Zouerate, Mauritania, December 1st, 2009: Société Nationale Industrielle et Minière (SNIM) concluded, with a pool of international financial institutions and commercial banks, financing agreements for USD710 million to implement the Guelbs II project and to build a new ore port in Nouadhibou.

SNIM was created in 1974 to mine and market Mauritania’s iron ore. Today, SNIM is the biggest company in the country, representing 12% of its GDP, 14% of its budget and 41% of its exports. SNIM is the world’s seventh-largest producer of seaborne iron ore and the only such producer in West Africa. In 2008 it delivered nearly 11 million tons of iron ore. SNIM is a strategically important supplier to the European steel industry and is also well-positioned to supply the Chinese market. The Mauritanian government holds 78.35% of SNIM’s capital.

Guelbs II will involve enlarging the existing mine and construction of a new iron ore enrichment plant, enabling annual production of an additional 4 million tons of high-quality ore concentrate. The new ore port will replace the existing port and will allow loading on bigger ships.

Both projects are a part of an investment program of more than USD1 billion, the biggest in Mauritania’s history, to modernize and enlarge SNIM’s current production facilities. As well as these two projects, the program includes a project to modernize the railway and a project to build a vocational training center in Zouerate.

This development and modernization program is part of government strategy to develop the mining sector, which is the mainspring of the country’s economic growth. For the Guelbs II project and the new ore port project, SNIM has commissioned environmental and social impact studies and set up environmental and social management programs meeting IFC criteria. The multinational financial institutions which participated in this USD710 million in financing were the African Development Bank, the Islamic Development Bank, the European Investment Bank and the French Development Agency.

The partner commercial banks are BHF-BANK, BNP Paribas, KfW IPEX-Bank and Société
Générale. The majority of the banks participating in the banking pool are historic partners of SNIM, with relationships of up to 30 years long.

The Director-CEO of SNIM, Taleb Ould Abdivall, said that "the participation of our historic financial partners testifies to the quality of the unwavering partnership between SNIM and these institutions. We are very grateful for their continuous support for our initiatives, which have proven vital, both for SNIM and for Mauritania." Regarding the participation of the commercial banks, Mr. Ould Abdivall added, "we are also grateful for the support of the commercial banks participating in these inspiring projects. This is the first time that SNIM has had access to long-term loans from commercial banks, reflecting the company’s aim of diversifying its sources of funding."

The Guelbs II project is extremely important for Mauritania. Ousmane Kane, Mauritania’s Minister of Finance, pointed out that “the government of Mauritania welcomes this project unreservedly and is very happy that SNIM has succeeded in enlisting such substantial support. The project will have a major impact on the economy and we also think that it will be a triggering factor for other investments in the country, contributing to its growth.” Hatch Corporate Finance and White & Case are acting as financial and legal advisors to SNIM, and Lovells as the legal advisor to the banks.