



الشركة الوطنية للصناعة و المناجم
SOCIETE NATIONALE INDUSTRIELLE ET MINIERE

Annual Report 2024





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SOCIETE NATIONALE INDUSTRIELLE ET MINIERE

Snim

Annual Report 2024

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MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Chairman
of the Board of Directors

Ismail BEDE CHEIKH SIDIYA

Dear Shareholders ;

The year 2024 was marked by the constant commitment of our teams to optimize our efficiency, strengthen the reliability of our operations, and enhance our profitability, while maintaining rigorous control on our costs.

For the second consecutive year, we surpassed the historic threshold of 14 million tons sold, reaching 14.226 million tons. Although achieved in a less favorable economic environment than in 2023, this volume generated MRU 45,673 million in revenue, representing a decline of around 9% compared with the previous year.

Our commitment to SNIM's long-term sustainability was reflected in MRU 9,629 million of investment in 2024, up by 5% compared to the previous year.

Despite a decrease in our net profit to MRU 10,631 million versus MRU 14,495 million in 2023, these results demonstrate our resilience in the face of global economic uncertainties and our ability to overcome challenges. Furthermore, we continued implementing our debt reduction strategy, bringing our debt down to MRU 529 million, compared with MRU 1,079 million in 2023, thereby strengthening our financial capacity for future projects

Dear Shareholders ;

We take pride to see SNIM distinguishing itself, for more than six decades, by sustained and structuring contribution to the national economy. As the country's second-largest employer, with a workforce of 6,649 employees as of December 31, 2024, SNIM made a significant contribution to the economy in 2024, representing :

- 11% of the State's budget revenues,
- 6% of the Gross Domestic Product (GDP), and
- 29% of total national export volume.

Dear Shareholders ;

The year 2024 was also marked by numerous initiatives aimed at ensuring the achievement of our production program and paving the way for SNIM's harmonious and sustainable development.

The commitment of our teams to the Corporate Strategic Program (CSP) reflects this ambition. Sponsors and leads were appointed for each of the 21 initiatives of the CSP, distributed across fifteen strategic programs. Their work is

monitored by the CSP Guidance Committee. Adopted last year, the CSP is built on a clear and shared vision: to make SNIM a regional hub by seeking new growth opportunities, strengthening our production capacities, and consolidating our position in the iron ore market. It also aims to seize every opportunity enhancing the value of our products and reduce our carbon footprint by developing innovative solutions for the decarbonization of our production.

The partnerships signed within this framework reinforce our ambition to make SNIM a forward-looking company, capable of accompanying to the expectations evolution of our clients in a world undergoing an energy transition.

Dear Shareholders ;

Throughout the year, our teams have been fully mobilized to resolve daily problems, control our social and environmental impact, and improve the safety of our people and facilities. Our commitment in terms of Corporate Social Responsibility (CSR) was materialized in 2024 by the improvement and confirmation of our "Committed CSR" label.

SNIM's performance reflects the outcomes of the reforms initiated under the CSP, which must be intensified and accelerated. The F' derick Project is progressing well, pending the implementation of the Tizerghaf Project and other projects increasing our production capacities.

We are satisfied with the progress achieved in implementing the El Aouj and Atomai projects, as well as with the commitment of

all partners to successfully carry out them under the best conditions.

At this stage of our journey, I would like to express my deep gratitude :

- To the Mauritanian Government, for its guidance, strategic support, and invaluable assistance;
- To our shareholders, for their confidence and continuous support in all our initiatives;
- To all our employees, whose dedication, professionalism, and determination have been the pillars of our achievements;
- To our clients and suppliers, for their loyalty and high-quality partnerships;
- To our financial partners, for their renewed trust in our development projects;
- To the local communities, for their constructive cooperation and support in our field actions.

Thanks to the collective effort of all these stakeholders, and driven by a strong will for transformation, SNIM is resolutely moving toward a future filled with great ambitions.

The intensification of mineral exploration, the diversification of our activities, the expansion of our industrial capacities, and the integration of cutting-edge technologies — at the forefront of them artificial intelligence — outline the contours of a more modern, agile, and competitive company. These dynamics are paving the way for a structural transformation targeting to elevate SNIM to an unprecedented level of performance and influence, in service of the sustainable development of our country.



1

SNIM PRESENTATION

1. SNIM PRESENTATION

SNIM at a glance

Name	Headquarters
National Industrial and Mining Company «SNIM»	Nouadhibou, Mauritania



Legal Form

SNIM is a limited company under Mauritanian law, governed by Law No. 18.01.2000 on the Commercial Code and by Law No. 78-104 of 15/04/1978 establishing SNIM.

Incorporation

SNIM was created by Law No. 78-104 of April 15, 1978 under the name "Société Nationale Industrielle et Minière" (succeeding MIFERMA, which was established in 1952). The company's duration is set at 99 years from January 1, 1978, except in cases of extension or early dissolution provided for in its statutes.

Corporate Purpose / Financial year

SNIM's purpose is : the extraction and sale of iron ore, as well as the promotion of exploration and exploitation of mineral resources.

The financial year begins on January 1 and ends on December 31.

Commercial register

SNIM is registered in the commercial register of the Nouakchott Commercial Court under the 4579 number of the Analytical Register.

The National Industrial and Mining Company (SNIM) is a Mauritanian enterprise engaged in the exploration, extraction, processing, transport, and export of iron ore. Its deposits are located in the Tiris Zemour region, in northern Mauritania.

The company manages the entire operational chain : geological exploration, mining operation, maintenance, water and electricity production, iron ore transportation, as well as the operation of the Nouadhibou loading port.

It also owns and operates its own railway line, over 700 kilometers long, primarily dedicated to ore transportation.

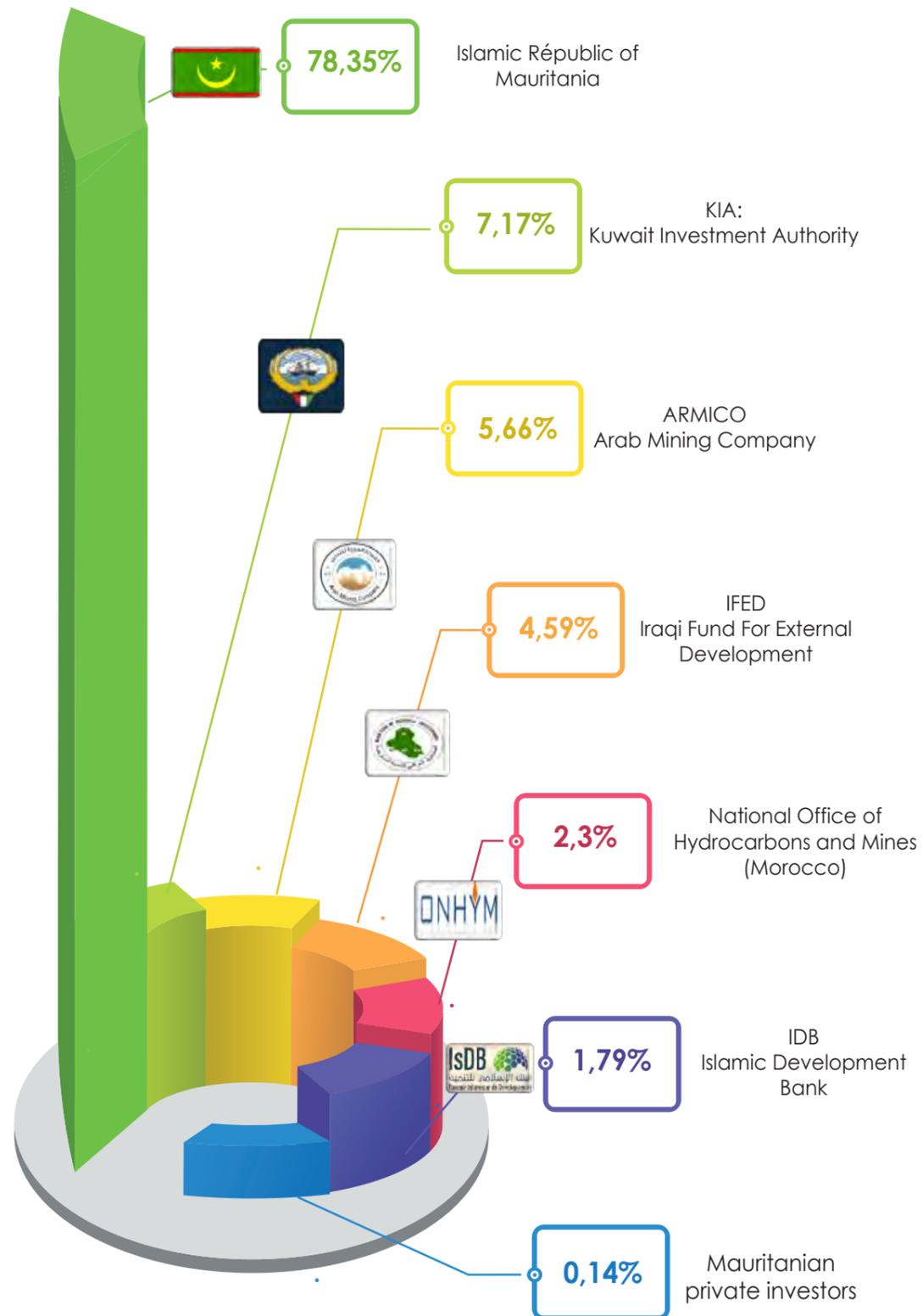
SNIM works tirelessly to enhance the mineral resources and continuously improve products quality, aiming to position itself as a leading international mining player.

Faithful to its values of environmental stewardship and respect for individuals, SNIM reaffirms its commitment as a responsible employer, attentive to the well-being of its employees and fully engaged in the economic development of the country.

Our Values

- 1** Promoting Environmental Sustainability. 
- 2** A traditional supplier and a respected player in the iron ore sector. 
- 3** A reliable partner, open to developing partnerships in the iron ore sector. 
- 4** A company focused on its human resources and respectful of their rights. 
- 5** A competitive company with expertise and creativity. 

Shareholding



Governance

General Assembly



Group photo taken on the sidelines of the General Assembly on May 22

The SNIM General Assembly, duly constituted, represents all of its shareholders. Every shareholder has the right to attend the General Assembly or to be represented. The General Assembly appoints the members of the Board of Directors and designates the statutory auditors.

Board of Directors

SNIM is managed by a Board of Directors composed of 12 members appointed by the Ordinary General Assembly. The Board meets at least four (4) times during the same financial year. The Board has delegated to the of Board member and Director General the extensive powers necessary for the General Management and day-to-day administration of the Company, with the authority for partial or full substitution.

Members of the Board of Directors as of 31/12/2024

Nom et Prénom	Fonction	Institution
Ismail BEDDE CHEIKH SIDIYA	Chairman	Mauritanian State
Adel AL DHAEN	Vice-Chairman	Kuwait Investment Authority
Mohamed Vall MOHAMED TELMIDY	Board member and DG	Mauritanian State
Ahmed Salem BOUHEDDA	Board member	Mauritanian State
Mohamed Lemine TAR	Board member	Mauritanian State
Magboula BOURDID	Board member	Mauritanian State
Yacoub AHMED AICHA	Board member	Mauritanian State
Ali MOHAMMED	Board member	Arab Mining Company
Qaïssar AHMED OGLAH	Board member	Iraq Fund for External Development
Mustapha CHAIB	Board member	National Office of Hydrocarbons and Mines (Morocco)
Nawal SAADI	Board member	Islamic Development Bank
Mohamed OUBEID	Administrateur	BMCI (Mauritanian private investors)



Board of Directors as of April 29

Executive Committee

The Board of Directors has established, within its structure, an Executive Committee composed of 4 Board members. It prepares the Board sessions and acts as the Procurement Committee to approve any contract equal to or exceeding €2 million. The Committee meets at least three (3) times per year.

Management Committee

A Management Committee, including SNIM's deputy directors, the Director of the Railway and Port, and the Director of the Operating Headquarters, meets regularly around the Board member and Director General. It examines matters related to the management and the guidelines of the company.

Coordination Committee

A Coordination Committee, composed of the Board member and Director General, deputy directors, advisors, and SNIM's sector directors, meets quarterly to review the production program and budget execution.

Audit Committee

As part of strengthening the company governance, the Board of Directors has also established, within its structure, an Audit Committee composed of five Board members. This committee is responsible for approving proposals for the appointment of statutory auditors as well as the annual internal audit program. It reviews audit reports, ensures the quality and reliability of financial information, and issues necessary recommendations to optimize the systems of internal control and risk management.

Internal Audit Unit and Inspection-2024 Report

In 2024, the structure in charge of internal audit and inspection was strengthened to increase both the volume of assignments and the quality of interventions. This momentum aligns with SNIM's will to consolidating its systems of internal control, risk prevention and governance.

During the year, 15 assignments were carried out by the internal audit unit, covering various operational processes, certain subsidiaries, and targeted themes.

The evolution of the number of assignments over the past four years is presented in the table below :

	Year 2021	Year 2022	Year 2023	Year 2024
Audits	8	8	6	7
Inspections	2	2	5	2
Follow-up audits	1	2	2	6
Total – assignments	11	12	13	15

In addition, the Internal Audit Unit ensured rigorous follow-up on the recommendations issued of the previous audits, thereby contributing to strengthening the effectiveness of the corrective measures implemented by the concerned entities.

Our activities sites



Near the Guelb El Rhein mine are the Guelb 1 and Guelb 2 plants, designed for the beneficiation of ore extracted from this mine. The proximity between these two facilities allows an optimal sharing of assets and resources dedicated to production operations at the Guelb El Rhein site.

Located about 30 km from Guelb El Rhein, M'haoudatt lies 60 km from Zouerate. Near Zouerate is the Kedia d'Idjil site, where SNIM operates the TO14 and Rouessa mines, along with associated processing facilities.

Iron ore transport between the mining sites and the loading port is carried out by rail. The current infrastructure can be expanded to support the planned increase in mining production, particularly through the projects of Fdérík, Tizerghaf, El Aouj, Atomai...

SNIM's railway network currently serves all production sites located between Zouerate and Nouadhibou : M'haoudatt, Guelb El Rhein, TO14, Rouessa, F'derick...

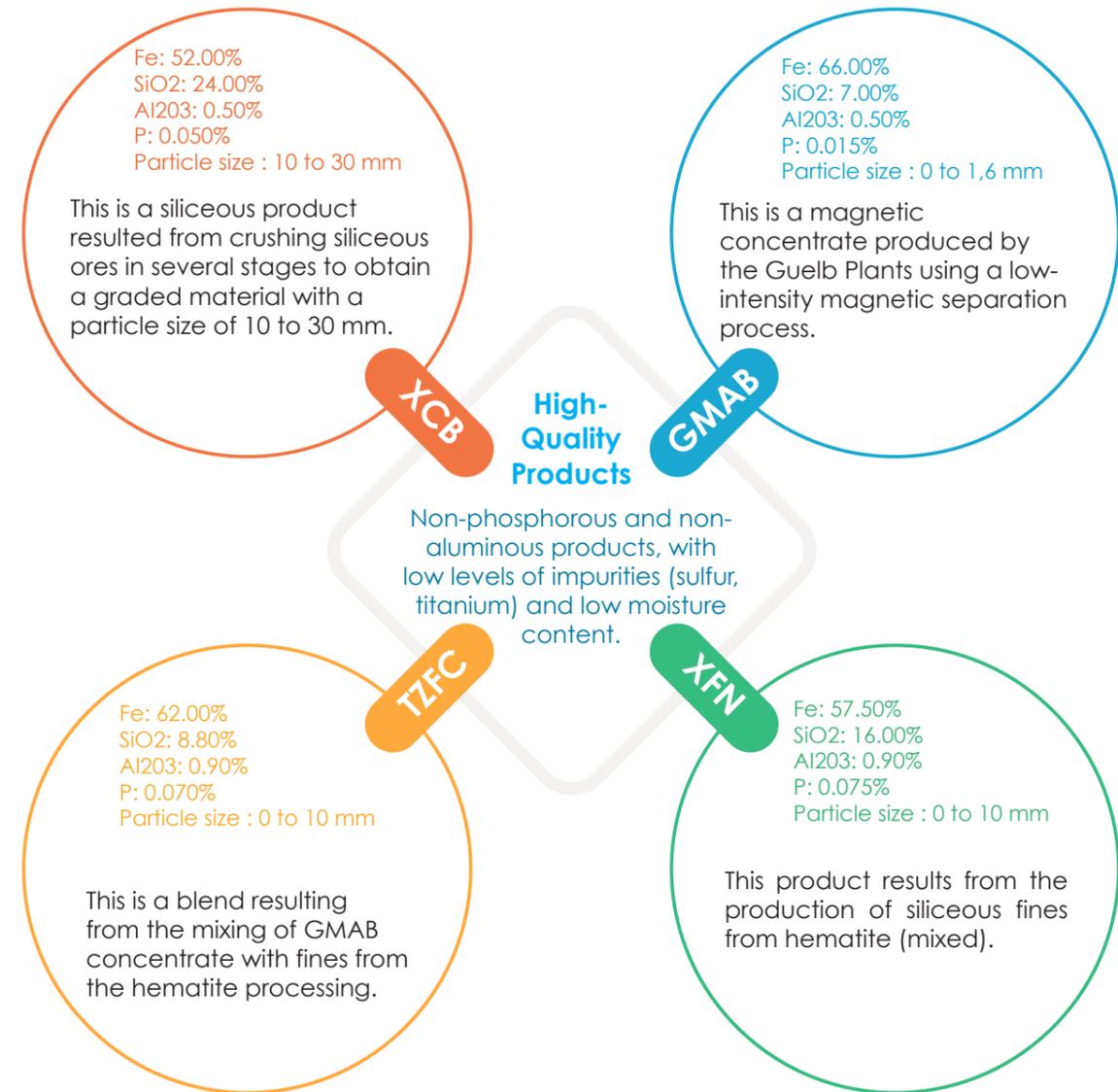
While Zouerate represents the heart of SNIM's mining activities, the railway forms its backbone, and Nouadhibou its lung, hosting the ore loading port for mineral ships.

The F'derick mine project, located 30 km from Zouerate, was launched at the end of 2023. This new operation will increase SNIM's production by an additional 2 million tons of naturally high-grade iron ore.

Timeline of Key Events : A Sixty-Year-Old Company



Our Products

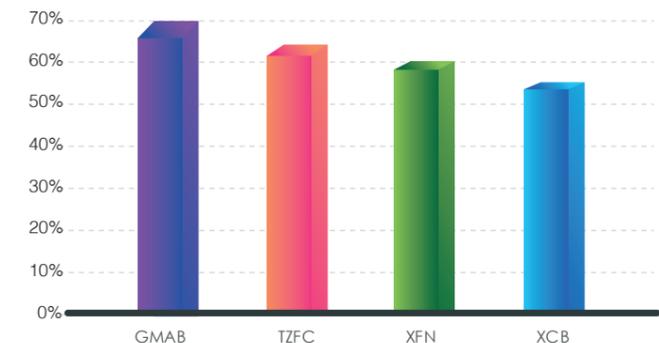


Chemical composition of the products:

Table 1: Chemical Composition of SNIM Products

Product Type	Composition				
	%Fe	%SiO2	%Al2O3	%P	Particle Size
GMAB	66	7	0,35	0,015	0 à 1,6 mm
TZFC	62	8,8	0,9	0,07	0 à 10 mm
XFN	57,5	16	0,9	0,075	0 à 10 mm
XCB	52	24	0,5	0,05	10 à 30 mm

Graph 1: Iron Content of the Iron Products (%Fe)



Our Subsidiaries

Considered a major driving force for development in Mauritania, SNIM has historically contributed to the encouragement and emergence of other sectors of the economy, either through the creation of subsidiaries for some of its activities or by establishing specialized companies.

SNIM has evolved into a group comprising several subsidiaries, in addition to holding stakes in other companies. These subsidiaries operate across various sectors, including foundry, mechanical construction, public works, tourism, port handling, management of oil infrastructure, and real estate development.

This diversification contributes to reinforce the national industrial fabric through creating skilled employment. SNIM's subsidiaries currently provide over 2,000 direct and indirect jobs and play an undeniable economic role.



GPIM (Générale de la Promotion Immobilière) is a SNIM subsidiary specializing in the real estate management of SNIM's non-industrial land and property assets in Zouerate, Nouadhibou, and Nouakchott. It is responsible for real estate development, technical management of buildings, and the provision of urban furniture.



SAMIA (La Société Arabe des Industries Métallurgiques) specializes in the extraction and sale of gypsum, as well as the production of plaster.



SOMASERT S.A (Société Mauritanienne de Services et de Tourisme) specializes in tourism, by providing accommodation, catering, and tour organization services.



SAFA (Société Arabe du Fer et de l'Acier) specializes in the manufacturing of cast steel and cast iron wear parts for various industrial equipment.



GIP (Gestion des Installations Pétrolières) operates in the reception, storage, transportation, and distribution of hydrocarbons, as well as in the import and distribution of petroleum products.



ATTM SA (Société d'Assainissement, de Travaux, de Transport et de Maintenance / Limited Company) operates in the construction sector, covering the building of buildings, roads, railways, airstrips, and urban roadways.



M2E (Mauritanienne d'Eau et d'Electricité) focuses on the implementation and management of water and electricity distribution networks.



COMECA (Construction Mécanique de l'Atlantique) is the leader in Mauritania in various fields, particularly the manufacturing of mechanical parts through machining, the production of parts and welded mechanical assemblies, the provision of turnkey mechanical construction projects, structural engineering, major on-site technical repairs, and the rewinding of LV/MV motors.



GMM (Granites et Marbres de Mauritanie) specializes in the operating of ornamental stones, the processing and manufacturing of granite products, as well as the production of ballast and aggregates for construction.



SAMMA (Société d'Accostage et de Manutention en Mauritanie) operates in port handling.

Launch of the 2024–2045 Corporate Strategic Plan : A New Ambition for SNIM

In a rapidly changing global context, marked by the energy transition and evolving raw materials markets, SNIM took a decisive step in 2024 by launching its long-term Corporate Strategic Plan (CSP). This plan serves as the company's roadmap for the next twenty years, with the ambition of positioning SNIM as a high-performing, integrated, and sustainable regional mining hub.

Adopted in April 2024, the long-term development strategy reflects a clear vision, driven by the General Management :

The central objective of the CSP is to evolve SNIM into an integrated and resilient company model, capable of addressing new economic, environmental, and technological challenges. The plan specifically aims to **double iron ore production by 2031** while initiating the **local processing** of resources.

« The next twenty years will be marked by the implementation of the Corporate Strategic Plan (CSP), which aims to position SNIM as a regional mining hub. The roadmap has the ambition of increase production capacity, diversify products, and enhance added value. »

Mohamed Vall Mohamed Telmidy,
Board member and director general



← A Gradual Increase in Local Processing

One of the pillars of the CSP is to raise the iron ore processing rate across three horizons:

- **31 %** by 2031
- **40 %** by 2038
- **45 %** by 2045

This upgrading will rely on the development of high value-added sectors, such as the production of pellets, DRI (Direct Reduced Iron), and HBI (Hot-Briquetted Iron).

← A Strategy Based on Eight Pillars

To realize this ambition, the CSP is structured around eight strategic pillars covering the company's core functions :

Market Positioning and Product Portfolio: This revolves around a commercial strategy and a Value-in-Use model that maximizes value for customers. It is supported by a program of commercial excellence aimed at optimizing performance and operational efficiency to enhance competitiveness.

Geological Research: SNIM invests in geological research to identify new mineral resources. This program aims to increase ore reserves and diversify raw material sources to ensure continuous and reliable production.

Mining Planning and Flow Management: Mining planning and flow management are crucial to maximizing production and minimizing costs. SNIM develops sophisticated planning tools to improve coordination of mining activities and ensure effective resource management.

Industrial Excellence: Industrial excellence programs are implemented to optimize production processes. This includes applying best practices, modernizing equipment, and deploying advanced technologies to improve operational efficiency.

Partnership Program: Developing industrial partnerships is essential for SNIM. These partnerships aim to integrate new technologies, access new markets, and develop higher value-added products. Collaboration with local and international companies enhances SNIM's competitiveness.

Outsourcing and Ecosystems: The outsourcing strategy aims to strengthen partnerships with suppliers and service providers. This allows SNIM to focus on its core competencies while benefiting from external expertise for non-core operations. The development of ecosystems around mining activities also promotes sustainable local economic growth.

Sustainable Development: SNIM is committed to integrating sustainable development practices into all its operations. This includes responsible management of natural resources, reducing carbon footprint, and implementing eco-friendly projects to protect the environment.

Human Capital, Social Initiatives & Communication: The CSP cannot succeed without human capital. SNIM adopts a robust HR strategy and an ambitious training plan to develop employee skills. At the same time, an effective communication strategy will be implemented to ensure internal cohesion and promote social initiatives, thereby strengthening its commitment to employees and the community.



The implementation of this strategy is based on a coherent portfolio of **21 strategic initiatives**, each led by a designated initiative lead, ensuring rigorous, coordinated execution aligned with the company's transformation objectives.

The table below presents the 21 strategic initiatives grouped into 15 programs, along with the designated leads responsible for their implementation. This framework ensures coordinated execution, strict monitoring, and consistency with SNIM's transformation ambitions toward 2045.

Strategic Programs	Initiatives (Codes)	Lead(s) Responsible
Commercial Development Program	1	Lead in charge of the Commercial Development Program
Geological Research Program	2	Lead in charge of the Geological Research Program
Industrial Development Program	3.a	Lead in charge of Partnerships; Lead in charge of Capacity Expansion Projects (F'Derick, Tizerghaf, Guelb 1)
	3.b	Lead in charge of Utilities Projects (energy, water, port, railway)
	3.c	Lead in charge of Project Excellence
Pit-to-Port Planning Program	4.a	Lead in charge of the Pit-to-Port Supply Chain Program
Mining Planning Excellence Program	4.b	Lead in charge of the Mining Planning Excellence Program
Safety Program	5.a	Lead in charge of the Safety Program
Industrial Performance Program	5.b	Lead in charge of Industrial Asset Maintenance & Upgrading
	5.c	Lead in charge of Operational Excellence
	5.d	Lead in charge of Guelb 2 Ramp-Up
Outsourcing & Subsidiary Restructuring Program	6.a	Lead in charge of Outsourcing
	6.b	Lead in charge of Subsidiary Structuring
Sustainable Development Strategy	7	Lead in charge of the Sustainable Development Strategy
Human Capital Development Program	8.a	Lead in charge of HR Strategy
	8.b	Lead in charge of Training
Social Reform Program	8.c	Lead in charge of Social Reforms
Communication Strategy	8.d	Lead in charge of the Communication Strategy
SNIM Operating Model	9	Lead in charge of the SNIM Operating Model
Digital Transformation and Artificial Intelligence	10	Lead in charge of the Digital Transformation and AI Program
Cost Reduction Program	11	Lead in charge of Cross-Cutting Cost Reduction

Among the operational priorities are the reduction of production costs, the development of new industrial partnerships, and the continuous improvement of human resources, healthcare, and internal communication.

The use of competitive, low-carbon energy sources, such as **natural gas** and **green hydrogen**, represents a key lever to support this ambition and ensure long-term competitiveness.

Industrial excellence programs are being implemented to optimize production processes. These include the application of best practices, equipment modernization, and the introduction of advanced technologies to improve operational efficiency. In this framework, SNIM is deploying a structured **Operational Excellence** (ExOp) approach, a key lever of the CSP aimed at increasing production capacity and reducing production costs.

Inspired by the best industrial practices—particularly the Japanese model (Toyota)—this approach is built on three pillars:

- **Operational System**, with standardization of methods, autonomous and preventive maintenance, and continuous process improvement;
- **Management Infrastructure**, including management routines, visual management, field animation, and team involvement;
- **Human Capital**, with training, communication, and coaching actions, along with optimized resource planning.



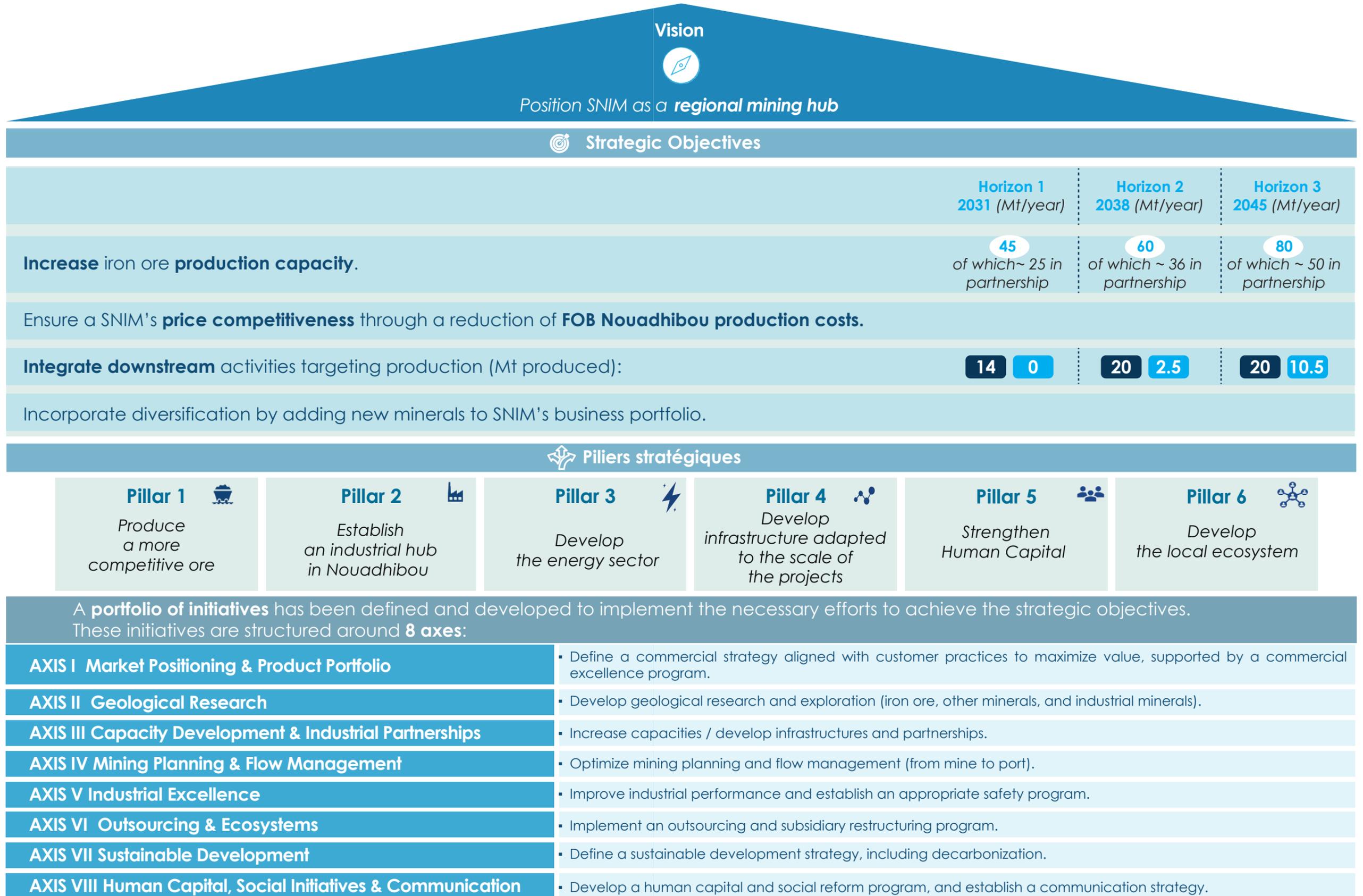
The ExOp approach allows particularly :

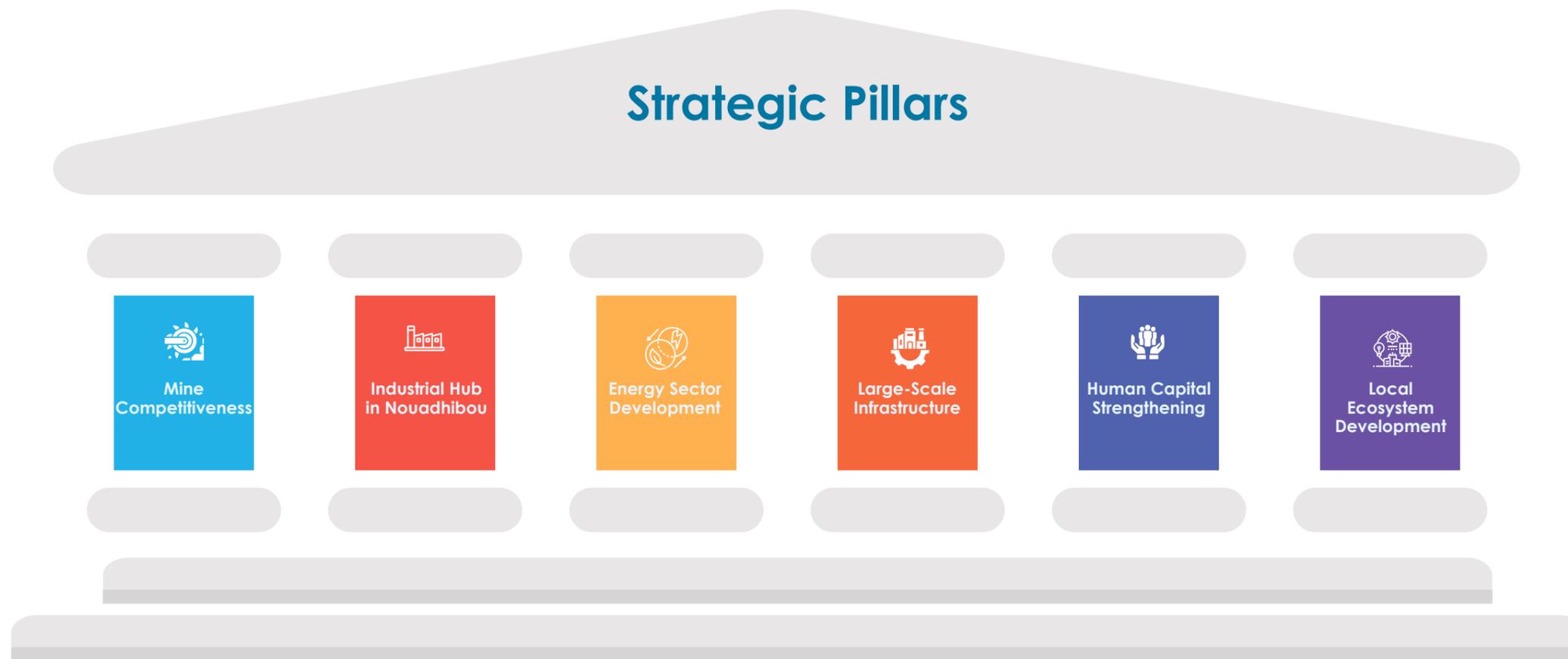
- **Reduced unplanned downtime**, through greater equipment reliability;
- **Improvement of product quality**, via root cause analysis and the integration of quality control routines;
- **Cost reduction**, thanks to waste elimination, optimization of specific consumptions (diesel, electricity, water), and better procurement management.

A performance management system based on the **SQDC model** is also being implemented, allowing rigorous monitoring of indicators :

- **S – Safety**: compliance with standards and anomaly mitigation;
- **Q – Quality**: conformity rate of finished products;
- **D – Delivery (Production)**: achieved tonnage, TRG, planned/unplanned stoppages;
- **C – Cost**: input consumption and extraction cost per ton.

Structure of the Corporate Strategic Plan





Mine Competitiveness:

SNIM aims for a significant leap in the competitiveness of its mines. This includes operational excellence, scaling up new projects, and applying optimal extraction and processing techniques. Extensive electrification based on renewable energy is also a crucial aspect to reduce energy costs and enhance the sustainability of mining operations.

Industrial Hub in Nouadhibou:

Nouadhibou is set to become a major industrial hub for the processing of high-grade ore. This project includes reliable provision of necessary utilities, access to regional and global logistics, as well as integrated services such as human resources projects. The goal is to create a complete industrial environment that supports local ore processing.

Energy Sector Development :

The development of the energy sector is identified as a key factor for competitiveness and decarbonization. SNIM plans to use competitive renewable electricity and develop an interconnected network. Natural gas will be used as fuel, with future exploration of green hydrogen for downstream operations. These initiatives will help stabilize the national electricity system and reduce carbon emissions.

Large-Scale Infrastructure:

Strengthening infrastructure is essential to support production growth. The dredging project of the access channel to the Nouadhibou mineral port now allows this key facility to load ships with a tonnage of up to 230,000 tons. The port's draft has been increased to 18.3 meters, and the channel length extended to 25 kilometers.

Human Capital Strengthening:

SNIM places special emphasis on human capital development. Continuous training programs, initiatives to improve working conditions, and social reforms are in place to support employees. The goal is to strengthen skills and ensure a safe and healthy working environment.

Local Ecosystem Development:

Developing the local ecosystem is a priority for SNIM. This includes social and environmental responsibility projects aimed at improving the living conditions of local communities. The company is committed to working closely with local stakeholders to develop sustainable initiatives that benefit both the company and the communities.



2

KEY MOMENTS OF
2024

2. KEY MOMENTS OF 2024

Highlights

Key figures of the logistic and commercial activity:

In 2024, SNIM recorded strong logistics activity with 166,962 wagons transported, 99 ships loaded, and a total of 14,226,000 tons of ore sold. Exports reached 12 countries, confirming the international scope of the company's commercial operations and the diversification of its client base in a highly competitive context.



Partnership for green hydrogen:

On June 4, 2024, SNIM signed a Memorandum of Understanding with CWP Global (as part of the AMAN GREEN ENERGY project) to study the creation of a direct reduction plant using green hydrogen. This project is part of SNIM's strategy to process ore locally and contribute to the development of a green steel sector in Mauritania.



Box 1: SNIM : key player in Mauritania's energy transition

include decarbonization, promoting the energy mix with an increased share of renewable energy, and developing a green hydrogen sector...

In the field of renewable energy, SNIM continues to invest in this high-potential sector. To date, it has a production capacity of 19.4 MW, comprising 15 MW of solar power in Zouerate and 4.4 MW of wind power in Nouadhibou.

Exploration efforts are already underway through partnerships with major operators, particularly targeting the production of high value-added iron ore (DRI/HBI) with a low carbon footprint.

Natural gas operation: SNIM is also involved in leveraging local natural gas for the production of relatively low-cost electricity.

These strategic actions confirm SNIM's commitment to aligning its development with national sustainability and energy transition objectives.

First breakthrough in the Egyptian market:

In September 2024, SNIM exported for the first time a shipment of 153,214 tons to Egypt, marking an historic stage in the diversification of its markets. This new market adds to those of Algeria, Eastern Europe, and Australia, in line with the objectives of the Corporate Strategic Plan (CSP).



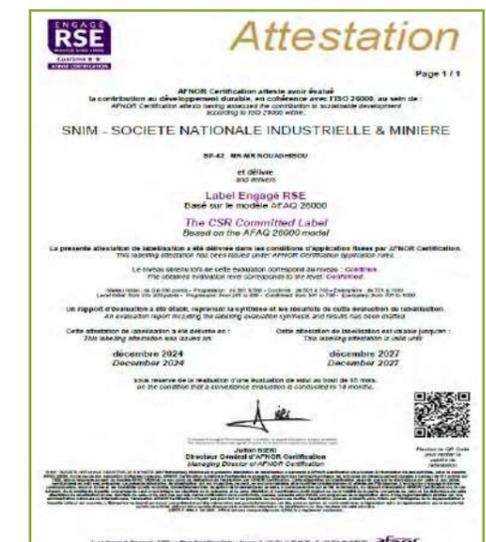
Logistic enhancement: commissioning of a new loading Line :

Inaugurated on November 29, 2024, by the President of the Republic, the new loading line at the Nouadhibou mineral port strengthens the port's loading capacity. Equipped with a 6,000-ton/hour bucket wheel and a 1,200-meter conveyor network, this self-financed infrastructure (€15.6 million) aims to double loading throughput, enhance safety, improve logistical flexibility, and support the expected production increase in the coming years.



Renewal of ISO 14001, ISO 9001 Certifications and the Committed CSR Label:

In June and July 2024, SNIM renewed its ISO 9001 (quality) and ISO 14001 (environment) certifications, reaffirming its ongoing commitment to operational excellence, environmental protection, and continuous performance across all its activities. In the same year, SNIM also renewed its Committed CSR label certificate at the "confirmed" level.





3

COMMERCIAL PERFORMANCE

COMMERCIAL ADAPTING TO
A NEW ECONOMIC CYCLE

3. COMMERCIAL PERFORMANCE : COMMERCIAL ADAPTING TO A NEW ECONOMIC CYCLE

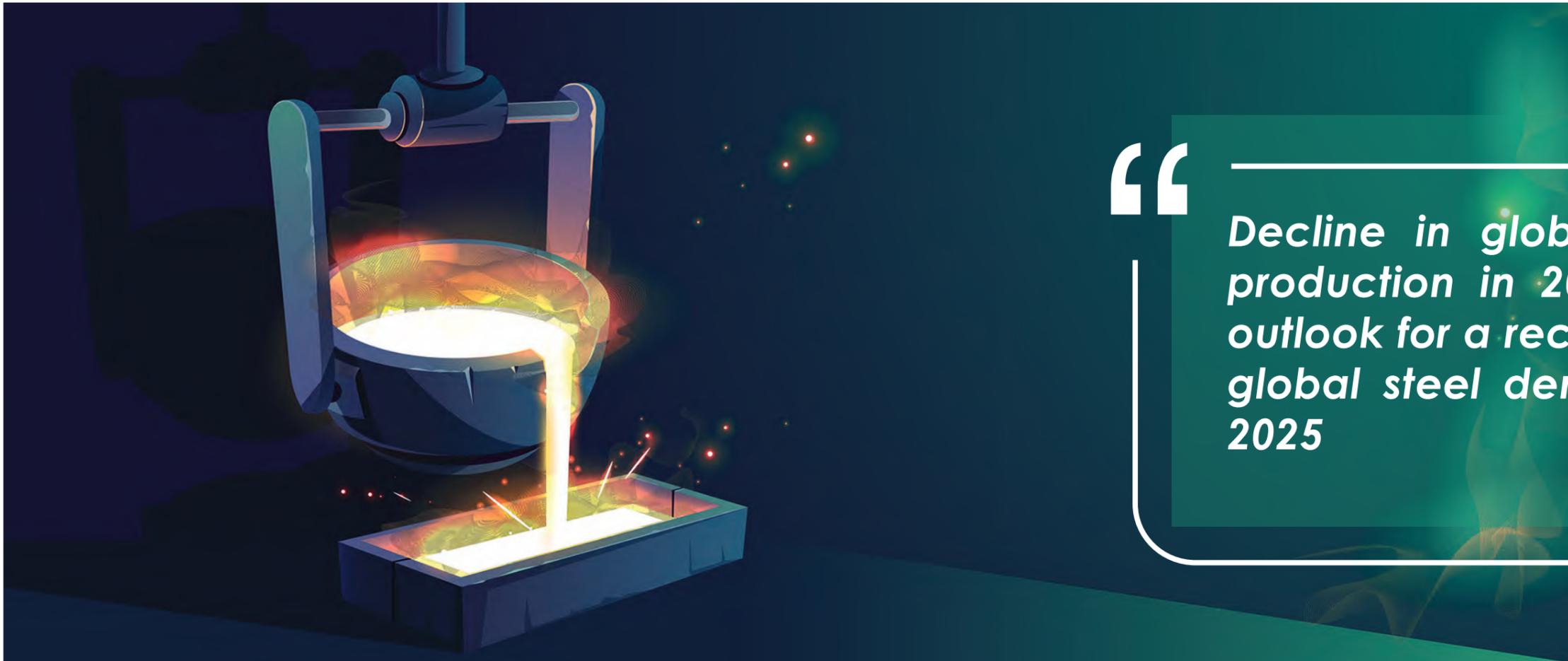
Global Economic Context

In 2024, the global economy experienced stable yet moderate growth of 3.2%, slightly below the historical average of 3.7% observed between 2000 and 2019, in a context marked by the gradual normalization of monetary policies and persistent geopolitical tensions. According to the IMF, this trend is expected to continue in 2025 and 2026, with a projected growth rate of 3.3%, while global inflation is forecast to decline from 4.2% in 2025 to 3.5% in 2026, paving the way for a more relaxed monetary environment. The regional dynamics remain uneven: The United States is expected to rebound with 2.7% growth in 2025, driven by strong domestic demand while the Eurozone should see only modest expansion, around 1% in 2025. Emerging economies, particularly China, are experiencing a moderate slowdown. The main downside risks include persistent geopolitical tensions, protectionism, fiscal im-

balances, and the economic impacts of climate change, underscoring the importance for economic actors such as SNIM to adopt a resilient strategy focused on diversification, rigorous risk management, and strong fundamentals. Political uncertainty is expected to increase in 2025, fueled by the numerous leaders changes occurred in 2024. Among the major risks to global economy are the worsening of trade tensions and a renewed wave of protectionism that could slow growth and disrupt supply chains. In the United States, fiscal easing could support short-term activity though it may lead to long-term financial imbalances. Meanwhile, heightened geopolitical tensions, more persistent inflation driven by volatile raw matters prices, and potential monetary tightening could further reinforce the global uncertainty climate, calling for cautious risk management across the world.



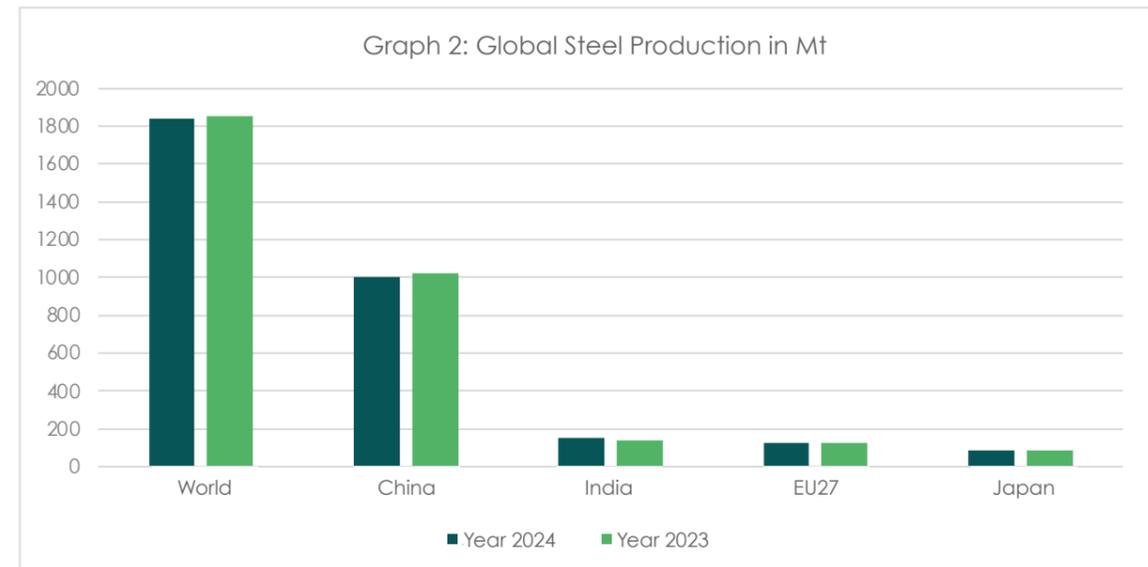
Steel industry



Decline in global steel production in 2024, but outlook for a recovery in global steel demand in 2025

In 2024, global steel production recorded a slight decline of 0.9% compared to the previous year, reaching 1.839 billion tons, according to Worldsteel data. This drop was mainly driven by the slowdown in China, resulting from the persistent weakness of demand in the real estate sector and the shrinking margins of Chinese steelmakers, despite the support measures implemented by the authorities. However, the outlook for 2025 and beyond appears more favorable. Global steel demand is expected to grow by an average of 1.3% per year over the 2024–2026 period, supported by the gradual easing of

monetary policies in advanced economies, which should boost demand recovery as early as 2025 — despite ongoing fragility in China's real estate market. The strongest dynamics are expected in South and Southeast Asia, particularly India, as well as in the Middle East and North America. In this context, global steel production is projected to begin a gradual recovery, with an estimated increase of 0.9% in 2025 and 1.3% in 2026, supported by the implementation of new steel projects across several regions of the world, notably in Asia, North America, Europe, and the Middle East.



Box 2: China in 2024 – Export Surplus Amid Domestic Fragility

In 2024, China produced 1.005 billion tons of steel, representing a %1.7 decline compared to 2023. This slight contraction is largely explained by the continued weakness of the real estate sector, which accounts for around %30 of domestic steel demand. New construction projects dropped by %22 by the end of September, while new housing starts fell by %20 since the beginning of the year. Despite this weakened domestic demand, steelmakers saw a slight improvement in their situation toward the end of the year, supported by economic stimulus measures and a growing shift toward advanced manufacturing industries.

In this context, Chinese steel exports rose sharply, reaching 110.7 million tonnes, an increase of %22 compared to 2023, marking their highest level since 2019. This export surge was accompanied by a decline in domestic prices, with some products hitting their lowest levels since 2017. At the same time, the risk of tougher international trade sanctions has increased, particularly looking ahead to 2025.

Prospects for the coming year remain characterized by fragile domestic demand, especially in real estate, and a likely acceleration of exports before trade tensions intensify. For the first time in six years, China's share of global steel demand could decline. Moreover, deep structural changes are emerging in global demand, driven by the shift toward green technologies and the slowdown in construction, pointing to a gradual reconfiguration of the global steel market.

Box 3: The European Steel Industry Under Pressure

In 2024, steel production in the European Union (EU27-) reached 129.49 million tons, up %2.6 from 2023 but well below the annual average of 149.48 million tons recorded over the 2022–2018 period. This modest rebound masks disparities among countries: Germany posted growth of %5.2, producing 37.2 Mt, while Italy saw a %5 decline, dropping to its lowest level since 2009 at 20 Mt.

Despite this temporary improvement, apparent steel consumption in the EU fell by %2.3 in 2024, according to EUROFER, which forecasts a moderate recovery of %2.2 in 2025. The European steel industry continues to face major challenges: high import levels, large inventories, sluggish domestic demand, and the implementation of the Carbon Border Adjustment Mechanism (CBAM), designed to protect European producers from imported emissions. In response, calls to cut import quotas for flat products by %50 are multiplying.

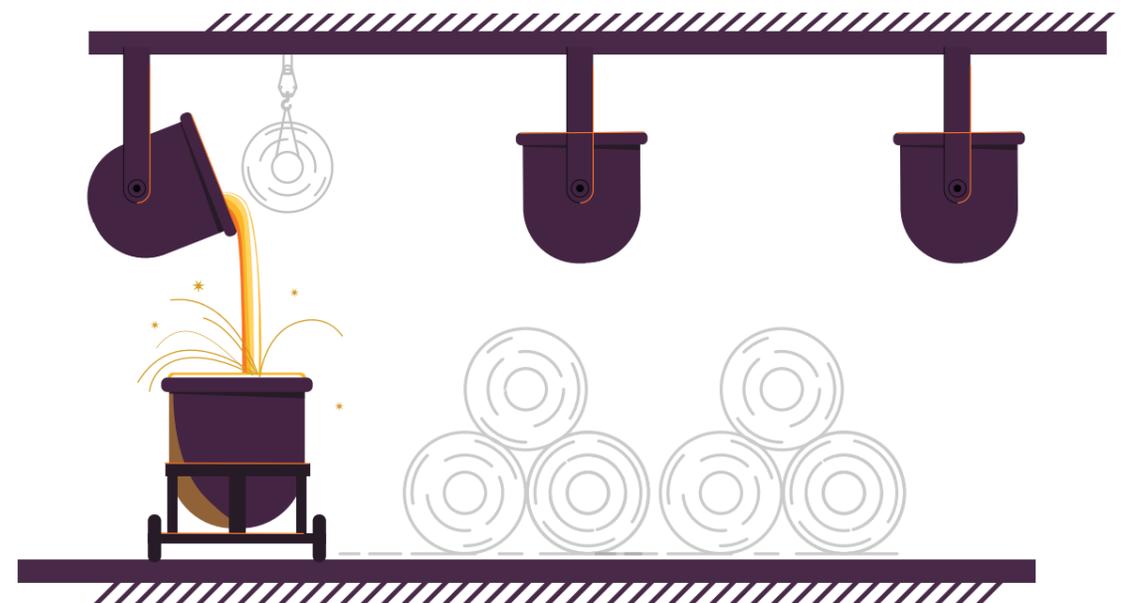
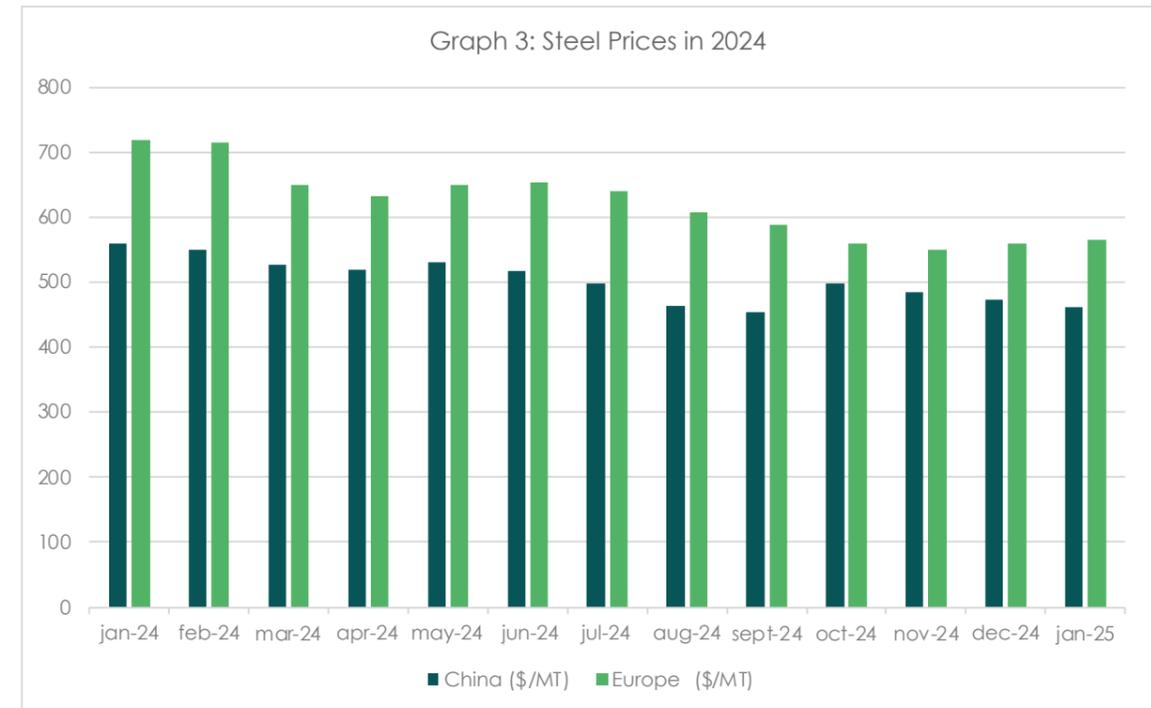
This situation unfolds in a global context marked by an estimated production overcapacity of 500 million tons in 2023, according to the OECD, further intensifying competitive pressure on the European industry.

Comparative Trends in Steel Prices in China and Europe

Amid imbalances between supply and demand on both sides of Eurasia, steel prices followed contrasting paths over the course of 2024.

In China, the continued weakness of the domestic market contributed to a gradual decline in prices, enhancing export competitiveness. In Europe, despite a slight rebound in production, sluggish demand and regulatory uncertainties also exerted downward pressure on prices, particularly in the second half of the year.

The chart below illustrates the monthly evolution of steel prices in China and Europe, expressed in U.S. dollars per metric ton (MT), throughout 2024.



The Iron Ore Market

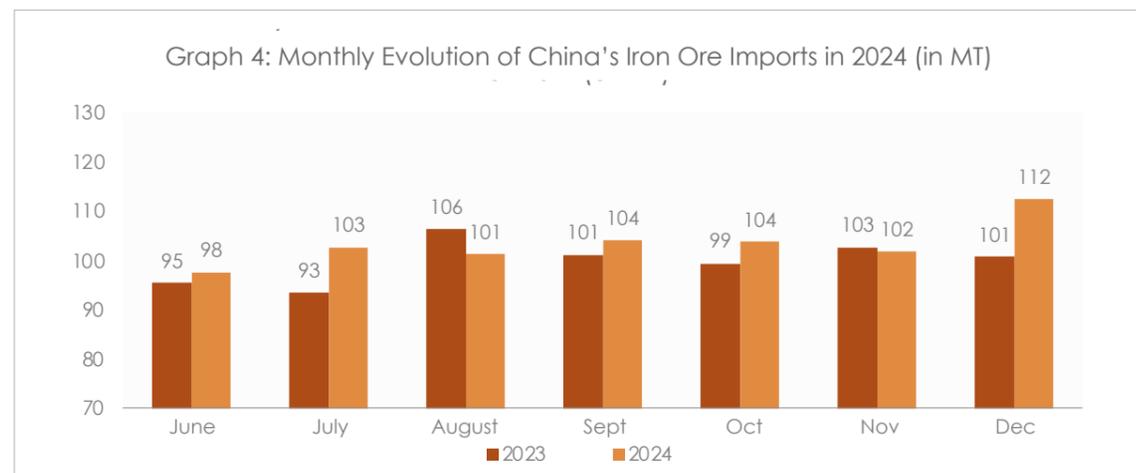


In 2024, iron ore prices remained under pressure, primarily affected by sluggish Chinese steel demand. Despite economic stimulus measures introduced in China during the fourth quarter, prices did not experience a sustained increase, reflecting continued market caution.

Volatility characterized the year as a whole, with prices falling by 27% since the beginning of 2024. A rebound was nevertheless observed in October, when prices climbed back above the USD 100/t threshold, supported by fiscal and monetary stimulus measures in China. However, prices then fluctuated between USD 98 and USD 107/t until the end of the year, showing no clear upward trend.

Global supply remained abundant. The world's "Big Four" producers, Vale, Rio Tinto, BHP, and Fortescue, maintained high output levels, contributing to a 3.6% increase in global seaborne shipments compared to 2023, reaching 1.7 billion tons.

On the Chinese side, imports hit a record 1.23 billion tons, up 5.1% from 2023, despite slowing domestic demand. This situation led to an accumulation of port inventories, which exceeded 150 million tons by the end of November 2024, reaching levels approaching five-year highs.



Short-term prospects remain moderate. In 2025, market players expect continued volatility, with a consensus price around USD 97.45/t. However, occasional price increases remain possible depending on economic dynamics in China.



In this context, markets remain cautious. Market players anticipate a decline in iron ore prices in 2025, with a consensus around USD 97.45/dmt. However, as was the case in 2024, occasional price spikes are expected.

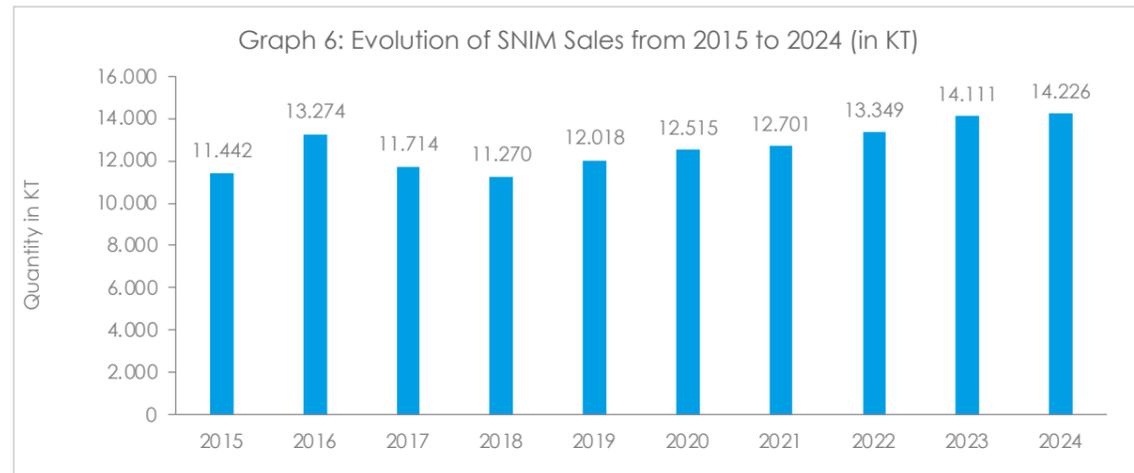


Sales

In 2024, SNIM achieved a historic performance with a record sales volume of 14.226 million tons, strengthening its position in international markets. This success is part of a continuous growth trend observed over the 2019–2024 period, marked by a steady increase in marketed volumes, reflecting the robustness of its

business model and its ability to adapt to developments in the global market.

At the same time, SNIM continued its strategic expansion, notably in North Africa, with a strengthened presence in Algeria, two years after a successful re-establishment.



For 2025, the sales target is set at 14.7 Mt. SNIM plans to strengthen its presence in its traditional markets while adopting a diversification strategy that includes consolidating its position in the Middle Eastern market.

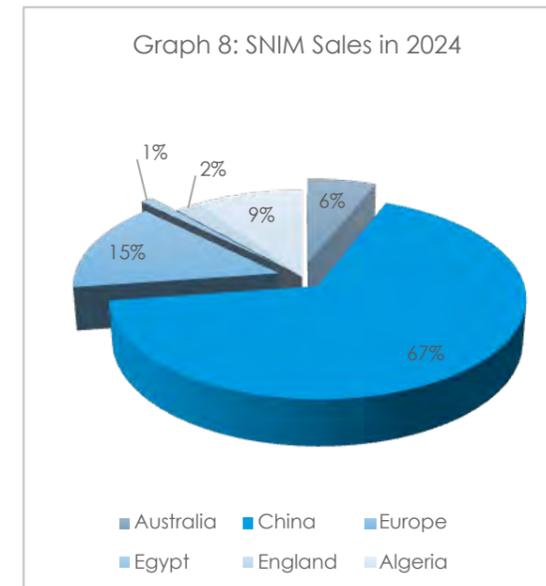
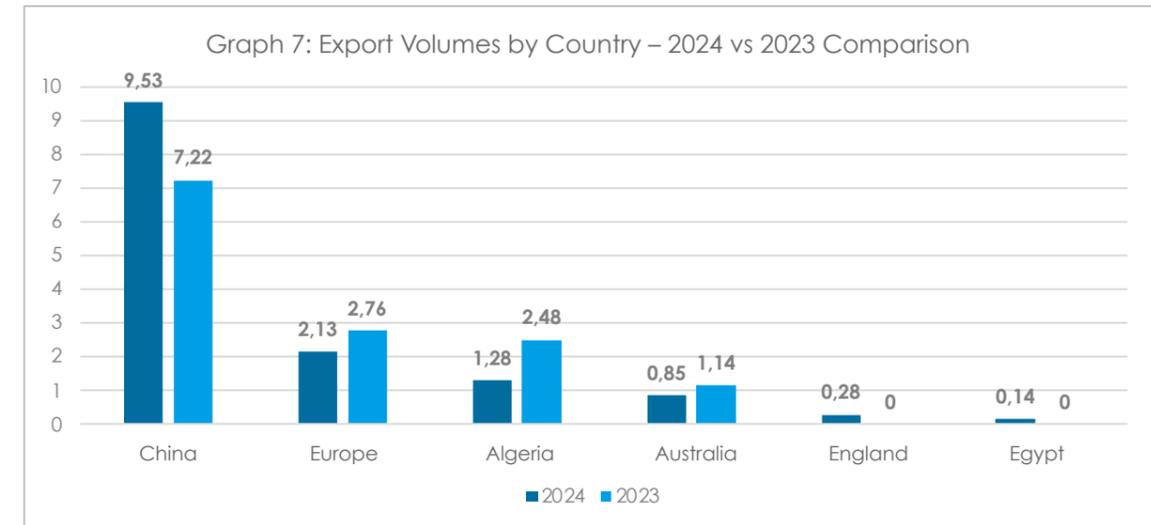


Breakdown of Sales by Geographical Area

The geographical breakdown of SNIM's sales for fiscal years 2023 and 2024 highlights the evolution and dynamics of the company's commercial strategy.

In 2024, a stronger focus on the Chinese market was observed, accounting for

67% of SNIM's sales. Europe maintained a substantial share at 15%, while Algeria—now listed separately—received 9%. Australia remained stable at 6%, and Egypt (2%) emerged as a new market to watch.





4

**2024 PRODUCTION,
A SUSTAINED MOMENTUM**

4. 2024 PRODUCTION, A SUSTAINED MOMENTUM

SNIM has implemented a Corporate Strategic Plan aimed at strengthening its operational performance and diversifying its product portfolio. This plan covers the entire value chain, from geological exploration to marketing, including mining operations, ore processing, rail transport, and port activities. Thanks to targeted investments in mining equipment, processing plants, port infrastructure, and other facilities, the company has significantly improved its productivity.



Our Value Chain :

Geological exploration and deposit discovery



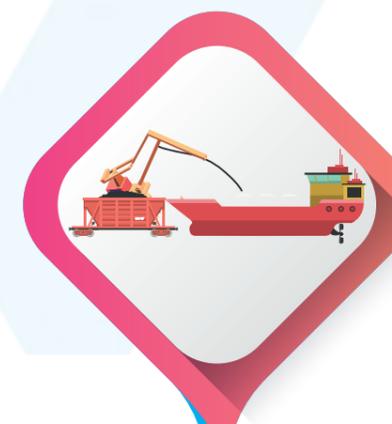
Earthworks



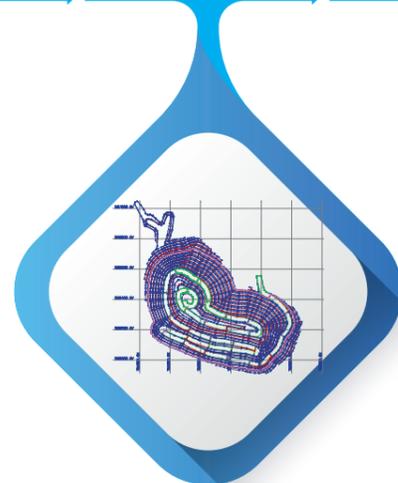
Ore transport from the mine to the port



Ship loading



Deposit modeling, planning, and development



Ore processing



Ore Homogenization and Storage



Marketing and sales



Geological Exploration and Deposit Discovery

Box 4: Focus on Geological Exploration – A Driving Force for SNIM

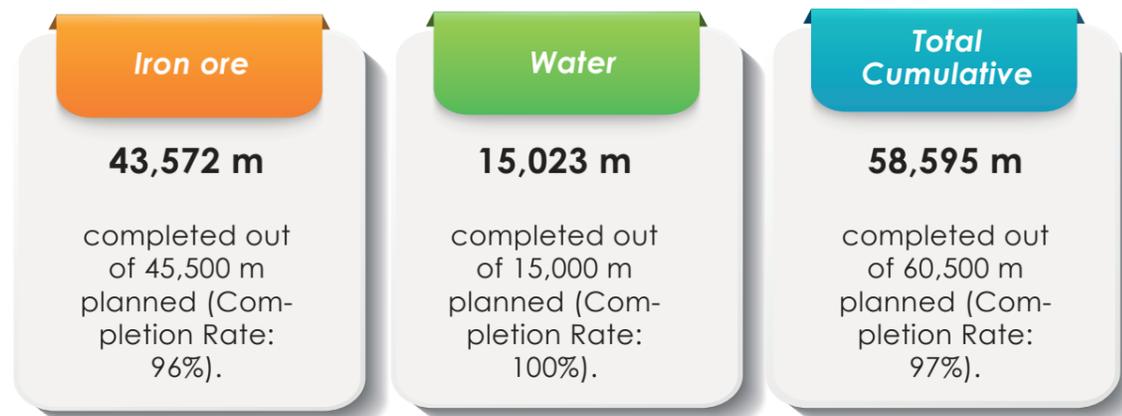
Geological exploration is a key pillar of SNIM's Corporate Strategic Plan (CSP). It is essential for developing new resources, securing reserves, and diversifying activities. This function encompasses all scientific studies and operations aimed at locating, characterizing, and evaluating exploitable mineral deposits.

The process unfolds in several key phases: strategic exploration (understanding the geological context and identifying prospects), tactical exploration (detailed mapping and sampling), target verification and selection (fieldwork to confirm mineralization), resource evaluation (drilling and 3D modeling to define grade and tonnage), and technical and economic studies (estimating reserves and assessing feasibility).

SNIM's geological and hydrogeological exploration activities intensified in 2024, with ongoing campaigns notably at Kedia and Guelb El Rhein for iron ore, and south of Akjoujt for gold and base metals.

← Meters Drilled in 2024

The 2024 drilling campaigns achieved a high completion rate compared to forecasts :



← Iron ore

The research conducted in 2024 revealed significant progress. At Kedia, the TO14 zone showed a more than 50% increase in its resources compared to previous data, while a discovery of new high-grade hematite resources was made at Passe Tazadit.

At Guelb El Rhein, resources also increased by +35%. About the new mineral resources discovered in 2024, hematite was located at TO14 and Passe Tazadit, and magnetite was located at Guelb El Rhein.



← Water

Water resources were actively explored and identified in 2024 in the following areas: For freshwater, resources were located at TO14, MH3, and Khreiza. For

brackish water, resources were found at the sites of Tarf Srey, Bathete Tazadit, Bathete Sbatt, Erguiya, and Tiguelalten.



← Diversification: Gold and Base Metals

As part of its diversification efforts, exploration for gold and base metals in the southern region of Akjoujt continued in

2024, and the exploration efforts continue to reveal promising signs.

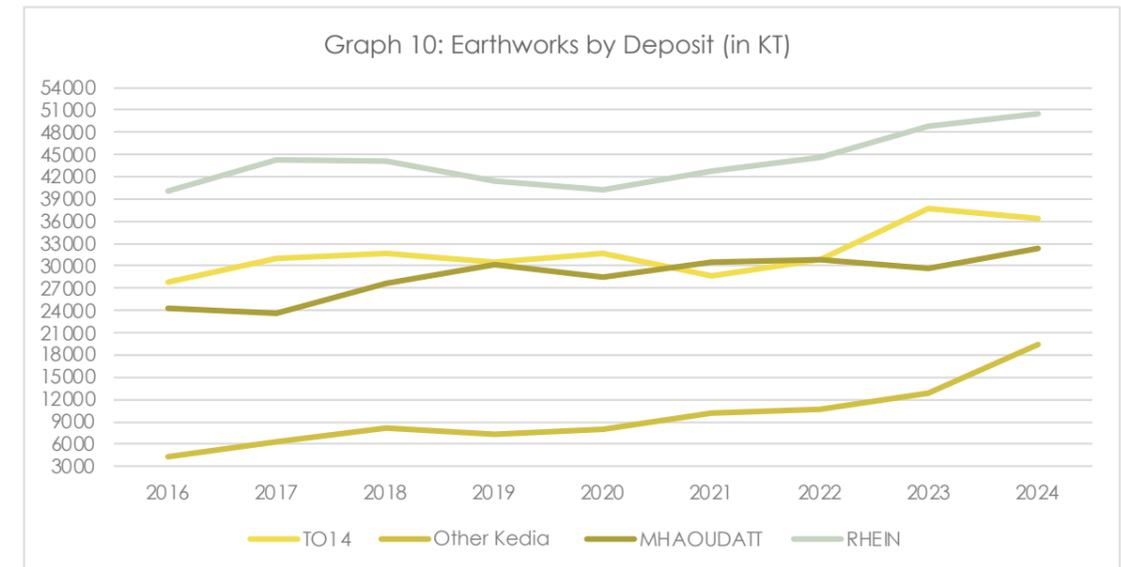
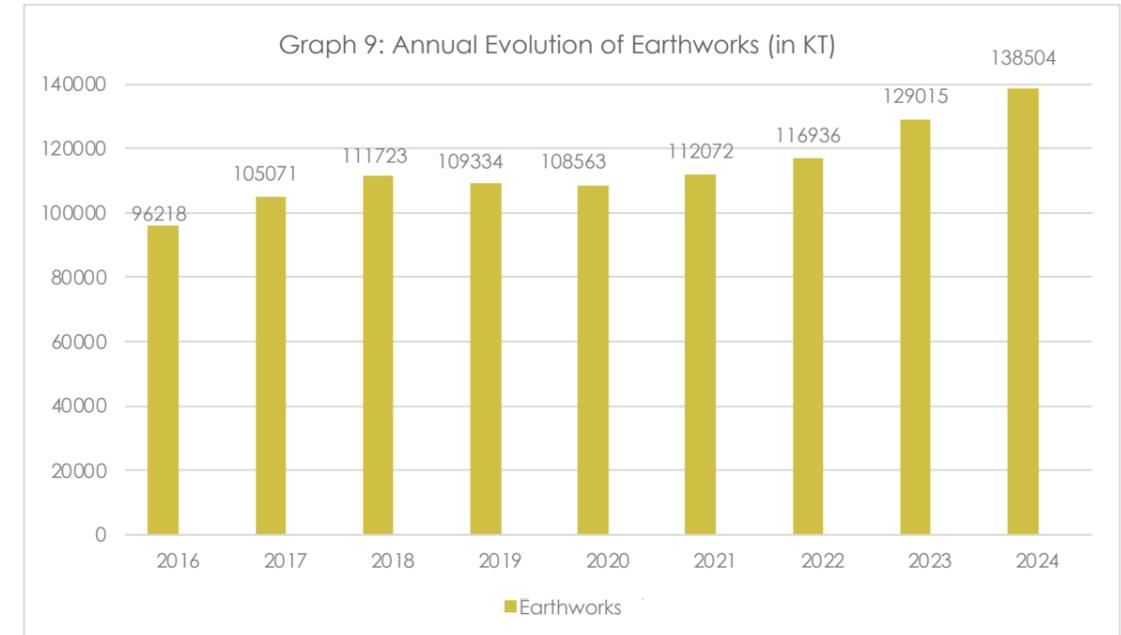
Ore extraction

Earthworks



Earthworks are a fundamental stage in SNIM's mining operations. They consist of removing the overburden (materials with no economic value) that covers the iron ore deposits.

This phase is essential for preparing the mining sites and is closely linked to the drilling, blasting, loading, and hauling processes within the mine.



The year 2024 was marked by a notable acceleration in earthworks activities, with a total volume reaching 138.5 million tons, representing an increase of 7.4% compared to 2023. This record level reflects the efficiency gains achieved on the operational front, particularly through the strengthening of technical capacities and the continuous improvement of equipment performance.

This momentum is supported by better equipment availability, targeted modernization

of strategic machinery, and enhanced skills among the drilling and loading teams.

Operations across the various sites were optimized, with particularly strong contributions from the RHEIN deposit, whose production has continued to grow significantly since 2022. The TO14 and Mhaoudate sites also maintained high activity levels, both in terms of extracted volumes and operational consistency, while other areas of the Kédia sustained controlled growth.

Moreover, the adjustment of mining plans and the rigorous management of operations helped consolidate overall performance, ensuring a more efficient use of available resources.

This progress demonstrates SNIM's ability to adapt its industrial system to meet the growing demands of competitiveness and sustainability.



Crushing

In 2024, the overall production of the crushers recorded an increase of 2.6% compared to the previous year, reaching 24.7 million tons, up from 24.0 Mt in 2023. This result represents a new all-time record, reflecting the continued upward momentum of industrial performance in this key segment of the value chain.

This positive evolution is attributed to the optimization of existing facilities, particularly at certain strategic sites, as well as to targeted technical improvements that increased throughput and enhanced the quality of finished products. The Rhein and TO14 sites made a particularly strong contribution to this growth, supported by increased capacity and greater operational stability.

In addition, efforts to strengthen local autonomy in equipment maintenance and assembly helped accelerate the commissioning of new units and improve industrial flexibility. The year was also marked by sustained fines production, confirming the ongoing improvements in both quality and consistency of production.

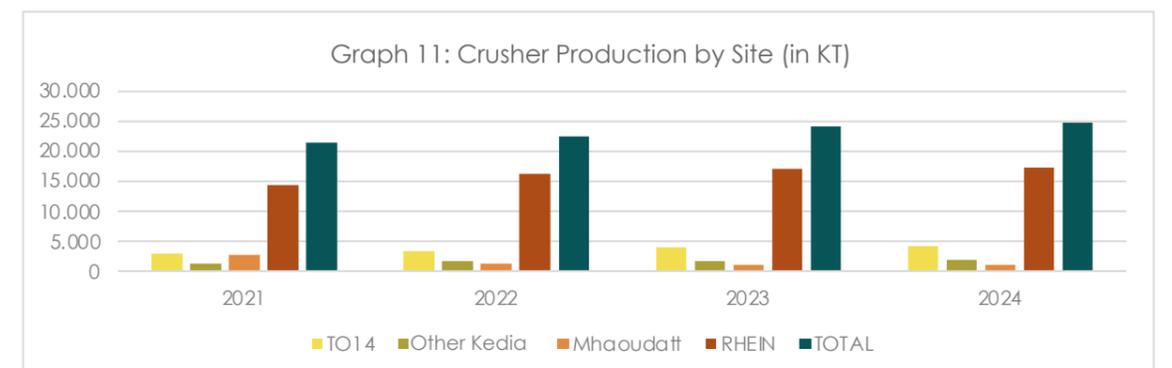
Crushing is a key preliminary stage in SNIM's value chain. This operation aims to break down the raw extracted ore into finer particle sizes, thereby greatly facilitating its transport and optimizing the efficiency of subsequent processing stages.

SNIM relies on state-of-the-art crushing equipment that ensures high standards of productivity and robust operational reliability.



Table 4: Annual Evolution of Crushing by Site (in T)

Plant or handling	2021	2022	2023	2024
TO14	2,909	3,375	4,094	4,299
Other Kédia	1,273	,1726	1,763	1,848
Mhaoudatt	2,732	1,210	1,165	,1208
RHEIN	14,423	16,203	17,027	1,7323
Total	21,337	22,514	24,049	24,678



Ore processing



In 2024, the total output of the processing plants reached **14.4 million** tons, confirming the upward momentum observed in recent years. The **Guelb plants** made a particularly strong contribution to this performance, achieving a record production of **7.0 million** tons, marking an increase of **1.2%** compared to 2023.

The **TO14** plant continued to improve its performance at a satisfactory level, while the **Nouadhibou** plant experienced a slight decrease in throughput, without significantly impacting the overall performance of the processing segment.

Table 5: Processing Plant Production from 2021 to 2024 (in KT)

Plant	2021	2022	2023	2024
GUELBS	6,002	6,547	6,916	7,000
TO14	1,731	2,205	2,623	2,660
Nouadhibou	5,326	4,482	4,879	4,778
Total	13,059	13,234	14,418	14,438



Box 5: Upgrading of Industrial Assets

GUELBI: OPERATION FOR REPLACING THE LOWER FRAME OF CRUSHER 1

The refurbishment of the lower frame of the primary crusher at the Guelb 1 Plant has been a major relief, not only for the workers of this key industrial facility but also for the entire SNIM production chain. Named ORBIC1 (Operation for Replacing the Lower Frame of Crusher 1), this extensive intervention was launched on November 11, 2024, with two main objectives :

1. Refurbishment of Crusher 1 and the equipment associated with the crushing circuit.
2. Refurbishment of the equipment in Plant 1's concentration circuit.

This initiative aimed to upgrade a production tool that is nearly 40 years old, in line with the orientations of the Corporate Strategic Program (CSP).

Overall, the objectives of ORBIC1 were achieved, as the lower frame was replaced and the primary crushing circuit restored, including the introduction of improvements.

Major maintenance operations at the plant were also carried out :

- Replacement of liners on Mill B
- Refurbishment of the mill air circuits
- Refurbishment of tipping cars in the

magnetic separation workshop

- Refurbishment of multiple accumulators and transfer systems
- Exceptional cleaning of the entire installation
- Renovation and electrical refurbishment work.

In all respects, ORBIC1 represented a large-scale mobilization of the workforce, with a peak of 200 people at the crusher and 825 at the plant. This extensive deployment of professionals from various backgrounds allowed the work to stay nearly on schedule, with 27 days at the crusher and 10 days at the enrichment plant.

ORBIC1 resolved a critical technical issue and breathed new life into a plant whose commissioning in the 1980s had been pivotal in securing SNIM's long-term operations.

Considered an unprecedented experience in managing major maintenance works, ORBIC1 was a large-scale operation in the framework of industrial asset refurbishment, in line with the CSP guidelines. It secured a key element of the production chain and enhanced the availability of facilities, thereby helping reduce the company's production costs.

The following table shows the production of the Guelb plants from 2021 to 2024 (in KT):

Table 6: Production of the Guelb Plants from 2021 to 2024 (in KT)

Plants	2021	2022	2023	2024
Plant 1	3,951	4,294	4,228	4,006
Plant 2	2,051	2,253	2,688	2,994
Total	6,002	6,547	6,916	7,000

Ore transportation

The transportation of iron ore represents a strategic and essential component of SNIM's value chain. It ensures the delivery of the finished product from the deposits located in the Tiris Zemmour region (Zouerate) to the mineral port of Nouadhibou for export. This operation is carried out primarily via a railway line stretching over 700 km. This rail line is internationally recognized as one of the longest and most intensively used for ore transport. At its terminus lies the Nouadhibou mineral port, specifically equipped with infrastructure dedicated to the efficient loading of mineral ships. Regular maintenance of this vital artery is crucial, given the considerable volume and immense weight of the ore trains that travel along it.

With this in mind, SNIM has undertaken modernization and capacity-building initiatives for its railway network, resulting in significant improvements in train availability, reliability, and safety. The rigor and quality of track maintenance have notably led to a marked reduction in train speed slowdowns.

At the same time, the workshops dedicated to wagon maintenance have also undergone substantial modernization. A new digital lathe, specifically designed for wheel reprofiling, along with a new wheel-press machine, have been commissioned. These state-of-the-art pieces of equipment ensure optimized wagon maintenance operations and uphold the highest standards of quality and safety across the entire ore transport system.



The year 2024 marked a major turning point in SNIM's logistics performance, with the transportation of a total volume of 14.3 million tons, a record level in the company's history. This increase is part of an upward trend that began in 2020, reflecting the company's continuous efforts to optimize the railway and port value chain.

This performance was made possible thanks to a significant improvement in the availability of rolling stock, the modernization of maintenance equipment, and the enhanced capacity of certain strategic links, both in infrastructure and in monitoring and management tools. The integration of new digital systems for rail traffic supervision and ener-

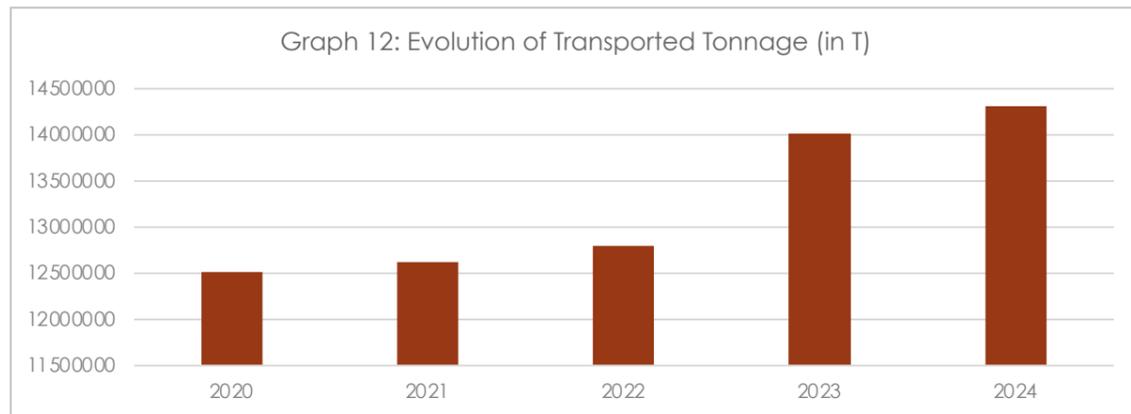
gy control has also strengthened operational efficiency, ensuring better flow management.

The reinforcement of loading capacity and the improvement of production facilities for railway components (sleepers, ballast, gravel) have further supported performance objectives, while contributing to the reliability and durability of the rail network.

← **Tonnage transported**

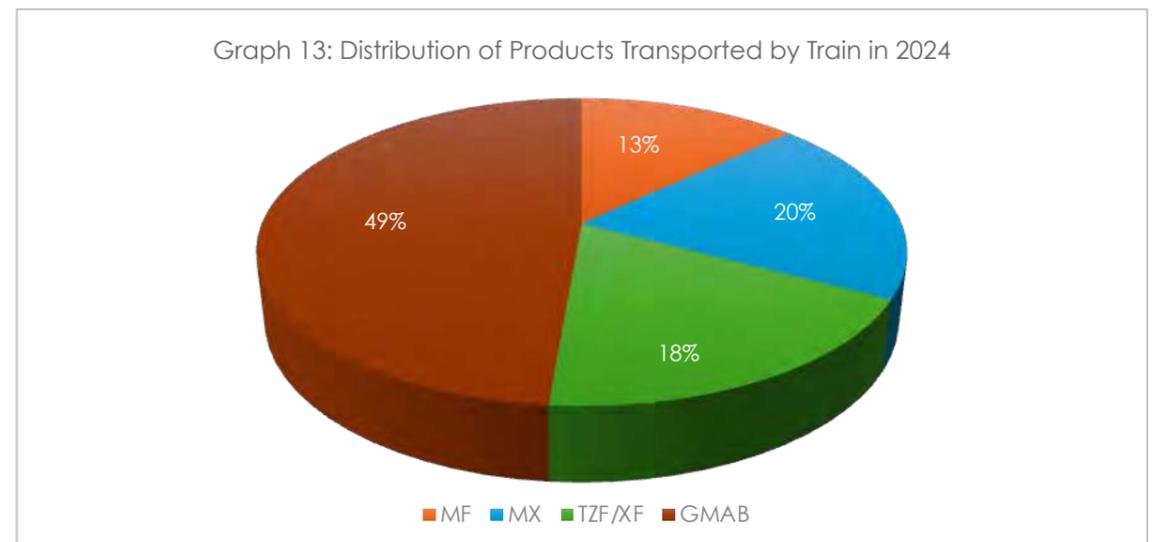
Table 7: Evolution of Transported Tonnage (in T)

Year	Tonnage (in Tons)
2020	12,515,312
2021	12,617,808
2022	12,790,213
2023	14,006,522
2024	14,307,526



← **Distribution of Transported Tonnage by Grade 2024**

MF	MX	TZF/XF	GMAB	Total
1,863,063	2,822,784	2,661,781	6,959,898	14,307,526



Supply and storage strategies

Supply strategy

SNIM's supply strategy is based on a rigorous cost-reduction program, commonly referred to as "Cost-Killing," aimed at minimizing expenses and optimizing the entire supply chain. To achieve these objectives, SNIM fosters privileged relationships with key suppliers, enabling it to better manage and mitigate the impact of disruptions occurring at the international level.

This proactive approach ensures the security of supplies of energy products and spare parts, which are essential for the continuity of operations and the execution of strategic investments. To further strengthen this security, SNIM continuously diversifies its sources of supply, thereby reducing dependence on specific suppliers and mitigating risks associated with market fluctuations.

Inventory management is optimized through the implementation of early-warning mechanisms, allowing potential supply chain disruptions to be anticipated and managed. In addition, the creation of buffer stocks of critical components, the development of close relationships with reliable suppliers, and the establishment of emergency protocols for rapid delivery in case of need are effective corrective measures to ensure a continuous supply of spare parts.

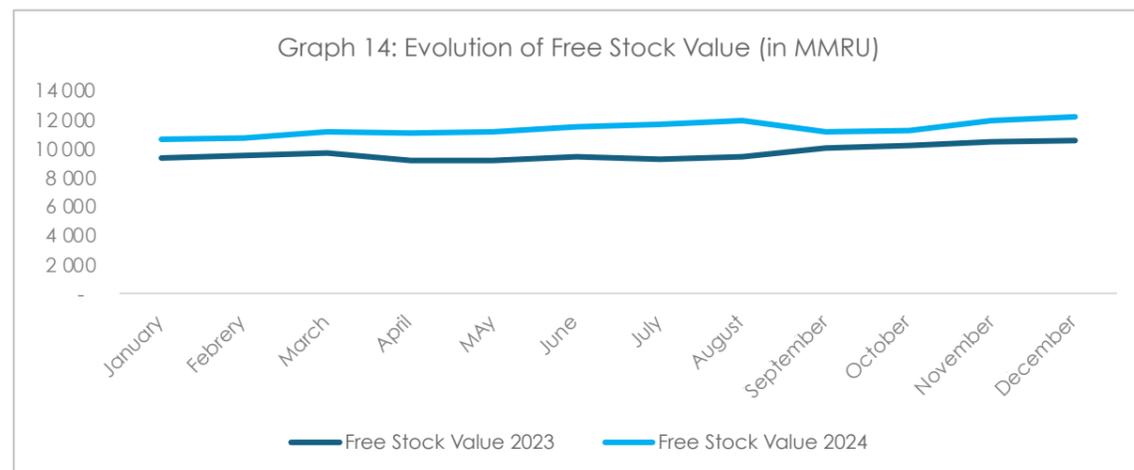
At the same time, the digitization of procurement processes and preventive maintenance play a key role in reducing the urgent demand for spare parts. These initiatives not only extend the lifespan of equipment but also improve its durability, thereby contributing to a more efficient management of the company's resources.

Free stock

At the end of 2024, the value of free stock recorded a significant increase of 16% compared to the previous year. This growth is attributable to a dual factor: on one hand, the effect of the Weighted Average Unit Price (WAUP) accounts for 53% of this increase; on the other hand, the remainder is due to a strategic reinforcement of reserves in key items, such

as spare parts for mining equipment, tires for mining trucks, diesel, fuel oil, and belts.

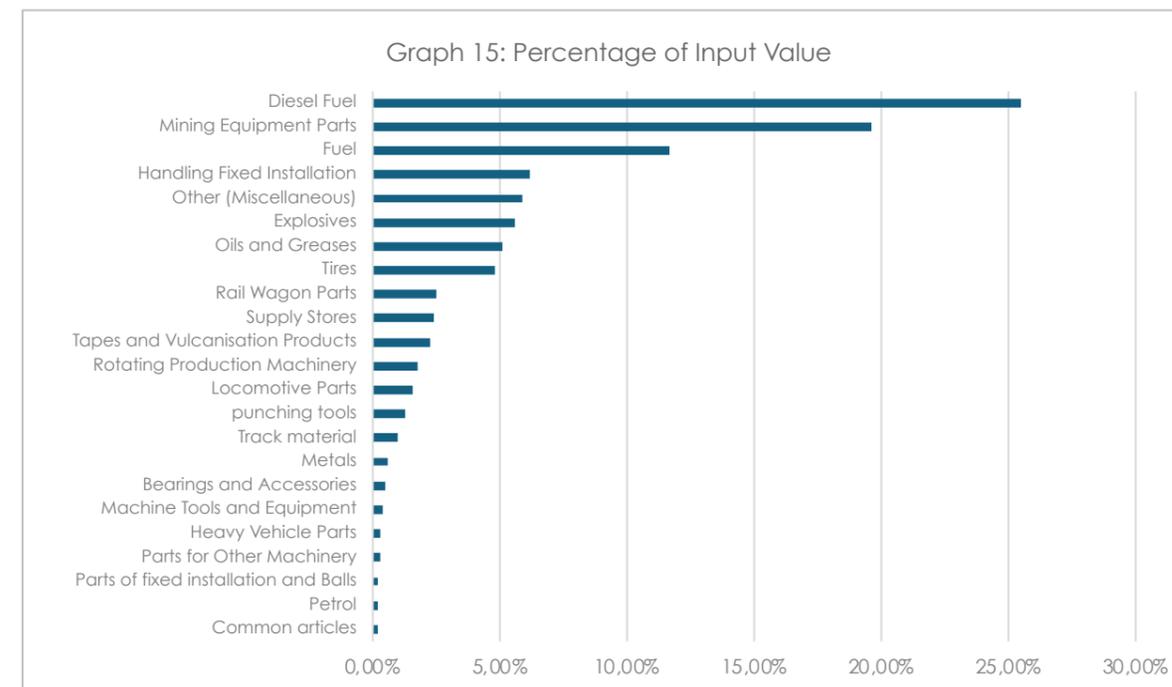
The evolution observed over the year, as shown in the graph of free stock value, indicates that 2024 maintained a higher value than 2023, reflecting proactive supply management to support the company's operations.



Distribution of Operating Purchases by Product

Operating inputs in 2024 reflect a well-defined structure of operational expenditures. As detailed in the table showing the breakdown by product category, major items such as diesel (25.5%), mining equipment parts (19.6%), and fuel oil (11.7%) constitute the most significant components of costs. Other important categories

include fixed handling installations, explosives, oils and greases, as well as tires, which together represent a substantial share of the activity. This breakdown is essential for understanding the dynamics of consumption directly related to the company's mining operations.

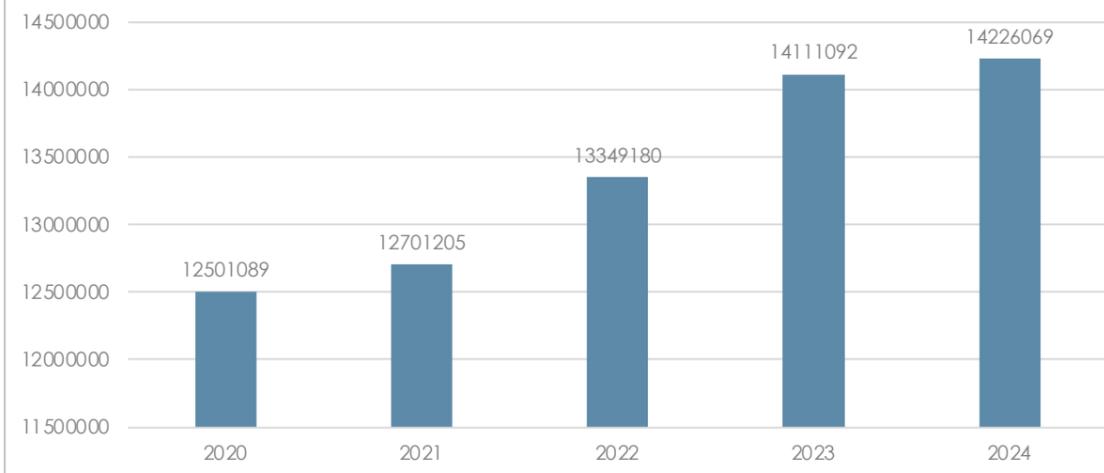


Ship loading

The 0.81% growth in ship loading in 2024 is a tangible result of the strategic investments and infrastructure improvements implemented by SNIM in previous years. The dredging and modernization projects have not only increased the capacity of the mineral port but also enhanced its efficiency and flexibility, thereby enabling continuous performance and meeting the growing demands of the market.



Graph 16: Evolution of Loaded Tonnage (in tons)



Box 6: New Ship Loading Line Project



SNIM reached a major milestone in the modernization of its logistics infrastructure with the inauguration, on November 29, 2024, of the new ship loading line at the Nouadhibou mineral port. Presided over by His Excellency Mr. Mohamed Ould Cheikh El Ghazouani, President of the Republic, this strategic facility represents an investment of €15.6 million from SNIM's own funds.



Equipped with a nominal capacity of 6,000 tons per hour, the new line includes a bucket wheel, a 1.2 km conveyor system, and a set of transfer towers. Its deployment is aimed at significantly increasing loading throughput while enhancing the safety and flexibility of port operations. Complementary to the previously completed dredging of the access channel, which now allows vessels of up to 230,000 tons to dock safely, this project aligns port capacities with the

upstream production chain (notably the TO14 facilities and the increased production from Guelb 2).

This initiative fully reflects SNIM's ongoing modernization efforts and prepares its infrastructure for future production growth, which constitutes a key pillar of the Corporate Strategic Program (CSP).

Quality management

SNIM's cargo quality control efforts were recognized with a record quality score of 9.7/10.

Cargo quality ratings are based on chemical and granulometric criteria, in accordance with the contractual specifications agreed upon with the client.

Customer satisfaction remains a key commercial priority. It is measured based on product quality, the minimization of port stay days, and the resolution of customer claims.

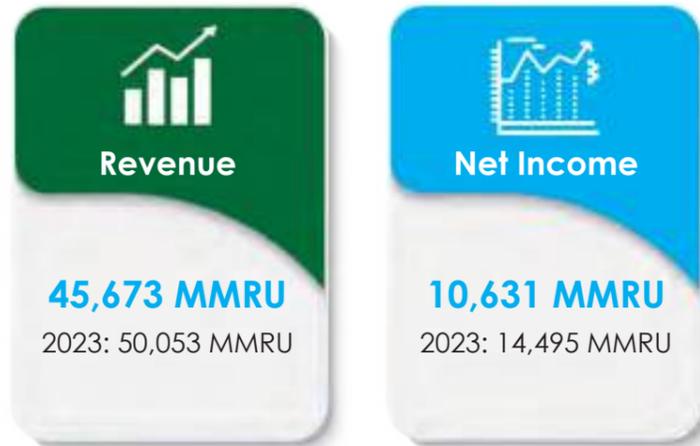
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FINANCE
DEPARTMENT



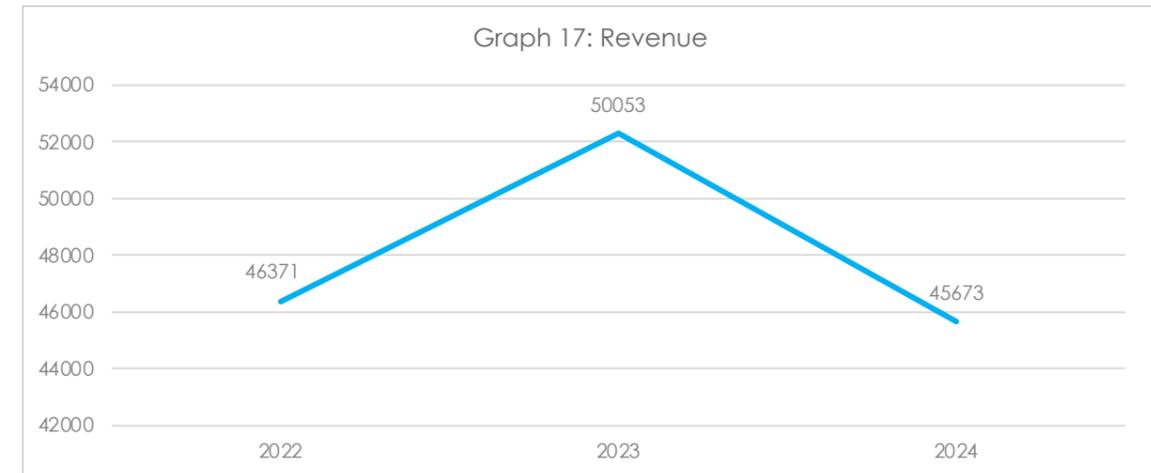
5. FINANCE DEPARTMENT

Key Figures



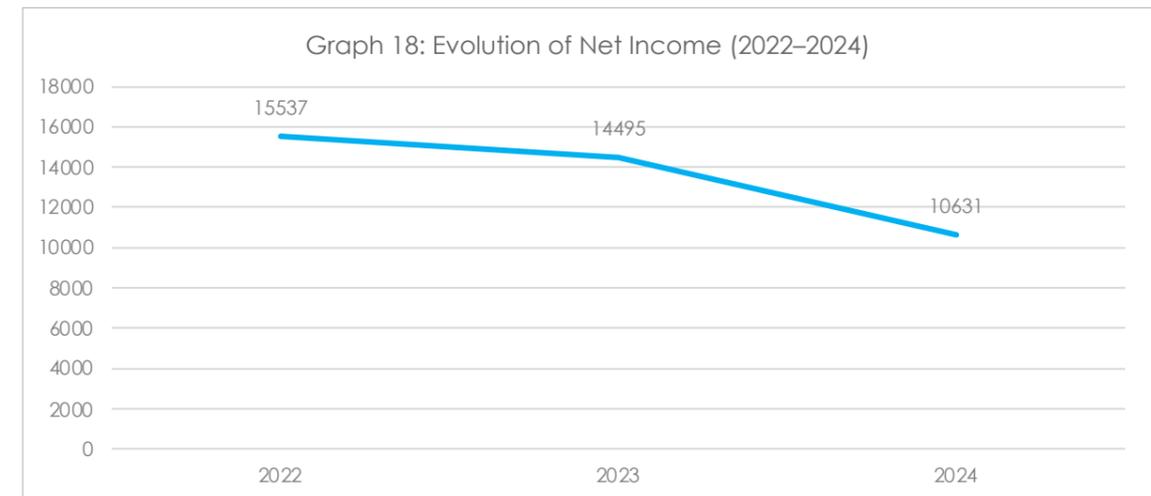
Revenue

In 2024, SNIM's revenue amounted to 45,673 million MRU, representing a decrease of nearly 9% compared to 2023 (50,053 million MRU) and 1.5% compared to 2022 (46,371 million MRU). Expressed in U.S. dollars, revenue fell from USD 1.367 billion in 2023 to USD 1.152 billion in 2024, a contraction of 16%. This development reflects a mixed trend: after a notable 13% increase between 2022 and 2023, the 2024 fiscal year recorded a significant decline, primarily due to the drop in iron ore prices on international markets during the year.



Net Income

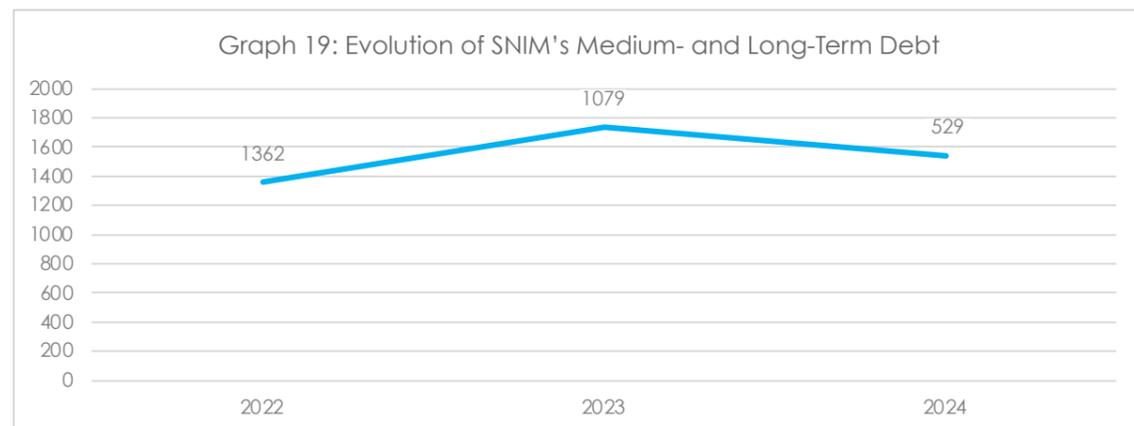
SNIM's net income amounted to 10,631 million MRU in 2024, compared with 14,495 million MRU in 2023 and 15,537 million MRU in 2022, reflecting a continued decline over three consecutive years. The 27% decrease compared to 2023 is mainly due to the contraction of the gross margin, linked to the drop in iron ore prices on international markets. This decline was accompanied by an increase in certain cost items, reflecting both the expansion of operations and SNIM's ongoing investment efforts.



Financial debts

The long-term financial debt amounted to 529 million MRU in 2024, compared with 1,079 million MRU in 2023, reflecting a significant reduction in indebtedness.

	2022	2023	2024
MLT Debt (MMRU)	1,362	1,079	529
indebtedness Ratio	1%	1%	0%



Box 7: Debt Reduction Strategy and Early Repayment

SNIM's financial indebtedness has long represented a major challenge for the company, due to the significant funding mobilized from international partners for the implementation of large-scale projects such as Guelb II and the new Mineral Port. These financings were mainly provided by the Islamic Development Bank (IsDB), the African Development Bank (AfDB), the French Development Agency (AFD), and KfW (the German Development Bank), which have all supported the company in developing its strategic infrastructure.

In 2024, SNIM resolutely pursued its debt reduction strategy, marked by :

- The full repayment of the loans contracted under the Guelb II project and the new Mineral Port.
- A significant reduction in long-term debt, which stood at 529 million MRU as of December 31, 2024, compared with 1,079 million MRU in 2023.
- The achievement of a net debt ratio of -2.6, reflecting a cash surplus position relative to the company's financial commitments.

Thanks to this proactive policy, SNIM has virtually eliminated its debt and now enjoys a strengthened financial structure, providing greater flexibility and capacity to finance its new strategic projects.

Investments

SNIM continued its investment policy in 2024, with a total of 9,629 million MRU invested, an increase of 503 million MRU compared to 9,126 million MRU in 2023, representing a 5% rise.

Box 8: Investments and CAPEX within the CSP

The year 2024 marked a decisive step in the implementation of the CSP, with an acceleration of investments aimed at strengthening the iron value chain and sustainably consolidating SNIM's competitiveness.

- **Implementation of the 2024–2025 Strategic Plan**

An exceptional budget of 90 MMRU was mobilized in 2024 to finance the initial actions of the program, in continuity with the directions set in previous years.

- **El Aouj and Takamul Projects: Two Strategic Joint Ventures**

The El Aouj and Takamul projects follow a joint-venture logic, combining SNIM's own investment efforts with international fundraising in partnership with major financial and industrial actors.

➤ El Aouj Project

The El Aouj project, aimed at developing a large-scale integrated mine, reached several major milestones in 2024. The technical design was redefined to optimize future design and operation. SNIM established new strategic partnerships, reinforcing the project's credibility both technically and institutionally. Meanwhile, contractual negotiations continued with stakeholders, and significant progress was made in financial structuring, thanks to the active involvement of the International Finance Corporation (IFC) and the U.S. International Development Finance Corporation (DFC).

These developments confirm the momentum initiated in 2022, when priority was already given to consolidating partnerships and securing financing.

➤ Takamul Project

In 2024, the FEED (Front End Engineering Design) study was approved in April, marking a decisive technical advance. An investment program of USD 457 million, approximately 18.1 billion MRU, was authorized for the construction of the necessary railway infrastructure to increase transport and export capacity. SNIM continued mobilizing financing with the support of Société Générale, confirming the partnership approach initiated in 2022 to ensure the project's economic and financial viability.

These two projects illustrate SNIM's dual investment approach, combining direct investments in its own operations and infrastructure with joint-venture efforts, particularly the El Aouj and Takamul projects, aligned with the objectives of the Corporate Strategic Program (CSP). They thus constitute the main CAPEX pillars for the coming years and are expected to expand the company's mining and logistics capacity, strengthen the iron ore value chain from extraction to export, and consolidate SNIM's competitive position on the international market.

Summary Financial Statements (in million MRU)

Indicator	2023	2024
Revenue	50,053	45,673
Operating Income	16,979	12,607
Net Income	14,495	10,631
Cash Flow (CAF)	23,009	16,243
Value Added	33,305	27,213
Equity	122,171	125,714
Long-Term Debt	1 079	529
Total Assets	145,103	150,687
Debt Ratio (LMTD/Equity)	1%	0,4%
Economic Profitability (NI/Total Assets)	10%	7%
Financial Profitability (NI/Equity)	12%	8%



HUMAN CAPITAL ENHANCEMENT

6. HUMAN CAPITAL ENHANCEMENT

HR Strategy

As part of the implementation of its Corporate Strategic Program (CSP), SNIM places a central emphasis on the development of its human capital, considered an essential driver of performance and transformation. In line with the objectives

of the CSP, the company has adopted a structured Human Resources strategy aimed at strengthening employees' skills, supporting internal cohesion, and promoting a corporate culture based on commitment and accountability.



At the same time, SNIM implements a coherent social and internal communication policy, contributing to the mobilization of teams around the company's strategic objectives and strengthening its social anchoring.

The training policy, a fundamental pillar of this strategy, is based on a methodical

approach that integrates needs identification, action planning, and a rigorous monitoring and evaluation system. This approach ensures a continuous alignment between available skills and organizational needs in a mining environment that is constantly evolving.

Training is based on two main pillars: **the initialization of the training plan and the training management system.**

The first step of this policy involves the initialization of the training plan, which includes several key actions :

- Definition of Required Competency Levels by Job: This step establishes the necessary competencies for each role within the company.
- Mapping and Analysis of Current Resource Maturity by Department and Function: A detailed analysis is carried out to assess the current skill levels of employees.
- Collection of Training Needs from SNIM Teams: A systematic process is implemented to gather the training needs of the various teams.
- Definition of a Skills Upgrade Plan for Current Resources: A structured plan is developed to address identified skill gaps.

The second pillar of SNIM's strategy concerns the training management system, which includes :

- Alignment on Roles and Responsibilities: Clarifying responsibilities regarding training to ensure effective management.
- Definition of Key Processes :
 - ▶ o Skills Monitoring: Continuous monitoring of competencies within SNIM.
 - ▶ o Skills Upgrade Tracking: Ensuring that necessary skill upgrades are carried out.
 - ▶ o Monitoring Training Modules/Providers: Overseeing training modules and providers to guarantee their relevance and quality.
 - ▶ o Training Evaluation: Assessing the effectiveness of training programs delivered.
 - ▶ o Reporting and Tracking Training Implementation: Regular reports and monitoring to ensure that training is implemented as planned.



Staff growth

The total workforce of SNIM as of December 31, 2024, stands at 6,649 employees, mainly distributed across the Zouerate and Nouadhibou sites.

Year	2021	2022	2023	2024
Workforce	6,346	6,603	6,465	6,649
Recruitment	226	323	207	322

Evolution by category

All employee categories at SNIM continued to evolve in 2024. The number of managers slightly increased by 2 positions compared to 2023, reaching 453. Supervisors experienced a more significant increase of 122 positions, bringing their total to 3,656.

As for workers, their number decreased by 87 positions, standing at 2,685. These changes, including the recruitment of 16 managers, 66 supervisors, and 103 workers in 2024, reflect the company's continuous adaptation of its workforce to production requirements.

Category	Number
Managers	454
Supervisors	3,606
Workers	2,589

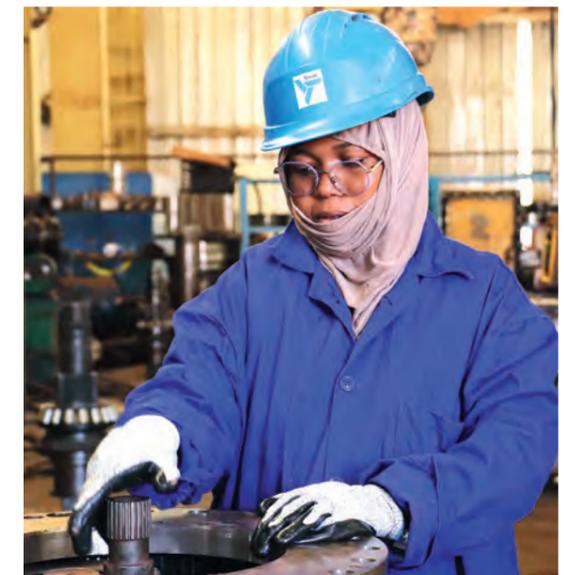


Regarding female representation within the workforce, SNIM has made notable efforts and observed evolving trends. In 2023, out of a total of 373 new recruits,

women represented 19% (compared to 32% in 2022). In 2024, the total number of new recruits stood at 185, with women accounting for 10% of the total.



	2022	2023	2024
% of women at SNIM	7,50%	8,3%	8,36%
% of women in management positions	1,17%	1,2%	1,25%
% of contractual employees with disabilities	0,40%	0,48%	0,31%
% of women among the recruits	8%	19%	10%



Employee motivation

The year 2024 saw a significant improvement in employee compensation: a general salary increase of 8%, the permanent continuation of the 50% reimbursement (previously temporary) of employee contributions to the Supplementary Pension Scheme, merit-based individual raises, and exceptional bonuses.

Vocational Training

Our new professional training policy, stemming from the Corporate Strategic Plan (CSP), aims to ensure that employees acquire the necessary level of skills required for each position, effectively meet specific training needs, and develop, for certain critical jobs, the necessary advanced training—particularly in operations and maintenance roles.

This policy has resulted in enhanced skills for new recruits, the upskilling of existing staff, and the strengthening of partnerships with equipment manufacturers.

As part of the 2024 annual training plan, 431 training sessions were conducted, totaling 16,892 training hours, benefiting 2,813 employees.

In addition, 162 trainees continued their alternating training at the Technical Training Center in Zouerate.

Moreover, the scholarship program benefiting a number of high school graduates who are children of employees also continued in 2024.

	2022	2023	2024
Number of employees trained (including duplicates)	2,395	2,275	2,813
Percentage of employees trained (without duplicates) %	37	28	36
Number of training hours delivered	14,775	14,817	16,892



Occupational safety



As part of its Safety policy, SNIM continued in 2024 the implementation of a Health & Safety management system in compliance with the ISO 45001 standard. This structured approach is based on annual sectoral plans, overseen by a dedicated team of 96 safety officers responsible for monitoring and ensuring compliance with safety protocols. Thanks to these efforts, the number of lost-time accidents decreased to 94 cases, compared to 106 in

2023, while the number of lost workdays slightly declined from 3,045 to 2,817. In parallel, more than 8,000 training sessions were conducted to strengthen prevention and compliance with procedures, particularly targeting the main causes of accidents identified: improper maneuvers, non-compliance with procedures, and inadequate handling of hazardous situations.





7

**SUSTAINABLE
DEVELOPMENT AT SNIM**

7. SUSTAINABLE DEVELOPMENT AT SNIM

For more than a decade, SNIM has been committed to a sustainable development approach, implemented operationally through its CSR plan, which is based on ISO 26000 standards. SNIM has identified the material topics that influence its ability to achieve its objectives. Through a rigorous process integrating the perspectives of stakeholders and experts, the company prioritizes these

topics to guide its strategic actions. In line with this cohesive, comprehensive, and inclusive approach to sustainability, SNIM developed its 2021–2024 roadmap, incorporating environmental and social topics. The selection of relevant issues was based on a materiality analysis that took into account stakeholder expectations and the impact on SNIM's activities.

Box 9: Materiality and CSR Roadmap 2021–2024: Assessment and Outlook

The double materiality analysis carried out by SNIM, in accordance with CSRD/ESRS standards, combined the assessment of both impact materiality and financial materiality. This analysis made it possible to measure the importance of the issues for stakeholders as well as their influence on the company's performance and value. The approach was based on targeted consultations with internal and external stakeholders, a sectoral analysis incorporating ESG trends, and a graphic positioning that cross-referenced stakeholder expectations with the impact on operations. The identified issues were classified into three levels: to monitor, to consider, or priority.

This analysis revealed clear priorities. From a governance standpoint, organizational governance and regulatory compliance are central. Social issues mainly concern occupational health and safety, skills development, and social dialogue. In terms of human rights, the protection of fundamental rights and the fight against forced or child labor remain essential. Regarding business practices, anti-corruption efforts and the strengthening of ethics are key. Major environmental priorities include impact and water resource management, biodiversity preservation, and the energy transition, while the socio-economic development of local communities remains a strategic lever.

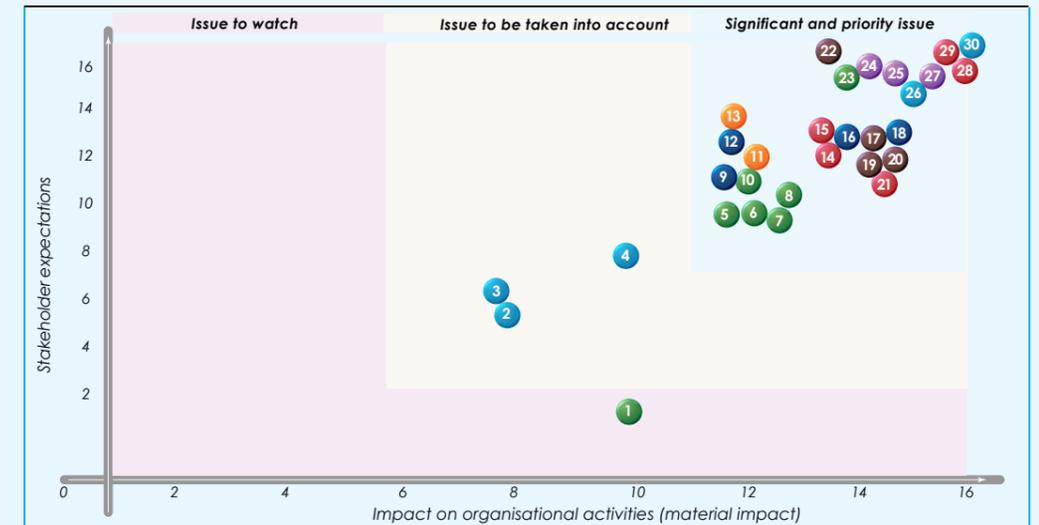
Based on this hierarchy of issues, SNIM implemented its 2021–2024 CSR roadmap. The roadmap aimed to sustainably enhance mineral resources while systematically integrating stakeholder expectations. The core commitments covered occupational health and safety, reducing environmental footprint, supporting local communities, and strengthening governance and ethics.

In 2024, several objectives set for the period were achieved or exceeded. Stakeholder satisfaction surpassed the 80% threshold. Safety efforts significantly reduced accident frequency and severity. Water consumption per ton produced was lowered in line with targets, and energy efficiency projects helped limit energy use. Social investments also increased, with strengthened community infrastructure and improved access to water and electricity in the company's areas of influence.

These results are the outcome of targeted actions, including the implementation of continuous training programs in safety and environmental management, energy optimization of facilities, drilling projects to improve water access, and reinforced anti-corruption prevention mechanisms.

The year 2024 marks the end of this strategic cycle while paving the way for a new phase. The achievements and lessons learned during this period will serve as a foundation for the next CSR roadmap, which will incorporate new challenges related to the energy transition, resource preservation, and inclusive development.

The updated materiality matrix, presented below, provides a visual representation of the prioritization of issues and their strategic positioning for the company.



Analysis carried out according to the EFRAG ESRS 2 standard and according to the methodology of the NF-EN 30-029 standard (for the identification and listening process of internal and external stakeholders)

- | | | |
|---|---|--|
| 1 Eco-design of products | 11 Complaint and Claims Management | 21 Quality of life at work |
| 2 Innovation and R&D | 12 Population Health | 22 Transparency and ethics |
| 3 Cyber Security and Privacy (GDPR) Buy-in of | 13 Traceability and product quality | 23 Carbon emissions and decarbonization of the value chain |
| 4 External stakeholders to the gait | 14 Collective bargaining rights and involvement Staff delegates in the health and safety approach | 24 Respect for human rights in all countries activities and during recruitment |
| 5 Protection of the natural environment against negative externalities | 15 Social dialogue and internal communication | 25 Poverty alleviation and decent pay |
| 6 Responsible management of resources (MP, water, energy) & circularity | 16 Apprenticeship and vocational training | 26 Alignment between our commitments and our CSR objectives |
| 7 Power generation and supply | 17 Value sharing | 27 Respect for labour law and ILO conventions |
| 8 Reduction, recovery and traceability of the waste generated | 18 Local roots & Acceptability in the territory | 28 Health of employees |
| 9 Patronage and sponsorship | 19 Fair and transparent pricing Supplier | 29 Safety of employees and external stakeholders |
| 10 Resilience and adaptation to climate change | 20 Relations and purchasing Responsible | 30 Profitability and sustainability of our activities |
-
- | | | | |
|--|------------------------------|-------------------|-------------------------------------|
| ● Governance of the organization | ● Good Practices in Business | ● Consumer issues | ● Communities and local development |
| ● Relationships and working conditions | ● Human rights | ● Environment | |



Environment

- Protection of the natural environment against negative externalities
- Responsible management of resources (RM, water, energy) & circularity
- Production and supply of electricity
- Reduction, recovery, and traceability of generated waste
- Resilience and adaptation to climate change
- Carbon emissions and decarbonization of the value chain



Social

- Philanthropy and sponsorship
- People health
- Right to collective bargaining and involvement of staff representatives in health & safety initiatives
- Social dialogue and internal communication
- Apprenticeship and professional training
- Local integration & social acceptance in the territory
- Quality of life at work
- Respect for human rights in all activities and recruitment processes
- Poverty reduction and decent remuneration
- Respect for labor law and ILO conventions
- Employee health
- Safety of employees and external contractors



Governance and Economy

- Management of complaints and grievances
- Product traceability and quality
- Value sharing
- Fair and transparent pricing
- Supplier relations and responsible purchasing
- Transparency and ethics
- Alignment between our commitments and our CSR objectives
- Profitability and sustainability of our activities

THE 7 PILLARS OF OUR CSR STRATEGY



Integrity: Uphold commitments to ethical conduct and fairness in practices



Environment: Act in favor of the environment by preserving biodiversity and promoting a circular economy



Community: Contribute to the country's economic and social development



Human Resources: Ensure the health, safety, and well-being of our employees and their families



Traceability: Ensure the traceability of our raw materials throughout the entire value chain



Governance: Oversee and drive CSR initiatives within the company



Stakeholders: Identify and address the needs and expectations of our various stakeholders

Environment department

In 2024, SNIM continued to strengthen its major environmental initiatives that have been in place for several years. The company focused its efforts on priority areas such as dust suppression, wastewater treatment, combating hydrocarbon pol-

lution, optimizing resource use, and monitoring the state of the marine environment. At the same time, it intensified actions to reduce its carbon footprint by investing in renewable energy and expanding its recycling and waste treatment activities.

Major environmental initiatives



← Dust suppression

Efforts have primarily focused on reducing dust levels at the two Guelb plants in Zouerate. The adopted strategy enabled the installation of several dust collectors at critical points. In this context, the following actions were carried out in 2024 :

- Approval of the budget for the dust removal project at Screening Workshop A of Guelb I Plant;
- Implementation of sealing action plans for both plants, reaching 88% completion in 2024;

- Dust removal at Guelb II Plant: 35 out of 52 dust collectors were operational, achieving a satisfactory operating rate of 59.26% in 2024, while the start-up of 8 dust collectors is pending replacement parts.

It should be noted that dust levels at both Guelb I and II plants remain high, and attention should focus on maintaining existing measures (human and material resources) and accelerating the full deployment of dust collectors.



Greenhouse Gas (GHG) Management



Box 10: Decarbonization – A Strategic Lever for SNIM

Decarbonization, which involves reducing greenhouse gas (GHG) emissions such as carbon dioxide (CO₂), has become a critical issue for SNIM. These emissions, primarily resulting from the use of fossil fuels and non-renewable electricity, contribute to climate change. For SNIM, reducing its carbon footprint is essential not only to limit these impacts but also to meet the growing expectations of international customers and stringent regulatory requirements, such as the Carbon Border Adjustment Mechanism (CBAM) in Europe. By decarbonizing, SNIM aims to access new markets, enhance the value of its iron ore, and differentiate itself from competitors.

In this context, SNIM has launched a major strategic initiative to significantly reduce its GHG emissions and produce more competitive and environmentally friendly iron ore. A carbon footprint assessment has

already been conducted, and the next key steps include :

- Training teams in CO₂ emissions management;
- Setting ambitious emission reduction targets;
- Developing a decarbonization roadmap aligned with the company's strategic priorities;
- Certifying these efforts to ensure the production of cleaner and more sustainable iron ore for its clients.

Concrete actions to achieve these objectives include replacing fossil fuels with renewable energy sources (solar, wind), modernizing equipment for improved energy efficiency, using cleaner fuels such as green hydrogen, electrifying vehicles, and implementing CO₂ capture technologies.

Aware of the impacts of climate change, SNIM recognizes that its development must necessarily involve an energy transition. To this end, we are reassessing our greenhouse gas reduction targets for SCOPE 1 and SCOPE 2, taking into ac-

count SNIM's specific energy-saving potential and diversifying our energy mix.

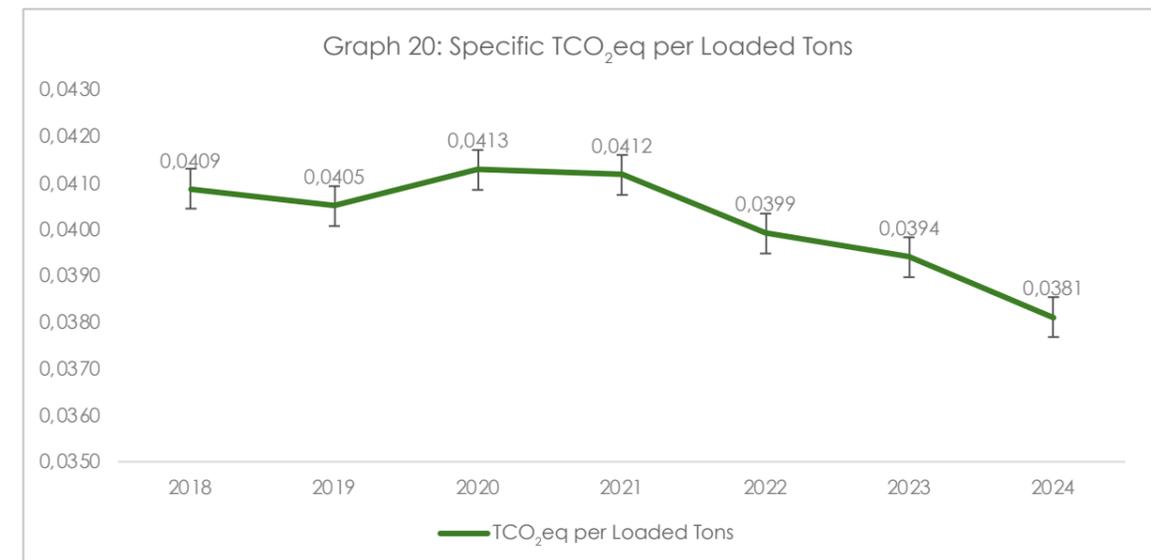
In 2024, energy production, mining equipment, and our railway line accounted for 86% of our emissions.

Trends in emissions from power plants, mining equipment, and locomotives relative to SNIM sales (in kg CO₂ emitted per ton of ore sold).

	2022	2023	2024
Power Plants (kg CO ₂ / ton of ore)	19,0	18,5	15,9
Locomotives (Kg CO ₂ / ton of ore)	6,4	6,0	6,1
Mining Equipment (Kg CO ₂ / ton of ore)	11,4	11,7	10,8

Specific emissions have continued their downward trend over the past three years, reflecting SNIM's ongoing efforts in energy and environmental performance. Indeed, between 2022 and 2024, emis-

sions from power plants decreased from 19.0 to 15.9 kg CO₂/ton, those from mining equipment fell from 11.4 to 10.8 kg CO₂/ton, while locomotive emissions remained relatively stable at around 6 kg CO₂/ton.



	2022	2023	2024
Total GHG Emissions (TCO₂eq)	532,748	555,928	540,731
Distribution by activity			
Industrial Activities (TCO ₂ eq)	483,359	514,006	497,568
Social Activities (TCO ₂ eq)	47,964	41,922	43,163
Distribution by SCOPE			
Scope 1 (TCO ₂ eq)	528,972	548,273	533,655
Scope 2 (TCO ₂ eq)	3,776	7,655	7,076
Scope 3 (TCO ₂ eq)	—	—	—

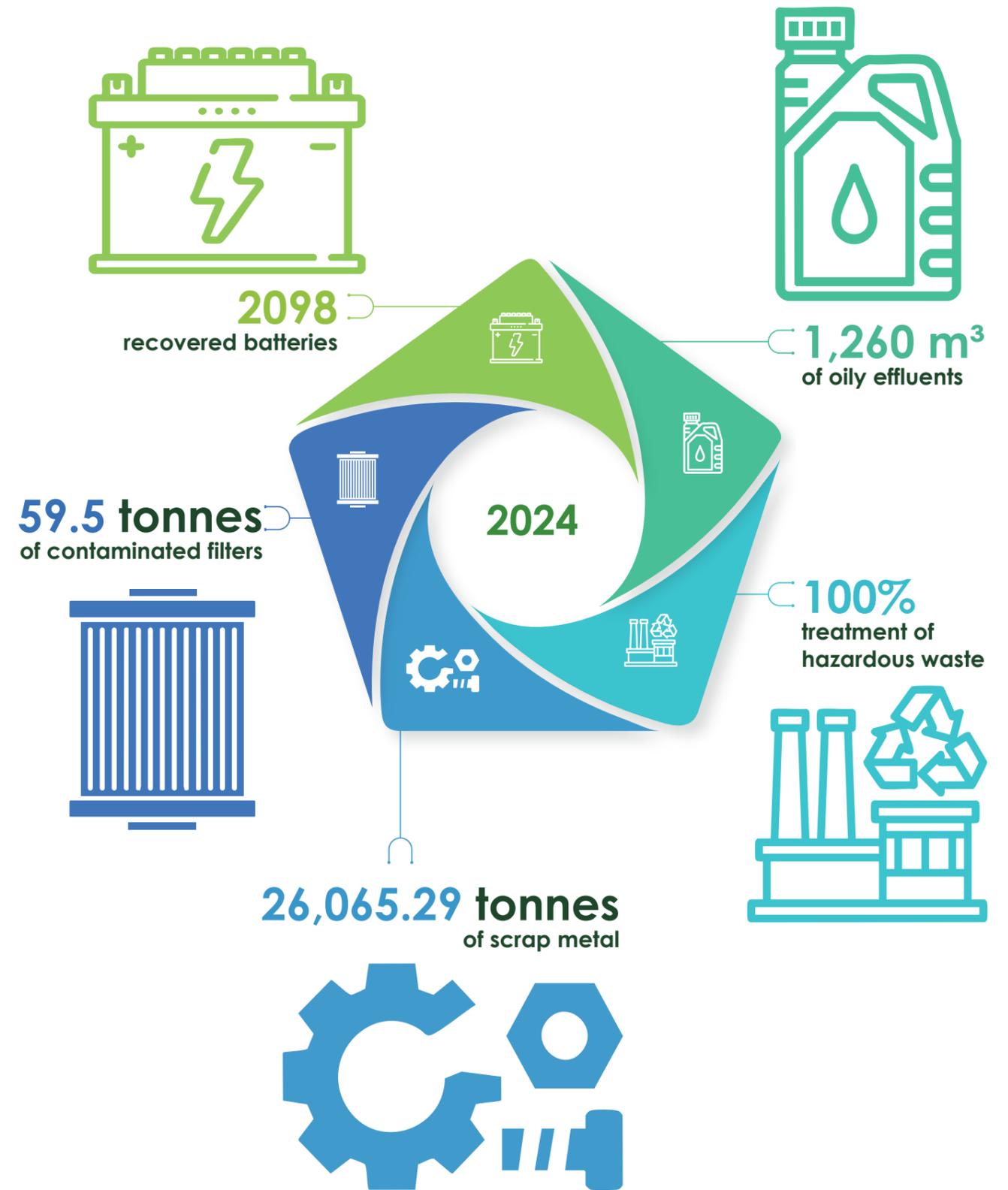
Waste Management

SNIM's pilot approach for assessing the sorting, collection, and disposal system, implemented at the Guelb site, proved effective and was subsequently extended to the central site in Nouadhibou.

The SNIM's strategy goes beyond simple waste collection by promoting waste recovery and recycling. In this regard, contracts have been signed with third-party companies for the recovery and recycling of various materials, including filters, batteries, scrap metal shavings, as well as household appliances and electronic waste. Through these agreements, 234.6 tons of waste were recovered in 2024.

As for hazardous medical waste generated by polyclinic activities, it is fully treated within the two concerned facilities.

	2022	2023	2024
Oily effluents (m ³)	1,172	875	1,260
Contaminated filters (T)	0	15.2	59.5
Scrap metal (T): 2024 start of Chamisteel operations	2,200	80.24	26,065.29
Used batteries (units)	269	2,983	2,098
Conveyor belts (m)	30,855	11,873	25,304
Number of waste removal trips from SNIM housing areas in Zouerate and Nouadhibou to public landfills	9,296	8,166	6,481



Energy



SNIM fully ensures the energy production required for its operations while also supplying essential electricity to the cities of Zouerate and F'derick.

SNIM operates three thermal power plants with a total capacity of 100 megawatts. Two of these plants, with a combined capacity of 84 megawatts, are located at the Guelb site, while the third, with a capacity of 16 megawatts, is situated in Nouadhibou. These facilities play a key role in meeting the energy needs of both the company and the surrounding communities.

At the same time, SNIM is gradually increasing its clean energy capacity to strengthen its energy mix. It already has a total installed capacity of 19.4 MW, combining solar power (15 MW in Zouerate) and wind power (4.4 MW in Nouadhibou).

In 2024, out of a total production of 415,823 MWh, 343,226 MWh were used for industrial purposes, while 62,113 MWh covered the electricity needs of the populations of Zouerate and the Cansado district in Nouadhibou.

Box 11: Wind Power in Nouadhibou – A Strategic Lever for SNIM's Energy Transition

The Nouadhibou region benefits from an exceptional wind potential, with steady winds blowing at an average speed of around twenty knots throughout the year. Thanks to these favorable conditions and a 754 km-long coastline, Mauritania offers an ideal setting for the development of large-scale wind farms.



As part of its Corporate Strategic Plan, SNIM aims to fully harness this resource by installing new wind power infrastructure in the Boulouar area, near Nouadhibou. This project will :

- Strengthen the energy autonomy of the Nouadhibou industrial site;
- Sustainably reduce production costs by lowering dependence on fossil fuels;
- Decarbonize industrial operations, in line with the sustainable development goals of the CSP.

Key advantages of wind energy :

Renewable and Sustainable: Unlike fossil fuels, wind energy does not consume non-renewable resources and generates only a **minimal amount of waste.**



Environmentally Friendly: Wind power helps combat climate change by reducing CO₂ emissions.

Competitive: It is an energy source that strongly depends on the climatic conditions of the area where the wind turbines are installed. In coastal and mountainous regions with favorable winds, wind energy can become a cost-competitive source of electricity.

Water Management



SNIM is fully aware of the crucial importance of water for both its operations and the local communities. All the water used comes from fossil groundwater reserves. To optimize its use and improve efficiency, SNIM has implemented an action plan structured around four main pillars :

- Recycling and reusing water in the ore processing plants.
- Proactive maintenance of water networks.
- Renewal of infrastructure and the establishment of strict consumption monitoring.
- Continuous monitoring of existing water reserves and active exploration for new sources.

Currently, wastewater discharges from the laboratories in Nouadhibou and Zouerate are fully neutralized. The wastewater treatment plant (WWTP) of the SNIM residential area in Zouerate has been operational for several years. In addition, construction work on the wastewater treatment plant for the Cansado residential area in Nouadhibou is underway.

Box 12: Seawater Desalination – A Strategic Solution for SNIM

Water is an essential resource for SNIM's operations, particularly for the functioning and cooling of equipment, as well as for the wet or semi-wet processing of iron ore. Although these wet processes improve yield efficiency, they also require significant water consumption—ranging from 0.7 to 0.9 m³ per tonne of iron processed.

In the face of increasing water stress caused by droughts, unpredictable rainfall, and climate change, it has become imperative to limit the use of fragile natural resources such as groundwater. Seawater desalination offers a concrete and sustainable solution for coastal regions, especially considering that 97% of the Earth's water is seawater.

Desalination involves removing salt from seawater, mainly through two processes :

- **Reverse osmosis:** Water is pressurized through a semi-permeable membrane that retains most of the salt particles and impurities.
- **Distillation (thermal):** Salt is separated from water through successive evaporation cycles.

With more than 700 km of coastline, Mauritania holds strong potential for desalination. The country has gradually adopted this solution to address growing water stress, particularly in Nouadhibou. In view of SNIM's planned downstream integration into DRI/HBI production, securing water supply has become a major strategic priority. Desalination thus emerges as a sustainable response, enabling industrial needs to be met without depleting precious freshwater resources.



Biodiversity



SNIM reaffirms its commitment to the environment through an active approach to continuously improving its environmental performance. This commitment is reflected in targeted actions aimed at preserving biodiversity and promoting a circular economy, particularly in the Tiris Zemmour region.

In this region, especially around Zouerate, terrestrial biodiversity is characterized mainly by domesticated animals such as camels and goats, but also by a diverse range of wildlife. Recorded species include the fennec fox, golden jackal (*Canis aureus*), horned viper (*Cerastes cerastes*), Cape hare (*Lepus capensis*), the desert monitor locally known as “Dabb Tiris” (*Va-*

ranus griseus), as well as various small mammals, reptiles, and scorpions. The local flora is dominated by three characteristic plant species: *Maerua crassifolia*, *Acacia radiana*, and *Aristida pungens*.

In the same spirit of preservation, SNIM ensures the protection of marine ecosystems around its mineral port in Nouadhibou. To this end, the company conducts a triennial assessment of the marine environment in partnership with specialized institutions such as the Mauritanian Institute for Oceanographic Research and Fisheries (IMROP) and the National Office for Sanitary Inspection of Fisheries and Aquaculture Products (ONISPA).

The 2024 monitoring report provided an analysis of the marine environment around the port, revealing no major ecological disturbances. It highlighted a high diversity of benthic macrofauna, with species richness ranging from 7 to 70 taxa depending on the area. Benthic communities are mainly composed of polychaete annelids, bivalve mollusks, and arthropods, a composition typical of a healthy ecosystem. These results are particularly notable in the immersion zone, where observed densities and biomass are the highest.

Social department

Health



SNIM has its own healthcare facilities, including two polyclinics providing medical care for all its employees and their families. Both polyclinics cover the full range of medical services, from consultations to surgical procedures. Each polyclinic has a hospital capacity of 100 beds (200 beds in total) and is equipped with modern medical equipment.

At the workplace, an Occupational Health Unit (OHU) provides employees with routine medical services and first aid in case of accidents. Eleven OHUs are installed across different sites and along the railway living bases to help prevent occupational diseases and bring medical services closer to employees.

The year 2024 marked a new milestone in improving SNIM's healthcare provision, notably through the strengthening of the

medical teams at the Zouerate Polyclinic, with the recruitment of an anesthesiologist-intensivist, a surgeon, and contracts with a neurosurgeon and a pediatrician.

The Zouerate intensive care unit was put into operation, and a comprehensive training program was conducted in partnership with Cheikh Khalifa Hospital in Casablanca for medical and paramedical staff. Furthermore, the modernization of equipment continued with the acquisition of biomedical equipment, the ordering of four fully equipped ambulances, and renovation works within both company polyclinics.

SNIM's polyclinics provide care for over 31,000 people (employees and their families). The main activities are described in the following table :

	2021	2022	2023	2024	
Number of consultations (SNIM)	128,108	149,384	163,311	169,107	
Hospitalization day	11,482	15,419	19,326	15,640	
Surgical procedures	865	787	716	643	
Laboratory tests	43,657	46,465	64,160	69,515	
Radiology exams	4,636	6,029	7,946	7,419	
Dental procedures	5,492	7,925	7,040	7,724	
Deliveries	631	538	770	628	
Number of medical shifts	18	19	21	33	
Evacuations to	Nouakchott	826	1,003	1,213	1,205
	abroad	16	28	32	47
Number of people treated (SNIM staff + family) in MRU	32,673	31,165	31,662	32,887	

In addition to these activities carried out by the Medical Service, periodic medical shifts are organized with the assistance of external specialists. In 2024, these shifts covered the following specialties :

Specialist	Shifts	Consultations	Procedures	Evacuation Recommendations
Ophthalmologist	9	1,981	0	14
ENT	2	602	99	7
Neurologist	6	503	0	2
Neurosurgeon	3	473	3	10
Rheumatologist	4	344	14	0
Urologist	2	187	3	0
Total	26	4,090	119	33

Individuals whose health condition requires additional examinations or care are referred by the company to specialized healthcare facilities in Nouakchott and/or abroad :

Destination	2020	2021	2022	2023	2024
Nouakchott	560	825	1,093	1,213	1,209
Abroad	3	18	28	32	43
Total	563	843	1,121	1,245	1,252



Education

Exams: Support classes for candidates



For the third consecutive year, hundreds of students from SNIM families benefited from support classes held between April and July 2024. Organized by the Communication and Social Action Department, in collaboration with ASC Kedia in Zouerate and ASC SNIM in Nouadhibou, these classes aim to help candidates for the Baccalaureate, the Brevet, and the entrance examination to the first year of secondary school better prepare for their exams, with the support of experienced teachers.

This year, these courses were organized along the railway corridor for the benefit of local communities, thanks to the

support of the SNIM Foundation. According to parents' representatives from the Consultative Committee, these classes contributed in 2024 to improving students' success rates and their national ranking.



Award ceremony for the best students in Cansado

The annual award ceremony for the best students from Cansado's public schools was held on July 12, 2024, in the auditorium of the Cultural and Sports Club.

Organized by the Communication and Social Action Department, the ceremony was attended by the Director of the Railway and Port, Mr. Houcein Ould Mohamed Mahmoud, the Head of the Communication and Cultural Action Department, Mr. Mohamed Handou, as well as representatives of the local administration, teaching staff, parents' associations, and trade unions.

On this occasion, certificates and incentive prizes were awarded to top-performing students from various classes, as well as to teachers who distinguished themselves during the 2023–2024 school year.

The organization of this annual event aims to encourage students to pursue healthy competition and excellence, as part of SNIM's ongoing support for the education sector.

Promotion of Academic Excellence through the Summer Camp



As part of its policy to promote human capital, SNIM organized, for the third consecutive year, a summer camp in Agadir from August 24 to September 4, 2024. This edition brought together around forty students, the top achievers in the entry exam to secondary school and the BEPC, from the families of workers in Zouerate,

Nouadhibou, and communities along the railway corridor. This educational and recreational program aims to foster academic excellence and has now become a much-anticipated event for the children of SNIM employees following the national exams.



Other Educational Initiatives

In addition to these activities, the SNIM Foundation worked to improve learning conditions by distributing more than 15,800 uniforms and school kits to students in the region and by rehabilitating Zouerate's historic School No. 1. The Foundation also strengthened its investment in educational infrastructure with the construction of

a kindergarten in Nouadhibou, another in Boulenoir, and a 12-class school in the Jedida neighborhood in Nouadhibou. Furthermore, support for higher education was provided through financial assistance to 243 students, helping to ease the financial burden on families and encourage the pursuit of academic studies.

Local development

Access to home ownership

Committed to the well-being of its employees, SNIM continued in 2024 its housing access policy by distributing 600 plots of land in Nouadhibou. This initiative is part of the ongoing efforts undertaken in previous years, particularly in Zouerate, where

the company had already allocated 600 plots to its employees and transferred 600 housing units through its subsidiary, the General Land Development Company (GPIM).



Access to water

Access to water has always been a major challenge for SNIM in its efforts to meet the needs of communities living along the railway corridor, who depend on it to settle permanently in their localities.

In this regard, the borehole exploration program launched in 2022 resulted, by the end of 2024, in the completion of 49 operational boreholes. Equipped with solar panels and properly secured, these boreholes offer high flow rates and storage capacity to better meet the needs of local populations, especially during periods of extreme heat.

They also provide watering points for camels and small ruminants, helping to manage transhumance flows safely, away from the railway line.

It is worth noting that SNIM produced a total of 4,972,534 m³ of water in 2024. Of this amount, 1,994,898 m³ were used for industrial purposes, representing about 40% of total production. 2,444,398 m³ were allocated for social use, accounting for about 49% of total production.

In 2024, industrial consumption increased by 1,019 m³, a very slight rise of 0.05% compared to 2023.

Social consumption, on the other hand, rose significantly by 621,541 m³, representing an increase of 34.1% over 2023.

For the first time, this program also made it possible to develop intensive agriculture in desert areas, offering local communities the opportunity to grow market garden crops thanks to unprecedented water availability.

This initiative accounted for 2.06% (9.15 MMRU) of the 2024 budget and provided technical training and support to cooperative members, along with additional inputs and fertilizers, enabling the cultivation of several types of vegetables.



➤ Energy



As part of its initiatives for 2024, several strategic projects continued to strengthen SNIM's electricity production capacity, with a significant impact on regional development, particularly in the social sector.

12 MW Solar Power Plant in Zouerate : This major 12-megawatt photovoltaic solar power plant is now operational. It contributes not only to increasing SNIM's energy production but also to promoting clean and sustainable energy in the region.



30 MW Thermal Power Plant in Zouerate : The construction of this new 30-megawatt thermal power plant, launched at the end of 2023 in Zouerate, is actively progressing and is expected to begin production in 2025. Funded with €55.12 million of SNIM's own resources, this project aims to substantially increase the company's electricity output. Once operational, the plant will support SNIM's industrial development and meet the growing energy needs of local populations, thereby fostering their economic and social development.

➤ Support for Religious, State, and Cultural Institutions

In 2024, SNIM continued and strengthened its commitment to various institutions and populations. Grants were distributed as follows :

Religious institutions received 43.48 MMRU	Support for cultural and sporting activities saw a significant increase, reaching 91.91 MMRU	Populations, public institutions, local communities, and retirees received a total grant of 41.79 MMRU
--	--	--

Among the most notable initiatives was the organization of the pilgrimage to Mecca, fully funded by SNIM. This program enabled 54 individuals to perform this religious rite under optimal conditions. The beneficiaries included 36 employees of the parent company based in Zouerate and Nouadhibou, as well as employees of group subsidiaries, religious guides, SNIM retirees, representatives of local communities, and members of retirees' associations. Selection was conducted according to transparent criteria, such as seniority or by lottery, ensuring fairness in the allocation of places.

portation between residences and Nouakchott, full-board accommodation in Nouakchott, travel to the holy cities of Medina and Mecca, a financial allowance for the stay, and accommodation on site.

This initiative, widely praised by the participants, once again demonstrates SNIM's concrete commitment to solidarity, well-being, and social cohesion. A budget of 43.48 MMRU was allocated to this sector, which also enabled the implementation of major projects, such as the demolition and reconstruction of the Rahmane Mosque in Cansado and the rehabilitation and expansion of the Atigh Mosque in the city.

The support covered the entire process, from administrative formalities to the return to Mauritania. It included trans-

Testimonials



Mohamed Lemine Ahmed Baba
(Imam of a mosque in Zouerate)

We, the residents of Zouerate, cannot even count all the good deeds that SNIM carries out in our city. One could even say that Zouerate is SNIM, as it provides water, electricity, and other basic services. This year, by deciding to organize the pilgrimage for its employees, SNIM also included their neighbors, like us imams, in the group of pilgrims, fully covering the costs of our journey to the holy cities of Islam. The pilgrimage is one of the pillars of our religion, and without the support of generous organizations like SNIM, we would be unable to fulfill it.



Mamadou Amadou Gueye
(SNIM Zouerate)

It is a commendable gesture, part of the many good actions that SNIM has offered its employees over the years. We thank SNIM's management for enabling dozens of workers to fulfill the fifth pillar of Islam with full support. We hope this initiative continues and that SNIM keeps advancing.



Hawa Alioune N'diaye
(SNIM retiree)

I was part of the 2024 SNIM pilgrimage group even though I have been retired since 2013. I sincerely thank SNIM's management for the attention it pays to retirees, notably through the SNIM Foundation's interventions, including coverage of health insurance and other actions to maintain retirees' purchasing power.

Furthermore, on the occasion of the blessed month of Ramadan, 5,328 food kits were distributed to the most disadvantaged families along the mining corridor in Birmoghrein, as well as to persons with disabilities. Regular support was also provided to mosques, mahadras, imams, muezzins, and their associations.

As part of its support for state institutions and local communities, SNIM continued assisting the Communes and Wilayas of Dakhlet-Nouadhibou, Tiris Zemmour, and Adrar through the provision of vehicles, machinery, and sanitation equipment. In the Adrar Wilaya, targeted operations such as cleaning the city of Atar and burying waste contributed to improving the living environment for residents.

Moreover, SNIM significantly increased its support for cultural and sporting activities, allocating 91.91 MMRU. Thanks to this support, the SNIM Sports and Cultural Association (ASC SNIM) won the President of the Republic Cup in November 2024. Within this framework, SNIM funded the construction and equipment of the Cansado Stadium, the rehabilitation of the cultural club (including a meeting room, a performance hall, and a reception area), the development of an amusement park, as well as the renovation of sports facilities (tennis, pétanque, basketball, and futsal). Ongoing projects also include roof repairs

at the club, rehabilitation of the swimming pool, creation of a café, development of a leisure camp on Cansado beach, and the acquisition of a bus for the football team.

The company also promoted sports practice for workers' children and local residents by supporting the organization of the 13th Nouadhibou International Marathon, which brought together over 4,000 runners on distances of 5, 10, and 21 km, including categories for people with special needs.



In December 2024, the city of Zouerate hosted the first edition of the Mining Cities Festival, a major cultural and social event under the theme "Mining Culture: Between Reality and Ambitions." Sponsored by SNIM, the festival took place from December 20 to 22 and brought together participants from several mining towns. The event featured a variety of cultural and sporting activities, competitions, as well as an exhibition highlighting local traditions, cultures, and the mining heritage of northern Mauritanian cities.

During the festival's opening, Mr. Mohamed Mahfoudh Ould Bowbeni, Director of Communication and Social Action, emphasized that SNIM's support for this event is part of its social policy aimed at promoting culture, local development, and social cohesion in the areas where it operates. He also highlighted the numerous achievements of the SNIM Foundation in support of communities along the railway corridor, demonstrating the company's ongoing commitment to regional development.

➤ Other Social Grants

The following actions were also carried out in 2024 :

- ▶ Continuation of the subsidy for essential goods, aimed at easing the impact of price increases on the purchasing power of our employees;
- ▶ Continuation of the supplementary pension system, now entering its fourteenth year;
- ▶ Organization of various cultural and sporting activities for employees and their families, including summer camps and specific sports and cultural activities for children.

CSR Governance and Economic Department

↳ Governance

SNIM demonstrates a strong and ongoing commitment to Corporate Social Responsibility (CSR) and quality, as evidenced by several certifications and labels.

The "CSR committed – Confirmed Level" label, maintained since 2021, results from a rigorous process covering 55 sub-criteria. These criteria encompass a wide range of practices, from the company's strategy to the performance of its economic, social, and environmental indicators,

as well as its managerial and relational practices.

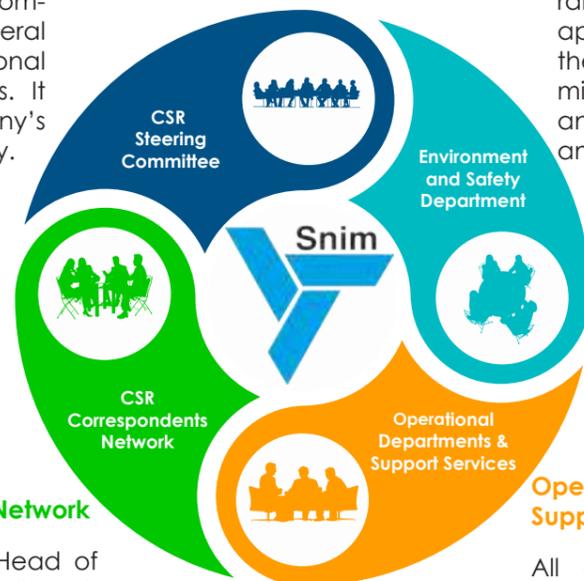
SNIM's commitment to the environment and biodiversity preservation is further highlighted by its international certifications :

- **ISO 9001** certification, obtained in 2005, and regularly renewed;
- **ISO 14001** certification, obtained in 2011, also regularly renewed.

Sustainable Development Governance

CSR Steering Committee

Chaired by the Board member and director general, the steering committee includes several directors from operational and support structures. It defines the company's CSR strategy and policy.



CSR Correspondents Network

It is chaired by the Head of the Environment Department, who oversees its coordination. The CSR Correspondents Network is responsible for the operational implementation of the company's CSR policy at the level of each department.

Environment and Safety Department

The ESD oversees the overall management of the approach. It translates the various CSR commitments into objectives and ensures coordination among all stakeholders.

Operational Departments & Support Services

All departments translate SNIM's CSR policy into objectives and then into actions to be implemented. The departments communicate information to the network of CSR correspondents

↳ Contribution to the National Economy

In 2024, SNIM once again confirmed its role as a key pillar of the national economy through remarkable results.

SNIM's contributions to the Mauritanian economy for the year 2024 were as follows :

- SNIM contributed 11% of the State's revenues.
- Its share in the national Gross Domestic Product (GDP) reached 6%.
- Finally, the company accounted for 29% of the country's total exports.



SNIM's Revenue Contribution to the National Economy

	2021	2022	2023	2024
SNIM Contribution to State Revenue	17%	22%	14%	11%
SNIM Contribution to GDP	15%	9%	9%	6%
SNIM Contribution to Exports	54%	32%	37%	29%



8

APPENDICES

CONEX
BP 3225
Nouakchott
République Islamique de Mauritanie

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

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.

Appendice 1 :

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

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

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			
Revenue from ancillary business activities	5.1	45 673	50 053
Revenue	5.2	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 COMPREHENSIVE 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 CHANGES OF EQUITY
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.

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		48 500	48 339



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 AOIJ” 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.

NOTES TO THE FINANCIAL STATEMENTS 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 Aktiengesellschaft et KfW as regards the financing GuelbII project and
- ii) BNP Paribas, Société Générale, BHF-BANK Aktiengesellschaft 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 Current Ratio (Current Assets /Current 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:

The obligation to rehabilitate sites is mentioned in 1979 mining code.

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 recorded 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 use 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	
	2 023	2 024
IN MMRU		
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

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	29	-	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	4	589	-	-	4	4 510	-
AMSAGA	-	-	100%	-	-	4	589	-	-	-	-	-
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

Investment in associated companies at 31 12 2024 In MMRU

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 ornamental 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 Mauritanie 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 31st2024, 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 31st2023, 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								
<i>Euro</i>	(39)	(977)	38 500	-	15	389	35 000	-
Options on currency								
<i>Euro</i>	(27)	(686)	35 500	35 500	20	506	46 000	76 500
b) Fair value hedging (FVH)								
Forward contracts in foreign currency								
<i>Euro</i>	(23)	(572)	12 000	9 000	(4)	(100)	3 000	3 000
Options on currency								
<i>Euro</i>	(9)	(227)	4 000	4 000	-	-	-	-
c) Other operations								
Options on currency								
<i>Euro</i>	(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	Amount transferred to gains and losses during the year	Inefficiency booked in Profit
Cash-Flow Hedge		
Foreign currency hedging	(730 334)	1 945 013
Interest rate hedging	-	-
Raw Material hedging	-	-

Fair value Hedging in USD	Unrealized gains and losses on hedging instruments	Unrealized gains and losses on hedging instruments	Inefficiency booked in profit
Fair Value Hedge			
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 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
<i>of which changes in assumptions</i>	972	-
<i>of which experience differences</i>	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
		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.

Appendice 2: Statutory auditor's and independant auditor's report on the Consolidated Financial Statements

CONEX
BP 3225
Nouakchott
République Islamique de Mauritanie

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

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 consolidated financial statements

To the President,

Opinion

We have audited the consolidated financial statements of SNIM and its subsidiaries (the Group), 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 consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and consolidated 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 Group 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 consolidated 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.

SNIM
STATEMENT OF CONSOLIDATED FINANCIAL POSITION
As of December 31st, 2024

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

IN MMRU	Note	31/12/2024	31/12/2023
Non-current assets		77 867	74 073
Property, Plant & Equipment	5.1	72 241	68 789
Intangible assets	5.2	262	262
Non-current financial assets	5.3	2 129	2 047
Investment in associates	5.3	1 620	536
Equity-accounted securities	5.3	1 593	2 420
Deferred tax assets		22	18
Current assets		79 178	76 849
Inventories and work in progress	5.4	12 749	10 319
Trade receivables	5.5	8 640	10 170
Other receivables	5.6	8 317	6 621
Current financial assets	5.7	19	49
Cash and cash equivalents	5.8	49 452	49 690
TOTAL ASSETS		157 045	150 922

IN MMRU	Note	31/12/2024	31/12/2023
Equity and Reserves		126 936	123 450
Issued Capital	5.9	18 270	18 270
Share premium		646	646
Legal reserves		1 827	1 827
Other comprehensive income	5.7-5.11	7 069	6 672
Accumulated profits		99 124	96 035
Retained earnings		88 529	80 298
Profit (Loss) of the year		10 595	15 736
Minority shareholders interest		1 133	1 164
Non-current liabilities		9 999	9 708
Financial debts (portions over 1 year)	5.10	1 538	1 735
Retirement benefit obligations	5.11	7 951	7 167
Provisions	5.12	510	806
Current liabilities		18 977	16 601
Financial debts (portions at less than 1 year)	5.10	1 168	925
Trade payables	5.13	9 712	6 943
State and other public taxes	5.14	2 926	3 265
Other payables	5.15	4 568	5 049
Current cash liabilities	5.8	452	401
Forward contracts	5.7	151	17
TOTAL EQUITY AND LIABILITIES		157 045	150 922

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

IN MMRU	Note	31/12/2024	31/12/2023
Sales	6.1	48 147	52 270
Revenue from ancillary business activities	6.2	501	512
Revenue		48 648	52 782
Changes in inventory of finished goods and work-in-progress		496	265
Capitalized production		670	677
Raw materials and consumables used	6.3	(17 905)	(16 309)
Gross Profit		31 908	37 416
Other operating income	6.4	124	466
Personnel expenses	6.5	(9 202)	(8 130)
Depreciation, amortization, and provision expenses	6.6	(5 763)	(7 389)
Taxes and duties	6.7	(389)	(165)
Other operating expenses	6.8	(3 877)	(3 628)
Operating income		12 801	18 570
Financial income	6.9	2 237	2 086
Financial expenses	6.10	(253)	(221)
Share of profits (loss) of equity accounted affiliates		29	(63)
Profit before tax		14 814	20 372
Current income tax		(4 213)	(4 569)
Net result of the year		10 601	15 776
Attributable to minority interest		7	40

SNIM
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Period of 12 months ended on December 31st, 2024

IN MMRU	31/12/2024	31/12/2023
Net result of the year	10 601	15 776
Other comprehensive income	397	658
Comprehensive income	10 999	16 434

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

IN MMRU	Note	31/12/2024	31/12/2023
Operating activities			
Income before tax		14 814	20 372
Amortization, depreciation and provision	7.1	6 964	8 311
Reversal of amortization, depreciation and provisions	7.4	(1 139)	(1 084)
Gains /losses on asset sales		-	(1)
Gains /losses on exchange	7.5	553	633
Investment income		(2 215)	(2 014)
Financial expenses		74	103
Share of equity-accounted securities		(29)	63
Changes in working capital	7.2	(277)	(1 399)
Cash flow generated from operating activities		18 744	24 984
Interest paid		(76)	(101)
Income tax paid		(4 725)	(3 612)
Net cash flow from operating activities		13 943	21 271
Investing activities			
Acquisition of fixed assets	7.3	(8 674)	(11 493)
Proceeds from sale of equipment		1	2
Loan repayment		6	6
Interest received		2 215	2 014
Dividends received		(0)	-
Net cash flow used for investing activities		(6 452)	(9 471)
Financing activities			
Increase of capital		-	334
Proceed from long-term borrowings		152	118
Other financial Proceeds		311	241
Payments on long-term borrowings		(645)	(300)
Other financial payments		(86)	(50)
Dividends paid		(7 511)	(7 903)
Net cash flow used for financing activities		(7 780)	(7 561)
Net increase in cash and cash equivalents		(289)	4 239
Cash and cash equivalents at the beginning of the period		49 289	45 050
Cash and cash equivalents at the end of the period	7.6	49 000	49 289

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31st, 2024

SNIM
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As of December 31st, 2024

IN MMRU	Issued Capital	Share premium	Legal reserves	Other Comprehensive Income	Accumulated profits	Total	Minority interest
Shareholders' equity as of January 1st, 2023	18 270	646	1 827	6 014	88 178	114 936	838
Increase in capital	-	-	-	-	-	-	334
Revaluation of financial instruments	-	-	-	(37)	-	(37)	-
Revaluation for pension plans	-	-	-	(1 772)	-	(1 772)	-
Exchange difference on conversion into the reporting currency	-	-	-	2 467	-	2 467	-
Net result of the period	-	-	-	-	15 736	15 736	40
Dividends	-	-	-	-	(7 880)	(7 880)	(48)
Shareholders' equity as of January 1st, 2024	18 270	646	1 827	6 672	96 034	123 450	1 164
Increase in capital	-	-	-	-	-	-	-
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	-	-	-	-	10 595	10 595	7
Other	-	-	-	-	(21)	(21)	-
Dividends	-	-	-	-	(7 485)	(7 485)	(38)
Shareholders' equity as of December 31st, 2024	18 270	646	1 827	7 069	99 123	126 936	1 133

*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 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated 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 GROUP

The SNIM group is composed of 17 companies operating in various sectors, mainly: Marble and granite quarries, foundry, mechanical manufacturing, transport and maintenance, tourism, and hospitality, stevedoring and handling, distribution of hydrocarbons, research, and underground exploitation of iron ore deposits.

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

The parent 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 consolidated 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 that came into force on or after January 1, 2024, did not have an impact on the consolidated financial statements of SNIM group.

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

IFRS standards and IFRIC interpretations published by the IASB but not yet effective are not expected to have a material impact on the consolidated financial statements of SNIM group.

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 Applicable standards

The principles used are based on the historical cost method and the accrual method, except for (1) derivative financial instruments and (2) revalued fixed asset categories, which are measured at fair value. The carrying amount of assets and liabilities that are subject to fair value hedging is adjusted for changes in fair value attributable to the hedged risks.

The consolidated financial statements are presented and valued in ouguiyas. All tables and notes are presented in (MMRU). The income statement is presented by nature.

The items of the statement of financial position are presented according to the classification of current and non-current assets, current and non-current liabilities.

Assets held for sale or consumed during the Group's normal operating cycle as well as cash and cash equivalents constitute the Group's current assets. Other assets are non-current assets.

Debts falling due during the Group's normal operating cycle or within twelve months of the end of the financial year constitute current debts. Other liabilities are non-current.

In the preparation of the consolidated financial statements and in accordance with international accounting principles, the measurement of certain balances in the statement of financial position and the income statement requires Group management to make several estimates or judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. These estimates or assessments and assumptions are based on information or situations existing at the date of preparation of the financial statements, which may differ from reality in the future.

3.2 Consolidation basis

Companies controlled exclusively by the group, either by right (direct or indirect ownership of the majority of the voting rights), contractual or facto (management of financial and operational operations over a long period of time), are consolidated through global integration. Thus, accounts are all integrated at 100%, with deduction of minority interests.

Companies jointly controlled by the group are consolidated through equity method.

Companies which are not subject to exclusive control from the group but on which the group has significant influence are consolidated through equity method if the percentage of control exceeds 20 %.

The Group holds a participation in a joint venture. A joint venture is the result of a contractual agreement, under which two parties or more agree to carry on an economic activity under joint control. An entity under joint control is a joint venture resulting in the creation of a separate entity in which each Co-entrepreneur holds an interest. The Group accounts its participation in jointly controlled entities using the equity method.

Under this method, the investment is initially recognized at cost and is subsequently adjusted for post-acquisition changes in the Group's share of net assets held. The income statement reflects the Group's share of the joint venture's results. Gains and losses arising from transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture.

3.2.1. Transactions eliminated on consolidation

The balances of intercompany receivables and payables, income, and expenses as of December 31, 2024, as well as intercompany transactions such as dividend payments, capital gains and losses on disposals, and additions to or reversals of provisions for impairment of consolidated shares or loans to Group companies, are eliminated in view of their impact on income. Internal margins on inventories are also eliminated.

3.2.2. Goodwill and business combinations

Acquisition cost

Acquisition method is used to account acquisition of shares in subsidiaries. Acquisition cost equals to fair value of assets, liabilities incurred or assumed, and equity instruments issued by the buyer at acquisition date.

Goodwill difference

Goodwill corresponding to the excess of the cost of acquisition over the Group's share in the fair value of these assets, liabilities, and contingent liabilities of the acquired company at the date of acquisition, is recognized as an asset in the statement of financial position under "Goodwill". Negative goodwill is recognized immediately in the income statement.

In accordance with IFRS 3 "Business combinations", goodwill is not amortized but is tested for impairment as soon as there is an indication that it may be impaired, and at least once a year. In the event of an impairment loss, the impairment is recorded in the income statement. It is irreversible.

3.2.3. Foreign currency translations- unrealized exchange gains and loses

Due to the nature of group's activities, numerous transactions are denominated foreign currencies. Transactions in foreign currencies are recorded as follows:

- Tangible and intangible fixed assets, as well as raw materials and other consumables, are translated at current exchange rates applicable at the date of the transaction, except for revalued categories of fixed assets,
- Non-monetary items accounted for at fair value denominated in foreign currency are translated using the exchange rates applicable when the fair value was determined,
- Other assets and liabilities are translated at the functional currency rate at the end of the reporting period. Profits and losses resulting from exchange operations are recognized in the income statement,
- Profits and losses are converted using the exchange rates applicable at the transaction date.

3.3 Property, Plant, and equipment

Accounting policies:

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

In 2015, and to better connect the depreciation of production-related assets according to their respective generated economic benefits, SNIM group decided to depreciate all the assets linked to production at the production unit instead of a systematic depreciation based on an estimated lifespan. The units of account used to be the Railway, Mineral Port, and Mines.

Given the importance of the operational constraints, both IT and human, it was not possible to maintain the method of the UOP adopted in 2015 and the group chose to return to linear depreciation, which is more convenient to adopt in its information systems and to maintain over time. The impact of this accounting amendment amounted to 7 047 MMRU and was presented retrospectively with an impact on opening equity and property, plant and equipment as of December 31st, 2015.

Therefore, depreciation is now applied on a straight-line basis, based on estimated useful lives, in order to reflect the rate of consumption of the expected future economic benefits from the asset in accordance with 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 agreement

SNIM group 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 Group 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 not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the asset or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of the fair value of the depreciated replacement cost or 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 of the time value of money and the risks specific 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 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 the following 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 group to recognize assets with a view to the dismantling and/or rehabilitation of the facilities. SNIM group also remains attentive to any changes in legislation and decisions taken in such matters by the Mauritian authorities (cf.3.15 Site rehabilitation).

3.4 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 group's intangible assets do not include any Goodwill.

3.5 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 compulsory 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 group 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.

3.6 Non-current financial assets

The group 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.

3.7 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 consider 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.

3.9 Definition of cash generating unit

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 group. 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 group to make the following grouping:

- ✓ **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. It was considered that the mines, the private rail service and the port facilities could not separately generate cash inflows that were largely independent of the cash inflows generated by the other components of the SNIM group.
- ✓ **GMM:** This company is considered as an independent UGT owing to its specific business, its exposure to risk and its profitability;
- ✓ **SAFA:** This company is dedicated to smelting works for the group;
- ✓ **COMECA:** This Company is considered as an independent UGT due to its specific business, its exposure to risk and its profitability.
- ✓ **ATTM:** This Company is dedicated to construction, transport and maintenance of the group. This company is considered as an independent UGT

- ✓ **SOMASERT:** business of this company is tourism and hotel business. This company is considered as an independent UGT
- ✓ **SAMIA S.A:** this company is considered as an independent UGT due to its specific business, its exposure to risk and its profitability;
- ✓ **SAMMA:** business of this company is stevedoring and handling. This company is considered as an independent UGT
- ✓ **GIP:** This company is dedicated to handling for the group. This company is considered as an independent UGT
- ✓ **Tazadit Underground Mine (TUM)** this company is involved in research and underground mining iron ore. This company is considered as an independent UGT
- ✓ **Mauritanienne d'Eau et d'Electricité(M2E):** aims for realization and management of distribution networks of water and electricity in Zouerate. This company is considered as an independent UGT
- ✓ **Mauritania Saudi Mining and Steel (MSMS)** produces and exports iron.
- ✓ **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 lamage and piloting in the port of Nouadhibou and in quite different port of Mauritania out outside.
- ✓ **AMSAGA;** The conduct of geological exploration activities, and mining activities (production and mining)
- ✓ **ENGINEERING & CONSULTING ASSOCIES (ENCO):** Strategic and operational consulting services
- ✓ **Générale de la promotion immobilière (GPIM) :** Construction and property development management

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.

3.10 Trade receivables

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.

3.11 Borrowing costs

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.

3.12 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.

3.13 Financial debts

SNIM's group 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 group 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 group 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 -2.5.

Within the context of the Development and Modernization Project, SNIM (the parent company) 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 Aktiengesellschaft et KfW as regards the financing GuelbII project and
 - ii) BNP Paribas, Société Générale, BHF-BANK Aktiengesellschaft 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 Current Ratio (Current Assets /Current liabilities) : >1,5

On June 20, 2018, SNIM (the parent company) 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.

3.14 Allowance for contingencies

In accordance with standard IAS 37, provisions are booked when the group 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. Restructuring operations are recognized at the time of their announcement to the people concerned.

3.15 Site rehabilitation

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

The obligation to rehabilitate sites is mentioned in 1979 mining code.

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 of 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 phenomenal
- ✓ 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 based on 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 of 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 group as of year-end.

In addition, since the end of February 2011, SNIM has been certified ISO 14001. Within this context, the objectives set

- ✓ 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 as per IFRIC 1's meanings.

3.16 Employee benefits

Benefit pension plan:

The group 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 group recognizes all actuarial differences in equity in accordance with IAS19.

The group 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 group 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 the entity
- ✓ The reference salary is the base salary plus the seniority bonus (cf. 5.11 Actuarial assumptions).

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

3.17 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 based on the amount of remuneration the group expects to receive in exchange for the transfer of goods and services to the customer.

The following specific recognition criteria must also be met:

- ✓ **Mineral sales:** Proceeds from the sale of minerals are 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 ore onto a ship.
- ✓ **Construction contracts:** Contract revenues are measured at the fair value of the consideration received or receivable. Contract income and contract costs are recognized as income and expenses respectively based on the stage of completion of each contract's activity at the balance sheet date.
- ✓ **Interest:** Interest income is recorded at the amount of accrued interest.

3.18 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 installments.

3.19 Income tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be used. Deferred income tax is recorded on margin realized between companies of the group elimination.

3.20 Management of the functional and presentation currency

SNIM group presents its financial statements in local currency, the ouguiya.

The configuration currently used in the information system provides for the ouguiya as the functional currency, with the dollar used as a parallel currency. However, the system allows accounts to be issued in the parallel USD currency. The net position established on the basis of a USD functional currency and presented in MRU (converted at the average annual rate) can be estimated at 145,066 MMRU compared to a position of 126 936 MMRU in the accounts presented.

3.21 Derivative financial instruments and Hedging transactions

The Group 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, traded to hedge the Group's exposure to risks related to its business or financing operations, are qualified as hedges of future cash flows to the extent that they reduce the variability in value of cash flows attributable to a future transaction.

The Group does not use 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.

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

3.21.2 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 on the basis of 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.

3.22 Interests and dividends

Dividend revenue is recognized when the shareholders' right to receive the payment is established.

The Group'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.

3.23 Segment reporting

SNIM is dedicated to extraction of iron ore. Indeed, SNIM group's exposure to risk so as expectations for profitability objectives are considered as homogeneous. Subsidiaries of group, representing independent Cash-Generating Units, are below the quantitative thresholds needed to make a separate presentation of information related to their own operational sector. 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

3.24 Investment in associates

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 partnership

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 (the parent company) (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 Mauritanie 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 GUELBA 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- CONSOLIDATION SCOPE

The consolidated financial statements comprise the financial statements of SNIM group with its Parisian branch, its subsidiaries (all from Mauritania) and investments in associates where SNIM (the parent company) has a significant influence. Consolidation scope comprises 12 companies fully consolidated, and 5 companies consolidated using the equity method.

The financial statements of subsidiaries are prepared as of December 31st, each year.

Consolidation scope and method as of 31st December 2024 appears as follows:

Entity	legal form	% of voting rights	% of interest	Consolidation method (1)
SNIM	S.A			Parent company
Subsidiaries MAURITANIA				
SOMASERT	S.A	100%	100%	FC
SAFA	S.A	100%	100%	FC
SAMMA	S.A	53%	53%	FC
ATTM	S.A	79%	79%	FC
COMECA	S.A	92%	92%	FC
SAMIA	S.A	89%	89%	FC
GMM	S.A	97%	97%	FC
DAMANE ASSURANCE SA	S.A	20%	20%	EM
GIP	S.A	68%	68%	FC
EL AOUJ SA	S.A	50%	50%	EM
TUM	S.A	65%	99%	FC
MSMS TAKAMUL	S.A	50%	50%	EM
M2E	SA	100%	100%	FC
SRN	S.A	35%	35%	EM
ENCO	S.A	30%	30%	EM
GHM	S.A	62%	62%	FC
GPIM	S.A	100%	100%	FC

(1) FC: Full consolidation

EM: Equity method

5- ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF FINANCIAL POSITION

5.1 Property, Plant, and equipment

Assets valued at fair value (IN MMRU)	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Gross Value	51 728	2 195	158	(133)	53 948
Amortization	27 768	2 089	158	(133)	29 882
NET VALUE	23 960	105	-	-	24 065

Assets valued at cost (IN MMRU)	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Gross Value	76 232	6 152	(1)	(101)	82 281
Amortization	45 408	4 059	1	(384)	49 085
NET VALUE	30 825	2 092	(2)	282	33 196

TOTAL GROSS VALUE	127 960	8 347	156	(234)	136 229
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TOTAL DEPRECIATION	73 176	6 149	159	(516)	78 967
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FIXED ASSETS IN PROGRESS	14 005	10 738	(9 857)	94	14 980
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NET VALUE FIXED ASSETS	68 789	12 936	(9 859)	376	72 241
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The additions of the year 2024 amount to 10 738 MMRU of which 670 MMRU of capitalized production.

There are no events or evidence of impairment on the group'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 book value of leases qualified as leases under IFRS 16 and included in work in progress assets presents a null value.

The gross value of the financial leases included in the final 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)	6 31	-	-	6 31
Gross value	3 723	-	-	3 723

Other materials Guelbs II correspond to:

- ✓ 10 mining trucks for MMRU 6 14
- ✓ 6 locomotives for MMRU 573
- ✓ 6 loading systems of wagon for MMRU 463
- ✓ 4 wet concentrations for MMRU 674

Railway materials correspond to:

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

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	-	0
Less future financial charges	-	(65)
Finance leases debt	-	2 589

5.1.1 Property, Plant, and equipment at fair value

Tangible assets 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	2 195	158	(133)	53 948
ACCUMULATED DEPRECIATION	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Specialized complex installations	22 753	1 882	-	-	24 636
Railway rolling stock and railroad track	5 015	207	158	(133)	5 247
TOTAL	27 768	2 089	158	(133)	29 882
NET BOOK VALUE	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Specialized complex installations	19 802	82	-	-	19 883
Railway rolling stock and railroad track	4 158	24	-	-	4 182
TOTAL	23 960	105	-	-	24 065

5.1.2 Property, Plant, and equipment at acquisition cost

GROSS VALUE (IN MMRU)	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Land	821	-	-	-	821
Land improvements	118	-	(1)	-	117
Buildings	29 200	1 041	-	(54)	30 187
Operating equipment	40 588	4 409	-	(30)	44 968
Transportation equipment	3 384	460	-	(9)	3 835
Office and IT equipment	682	63	-	-	745
Office furniture	1 439	178	-	(9)	1 608
TOTAL	76 232	6 152	(1)	(101)	82 281
ACCUMULATED DEPRECIATION	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Land	-	-	-	-	-
Land improvements	19	1	-	-	20
Buildings	13 359	1 256	-	(39)	14 577
Operating equipment	28 155	2 321	-	(327)	30 148
Transportation equipment	2 553	372	-	(9)	2 917
Office and IT equipment	637	21	-	-	658
Office furniture	658	88	1	(9)	738
TOTAL	45 381	4 059	1	(384)	49 058
NET BOOK VALUE	31/12/2023	Acquisitions	Transfers	Disposals	31/12/2024
Land	821	-	-	-	821
Land improvements	99	(1)	(1)	-	97
Buildings	15 841	(215)	-	(16)	15 610
Operating equipment	12 433	2 088	-	298	14 820
Transportation equipment	831	88	-	-	918
Office and IT equipment	45	42	-	-	87
Office furniture	781	90	(1)	-	870
TOTAL	30 851	2 092	(2)	282	33 224

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

Categories (IN MMRU)	Gross value	
	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

5.2 Intangible assets

Variation in Intangible gross fixed assets	31/12/2023	Additions	Disposals	31/12/2024
Intangible fixed assets value	1 116	32	-	1 148
TOTAL	1 116	32	-	1 148

Change in amortization	31/12/2023	Allowance	Reversals	31/12/2024
Intangible fixed assets value	854	33	-	886
TOTAL	854	33	-	886

Net value of intangible fixed assets	262	(1)	-	262
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These intangible assets relate to acquired patents and software.

5.3 Non-current financial assets and investments in Associates

Categories (IN MMRU)	31/12/2024	31/12/2023
Loans and advances	2 102	2 029
Deposits and guarantees	27	18
Other financial assets	1 620	536
Investment in associates	1 593	2 420
TOTAL	5 342	5 003

Loans and advances granted to Group employees or associated companies do not generate interest. The impact of the discount is not considered significant. Loans are recorded at the value of the amounts loaned.

Deposits and guarantees are valued based on the amounts disbursed. The difference from their fair value is not significant.

5.4 Inventories and work-in-progress

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	14 960	12 913
Raw materials at net realizable value	10 649	8 472
Goods	71	62
Iron ore at weighted average cost	4 961	4 334
Iron ore at net realizable value	2 029	1 785
Total inventories at the lower of weighted average cost and net realizable value	12 749	10 319

The group does not practice any pledge on stocks.

5.5 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
Other trade receivables	4 046	3 131
Total Gross	9 505	11 115
Impairment of Iron ore trade receivables	-	(12)
Impairment of Other trade receivables	(865)	(933)
Total impairment	(865)	(945)
Iron ore trade receivables net	5 459	7 972
Other trade receivables net	3 181	2 198
Total net value	8 640	10 170

The application of IFRS 9 did not have a significant impact on the impairment of trade receivables. The reconciliation of impairment of receivables is as follows:

5.6 Other receivables

Other receivables are detailed as follows:

Categories (IN MMRU)	31/12/2024	31/12/2023
Trade payables – debit balances	4 384	3 142
Trustee	110	113
Tax receivables	1 269	947
Regularization accounts	1 091	1092
Sundry receivables	1 463	1 326
TOTAL	8 317	6 621

- Trade payables - debit balances are related to advances granted to its suppliers and orders realized before the issuing of the corresponding invoices.
- The Trustee fund is directly supplied by the bank when customer sales are collected and is intended to repay maturities linked to the loans of the same name.
- Tax receivables are mainly composite of unique tax or other income from State.
- Regularization accounts refer to the prepaid expenses.
- Sundry receivable accounts concern short-term advances granted to staff, claims on social security organizations and miscellaneous claims.

5.7 Financial instruments: Disclosure

5.7.1 Financial instruments presented in the statement of financial position

The group defines its financial assets according to the following categories: assets measured at fair value in return for profit, instruments for hedging future cash flows, assets held to maturity, loans and receivables, assets available for sale, and debts at amortized cost. The classification depends on the financial assets' acquisition purposes. Management determines the classification of its financial assets upon initial recognition.

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.

Assets held to maturity

Non-derivative financial assets, with fixed or determinable payments and a fixed maturity, are classified as investments held until their maturity, as soon as the group has the manifest intention and the capacity to keep them until when they fall due. Gains and losses are recorded in the income statement when these investments are derecognized or impaired.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market. They are included in current assets, except those whose maturity is more than twelve months after the closing date.

The group assesses at each closing date whether there is an objective indicator of impairment of a financial asset or a group of financial assets.

Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when the group has a legally enforceable right to offset the amounts recognized and intends either to extinguish them on a net basis, or to carry out the asset and extinguish the liability simultaneously.

The main financial liabilities consist of loans and supplier debts. The main objective of these financial liabilities is to finance the group's operational activities.

Upon initial recognition, borrowings should be measured at their fair value, against which transaction costs directly attributable to the issuance of the liability are charged.

Loan issue costs and premiums are not included in the initial cost but should be considered in the determination of the amortized cost using the effective interest rate method and should be recognized in the actuarial profit and loss all along the liability's lifespan.

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

IN MMRU	Breakdown by instrument category				Fair value
	Amortized cost	Fair value through profit or loss	Fair value through equity	Value in the statement of financial position	
Non-current financial assets	2 129	-	-	2 129	2 129
Trade receivables and related accounts	8 640	-	-	8 640	8 640
Other receivables and related accounts	8 317	-	-	8 317	8 317
Cash and cash equivalents	33 640	15 808	-	49 452	33 644
Assets	52 730	15 808	-	68 538	52 730
Financial debts (portions over 1 year)	1 538	-	-	1 538	1 538
Financial debts (portions at less than 1 year)	1 168	-	-	1 168	1 168
Trade payables	9 712	-	-	9 712	9 712
Other payables	4 568	-	-	4 568	4 568
Liabilities	16 986	-	-	16 986	16 986

The fair value of other financial instruments (loans and deposits) was 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 was not deemed significant, and these items are therefore valued at amortized cost discounted at closing market price in the transaction currency.

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

5.7.2 Derivative financial instruments

The group 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 31st, 2024, 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	-	15.3	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 (I)	(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 group 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 group 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	Amount transferred to gains and losses during the year	Inefficiency booked in Profit
Cash-Flow Hedge		
Foreign currency hedging	(730 334)	1 945 013
Interest rate hedging	-	-
Raw Material hedging	-	-

Fair value Hedging in USD	Unrealized gains and losses on hedging instruments	Unrealized gains and losses on hedging instruments	Inefficiency booked in profit
Fair Value Hedge			
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 SNIM group's sales are made in US dollars. Mauritania's exchange regulations prohibit any possibility of managing exchange rate risks against the national currency. The group 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, the group 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, the group is indeed exposed to currency risk against the dollar for all its debt expressed in a third currency.

The group has formalized its risk management policy and its tolerance level for these risks.

Procedures for measuring the group's exposure to currency risk (actual and forecast) have been established. These procedures have been approved by Executive Management and are reviewed annually. The group undertakes to treat its hedging transactions with leading banks (Société Générale, BNP Paribas).

Foreign exchange risk:

SNIM group'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 group 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 group 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 equity
2024	10%	26 169	4 872 314
	(10%)	(4 645 621)	(9 247 013)

Dollar = 39,84 ouguiyas

Raw Material price risk:

SNIM group is exposed to the raw material price risk on firm and estimated operational transactions. SNIM group'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 group did not have any raw material coverage. Therefore, no sensitivity test has been performed.

Interest rate risk:

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

SNIM group'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 group 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, the group decided to implement a hedging policy, aimed at guaranteeing a maximum income rate.

Credit risk:

The group 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 in order to adapt the possible depreciation on receivables. The maximum exposure is equal to the book value mentioned in **Note 5.5**.

Regarding the credit risk on other financial assets of the Group, i.e., cash and cash equivalents, financial assets available for sale, loans and certain derivative instruments, the Group' 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:

The group 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 all group companies 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, 35% of SNIM group's debts are due in less than one year, compared with 34% 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 group as of December 31st2024. Similarly, interest expenses reflect the interests of the group 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	1 190	135	137	115	88	66	65
Interest	61	45	34	24	49	7	2
TOTAL	1 250	180	172	139	137	73	67
	2032	2033	2034	2035	2036	TOTAL	
Principal	21	21	21	21	826	2 706	
Interest	-	-	-	-	-	222	
TOTAL	21	21	21	21	21	2 928	

5.8 Cash and cash equivalents

IN MMRU	31/12/2024	31/12/2023
Cash	49 452	49 690
Cash equivalents	(452)	(401)
TOTAL	49 000	49 289

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

Cash equivalents include short-term deposits with an original maturity of less than three months that are liquid and readily convertible. Bank overdrafts include loans with an initial maturity of less than three months.

5.9 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 1 000 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	2,3%
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.

5.10 Financial debts

5.10.1 Loans within the scope of trustee agreement

These loans are covered by a trust agreement signed on July 7, 1980 between the group, 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 group, 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 5.6 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	243	283
BEI DRG	USD	VAR	2 031	307	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	-

GUELB II financing and the New Mineral Port Project financing has been fully refunded since 2022.

5.10.2 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
Subsidy for equipment (GIP)				802	619
FADS	KWD		2 049	170	252
Deposit				4	4
CDD (ATTM)	MRU	10,40%		78	52
MOZACA (GHM)	MRU			63	-
GS SARL (GHM)	MRU			63	-
BMI (GHM)	MRU			350	-
Subtotal				1 528	927

5.10.3 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 group 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 for December 31st, 2023.

IN MMRU	Currency	Interest Rate	Maturity	31/12/2024	31/12/2023
Rescheduled maturities on French debt					
Agreement 8	EUR	3,00%	2019	117	117
Subtotal				117	117

5.10.4 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 in the process of being signed.

The group 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
FED/o3/EUR (Sysmin III)	EUR	Var.		177	547
European Economic Community (Sysmin 1)	EUR	0,50%	2 028	333	338
Subtotal				510	885
TOTAL LOANS				2 706	2 660
Loans maturing in less than one year				1 168	925
Long and mid-term loans				1 538	1735

Financial debts maturing in less than one year correspond to the portion of borrowings that will be repaid over the next twelve 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 flows (drawings & reimbursements)	FX	Other	31/12/2024
Long and mid-term loans	1 735	333	18	(548)	1 538
Loans maturing in less than one year	925	(299)	(6)	548	1 168
Total	2 660	34	12	-	2 706

Other mainly includes the reclassification of maturities of less than one year.

5.11 Retirement benefit obligation

IN MMRU	31/12/2023	Allowance	Reversals	31/12/2024
Provisions for retirement indemnities	4 334	*697	(136)	4 894
Provisions for additional retirement	2 833	311	(86)	3 058
TOTAL	7 167	1 008	(222)	7 951

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

Description of plan:

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.

Actuarial assumption:

The benefit obligation amount is determined according to the projected unit credit actuarial valuation method. This method consists in valuing the benefit according to the projected salary at the end of the employee's career and to the eligible amount at valuation date. The following assumptions were used:

Assumptions	Applied Assumptions
Age of retirement	63 years
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

The accrual basis held to recognize actuarial gains and losses is a booking in equity.

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

IN MMRU	31/12/2023	31/12/2024
Benefit obligation	4 334	4 894
<i>of which related to SNIM-the parent company</i>	4 230	4 760
<i>of which related to subsidiaries</i>	104	134

Variation in benefit obligation:

IN MMRU	31/12/2023	31/12/2024
Benefit obligation at the beginning of the period	2 495	4 334
Current service cost	144	292
Interest cost	80	223
Actuarial (gains) losses	1 771	151
<i>of which changes in assumptions</i>	972	-
<i>of which experience differences</i>	798	151
Benefits paid	(164)	(136)
Change in Benefit obligation from subsidiaries	8	30
Benefit obligation at the end of the period	4 334	4 894

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

*The actuarial cost for the year from the subsidiaries is not significant.

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.

5.12 Provisions

The provisions cover the risks linked to conflicts and disputes with outgoing staff.

These provisions are not discounted as the effect of the actuarial effect is not material.

IN MMRU	31/12/2023	Increase	Reversal	31/12/2024
Contingency provision	806	-	(296)	510
TOTAL	806	-	(296)	510

5.13 Trade payables

Trade payables are detailed as follows:

IN MMRU	31/12/2024	31/12/2023
Trade payables	9 041	5 987
Accrued payables	671	956
TOTAL	9 712	6 943

There are no discounted debts at closing date.

5.14 State and other public taxes

IN MMRU	31/12/2024	31/12/2023
Current Income Tax	1 699	2 209
Taxes on wages and salaries	842	739
Other taxes	385	317
TOTAL	2 926	3 265

SNIM (parent company) has a special 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 SNIM, for a period of 20 years starting on January 1, 1999. This agreement ensures SNIM group’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 turnover 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 turnover 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 group also pays an annual lump sum of 80 million ouguiyas representing the totality of the taxation of tax compensation and benefits in kind granted by the group 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.

The agreement signed between the Mauritanian State and SNIM exempts it from the payment of all customs duties and similar taxes, as well as all taxes, duties, fees, and royalties of any kind relating to all products, equipment, and services, as well as to iron ore mining and water exploration activities. It also exempts from payment of all customs duties and similar taxes on all equipment, materials, supplies, and consumables imported by the companies and their subcontractors and intended for work carried out on behalf of SNIM. The special agreement was the subject of an amendment No. 1 signed on June 19, 2001 concerning the introduction of VAT and the Group's liability to this tax. Under the terms of this amendment to the new agreement, SNIM is subject to Value Added Tax on the supply of goods and services not directly related to industrial and mining operations.

5.15 Other payables

IN MMRU	31/12/2024	31/12/2023
Trade creditors	2 109	1 847
Payroll expenses and related costs	554	545
Dividends payable	10	156
Sundry payable and pre-payments	1 895	2 501
TOTAL	4 568	5 049

Credit customers correspond to mineral customers whose final invoices are in their favor.

6- ADDITIONAL INFORMATION RELATING TO THE INCOME STATEMENT

6.1 Sales

IN MMRU	2024	2023
Sales of iron ore	45 673	50 053
Sales of subsidiaries	2 473	2 247
TOTAL	48 147	52 270

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 geographical area is as follows:

IN MMRU	2024	2023
Chine	28 203	23 633
Algérie	5 959	12 061
Italie	3 949	5 028
Allemagne	2 815	1 150
Australia	1 750	3 997
Japan	777	2 022
Egypt	548	-
France	326	581
Autres	1 347	1 581
TOTAL	45 673	50 053

Subsidiaries sales are detailed as follows:

IN MMRU	2024	2023
ATTM	1 735	1 588
SOMASERT	9	17
COMECA	178	173
SAMIA	42	40
SAFA	242	195
SAMMA	92	59
GMM	(3)	9
M2E	119	105
GIP	59	61
TOTAL	2 473	2 247

6.2 Revenue from ancillary business activities

Other revenue from ancillary business activities is detailed as follow:

IN MMRU	2024	2023
Rents, material disposal, telecom	203	337
Rental of buildings and equipment	11	10
Other services	91	13
Provision of personnel	121	143
Disposals	75	10
TOTAL	501	512

6.3 Raw materials and consumables

Raw materials and consumables are detailed as follows:

IN MMRU	2024	2023
Consumables used	17 648	16 074
Maintenance products	160	117
Water and electricity	69	47
Materials & supplies	28	71
TOTAL	17 905	16 309

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.

6.4 Other operating income

Other operating income are detailed as follow:

IN MMRU	2024	2023
Miscellaneous Products and Profits	27	296
Discounts, rebates, and refunds obtained	97	96
Profits / disposal	-	74
TOTAL	124	466

6.5 Personnel expenses

The personnel expenses are as follows:

IN MMRU	2024	2023
Wages	7 786	7 050
Social charges	575	690
Provision for retirement indemnities	151	249
Complementary pension schemes	689	142
TOTAL	9 202	8 130

The increase in personnel costs is mainly explained by:

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

The evolution of the group headcount is presented as follows:

Category	2024	2023
Executives	613	564
Supervisory staff	4 077	4 056
Workers	3 041	2 925
TOTAL	7 731	7 545

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

6.6 Depreciation, amortization and provision

Depreciation, amortization, and provision are detailed as follows:

IN MMRU	2024	2023
Depreciation of property, plant, and equipment	5 902	6 066
Amortization of intangible assets	15	29
Provisions (contingencies)	74	206
Other depreciation	574	1 582
Reversals / provisions	(802)	(495)
TOTAL	5 763	7 389

6.7 Taxes

Taxes are detailed as follows:

IN MMRU	2024	2023
Tax on benefit	16	15
Other taxes	373	150
TOTAL	389	165

6.8 Other operating expenses

The other operating expenses are detailed as follows:

IN MMRU	2024	2023
Expenses related to investment (1)	2 128	1 841
Expenses related to operations (2)	658	881
Other Charges (3)	1 091	906
TOTAL	3 877	3 628

(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, fines, penalties, and slowdown of stock.

6.9 Financial income

Financial incomes are detailed as follows:

IN MMRU	2024	2023
Interest and related income	2 118	1 914
Income on financial instrument	119	172
Foreign exchange gains	-	-
TOTAL	2 237	2 086

6.10 Financial expenses

Financial expenses are detailed as follows:

IN MMRU	2024	2023
Interest and related charges	186	189
Foreign exchange losses	-	17
Charges on financial instruments	67	15
TOTAL	253	221

7- ADDITIONAL INFORMATION RELATED TO THE STATEMENT OF CASH FLOWS
7.1 Depreciations and amortizations

IN MMRU	2024	2023
Amortization of property, plant and equipment	6 149	6 066
Amortization of intangible assets	33	29
Amortization of financial assets	-	-
Allocation to provisions (risks & charges + IDR)	702	2 022
Loss of tangible assets	80	193
TOTAL AMORTIZATIONS AND PROVISIONS	6 964	8 311

7.2 Changes in working capital

IN MMRU	2024	2023
Decrease (Increase) in inventories	(2 430)	602
Decrease (Increase) in trade receivables	1 530	(484)
Decrease (Increase) in other receivables	(455)	(1 356)
Increase (Decrease) in trade payables	1 698	478
Increase (Decrease) State and other local authorities	(139)	(1 085)
Increase (Decrease) in other payables	(483)	446
Change in working capital	(277)	(1 399)

7.3 Expenditures on fixed assets

IN MMRU	2024	2023
Acquisition of property, plant & equipment	(8 155)	(11 328)
Acquisition of intangible assets	(32)	(17)
Acquisition of Financial assets	(487)	(148)
TOTAL ACQUISITIONS	(8 674)	(11 493)

7.4 Reversal of depreciations and provisions

IN MMRU	2024	2023
Capitalized production	(670)	(670)
Reversal of depreciations and provisions	(469)	(414)
TOTAL	(1 139)	(1 084)

7.5 Foreign exchange gains and losses

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

7.6 Net Cash

IN MMRU	2024	2023
Cash and cash equivalents	49 452	49 690
Current cash liabilities	(452)	(401)
Total	49 000	49 289

9- RELATED PARTY DISCLOSURE

Transactions with related parties are not significant. They mainly concern the sale of materials and fuel and workshop services.

This table summarizes the intra-group services provided in 2024 in MMRU.

Filiales	Purchases													TOTALUX
	ATTM	COMECA	SAMMA	SAMIA	SOMASERT	GMM	SAFA	GIP	M2E	GHM	GPIM	SNIM		
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	
TOTALUX	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.

8- OTHER COMMITMENTS AND LIABILITIES

Off balance sheet commitments are broken down as follows:

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

10- 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 group has occurred after closing date.