2024, the financial instruments included in the statement of financial position are as follows:

Breakdown by instrument category					
IN MMRU	**Amortized Cost**	**Fair value through profit or loss**	**Fair value through equity**	**Value in the statement of financial position**	**Fair value**
Non-current financial assets	2 041	-	-	2 041	2 041
Trade receivables and related accounts	7 696	-	-	7 696	7 696
Other receivables and related accounts	6 546	-	-	6 546	6 546
Cash and cash equivalents	36 316	12 184	-	48 500	48 500
Assets	**52 599**	**12 184**	-	**64 784**	**64 784**
Financial debts (portions over 1 year)	531	-	-	531	531
Financial debts (portions at less than 1 year)	818			818	818
Trade payables	9 033	-	-	9 033	9 033
Other payables	3 584	-	-	3 584	3 584
Liabilities	**13 965**	-	-	**13 965**	**13 965**

As at December 31st 2023, the financial instruments included in the statement of financial position are as follows:

Breakdown by instrument category					
IN MMRU	**Amortized Cost**	**Fair value through profit or loss**	**Fair value through equity**	**Value in the statement of financial position**	**Fair value**
Non-current financial assets	1 823	-	-	1 823	1 823
Trade receivables and related accounts	9 217	-	-	9 217	9 217
Other receivables and related accounts	4 779	-	-	4 779	4 779
Cash and cash equivalents	32 530	15 808	-	48 339	48 339
Assets	**48 349**	**15 808**	-	**64 157**	**64 157**
Financial debts (portions over 1 year)	1 079	-	-	1 079	1 079
Financial debts (portions at less than 1 year)	908	-	-	908	908
Trade payables	6 483	-	-	6 483	6 483
Other payables	3 597	-	-	3 597	3 597
Liabilities	**12 067**	-	-	**12 067**	**12 067**

The fair value of other financial instruments (loans and deposits) are not deemed significant, and these items are therefore valued at amortized cost.

The fair value of the trade receivables, other receivables, trade payables and other payables are not deemed significant, and these items are therefore valued at amortized cost discounted at closing market price in the transaction currency.

Considering SNIM's economic environment (lack of market data required to determine a yield curve in order to estimate the market value of loans and borrowings at preferential rates), borrowings and loans are valued at amortized cost.

4.7.2 Derivative financial instruments

The company uses financial instruments such as forward hedges, commodity swaps, fair value hedges of operating cash flows, options and interest rate swaps. These derivative financial instruments should be initially recognized at fair value when the contract is negotiated and should be subsequently measured at the fair value. The derivatives must be recognized as assets when the fair value is positive and as liabilities when the fair value is negative.

Gains or losses resulting from changes in market value of hedging instruments, within the framework of a future cash flow hedges, for which the group has chosen to apply the hedge accounting, are recognized in equity at an effective hedge percentage.

When the group has chosen not to apply hedge accounting, the gains or losses resulting from the changes in market value are recognized in income statement. In accordance with IFRS 7, the fair values of financial instruments are classified according to the various valuation techniques defined as follows:

- Level 1: direct reference to prices published on an active market;
- Level 2: valuation techniques based on observable data;
- Level 3: valuation techniques based on unobservable data.

The group is using level 2 for the fair value valuation of derivative financial instruments.

Foreign currency risk:

As of December, 31st2024, financial instruments on exchange rates available at closing date are detailed below:

Hedging accounting	**2024**				**2023**			
	Fair value in MMRU	**Fair value in KUSD**	**Nominal in thousands of EURO**		**Fair value in MMRU**	**Fair value in KUSD**	**Nominal in thousands of EURO**	
			Bought	**Sold**			**Bought**	**Sold**
Foreign currency risk								
a) Cash flow hedging (CFH)								
Forward contracts in foreign currency								
Euro	(39)	(977)	38 500	-	15	389	35 000	-
Options on currency								
Euro	(27)	(686)	35 500	35 500	20	506	46 000	76 500
b) Fair value hedging (FVH)								
Forward contracts in foreign currency								
Euro	(23)	(572)	12 000	9 000	(4)	(100)	3 000	3 000
Options on currency								
Euro	(9)	(227)	4 000	4 000	-	-	-	-
c) Other operations								
Options on currency								
Euro	(33)	(830)	-	29 000	-	-	-	-
Total	**(131)**	**(3 292)**	**90 000**	77 500	**31**	**795**	**84 000**	**79 500**

Raw Material price risk:

As part of its management of financial products, SNIM may be required to negotiate products on energy commodities (Gas Oil & Fuel Oil). As of December 31, 2024, considering the market prices recorded in December 2024, the quantities to be hedged and the impossibility for SNIM to implement hedging due to the absence of counterparty, no raw material derivatives were in the portfolio at the closing date.

Interest rate risk:

As of December 31, 2024, no derivative instruments related to interest rate risk were in the portfolio.

The impacts on the income statement of derivative financial instruments as of December 31st, 2024, are presented here below:

Cash-Flow Hedging in USD **Cash-Flow Hedge**	**Amount transferred to gains and losses during the year**	**Inefficiency booked in Profit**
Foreign currency hedging	(730 334)	1 945 013
Interest rate hedging	-	-
Raw Material hedging	-	-

Fair value Hedging in USD **Fair Value Hedge**	**Unrealized gains and losses on hedging instruments**	**Unrealized gains and losses on hedging instruments**	**Inefficiency booked in profit**
Foreign currency hedging	(49 192)	(772 200)	-
Interest rate hedging	-	-	-
Raw Material hedging	-	-	-

Non-qualifying derivative instruments for hedging	**Gains and losses recognized in profit or loss**
Foreign exchange hedging	(204 664)
Interest rate hedging	-
Raw material hedging	-

Hedging objective and policy:

The iron ore market is denominated in US dollars; therefore, all of SNIM's sales are made in US dollars.
Mauritania's exchange regulations prohibit any possibility of managing exchange rate risks against the national currency. SNIM is therefore exposed to foreign exchange risk against the US dollar on operating expenses denominated in third currencies (import of euros, in CAD against US dollars).

In addition, to finance its development, SNIM has contracted loans denominated in US dollars, euros, and yen from international donors.

Depending on the evolution of the US dollar against these currencies, a greater or lesser proportion of revenue will have to be allocated to debt servicing. Consequently, SNIM is indeed exposed to currency risk against the dollar for all its debt expressed in a third currency.

The company has formalized its risk management policy and its tolerance level for these risks.
Procedures for measuring the Company's exposure to currency risk (actual and forecast) have been established. These procedures have been approved by Executive Management and are reviewed annually. The Company undertakes to treat its hedging transactions with leading banks (Société Générale, BNP Paribas…).

Foreign exchange risk:

SNIM's policy for managing its exposure to foreign currency risk consists in hedging foreign currency risk on firm and estimated purchasing commitments denominated in foreign currencies. Financial instruments that have been negotiated have a lifetime corresponding to that of firm or estimated operations. Usually, financial instruments' maturities do not exceed one year.

To reach its hedging objectives, the company resorts to forward purchasing contracts or option sales on currency contracts. Usually, option sales contracts are part of an overall hedging strategy (tunnel). Derivative financial instruments are negotiated by mutual agreement with first-rated financial institutions.

The analysis of sensitivity of profit before tax (due to variation of monetary assets and liabilities' fair value) and equity (linked to variation in forward contracts' fair value) of SNIM is presented below. This analysis is based on the following assumptions: on one hand, a reasonable variation in the euro exchange rate, on the other hand, all other variables remain stable.

IN USD	Variation of EURO	Impact on profit and loss before tax	Impact on OCI
2024	10%	26 169	4 872 314
	(10%)	(4 645 621)	(9 247 013)

Dollar = 39,84 ouguiyas

Raw material price risk:

The company is exposed to the raw material price risk on firm and estimated operational transactions.
SNIM's policy is to hedge against exposure to these risks. In order to reach its hedging objectives, the company resorts to purchase and selling contracts on raw material options or on swap contracts. Some selling contracts are part of a global hedging strategy. Management of this risk is spread over less than a year.

The analysis of the sensitivity of SNIM's profit before tax (due to variations in the fair value of the monetary assets and liabilities) and equity (linked to variations in the fair value of the swaps) gives a reasonable variation of the raw materials exchange rate, as all other variables remain stable.

As of December 31st, 2024, the company did not have any raw material coverage. Therefore, no sensitivity test has been performed.

Interest rate risk:

SNIM has obtained important funding for the realization of the Development and Modernization Program (DMP).
These funding are indexed on variable rates (libor). Therefore, the company is exposed to a financial risk related to the increase of interest rates.

SNIM's policy is to hedge the risks related to interest rates fluctuations on its floating rate debt on a 5-year management horizon.

To reach its hedging objectives, the company resorts to interest-rate derivative instruments, signs interest swaps and conditional financial instruments (caps, floors and collars).
To limit the effect of the dollar rate increase on its financial instruments, SNIM decided to implement a hedging policy, aimed at guaranteeing a maximum income rate.

Credit risk:

SNIM maintains commercial relations exclusively with reliable third parties.
Most of the client portfolio is constituted by iron ore customers whose terms of payments require a 90% advance at order and the remaining 10% within 24 days after delivery. Thus, for those clients, there exists no risk of credit. For the other customer, trade receivables are not material, and a credit risk analysis is performed regularly to adapt the possible depreciation on receivables. The maximum exposure is equal to the book value mentioned in **Note 4.5**

Regarding the credit risk on other financial assets, i.e., cash and cash equivalents, financial assets available for sale, loans and certain derivative instruments, SNIM's exposure is due to a potential failure of the third party with the maximum exposure not exceeding the accounting value of those instruments.

Liquidity risk:

SNIM controls its liquidity risk based on a projected financial investment maturity and an estimated cash flow generated by operational activities.

To further reduce the risk of liquidity, 37% of loans contracted by SNIM are placed under trustees. The trustee system consists of deducting an amount from monthly sales until maturity is set three months in advance and can only be used for the repayment of these loans.
As of December 31st, 2024, 61% of SNIM's debts are due in less than one year, compared with 46% in 2023.

Maturity:

The table below shows the maturity of the financial liabilities as of December 31st2024, based on contractual payments not discounted. The principal considers only the debt drawn by the company as of December 31st2024. Similarly, interest expenses reflect the interests of the company totally drawn as of December 31st2024.

Therefore, future withdrawals of the debt of Financing agreements and corresponding interest expenses are not considered in the preparation of this table of maturity.

The following table shows the debt maturity schedule year by year:

Year	2025	2026	2027	2028	2029	2 030	2 031
Principal	818	115	115	101	88	66	44
Interest	54	40	32	23	49	7	2
TOTAL	**873**	**155**	**146**	**125**	**137**	**73**	**46**

	TOTAL
Principal	**1 347**
Interest	**208**
TOTAL	**1 555**

4.8 Cash and cash equivalents

IN MMRU	31/12/2024	31/12/2023
Cash	12 184	15 808
Cash equivalents	36 316	32 530
TOTAL	**48 500**	**48 339**

Cash and cash equivalents include cash at bank and cash in hand.

Cash equivalents are short-term deposits with an original maturity of less than three months, liquid and immediately convertible.

4.9 Equity

In 2013 the company's issued capital increased by 170,520,000,000 MRO ((Equivalent to 17 052 000 000 MRU) by capitalization of available reserves to bring it up to 182 700 000 000 MRO (18 270 000 000 MRU), i.e., 18,270,000 shares each with a nominal value of 1000 MRU each. The capital is called up and paid up in full.

Capital does not comprise any share with favorable voting right. The share capital structure is presented as follows:

IN MRU	31/12/2024	31/12/2023	(%)
Mauritanian State	14 314 545 000	14 314 545 000	78,35%
Kuwait Investment Authority	1 309 800 000	1 309 800 000	7,17%
Arab Mining Company	1 034 685 000	1 034 685 000	5,66%
Iraki Fund for External Development	838 230 000	838 230 000	4,59%
Office National des Hydrocarbures	419 250 000	419 250 000	2,30%
Islamic Development Bank	327 450 000	327 450 000	1,79%
Private shareholders	26 040 000	26 040 000	0,14%
TOTAL	**18 270 000 000**	**18 270 000 000**	**100%**

Premiums arising from shares issuance relate to previous capital increases and amount to 646 MMRU.
As of December 31st, 2024, the legal reserve amounts to 1 827 MMRU, representing 10% of the equity.

4.10 Financial debts

4.10.1 Loans within the scope of trustee agreement

These loans are covered by a trust agreement signed on July 7, 1980 between the company, sponsors, the government of the Islamic Republic of Mauritania, the Société Générale bank (to encourage the development of trade and industry in France) and the Law Debenture Trust Corporation. According to this agreement the latter was appointed as “Trustee”, and regular credit transfers to the trust account would serve to make the half-yearly repayments to the sponsors.

Furthermore, another agreement was concluded on July 7, 1980 between the company, sponsors, Mauritania Central bank and the Société Générale bank. Under this agreement, through which a debit account would be opened with the Société Générale to receive all cash from sales of ore, the Société Générale would make the necessary transfers to the "Trustee" to enable the latter to meet the provisions stipulated in the Trust Agreement referred to above.

The Trust account referred to above has a debit balance of 110 MMRU as of December 31, 2024 against 113 MMRU as of December 31, 2023. It is charged to the "Trustee" item (Note 4.6 Section Other debtors)

The debts under trustees are as follows:

IN MMRU	Currency	Interest rate	Maturity	31/12/2024	31/12/2023
VOIE					
BID	USD	Var.	2 024	-	101
DRAGAGE					
BAD DRG	USD	7,231%	2 031	307	283
BEI DRG	USD	VAR	2 031	243	345
Subtotal				**550**	**729**

The situation of Financing agreements is presented as follows:

Project	Lender	Currency	Interest rate	Maturity	Total Millions	Drawn Millions	Un-Drawn Millions
Usine G1	FADES	KWD	Fix	2049	32	2	30
DRAG	BEI	USD	Var	2031	10	10	-
DRAG	BAD	USD	Var	2031	10	10	-

4.10.2 Loans outside the scope of the trustee agreement

These loans relate to mining projects that are not included in the trustee agreement. Repayments are made directly to lenders and are detailed as follows:

IN MMRU	Currency	Interest Rate	Maturity	31/12/2024	31/12/2023
Deposit				2	2
FADES	KWD		2 049	170	252
Subtotal				**172**	**254**

4.10.3 Rescheduled Debts

In the context of the 8th club of Paris which met on July 8, 2002 and following the bilateral agreement between the government of the French Republic and the government of the Islamic Republic of Mauritania signed on May 26, 2003, the French debt that was rescheduled under agreements III, IV, V and VI, was cancelled for the benefit of the Mauritanian Islamic Republic, within the framework of PPTE initiative.
Rescheduled debt of SNIM concerning these concessions, was reorganized by an agreement signed between the Ministry of Finance and SNIM dated August 21, 2003. This protocol defines the payment terms to the Mauritanian state of the debt initially due by SNIM to the Bank of France and Coface.

The total amount of this treaty (Agreement 8) is EUR 15,235,989.75, which represents interest accumulated from June 30, 2002 to June 30, 2019 for agreements III, IV, V and VI, including EUR 12,763,021.30 of principal amount (corresponding to the non-repaid amount on these agreements) and EUR 2,472,968.44 of interest.

The outstanding balance for this agreement amounts to 117 MMRU as at December 31st, 2024 and as at December 31st, 2023.

IN MMRU	Currency	Interest Rate	Maturity	31/12/2024	31/12/2023
Rescheduled maturities on French debt					
Accord 8	EUR	3,00%	2 019	117	117
Subtotal				**117**	**117**

4.10.4 Reassigned debt

Within the framework of the ACP / EEC convention signed in Lomé on December 8, 1984 and the indicative program of EEC aid to Mauritania, the EEC granted the Mauritanian State a loan of 18 million Euros for the financing of the SNIM Rehabilitation project subject to convention n ° 4122 / MAU of July 19, 1988 (SYSMIN I). The agreement provides for the repayment of this loan over 30 years after 10 years of grace.

In this same program, the European Union also granted the Mauritanian State a subsidy of 45 million euros by agreement No. 6589 / MAU (SYSMIN III) dated February 7, 2003, the agreement provides for the retrocession of the subsidy in the form of a loan to SNIM for the renewal of the mineral port of Nouadhibou. SNIM used 34.14 million euros. As part of this retrocession, a tripartite agreement between the European Union, the Mauritanian Government and SNIM defining the terms of the retrocession and repayment of the loan is is signed on March 14, 2022.

The Company had undertaken, in the contracts of most of the afore mentioned loans, to respect certain conditions, including the payment of sums due when they fall due.

IN MMRU	Currency	Interest rate	Maturity	31/12/2024	31/12/2023
European Economic Community (Sysmin 1)	EUR	0,50%	2 028	333	338
FED/03/EUR	EUR	Var.		177	547
Subtotal				**510**	**885**

TOTAL LOANS	**1 349**	**1 987**
Loans maturing in less than one year	**818**	**908**
Long and mid-term loans	**531**	**1 079**

Loans maturing in less than one year comprise the part of loans that will be paid within the twelve coming months.

The table of changes in financial debts between December 31st, 2024, and December 31st,2023 is as follows:

IN MMRU	31/12/2023	Cash movements	FX	Transfer	31/12/2024
Long and mid-term loans	1 079	-	-	(548)	531
Loans maturing in less than one year	908	(631)	(7)	548	818
TOTAL financial debts	**1 987**	**(631)**	**(7)**	**-**	**1 349**

4.11 Retirement benefit obligation

IN MMRU	31.12.2023	Allowance	Reversals	31.12.2024
Provisions for retirement indemnities	4 230	666*	(136)	4 759
Provisions for additional retirement	2 804	311	(86)	3 028
TOTAL	**7 034**	**977**	**(222)**	**7 787**

*Including 151 MMRU increase in retirement benefits mainly related to changes in experience difference and recognized in other comprehensive income.

Description of the defined benefit plan:

Description and evaluation method:

A benefit is provided to employees when they retire, depending on:

- Their salary when they leave the company.
- The employee's length of service in the company.

Note that this benefit is provided without any condition of the employee's presence within the company at retirement date.

The benefits defined plans by SNIM are not covered by investments.

The benefit schemes defined by the SNIM are not covered by the investments.

The liability was determined using the actuarial method of projected units of credit.

This method consists of valuing the commitment on the basis of the projected salary at the end of the career and the rights acquired at the valuation date.

The method used to recognize actuarial gains and losses is recorded in equity.

Actuarial assumption:

ASSUMPTIONS for the period ended as of	31/12/2023	31/12/2024
Beginning of the period	01 January 2023	01 January 2024
End of the period	31 December 2023	31 December 2024
Actuarial rate	4,94%	4,94%
Expected average remaining working lives	9	9

Assumptions	Applied Assumptions
Age of retirement	63 year
Future salary increase	45 ans et moins : 12%
	Plus de 45 ans : 10%
Actual rate of return	4,94%
Death rate	INSEE H 2016-2018
Exit rate	Decreasing and zero curve from age 55

Variation in benefit obligation:

IN MMRU	31/12/2023	31/12/2024
Benefit obligation at the beginning of the period	**2 399**	**4 230**
Current service cost	144	292
Interest cost	80	223
Actuarial (gains) losses	1 771	151
of which changes in assumptions	972	-
of which experience differences	798	151
Benefits paid	(164)	(136)
Benefit obligation at the end of the period	**4 230**	**4 759**

Actuarial cost for the year:

IN MMRU	31/12/2023	31/12/2024
Current service cost	144	292
Interest on debt	80	223
Expenses	**223**	**515**

Description of the defined contribution plan:

SNIM agents of Mauritanian nationality on permanent contracts in force after 2011 receive an indemnity upon retirement, death or redundancy at the initiative of the company, which is equal to one hundred twentieths:

- The 10% employer contribution and the 7% employee contribution based on the reference salary
- The income from the investment of the employer and employee contributions
- The prior service cost borne by SNIM (10% of the reference salary)
- The reference salary is the base salary plus the seniority bonus

In other cases, only the employee contributions and the income from the investment of the employee contributions are paid to the employee.

4.12 Provisions

These provisions are detailed as follow:

IN MMRU	31/12/2023	Allowance	Reversals	31/12/2024
Contingency provision	790	-	(297)	493
TOTAL	**790**	**-**	**(297)**	**493**

4.13 Trade payables

Trade payables are detailed as follows:

IN MMRU	31/12/2024	31/12/2023
Trade payables	8 362	5 527
Accrued payables	671	956
TOTAL	**9 033**	**6 483**

4.14 State and other public taxes

State and other public taxes are detailed as follows:

IN MMRU	31/12/2024	31/12/2023
Current Tax Income	1 699	2 209
Taxes on wages and salaries	842	739
Other taxes	36	76
TOTAL	**2 577**	**3 024**

SNIM has a specific regime. An agreement was signed on December 23, 1998, between the Mauritanian Government – represented by the Ministry of Finance and the Ministry of Industry and Mines - and the company, for a period of 20 years starting on January 1, 1999. This agreement ensures SNIM's autonomy for management and importation.

On March 27, 2018, the National Assembly ratified the renewal of the special agreement for an additional 20 years starting January 1, 2019

The single tax includes all taxes payable on profits for the financial year. Under the special agreement with the State, SNIM is liable for the single tax, by which it pays the State an annual royalty equal to 9% of FOB revenue from the export of iron ore.
The special agreement was the subject of an amendment signed in December 2008 on the basis of the single tax. Under this agreement, the single tax is equal to 9% of FOB revenue from the export of iron ore increased by demurrage.

There is no need to recognize deferred taxes, as there is no difference between the carrying amounts of assets and liabilities on the statement of financial position. SNIM also pays an annual lump sum of 8 million ouguiyas representing the totality of the taxation of tax compensation and benefits in kind granted by SNIM to its employees.

Single tax advances and VAT credit are offset against the Single Tax because the due dates of the Single Tax and VAT credit are similar, and these amounts are recovered or paid by the same administration and there is a legal right of set-off.

SNIM is exempted from all customs duty and assimilates taxes of all kinds related to goods, equipment, services, and exploration of sources of ore and water by the convention signed with Mauritanian government. SNIM is also exempted from all customs and assimilated taxes on materials, consumables and goods imported by companies and subcontractors, which are dedicated to SNIM.

Clause N°1 was added to this convention on June 19, 2001, concerning VAT and subjugation of SNIM to this tax. Consequently, SNIM is subject to VAT on goods and services that are not in correlation with industrial and mining exploitation.

4.15 Other payables

Other payables are detailed as follows:

IN MMRU	31/12/2024	31/12/2023
Payroll expenses and related costs	509	514
Dividends payable	21	19
Sundry payables and pre-payments	3 053	3 064
TOTAL	**3 584**	**3 597**

Sundry payables and prepayments are detailed as follows:

IN MMRU	**31/12/2024**	**31/12/2023**
Credit customers	1 382	760
Accrued expenses	848	1 500
Investment of subsidiaries	276	276
Accrued expenses on borrowings	24	42
Remaining payment on the capital increase	159	209
Marking taxes	220	215
Social security contributions	139	59
Accruals and deferred income	5	5
TOTAL	**3 053**	**3 064**

5- ADDITIONAL INFORMATION RELATING TO THE INCOME STATEMENT

5.1 Sales

The production sold represents the sales of iron ore for the sum of 45 673 MMRU (1 152 224 838 USD) for 2024 financial year (net of demurrage).

Sales are made in FOB (Free on Board) and are recorded at the time of the transfer of control, which corresponds to the loading of the ore in Nouadhibou Port. Almost all iron ore sales are made to various Western European countries, China and Africa. Three customers (GLENCORE, MERCCURIA and TOSYALI IRON STREEL INDUSTRY) accounted for 67% of the total revenue in 2024.

The breakdown by countries is as follows:

In MMRU	2024	2023
China	28 203	23 633
Algeria	5 959	12 061
Italia	3 949	5 028
Allemagne	2 815	1 150
Australia	1 750	3 997
Japan	777	2 022
Egypt	548	-
France	326	581
Other	1 347	1 581
TOTAL	**45 673**	**50 053**

5.2 Revenue from ancillary business activities

Other revenue from ancillary business activities is detailed as follow:

IN MMRU	2024	2023
Rents, material disposal, telecom	406	521
Rental of buildings and equipment	11	10
Other services	1	2
Supply of personnel	324	207
Disposals	2	1
TOTAL	**744**	**740**

5.3 Raw materials and consumables

Raw materials and consumables are detailed as follows:

IN MMRU	2024	2023
Consumables used	16 475	15 223
Maintenance products	24	23
Supplies	136	117
Water and electricity	69	47
Materials & supplies	28	48
TOTAL	**16 732**	**15 459**

The increase in materials consumed is mainly explained by:

- The increase in mining equipment is mainly related to the general revisions realized in 2024.
- The increase in fuel costs mainly due to the rise in diesel consumption following operations on the power plant groups.

5.4 Other operating income

Other operating income are detailed as follow:

IN MMRU	2024	2023
Discounts, rebates and refunds obtained	11	7
Products and Profits	27	289
Profits / disposal	-	74
TOTAL	**38**	**370**

5.5 Personnel expenses

The personnel expenses heading is as follows:

IN MMRU	2024	2023
Wages	7 265	6 725
Social charges	575	558
Provision for retirement indemnities	689	249
Complementary pension schemes	151	142
TOTAL	**8 680**	**7 672**

The increase in personnel costs is mainly explained by:

- Increase in staff
- Increase in bonuses and gratuities.
- Increase in overtime

The evolution of the company's headcount by category is as follows:

Category	2024	2023
Executives	454	450
Supervisory staff	3 606	3 487
Workers	2 589	2 528
TOTAL	**6 649**	**6 465**

The average workforce is calculated based on the present number employees working for the company at the end of each month.

5.6 Depreciation, amortization, and provision

Depreciation, amortization, and provision are detailed as follows:

IN MMRU	2024	2023
Depreciation of property, plant and equipment	5 775	5 730
Amortization of intangible assets	15	12
Depreciation of financial assets	76	1 396
Depreciation of inventories	327	1 688
Depreciation and accrual for accounts receivable	172	23
Other depreciation	74	203
Reversals / provisions	(826)	(540)
TOTAL	**5 612**	**8 513**

The decrease in depreciation and provisions is mainly explained by

(i) a decrease in net provisions for inventories, amounted to 327 MRU in 2024, compared to 1,688 MRU in 2023,

(ii) a decline in the impairment of ATTM shares, amounted to 76 MRU in 2024 compared to 1,252 MRU in 2023.

5.7 Taxes

Taxes are detailed as follows:

IN MMRU	2024	2023
Tax on benefit	16	-
Other taxes	297	66
TOTAL	**313**	**66**

5.8 Other operating expenses

The other operating expenses are detailed as follows:

IN MMRU	2024	2023
Expenses related to investment (1)	2 129	1 853
Expenses related to operations (2)	506	702
Other Charges (3)	1 051	854
TOTAL	**3 686**	**3 409**

(1) The investment-related expenses relate mainly to repair and maintenance costs, insurance and the costs of studies and technical assistance.

(2) Expenses related to the operations concerns mainly the assignment expenses, fees, telephone, ore analysis and bank charges.

(3) Other Charges are related to donations, grants, budget of the SNIM foundation, fines, penalties and slowdown of stock.

5.9 Financial income

Financial incomes are detailed as follows:

IN MMRU	2024	2023
Interest and related income	2 215	2 014
Income on financial instrument	119	172
Other financial income	(2)	-
TOTAL	**2 332**	**2 186**

5.10 Financial expenses

Financial Expenses are detailed as follow:

IN MMRU	2024	2023
Interest and related charges	85	113
Charges on financial instruments	67	15
TOTAL	**152**	**128**

5.11 Earnings per share

Earnings per share are detailed as follow:

IN MMRU	2024	2023
Net income in million Ouguiyas	10 631	14 495
Total number of shares	18 270 000	18 270 000
Earnings per share IN MMRU	**582**	**793**

SNIM's capital does not include any preferential or potential ordinary shares as of December 31st, 2024. Thus, earnings per share are equal to diluted earnings per share.

The dividends recognized for disbursement amounted to 6 523 MMRU.

6- ADDITIONAL INFORMATION RELATED TO THE STATEMENT OF CASH FLOWS

6.1 Restatement of amortizations and provisions

IN MMRU	2024	2023
Amortization of property, plant and equipment	5 775	5 730
Amortization of intangible assets	15	12
Amortization of financial assets	76	1 290
Allocation to provisions (risks & charges + Pensions) *	665	2 198
Losses of fixed assets	80	193
TOTAL	**6 611**	**9 423**

6.2 Changes in working capital

IN MMRU	2024	2023
Decrease (Increase) in inventories	(2 530)	667
Decrease (Increase) in trade receivables	1 521	(63)
Decrease (Increase) in other receivables	(275)	(994)
Increase (Decrease) in trade payables	323	1 527
Increase (Decrease) State and other local authorities	63	120
Increase (Decrease) in other payables	(9)	(1 050)
CHANGE IN WORKING CAPITAL	**(907)**	**208**

6.3 Expenditures on fixed assets

IN MMRU	2024	2023
Acquisition of property, plant & equipment	(6 690)	(10 317)
Acquisition of intangible assets	(28)	-
Acquisition of Financial assets	(491)	(1 484)
TOTAL ACQUISITIONS	**(7 209)**	**(11 801)**

6.4 Reversal of depreciations and provisions

IN MMRU	2024	2023
Capitalized production	(670)	(670)
Reversal of depreciations and provisions	(441)	(384)
TOTAL	**(1 111)**	**(1 054)**

6.5 Foreign exchange gains and losses

IN MMRU	2024	2023
FX gains / loss on loans	(7)	(68)
Other comprehensive income	560	701
TOTAL	**553**	**633**

6.6 Net Cash

IN MMRU	2024	2023
Cash equivalents	12 184	32 530
Cash	36 316	15 808
Net Cash	**48 500**	**48 339**

7- OTHER COMMITMENTS AND LIABILITIES

Off balance sheet commitments are detailed as follows:

IN MMRU	31/12/2024	31/12/2023
Documentary credits in progress	2 491	879
Commitments on contracts	-	-
Sub-Total Commitments Given	**2 491**	**879**
Guarantees received from contractors	500	673
Balances of undisbursed funds	3 833	3 833
Sub-Total Commitments Received	**4 333**	**4 506**
Total	**6 824**	**5 385**

8- RELATED PARTIES DISCLOSURE

Transactions with related parties are not significant. They mainly include disposal of materials and fuel and workshop services.

The following table summarizes the main intergroup services invoiced in 2024 in MMRU:

	Purchases													
	FILIALES	**ATTM**	**COMECA**	**SAMMA**	**SAMIA**	**SOMASERT**	**GMM**	**SAFA**	**GIP**	**M2E**	**GHM**	**GPIM**	**SNIM**	**TOTAUX**
Sales	**ATTM**												**42**	42
	COMECA	**0**				**0**			**28**	**-**	**-**	**-**	**370**	398
	SAMMA	**2**	**1**		**4**		**0**	**1**	**0**		**3**		**139**	150
	SAMIA													-
	SOMASERT	**2**	**3**	**1**	**0**		**0**	**1**	**0**	**1**		**0**	**100**	109
	GMM												**0**	0
	SAFA		**3**										**243**	246
	GIP												**81**	81
	M2E					**3**							**1**	18
	SNIM	**69**	**10**	**10**	**14**	**14**	**22**	**7**	**10**	**94**	**7**	**4**		262
	TOTAUX	**74**	**17**	**11**	**18**	**17**	**23**	**9**	**38**	**94**	**10**	**4**	**989**	**1 305**

The information relating to the remuneration of the managers of the subsidiaries is not disclosed for reasons of confidentiality.

9- EVENTS AFTER THE REPORTING PERIOD

The financial statements have been approved and authorized by the Executive Board on **April 29th, 2025**. They don't reflect the occurrence of subsequent events after this date. No significant event directly affecting the company has occurred after closing date.