



الشركة الوطنية للصناعة و المناجم
SOCIETE NATIONALE INDUSTRIELLE ET MINIERE

Annual Report 2023





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SOCIETE NATIONALE INDUSTRIELLE ET MINIERE

Snim

Annual Report 2023

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KABA MOHAMED ALIOUA
Chairman of the Board

CHAIRMAN OF THE BOARD'S MESSAGE

While our net income decreased from last year (14,495 MMRU compared to 15,337 MMRU in 2022), this result is still encouraging given the uncertain international environment, showcasing our resilience in navigating economic challenges.

We have also continued our debt reduction strategy to enhance our capacity to finance future major projects, reducing our debt from 1,362 MMRU in 2022 to 1,079 MMRU.

We take pride in SNIM's ongoing contribution to the national economy, where we have played a leading role for over six decades. As the second-largest employer in the country after the public sector, employing more than 6,750 people today, SNIM contributed significantly to the national economy in 2023, generating 14% of state budget revenue, 9% of gross domestic product, and 37% of total exports.

The year 2023 also saw numerous initiatives aimed not only at completing our production program but also at ensuring the sustainable and harmonious development of SNIM. Our teams' strong commitment to various initiatives within the Corporate Strategic Plan (CSP) demonstrates their full support for our shared vision.

The CSP represents our ambition to reshape the company gradually by continuously seeking opportunities to enhance our production capacity and strengthen our market position. It also aims to seize every chance to reduce our carbon footprint by developing technologies that decarbonize iron ore production and actively contribute to the energy transition while adding value to our products. The partnerships we have established underscore our ambition to adapt SNIM's offerings to meet the evolving demands of an increasingly carbon-sensitive market.

In this spirit, the F'derick project was launched, pending the execution of the Tizerghaf project and other initiatives designed to boost our production capacity.

Regarding our partnership projects, we are pleased with the significant strides made last year in advancing the El Aouj and Takamul projects, as well as the strong commitment from all partners to see these efforts through successfully.

With the hope of celebrating continued success in the years ahead, I extend my sincere gratitude to our shareholders, all SNIM staff, and our partners whose trust allows us to move forward: the Mauritanian Government, our employees, customers, suppliers, financial backers, local authorities, and more.

Thank you

Dear Shareholders,

Throughout the year, our teams have initiated solutions to daily challenges and created approaches with a controlled social and environmental impact, in line with our Corporate Social Responsibility (CSR) commitments.

In parallel to our efforts to improve operational performance, we prioritized the safety of our personnel and facilities. The achievements recorded by SNIM in 2023 are clear indicators of the positive outcomes from the reforms implemented under the CSP, reforms that we must continue to deepen and accelerate.

Dear Shareholders,

In 2023, our teams worked diligently across all areas to increase productivity, strengthen the credibility of our business, and enhance profitability while carefully managing production costs.

We exceeded the 14 million-ton mark in sales, setting a new all-time record. Despite less favorable pricing conditions than last year, our turnover rose to 50,053 MMRU, reflecting an increase of approximately 7.94% compared to the previous year.

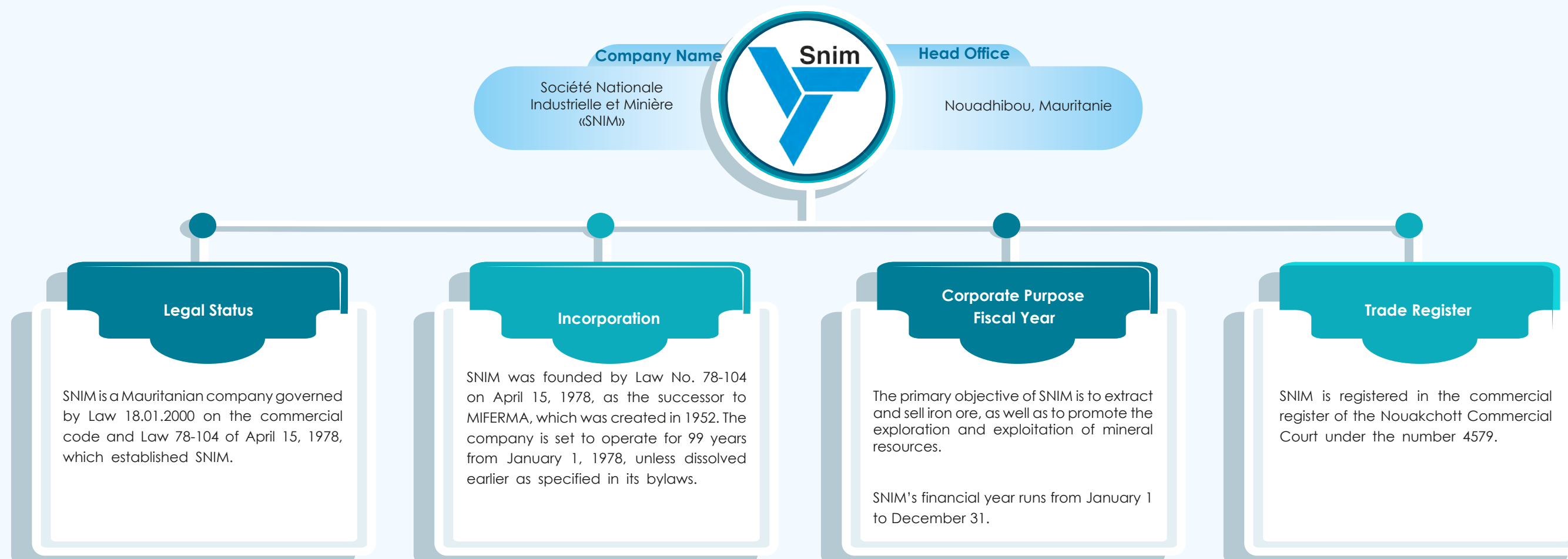
Demonstrating SNIM's commitment to both present and future growth, our investments in 2023 totaled 9,126 MMRU, a 39% increase from 2022.



1. INTRODUCTION TO SNIM

1. INTRODUCTION TO SNIM

Overview of SNIM



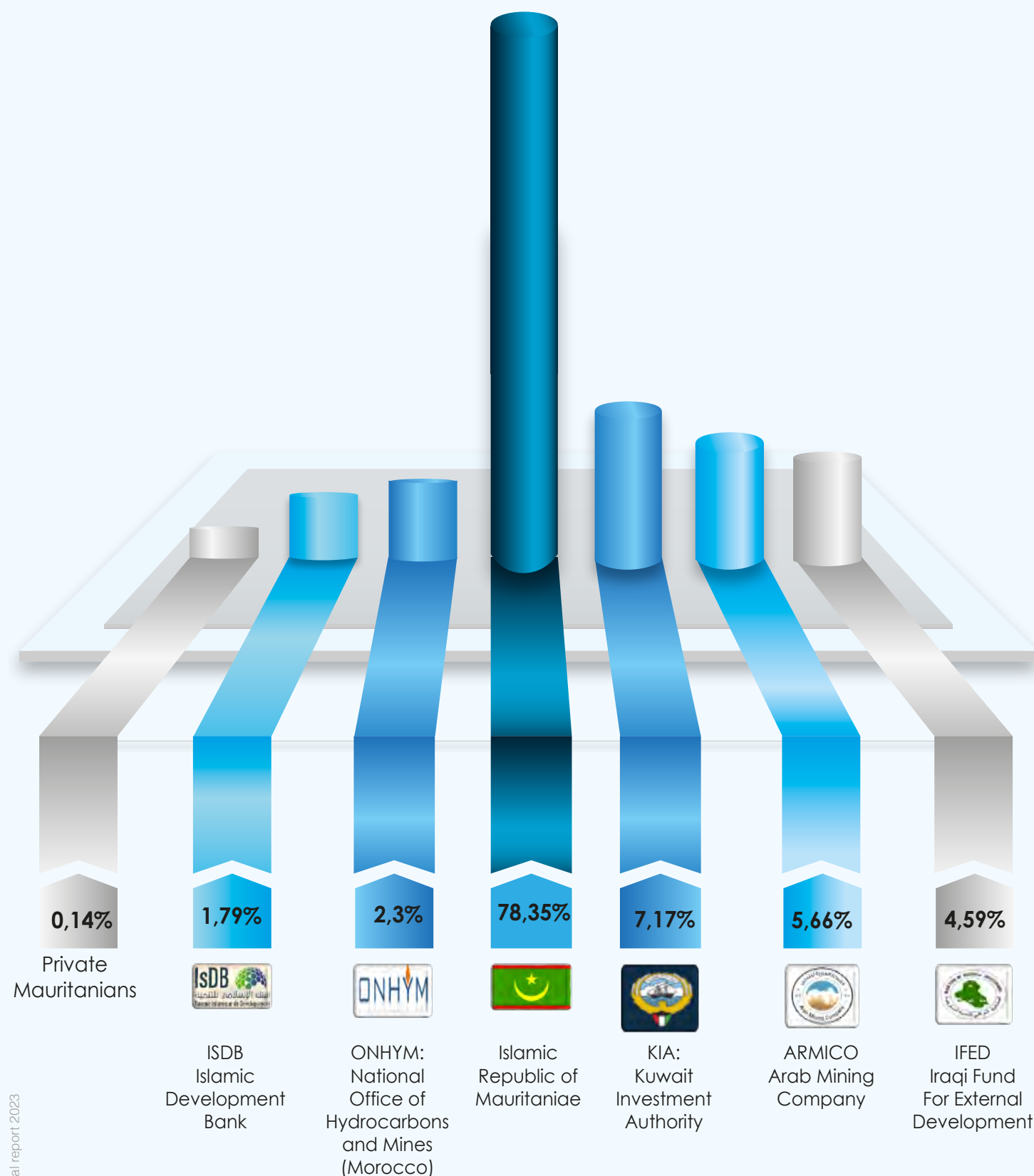
SNIM is a Mauritanian company specializing in the exploration, extraction, processing, transportation, and export of iron ore. Our deposits are located in the Tiris Zemour region in northern Mauritania.

SNIM manages the entire operational chain, including geological research, mining, maintenance, water and electricity production, iron ore transportation, and the operation of the loading port in Nouadhibou. Additionally, SNIM operates its own railway line, spanning over 700 kilometers, primarily dedicated to transporting iron ore.

SNIM is committed to developing its mining resources and enhancing product quality to establish itself as a prominent player in the mining industry. Guided by values of environmental stewardship and respect for individuals, SNIM strives to be a responsible employer, prioritizing the well-being of its employees and actively contributing to the economic development of Mauritania.



Shareholding



Governance

General Assembly



The General Assembly of SNIM, which is duly constituted, represents all shareholders. Each shareholder has the right to attend the General Assembly or to appoint a representative. The Assembly is responsible for appointing the Board of Directors and designating the statutory auditors.

Board of Directors



SNIM is governed by a Board of Directors composed of 12 members, who are appointed by the Ordinary General Assembly. The Board meets at least four times each financial year. It has delegated significant authority to the CEO and Board Members, granting them the necessary powers for overall management and day-to-day administration of the company, with options for partial or complete delegation.

Members of the Board of Directors as of December 31, 2023

Full name	Position	Institution
Kaba Mohamed ALIOUA	Chairman	State of Mauritania
Adel AL DHAEN	Vice-President	Kuwait Investment Authority
Mohamed Vall MOHAMED TELMIDY	CEO and Board Member	State of Mauritania
Ahmed Salem BOUHEDA	Board Member	State of Mauritania
Mohamed Lemine OULD AHMED	Board Member	State of Mauritania
Magboula MINT BOURDID	Board Member	State of Mauritania
Mohamed Lemine SIDATY	Board Member	State of Mauritania
Ali Mahmoud MOHAMMED	Board Member	Arab Mining Company
Qaissar OGLAH	Board Member	Iraq Fund For External Development
Nawal SAADI	Board Member	Islamic Development Bank
Mhamed OULD SIDI	Board Member	BMCI (Private mauritanian)

Executive Committee



The Board of Directors has established an internal Executive Committee comprising 4 directors. It prepares the meetings of the Board of Directors and acts as the Tender Committee to approve all contracts of €2 million or more. It meets at least four (4) times per year.

Audit Committee



The Board of Directors has established an internal Audit Committee comprising 5 directors. It approves the proposed appointment of the statutory auditors and the annual internal audit program. It examines the audit reports and makes any necessary recommendations.

Management Committee



A Management Committee, including the Deputy Directors of SNIM, the Director of Railway and Port, and the Head Office Director, meets regularly with the CEO and Board Member to discuss issues related to the management of the company and its strategic direction.

Coordination Committee



A Coordination Committee including the CEO and Board Member, the deputy directors, the advisers and the sector directors of SNIM meets every three months to review the production program and the execution of the budget.

Our Business 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. These two facilities are located close to each other, enabling the sharing of resources and means dedicated to production operations at the Guelb El Rhein site.

The distance between Guelb El Rhein and M'haoudatt is approximately 30 km, while the distance between Zouerate and M'haoudatt is 60 km, making M'haoudatt the most remote site. Near Zouerate lies the Kédia d'Iadjil site, where SNIM operates the TO14 and Rouessa mines, along with associated processing facilities.

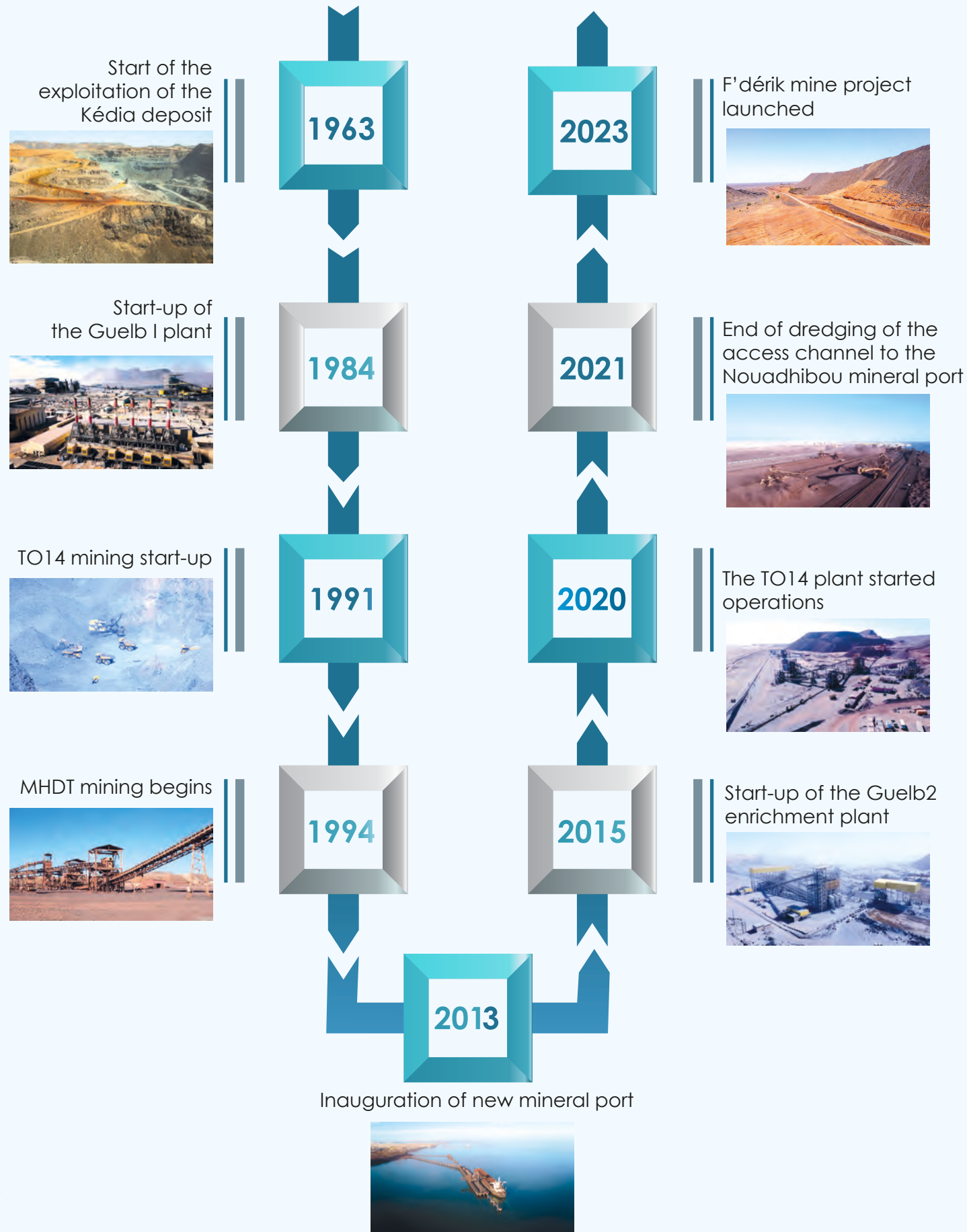
The transportation of iron ore from SNIM's mining sites to the loading port is handled by train. The railway infrastructure is expandable to support the anticipated increase in mining production, particularly with projects such as Fdérík, Tizerghaf, El Aouj, Atomai, and others.

Currently, SNIM's railway network connects all production sites from Zouerate to Nouadhibou, covering M'haoudatt, Guelb El Rhein, TO14, Rouessa, F'derick, and more.

While Zouerate is the heart of SNIM's activities, with the railway as its backbone, Nouadhibou serves as the lifeline of operations, housing the loading port for ore carriers.



Key Events Timeline :
A 60-Year-Old Company



Our products

This is a siliceous graded product obtained from the crushing of siliceous ores in several stages to obtain a graded product with a grain size of 10 to 30 mm.

A blend resulting from a mixture of GMAB with fines from the processing of hematite ores.

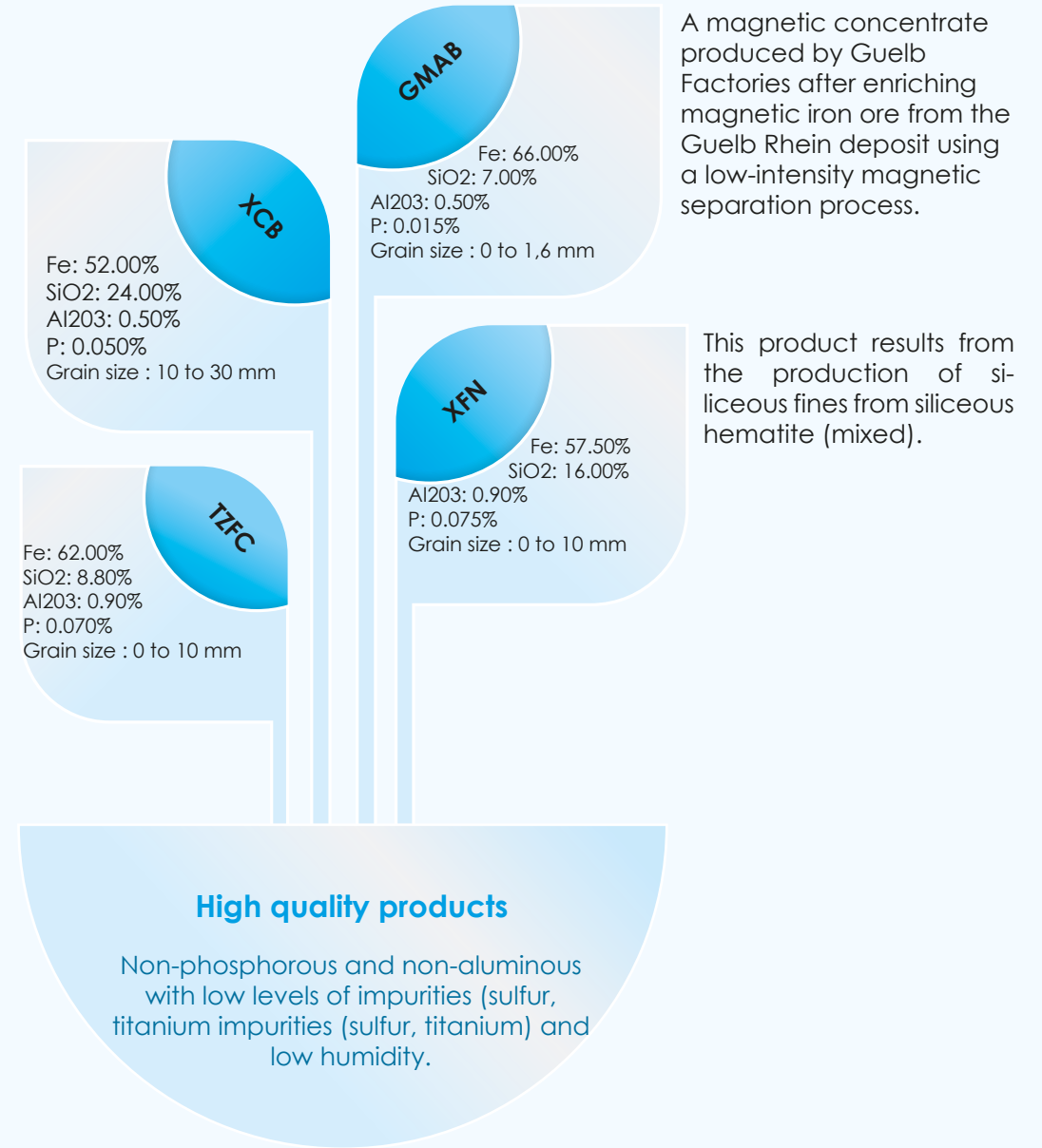
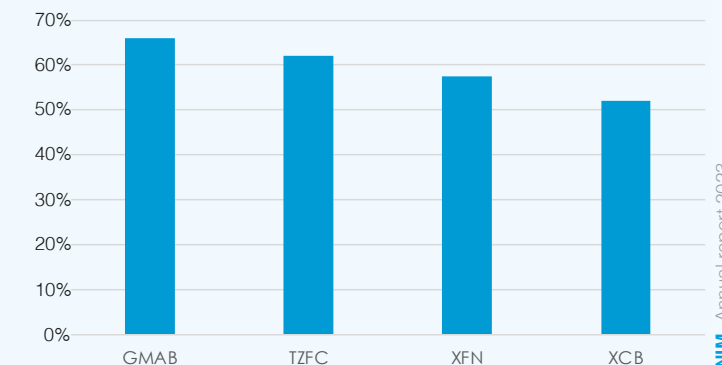


Table 1: Chemical composition of SNIM's products

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

Figure 1: Composition of iron products (%Fe)



Our Subsidiaries

Regarded as a driving force for development in Mauritania, SNIM has historically contributed to encouraging and supporting other sectors of the economy through the creation of specialized subsidiaries.

SNIM has invested in diversifying its industrial activities by establishing 11 subsidiaries operating in a variety of sectors, including

foundry, mechanical engineering, public works, tourism, port handling, oil infrastructure management, and property development. This diversification is strengthening the national industrial landscape while creating skilled jobs. SNIM's subsidiaries currently provide over 2,000 direct and indirect jobs, each playing an essential economic role.

GPIM (Générale de la Promotion Immobilière), a wholly owned subsidiary of SNIM, specializes in the management of SNIM's non-industrial land and property assets in Zouerate, Nouadhibou, and Nouakchott. Its responsibilities include property development, building management, and the provision of urban street furniture.

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

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

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

GMM (Granites et Marbres de la Mauritanie) specializes in the exploitation of ornamental stones, the processing and manufacture of granite products, and the production of ballast and aggregates for construction.



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

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

ATTM SA (Société d'Assainissement, de Travaux, de Transport et de Maintenance / Public Works, Transport, and Maintenance Company) operates within the public works sector, including the construction of buildings, roads, railways, runways, and urban infrastructure.

COMECA (Construction Mécanique de l'Atlantique) is a leading company in Mauritania specializing in the precision manufacturing of mechanical parts through machining, the fabrication of welded components and assemblies, and the delivery of comprehensive turnkey projects. Additionally, COMECA offers expertise in structural engineering, conducting major technical repairs directly at client sites, and rewinding low and medium-voltage (LV/MV) engines to ensure optimal performance.

SAMMA (Société d'Accostage et de Manutention en Mauritanie) is engaged in maritime agency, ship handling, customs clearance, and land transport.

Corporate Strategic Plan : An Ambition for a Change of Scale SNIM's Corporate

The Corporate Strategic Plan (CSP) aims to position the company as a regional mining hub over the next twenty years.

To achieve this objective, SNIM plans to increase its iron ore production capacity, add value to its products, and diversify. It aims to double its iron ore production by 2031. At the same time, it plans to gradually develop local processing industries to process 31% of the ore produced by 2031, targeting 40% by 2038 and 45% by 2045.

This approach also includes the strategic objective of integration into the steel production value chain, through the production of pellets, DRI (direct reduced iron), and HBI (hot-briquetted iron). This integration could be accelerated with the availability of cheap energy (natural gas and green hydrogen).

In addition, the CSP plans to introduce mining diversification into SNIM's business portfolio, with the possibility of producing other metals.

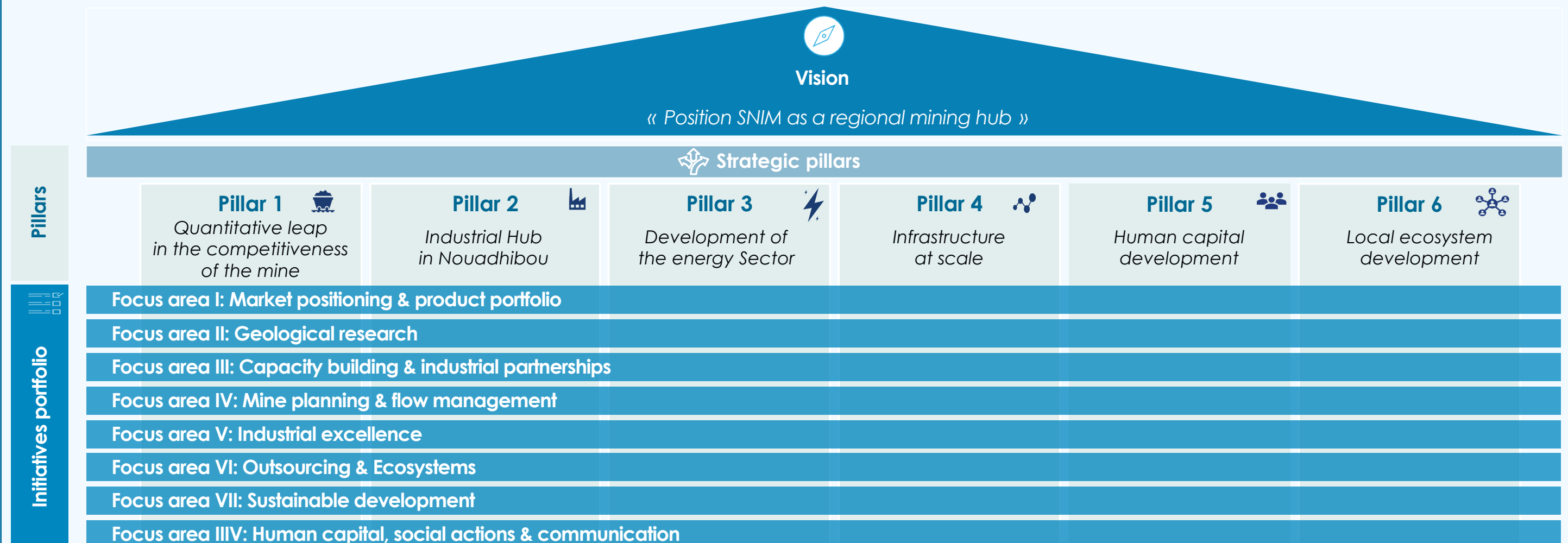
By 2031, SNIM intends to increase its annual production internally by 10 million tons. This additional production will come, in large part, from the F'derick and Tizerghaf projects.

Partnership projects will contribute a further 21.3 million tons. The El Aouj project will produce 11.3 million tons, and Atomai will supply 10 million tons.

The ambition to turn SNIM into a regional mining hub is part of the drive to make the company a reference center for mining

activity in the sub-region. In this context, the aim will be to equip SNIM with a technical mining platform and related services, in order to better exploit local potential and position itself as a key player in the development of mineral resources in Africa.

As a pioneer in social responsibility and the development of renewable energies, SNIM also strives to be at the forefront of companies developing responsible and low-carbon mining activities.



Strategic pillars

Mine Competitiveness: SNIM is aiming to achieve a quantitative leap in the competitiveness of its mines. This includes operational excellence, the scaling up of new projects, and the application of optimal extraction and processing techniques. Extensive electrification based on renewable energy is also a key aspect of reducing energy costs and improving the sustainability of mining operations.

Nouadhibou as an Industrial Hub: Nouadhibou is intended to become a major industrial hub for the processing of high-grade ore. This project includes the reliable supply of necessary utilities, access to regional and global logistics, as well as integrated services such as human resources initiatives. The aim is to create a complete industrial environment that supports local ore processing.

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

Strategic axes

Key Initiatives Market Positioning & Product Portfolio: It is built around a sales strategy and a value-in-use model that maximizes value for customers. This is supported by a commercial excellence program, which seeks to optimize performance and operational efficiency to increase competitiveness.

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

Partnerships Program: The development of 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 strengthens SNIM's competitiveness.



Infrastructure at Scale: Improving infrastructure is essential to support production growth. The Nouadhibou Mineral Port Access Channel Dredging Project aims to increase the port's capacity to accommodate ships of up to 230,000 tons. The port's draft has been increased to 18.3 m, and the length of the channel to 25 kilometers.

Strengthening Human Capital: SNIM places particular emphasis on the development of human capital. Ongoing training programs, initiatives to improve working conditions, and social and health reforms are in place to support employees, with the aim of strengthening skills and ensuring a safe and healthy working environment.

Development of the Local Ecosystem: Local ecosystem development 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.

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



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

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 the responsible management of natural resources, the reduction of carbon footprint, and the implementation of ecological projects to protect the environment.

Human Capital, Social Actions & Communication: CSP cannot succeed without human capital. SNIM adopts a robust HR strategy and an ambitious training plan to develop the skills of its employees. At the same time, an effective communication strategy will be put in place to ensure internal cohesion and promote social actions, thus strengthening its commitment to its employees and its community.



2.

KEY HIGHLIGHTS

2. KEY HIGHLIGHTS

Key figures

Turnover
50053
billion MRU

Sales
14,11 MT

Contribution
to exports
37%

Contribution to
Government
revenues
14%

Contribution
to GDP
9%

Key Events

Launch of F'derick Project to Produce 2 Million Tons of Naturally Rich Ores



In 2023, the foundation stone was laid for the F'Dérick mine development project, with an investment cost of \$186.8 million.

The project aims to produce two million tons of iron ore per year and strengthen the company's market position. The project's components include a processing and maintenance facility, with crushers, an iron ore conveying system, and a train loading system to transport the product to the port in Nouadhibou.



Promoting Employees' Access to Land Ownership



SNIM signed a partnership agreement with the Free Zone Authority, under which the free zone grants SNIM a 48-hectare plot of land for the construction of social housing for its employees. This initiative complements a similar one carried out in 2022 in Zouerate, where 600 houses were built and sold to SNIM employees.

Green Hydrogen for the Mineral Train

The COP28 climate summit held in Dubai last November was an opportunity to sign a memorandum of understanding on the development of a green hydrogen pilot project to support SNIM's ore train. The implementation of the MoU will contribute significantly to reducing SNIM's carbon footprint, improving the quality of its production, and enhancing its competitiveness on international markets. This memorandum follows a roadmap developed by the Ministry of Petroleum, Mines, and Energy for the low-carbon hydrogen industry in Mauritania, which will benefit from the country's abundant solar and wind energy resources and prospects for natural gas development.



Inauguration of Development Projects in Zouerate by the President of the Republic



On November 26, 2023, the President of the Republic, Mr. Mohamed Ould Cheikh El Ghazouani, inaugurated a series of projects in Zouerate to strengthen SNIM's operations and improve the city's socio-economic infrastructure :

- The construction of a 30 MW thermal power plant, at a cost of 55 million euros, will increase electricity production to meet the growing demand for both industrial and civil use.
- The extension of the brackish water desalination plant will increase the production of drinking water in Zouerate by 1,000 m³ per day, improving the city's water supply.
- The strengthening of the urban road network with the construction of ten kilometers of paved roads and the rehabilitation of another six kilometers.
- The construction of a 12 MW solar power plant, representing an investment of \$10.75 million, strengthens SNIM's energy mix.



3.

OUTSTANDING BUSINESS
PERFORMANCE AMIDST
A DISRUPTIVE GLOBAL
CONTEXT

3. OUTSTANDING BUSINESS PERFORMANCE AMIDST A DISRUPTIVE GLOBAL CONTEXT

Global economic context

In 2023, global growth showed resilience despite significant regional disparities.

Robust growth was observed in the United States and several emerging economies, in contrast with a marked slowdown in most European countries. This slowdown was influenced by a tightening of financial conditions, which had a negative impact on credit and property markets, as well as international trade. Additionally, attacks on ships in the Red Sea led to higher shipping costs and delivery delays, disrupting production chains and putting further pressure on prices.

Global growth in 2023 was surprisingly resilient; however, the pace of economic expansion remains slow, and turbulence cannot be ruled out in 2024.

Projections for 2024 indicate a slight decline in global GDP growth, from 3.1% to 2.9%, although a rebound to 3.0% is forecasted for 2025, supported by a possible easing of financial conditions.

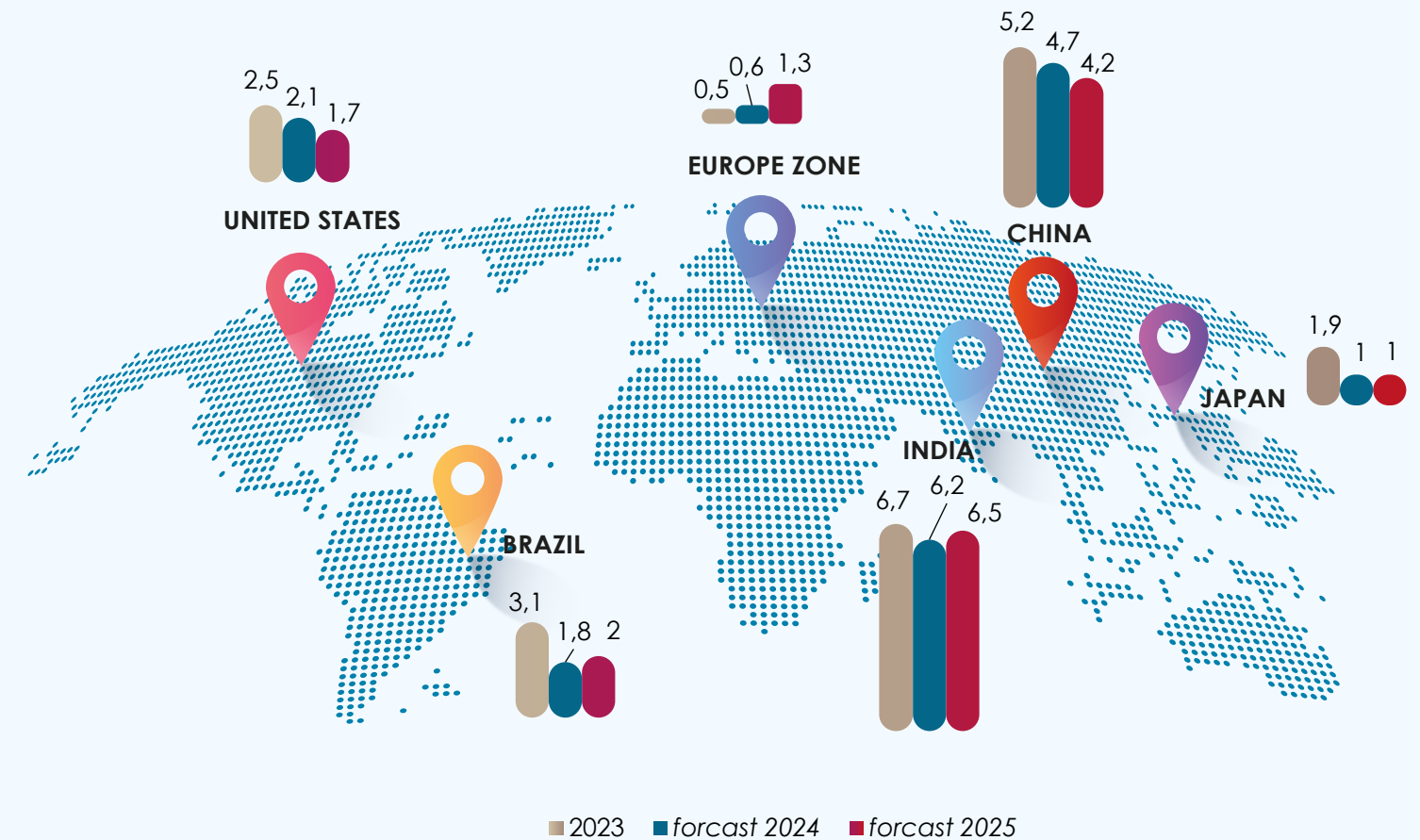
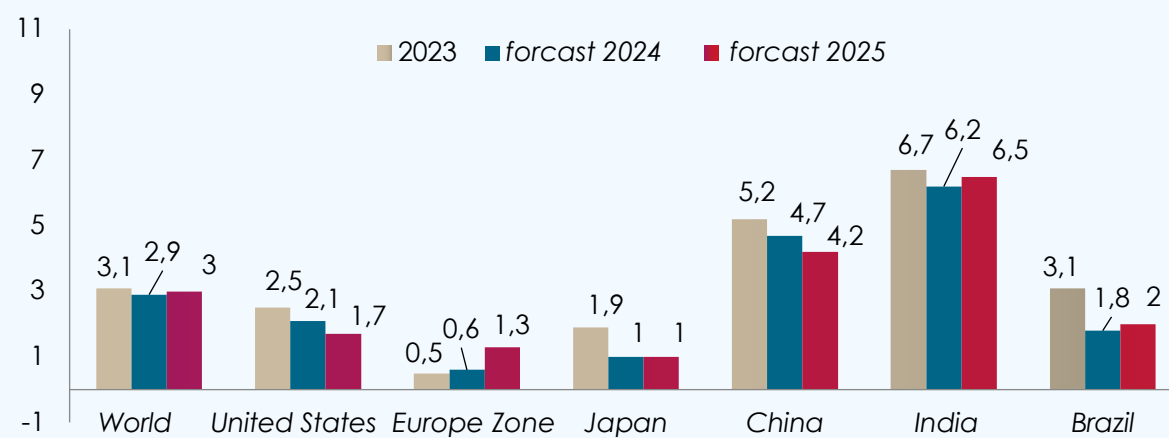


Figure 2: OECD: Growth Forecasts – GDP Change in %



In the United States, GDP growth is expected to maintain its momentum, underpinned by the strength of household consumption and the solidity of the labor market. In China, although stimulus measures have been implemented, a decline in growth is expected, affected by sluggish consumption, high debt, and persistent weakness in the property sector.

Inflation is expected to gradually decline in most G20 countries, with headline inflation forecast to fall to 3.8% in these economies by the end of 2025, down from 6.6% in 2024.

However, ongoing geopolitical tensions, particularly in the Middle East, remain a persistent threat to the global economy and price trends.

¹ OECD Economic Outlook Volume 2023 Issue 2

Steel sector



However, a recovery in demand is expected in 2024, with the exception of China. In China, the ongoing challenges in the real estate sector and the country's economic slowdown are likely to continue to weigh on steel consumption.

Overall, the global steel industry is navigating a complex environment, characterized by geopolitical uncertainties, supply chain disruptions, and macroeconomic headwinds. Navigating these challenges will require agility and innovation from steel producers and their partners across the value chain

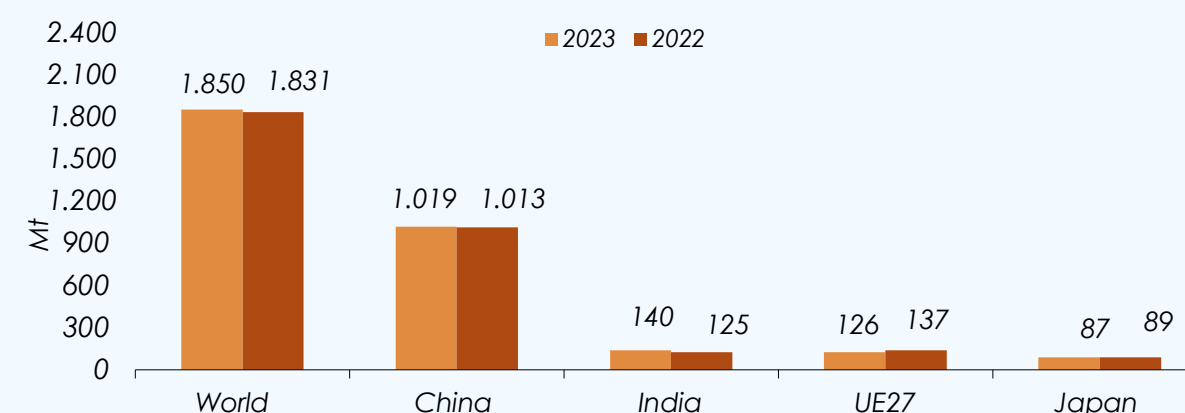
This overall stability conceals considerable regional variations. Both India and China recorded significant increases in production: India by 11.8% to 140.2 million tons, and China maintaining its production above the one billion ton threshold for the fifth consecutive year, reaching 1.019 billion tons in 2023. The increase for China is due to strong demand in various non-real estate sectors and a 35% increase in its net exports. In contrast, Europe saw its steel production drop sharply by 7.4% to 126.3 million tons. Production in the US remained almost unchanged at 80.7 million tons, up slightly by 0.2% from the previous year, with domestic demand reduced by interest rate increases.

Despite these challenges, the outlook for 2024 and beyond is more positive, with a moderate but expected recovery in developed economies, and stronger growth in emerging economies, especially in Asia. The anticipated easing of monetary policies could boost demand in 2025 and 2026. The construction sector, a major consumer of steel, is also expected to see sustained growth, driven by large infrastructure investments.

“**Global steel production stable in 2023, with demand expected to grow in 2024 and beyond.**”

Global steel production was relatively stable in 2023, with a total volume of around 1.850 billion tons, similar to the previous year. The global steel industry did not see a rebound in demand in 2023, plagued by geopolitical tensions, energy shocks, and earlier disruptions linked to COVID-19. In Europe and the United States, the sector was particularly affected by slowdowns in construction and real estate, as well as by difficult inflationary environments and unfavorable interest rate conditions.

Figure 3 : World steel production in 2022 and 2023 (World Steel Association)

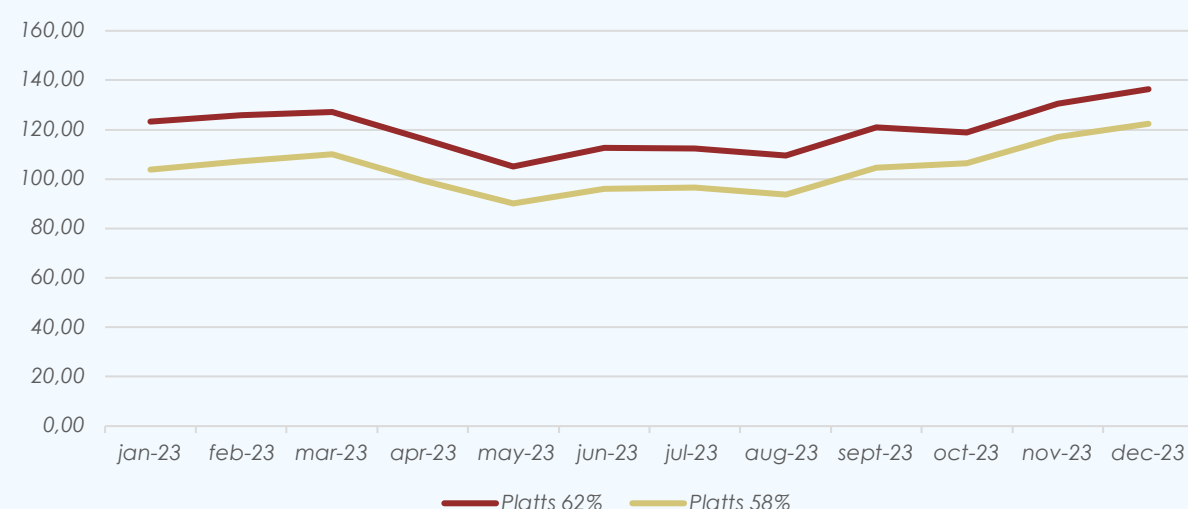


The iron ore market

In 2023, iron ore prices showed some stability, remaining above \$100 per ton, supported by a climate of optimism due to proactive measures taken by the Chinese government to boost the

economy. However, there was a sudden rise to \$140 per ton at the end of the year, which was attributed more to speculation than to any real economic robustness.

Figure 4: CFR China iron ore price trend in 2023



Source : S&P Global Commodity Insights



Australia and Brazil, which dominate the global iron ore maritime supply, continue to increase their production.

Australia has seen modest increases in 2023 thanks to the opening of new mines, and is keeping its production forecasts stable despite slight annual variations. The country remains a reliable and consistent supplier of iron ore to the global market.

Brazil's iron ore production is also forecast to rise, with Vale dominating the market and planning to expand its capacity. As the second-largest producer of iron ore globally, Brazil's output growth will be a key factor in meeting the anticipated increase in worldwide demand.

Together, Australia and Brazil account for the majority of seaborne iron ore trade. Their continued commitment to expanding production, while maintaining operational stability, is crucial for ensuring adequate supply to steel producers worldwide.

Chinese steel production is forecast to decline by 2029, which is expected to slow global demand for iron ore and put downward pressure on prices. Global iron ore supply is dominated by Australia and Brazil, which together with South Africa and Canada account for over 80% of seaborne supply. Increases in production are expected in Australia, with exports forecast to reach 983 million tons by 2029. Additionally, the Simandou mine in Guinea promises to become a significant new source of iron ore as early as 2025-2026.

SNIM's Market Expansion and Sales Growth



The years 2022 and 2023 were marked by sustained efforts to consolidate and diversify SNIM's markets. These initiatives led to the conclusion of strategic contracts with new steel producers, establishing key partnerships in Eastern Europe, the Maghreb, and Australia.

The 2023 performance is the result of the deployment of an ambitious strategy and the mobilization of everyone in the company. Thus, for the 5th consecutive year, sales are set to rise steadily from 11.27 million tons in 2019 to 14.11 million tons in 2023, which represents an average increase of 25% over the five-year period and more than 5% compared to 2022.



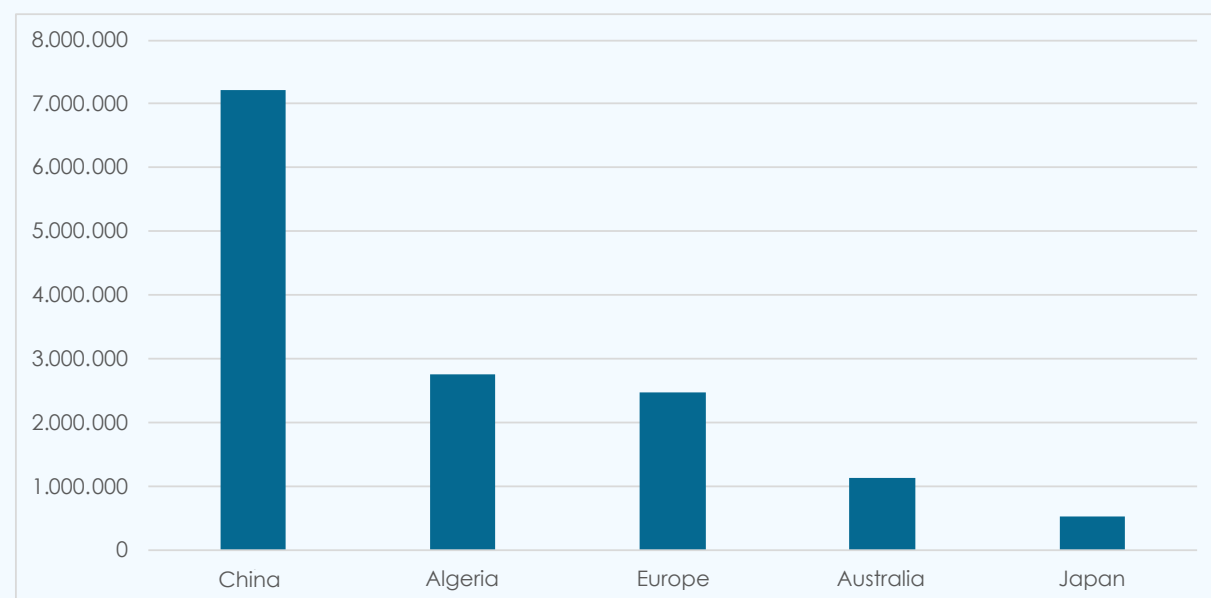
In terms of marketing, SNIM has adopted a strategic approach, prioritizing direct relationships with steelmakers and diversifying its commercial outlets. This policy has enabled SNIM to reduce its dependence on customers within a single geographical area.

The geographical distribution of sales in 2023 demonstrates the effectiveness of this commercial policy across markets in Asia, Europe, Oceania, and North Africa. The slowdown in the European market was offset by growth in the North African market, which is expected to continue expanding in the coming years.

Table 2: 2023 sales by country (in T)

Countries	Total
China	7 216 904
Algeria	2 755 977
Europe	2 479 293
Australia	1 136 009
Japan	522 909
Total	14 111 092

Figure 5: 2023 sales by country (in T)



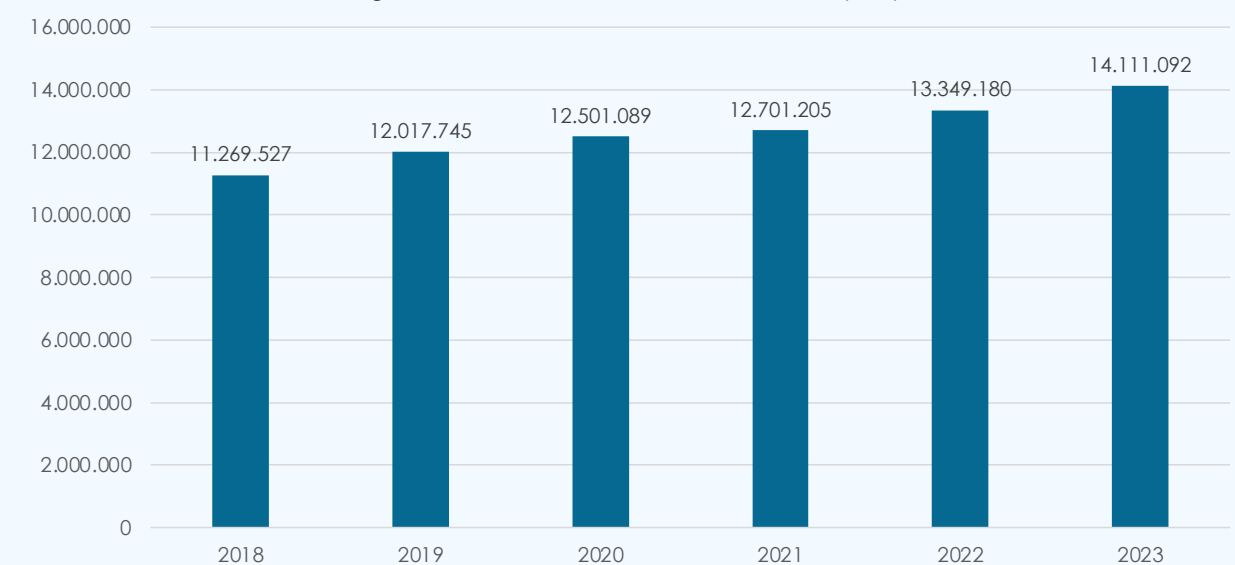
In 2023, SNIM sold four products, consisting mainly of fines and concentrates appreciated by customers for their high iron content and low levels of alumina and other impurities.

SNIM's products are mainly ores extracted from the TO14, Rouessa, M'haoudatt and Guelb El-Rhein deposits, located near the city of Zouerate in northern Mauritania.

Table 3: Sales from 2018 to 2023 (in T)

Year	Total
2018	11 269 527
2019	12 017 745
2020	12 501 089
2021	12 701 205
2022	13 349 180
2023	14 111 092

Figure 6: Sales trends from 2018 to 2023 (in T)



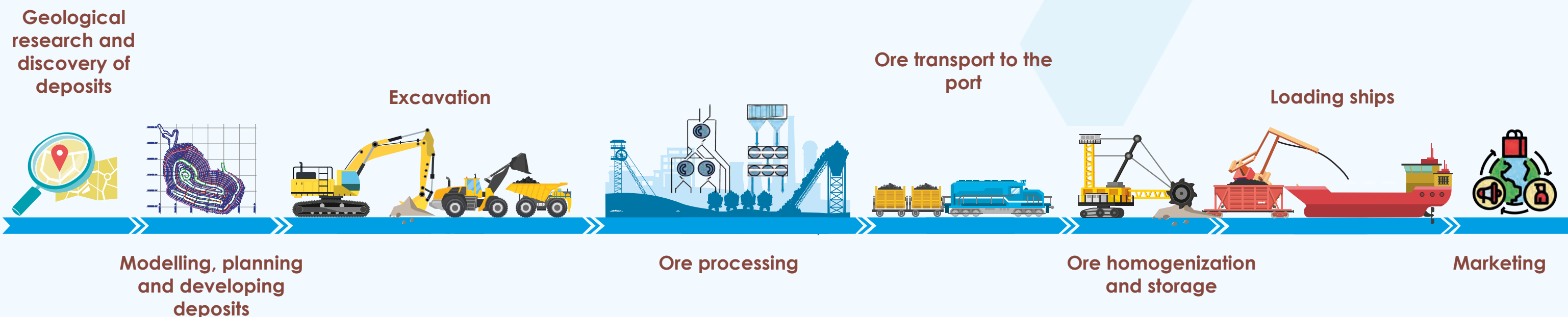
4.

2023 PRODUCTION, A RECORD-BREAKING YEAR

4. PRODUCTION 2023, A RECORD-BREAKING YEAR

SNIM has implemented a Strategic Corporate Plan aimed at improving its operational performance and expanding its product portfolio. This plan covers the **entire value chain, from geological exploration to marketing, including mining, ore processing, rail transport, and port operations.** Through investments in mining equipment, processing plants, port facilities, and more, the company has been able to enhance its productivity.

Our value chain :



Geological research and discovery of deposits

Gold and metals

SNIM has renewed its exploration permits for gold and base metals in the Wilayas of Adrar and Inchiri. This initiative underlines SNIM's ongoing commitment to contribute to the sustainable and responsible development of the country's mineral resources.

The wilayas of Adrar and Inchiri include areas (Amsaga and Mauritanides) known for their gold and copper potential.

Under these new permits, SNIM has launched a major research campaign in these regions.

The first results of this research campaign are promising with the discovery of conclusive indicators.

In the southern Akjoujt area research efforts continue to yield promising indications in the search for gold and base metals. A total footage of 9860m has been completed, split between reverse circulation (6170m) and core drilling (3690m).

A total of 535 samples were taken from this footage. The results of the analyses have so far allowed 8 targets to be delineated.

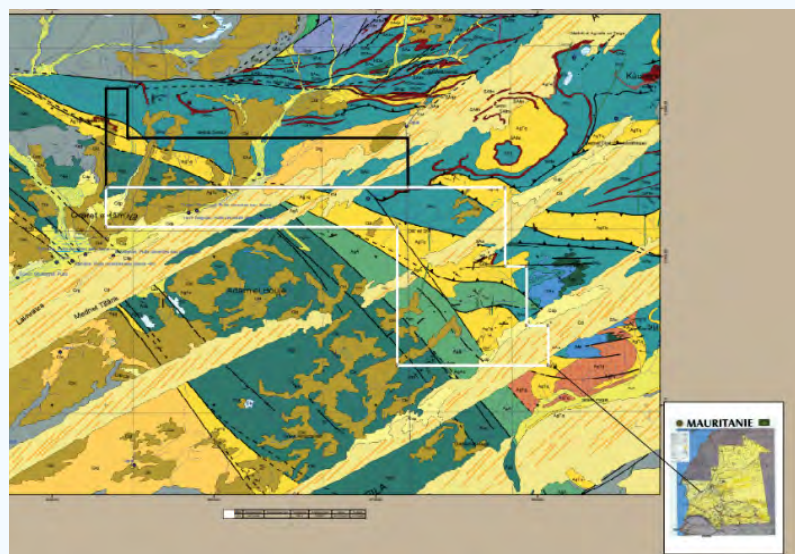


Figure 8 South Akjoujt licence

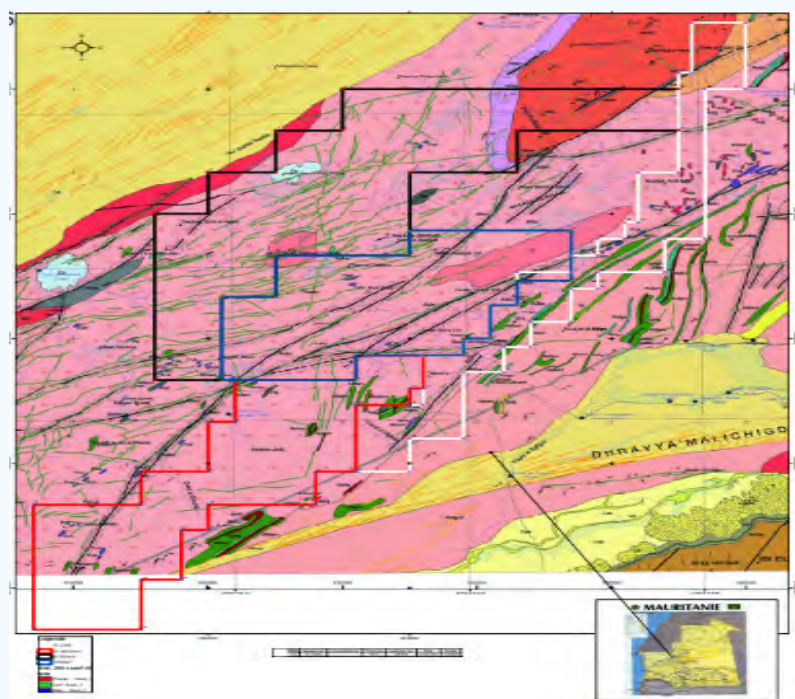


Figure 9 Amsaga licence

Freshwater and brackish water



Extensive research was also conducted on water resources, particularly at the El Erguiya and Guelb Dlim sites. In the Tazadit zone, a freshwater borehole produced a flow rate of 10 m³/h with a salinity of 0.5 g/l. At sites such as El Erguiya, the total flow rate from 25 boreholes is 330 m³/h of brackish water, with salinity levels ranging from 2 to 3 g/l. These resources represent a significant opportunity for water supply in these areas.

In Zouerate, the commissioning of an extension to the brackish water desalination plant has enabled an additional daily production of 1,000 m³. This project has also equipped the city's water supply network with new storage and pumping infrastructure, along with a modern management system.

Iron ore



SNIM's own reserves of enrichable magnetite exceed 10 billion tons. In addition, the company has more than 300 million tons of naturally rich hematite and more than 10 billion tons of processable hematite (BHQ). These reserves demonstrate the abundance and diversity of iron ore available and provide a sound basis for sustainable mining in the future.

SNIM also shares other resources with strategic partners in the El Aouj (4.4 billion tons) and Takamul projects (560 million tons).



Ore extraction

Excavation

The global earthmoving sector saw significant growth of 10.3% in 2023, reaching a total volume of 129 015 KT, which is a new record compared to 116 936 KT in the previous year. Rhein and TO14 were undoubtedly behind this growth with increases of 4 189 KT and 6844 KT respectively in 2023 compared to 2022.

This performance is attributed to a combination of several key events. Firstly, the reinforcement of equipment with two P&H 2800XPC AC electric cable excavators and two PV351 diesel drills. Then there was the switch to the V6 version

of PG11's automatic dispatch system. The project to migrate to the WGS 84 system, a global geodetic standard used for mapping and navigation, is evidence of the modernization of location and mapping systems, making it easier to plan and carry out earthmoving projects.

In addition, the opening of MH2, an auxiliary mine, has solved resource problems at M'haoudatt. Finally, the start of operations at the Fdèrik mine represents a new source of production contributing to the overall increase in the volume of earthworks.

Figure 7: Annual growth in Excavation (in KT)

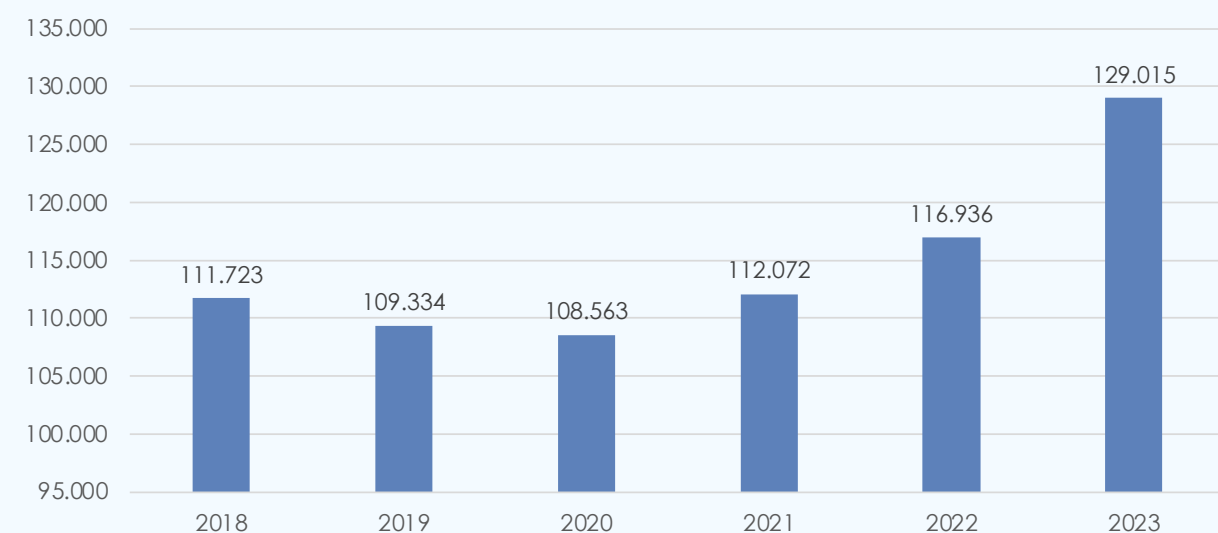
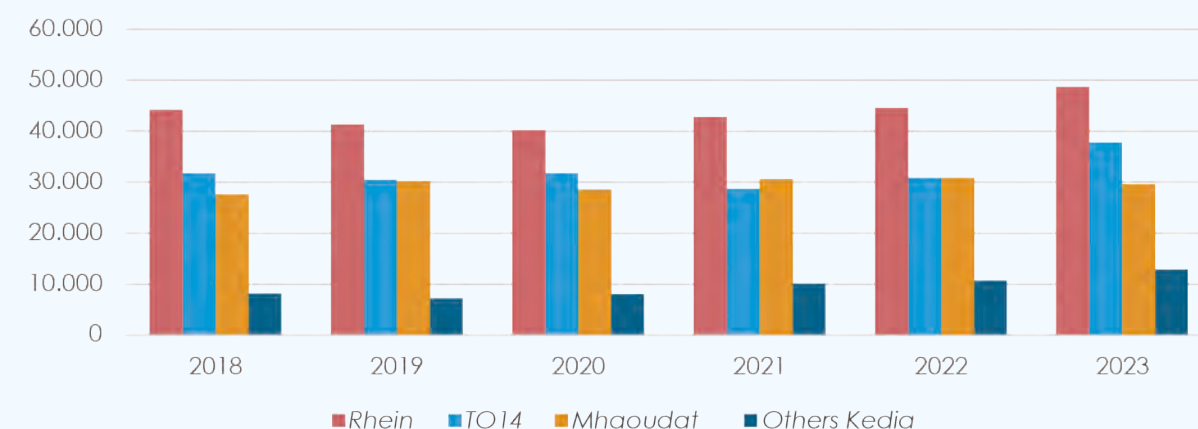


Figure 8: Earthworks by deposit 2018-2023 (in T)



Crushing

Overall crusher output rose by 6.8% in 2023 compared with 2022, from 22 514 KT to 24 049 KT, mainly thanks to the TO14 and Rhein sites where resource availability is more or less satisfactory.

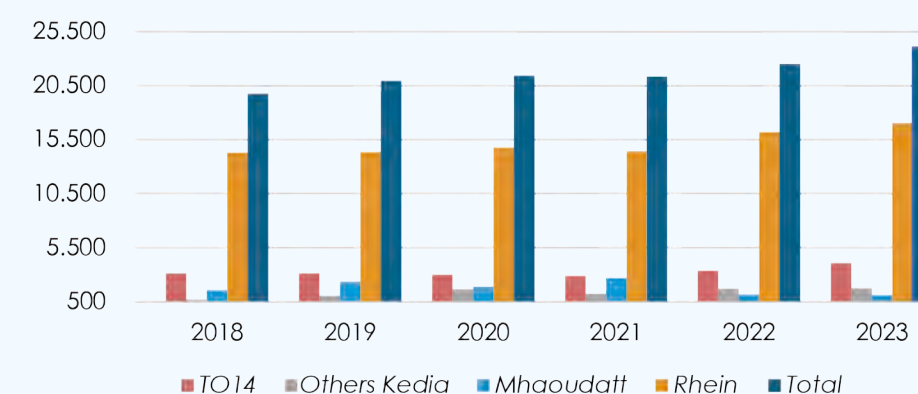
The TO14 plant, whose screens have been converted to direct drive, has also benefited from the commissioning of a secondary crusher. This technological advantage has undoubtedly contributed to the remarkable growth in production in 2023, reaching 4 094 KT, an increase of 21% compared with 2022.



Table 4: Annual crushing output by site (in KT)

Plants or Handling	2018	2019	2020	2021	2022	2023
TO14	3 165	3 136	3 019	2 909	3 375	4 094
Others Kedia	693	1078	1688	1273	1726	1763
Mhaoudatt	1597	2403	1924	2732	1210	1165
RHEIN	14 337	14 373	14 778	14 423	16 203	17 027
Total	19 792	20 990	21 409	21 337	22 514	24 049

Figure 9: Crushing trends from 2018 to 2023 (in KT)



Ore processing

The total production of the plants saw a significant increase, rising from 13,234 KT in 2022 to 14,418 KT in 2023 - a growth of 1,184 KT, representing a 9% rise. This performance is attributed to specific improvements and strategic initiatives implemented across various facilities.

The Guelbs plants achieved a historic milestone in 2023, with production reaching 6,916 KT compared to 6,547 KT in 2022 - an increase of 369 KT, or 5.64%. This success

was driven by targeted enhancements in energy efficiency and operational processes. At the Guelb1 plant, the commissioning of dust collection systems in the screening and magnetic separation areas substantially improved operational efficiency. Additional efforts included extensive maintenance, a sealing action plan for screening and magnetic separation zones, and refurbishment of electrical equipment. At the Guelb2 plant, production rose by an

impressive 19%, or 435 KT, thanks to achieving the nominal throughput capacity outlined in the plant's project. Moreover, 75% of the dry concentration screens were replaced with more advanced models better suited to the operation.

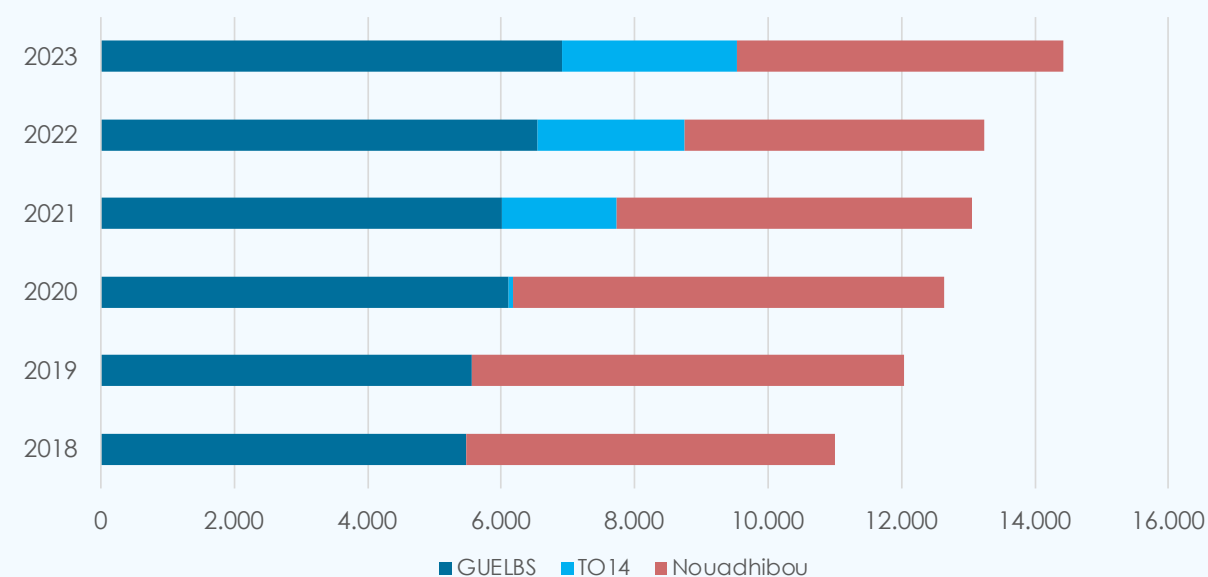
The TO14 plant recorded notable growth as well, with production increasing from 2,205 KT in 2022 to 2,623 KT in 2023 - a rise of 19%. This was driven by investments in new technologies and expanded processing capacity.

Similarly, the Nouadhibou plant delivered positive results, with production climbing from 4,482 KT in 2022 to 4,879 KT in 2023 - an increase of 397 KT, or 8.86%. These gains were made possible through continuous efforts to optimize processes and improve operational efficiency.

Table 5: Plant production from 2018 to 2023 (in KT)

Plants	2018	2019	2020	2021	2022	2023
GUELBS	5 481	5 555	6 102	6 002	6 547	6 916
TO14			77	1 731	2 205	2 623
Nouadhibou	5 524	6 482	6 456	5 326	4 482	4 879
Total	11 005	12 037	12 635	13 059	13 234	14 418

Figure 10: Production trend for enrichment plants from 2018 to 2023 (in KT)



« Initiatives launched in 2022 and continued throughout 2023 have contributed to this remarkable performance. These include dust removal systems and major maintenance operations at the Guelb1 plant, as well as capacity enhancements and screen replacements at the Guelb2 plant. These actions demonstrate SNIM's ongoing commitment to improving infrastructure and technological efficiency across its operations ».



Box 1: Enrichment: A Core Component of SNIM's Corporate Strategic Plan (CSP)

Concentrates produced by the Guelbs 1 and 2 plants play a vital role in SNIM's sales program, accounting for 50% of sales in 2023, or 7 million tons. The production forecast for 2024 is 7.7 million tons, demonstrating the strategic importance of these plants in SNIM's production portfolio.

Increasing the production capacity of concentrates is central to the CSP initiated in 2023 which aims to:

1. Restore Guelb II to full capacity
2. Upgrade the older Guelbs 1 plant
3. Develop new deposits such as TIZIRGAH, for which a feasibility study has been launched

The growing significance of Guelbs concentrates is evident in their increasing share of SNIM's production. In 2023, they accounted for almost 50% of the products shipped by rail to the ore port. This trend is expected to continue, with projected production reaching 7.7 million tons in 2024.

SNIM's journey in iron ore enrichment spans more than four decades of research and development. The process began with the commissioning of the first plant (Guelb 1) in 1984, which had a nominal capacity of 5 million tons per year.

Building on its experience in enrichment through low-intensity magnetic concentration, SNIM launched the second phase of the Guelbs projects in 2009. This phase included the construction of the Guelb 2 plant, with a nominal capacity of 4 million tons of concentrates. Inaugurated in November 2015, the Guelb 2 plant continues to increase its production capacity.

Looking ahead, SNIM is preparing to launch the Tizerghaf project, which aims to produce an additional 6 million tons of concentrates.



Ore Transportation

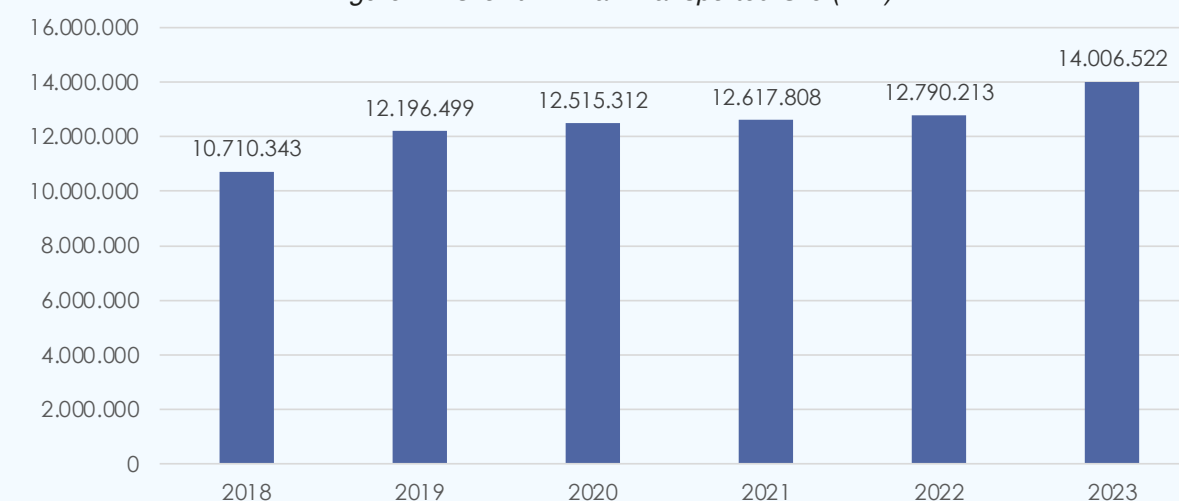
Tipping is an essential process for the fast and efficient unloading of iron ore transported by rail from mining sites to the port of Nouadhibou. Recent improvements to the railway, such as track renewal and modernization of rail infrastructure, directly contributed to the increase in tumbled tonnage. By optimizing the capacity and efficiency of the rail network, SNIM transported and unloaded a record 14 million tons of iron ore in 2023, a 10% increase compared to 2022.

This record was enabled by a number of major achievements. First, the renewal of 89 km of track has improved the fluidity and reliability of rail traffic. then, the laying of 95,139 sleepers, including 82,260 single-block concrete units, also played a crucial role in this performance. In addition, the commissioning of a new bypass at KP 288 has helped to smooth out rail traffic flow.

Table 6: Growth in Rail-Transported Ore (in T)

Year	Or transported by train (in tons)
2018	10 710 343
2019	12 196 499
2020	12 515 312
2021	12 617 808
2022	12 790 213
2023	14 006 522

Figure 11: Growth in Rail-Transported Ore (in T)



Procurement and Storage Strategies

Procurement Strategy

SNIM's procurement strategy is based on a rigorous cost reduction program, commonly known as 'Cost-Killing', aimed at minimizing expenditure and optimizing the entire supply chain. To achieve these objectives, SNIM develops preferred relationships with key suppliers, enabling better management and mitigation of international disruptions.

This proactive approach ensures the security of supply for energy products and spare parts, which are essential for operational continuity and the realization of strategic investments. To enhance this security, SNIM continually diversifies its supply sources, reducing dependence on individual suppliers and mitigating risks associated with market fluctuations.

Inventory management is optimized through the implementation of early warning mechanisms to anticipate and manage potential supply chain interruptions. Additionally, building buffer stocks of critical parts, developing close relationships with reliable suppliers, and establishing emergency protocols for rapid delivery when needed are effective measures to ensure a continuous supply of spare parts.

Simultaneously, the digitization of supply processes and preventive maintenance play key roles in reducing the urgent demand for spare parts. These initiatives not only extend equipment life but also improve durability, contributing to more efficient management of corporate resources.



Open stock

In 2023, the value of SNIM's open inventory increased by 8%, representing a rise of 742 MMRU compared to the previous year. This growth is primarily due to two key factors:

1- Weighted Average Unit Price (WAUP) Effect: 21% of the total increase (157 MMRU) is attributed to the Weighted Average Unit Price effect. This reflects the rise in average costs of stocked items, which directly impacts the total value of free stock. Significant fluctuations in the costs of raw materials and spare parts contributed to this rise.

2- Increase in Strategic Stock Levels: The remaining increase results from the proactive build-up of strategic stock levels, including mining truck tires, fuel, conveyor belts, and spare parts for excavators and other essential equipment. This approach is vital for minimizing operational disruptions and ensuring uninterrupted operations.

By strengthening its stock management strategy, SNIM has ensured greater resilience against unforeseen events, safeguarding resource availability for operations.

This strategy has not only improved operational efficiency but also supported record performance across the value chain in 2023.

Breakdown of operating purchases

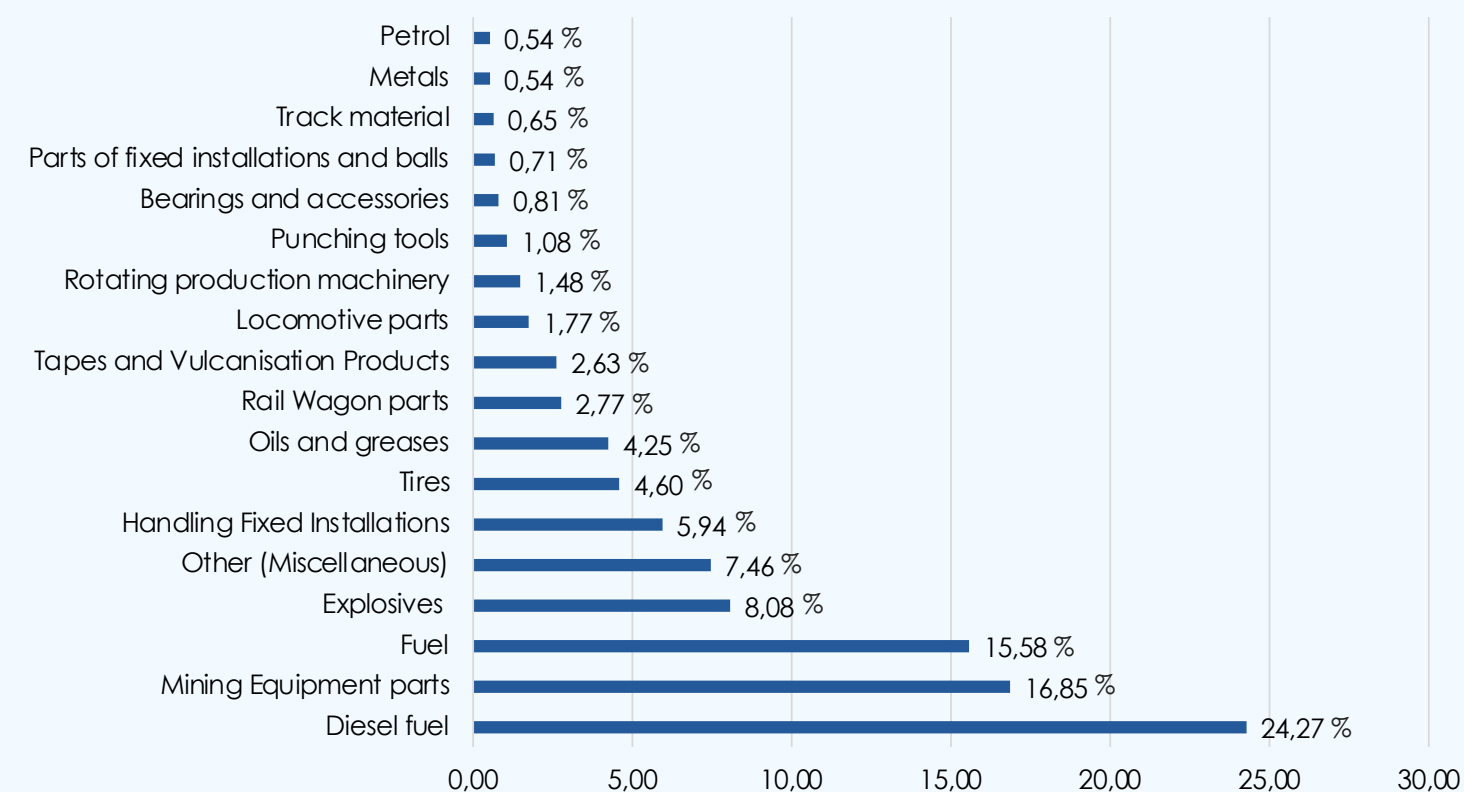
Consumption of materials increased by 9% in 2023 compared to 2022. This increase is primarily attributed to the cost of mining equipment, as well as higher expenses for explosives, tires, and oils, in line with the company's increased activity. The graph below provides details of operational purchases and their respective costs.



Table 7: Breakdown of operating purchases by product family (in %)

Category of products consumed	value (in %)
Diesel fuel	24,27
Mining Equipment parts	16,85
Fuel	15,58
Explosives	8,08
Handling Fixed Installations	5,94
Tires	4,60
Oils and greases	4,25
Rail Wagon parts	2,77
Tapes and Vulcanisation Products	2,63
Locomotive parts	1,77
Rotating production machinery	1,48
Punching tools	1,08
Bearings and accessories	0,81
Parts of fixed installations and balls	0,71
Track material	0,65
Metals	0,54
Petrol	0,54
Other (Miscellaneous)	7,46
Total	100,00

Graph 12: Breakdown of operating purchases by product family (%)





Investments in loading facilities

The completion of the port dredging coincided with the start of a new loading line project to further increase the capacity of the mineral port. This facility includes a bucket wheel and an integrated transfer line, consisting of a conveyor system with belt conveyors and transfer towers.

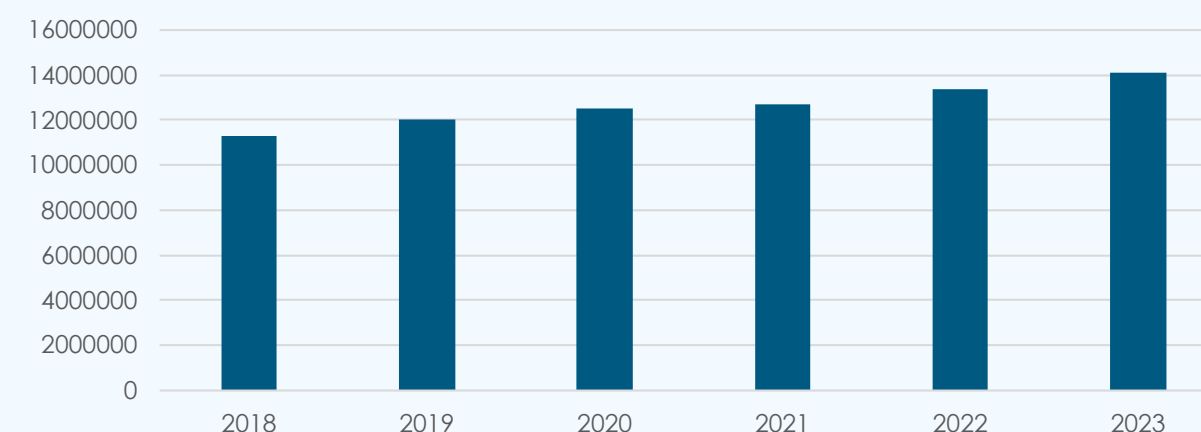
Scheduled for commissioning in 2024, the facility will double ship loading capacity to 10,000 tons per hour, providing SNIM's port operations with even greater flexibility.



Table 8: Loaded tonnage 2018 - 2023 (in T)

Year	Tonnage (in tons)
2018	11 269 527
2019	12 017 745
2020	12 501 089
2021	12 701 205
2022	13 349 180
2023	14 111 092

Graph 13: Loaded tonnage trends 2018-2023 (in T)



Ships loading

The 5.7% growth in ship loadings in 2023 is the clear result of the strategic investments and infrastructure improvements implemented by SNIM in previous years. Dredging and modernization projects have not only increased the capacity of

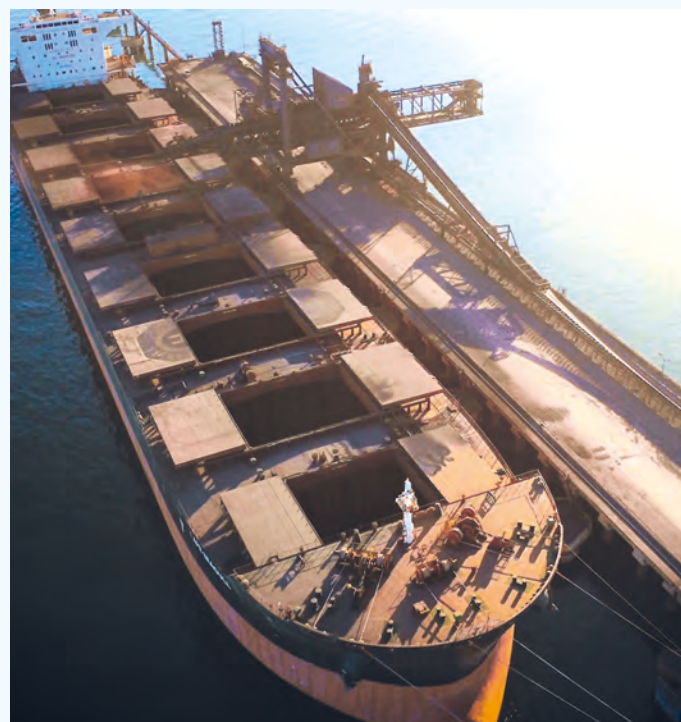
the Port of Nouadhibou, but have also improved its efficiency and flexibility, enabling it to achieve record performance and meet the growing demands of the marketé.

Port Modernization and Dredging Projects

The 2022 inauguration of the dredging project for the mineral port's access channel marked a decisive milestone for the Port of Nouadhibou. The newly expanded channel, designed to accommodate ships of up to 250,000 tons (compared to 150,000 tons previously), was achieved by extending the channel length from 15 to 25 kilometers and increasing its width from 400 to 582 meters.

Additionally, the creation of an 800-meter diameter turning circle has made it easier for ships to maneuver. The project also included work to deepen the channel, allowing ships with drafts of up to 18.3 meters to pass through, compared to 16.15 meters previously.

These improvements have significantly increased the port's capacity and flexibility.



Quality management

Our effort to ensure the highest quality of shipments delivered to our clients was rewarded with a historic quality score of 9.7/10.

Cargo quality grading is determined based on chemical and particle size criteria, in strict compliance with the contractual specifications agreed upon with customers.

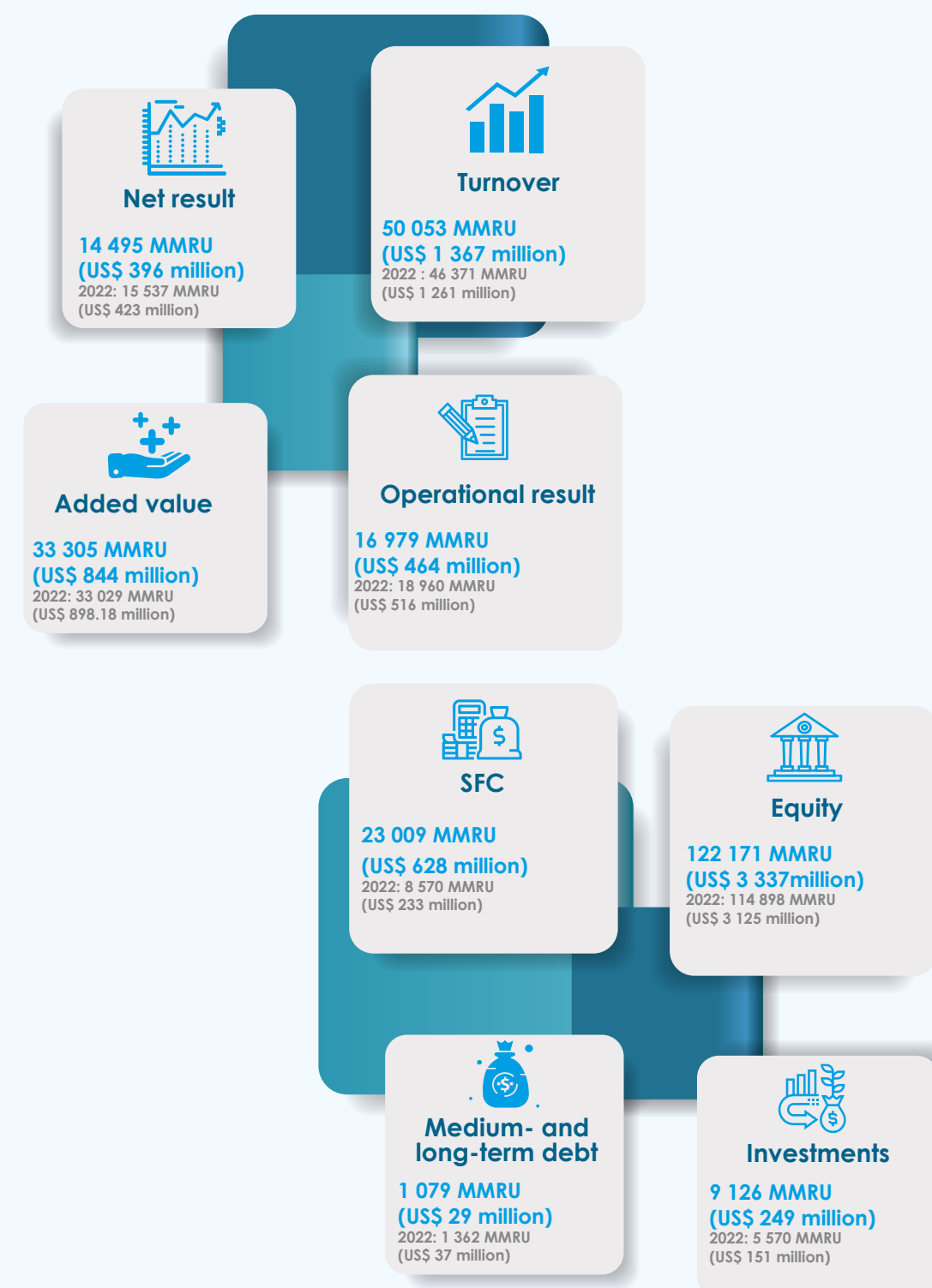
Customer satisfaction remains a top business priority. It is measured through key metrics such as product quality, minimizing ship turnaround times, and the effective resolution of customer complaints.



5.

FINANCE DIVISION

5. FINANCE DIVISION



Turnover

The turnover reached MRU 50.053 billion in 2023, compared with MRU 46.371 billion in 2022, an increase of 7.94%. In US dollar terms, it rose from USD 1.261 billion in 2022 to USD 1.367 billion in 2023. This represents an increase of 8.4% compared to 2022.

The increase in sales is attributed to higher export volumes, which reached 14.111 million tons, an increase of 761,912 tons compared to 2022. This growth was further supported by the average price per ton, which rose to USD 96.8 in 2023, up from USD 94.48 in 2022.

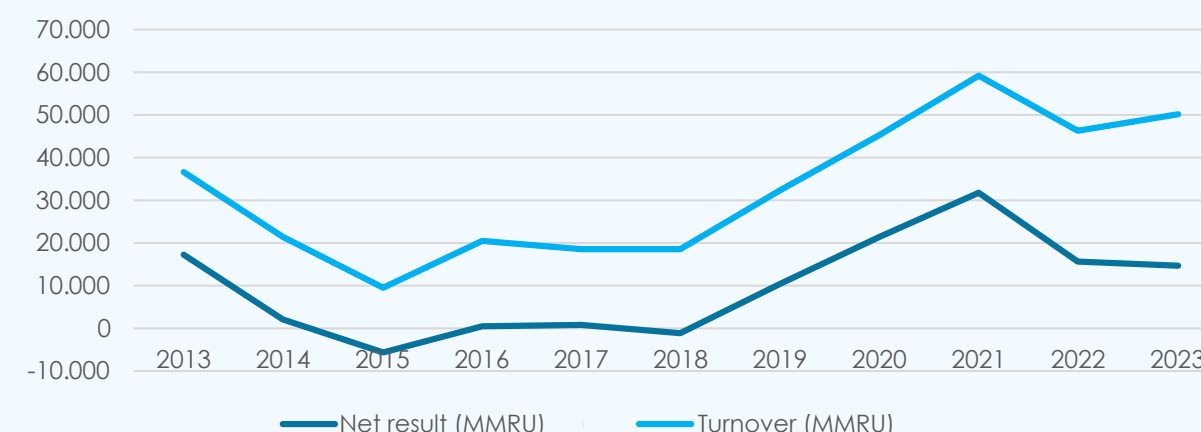
Net result

Net result reached 14,495 MMRU (396 million USD), compared with 15,537 MMRU (423 million USD) in 2022. This represents a decrease of 6.7%.

This decrease is due to the increase in several cost centers, such as personnel costs, which rose from 6192 MMRU in

2022 to 7672 MMRU in 2023, goods and materials consumed, which increased by 1287 MMRU, depreciation and provisions, which rose from 6616 MMRU to 8513 MMRU, in addition to other operating expenses, which increased by 989 MMRU in 2023.

Graph 14: Growth in turnover and net result



Debt

SNIM maintains a low debt-to-equity ratio, providing the flexibility to borrow as needed for the rehabilitation of facilities and equipment or the development of new projects.

Investment

Investments in 2023 totaled 9,126 MMRU, representing an increase of 3,556 MMRU compared to 2022 (5,570 MMRU), a growth of 39%. These investments were focused on mining equipment, enrichment plants, and improvements to the ore port.

In line with the Corporate Strategic Plan (CSP) guidelines, SNIM continued to execute and plan development projects aimed at ensuring its sustainability and increasing production capacity. As a result, several investments have been made or are underway as of the end of 2023:

a- New loading shovel wheel and its recovery line (PORT)

The aim of this project is to add a new bucket wheel and its recovery line, with a throughput of 6,000 tons per hour. Commissioning tests for the new facility are scheduled for 2024.



b- F'derick project

Officially launched in November 2023, the project aims to produce 2 million tons per year of rich and mixed iron ore from the F'derick mine. The investments initiated in 2023 include preparatory works at mine level, such as clipping, construction of runways and platforms. At the same time, the necessary mining equipment has been delivered, and the contract for the processing plant is currently being negotiated. The projected completion date is mid-2025. The overall cost of the project is \$186.8 million.



c- Energy projects

The construction of a 30-megawatt thermal power plant is one of a series of projects launched in Zouerate. Completion of the project, in 17 months' time, will increase electricity production and support SNIM's development.

It will also contribute to meeting the region's growing economic and social energy needs. The project, financed entirely by the company's own funds, represents an investment of €55.12 million. Construction work on the plant is currently underway and is expected to be completed in 2024.

Another energy project, initiated during the same period in Zouerate, focuses on the construction of a 12 MW photovoltaic solar power plant.

Financial statements summary

INDICATORS	2023 in MUM	2022 in MUM	2023 in M\$	2022 in M\$
Turnover	50 053	46 371	1 367	1 261
Net result	14 495	15 537	396	423
Added value	33 305	33 029	844	898
Operational result	16 979	18 960	464	516
SFC (self financing capacity)	23 009	8 570	628	233
Shareholders' equity	122 171	114 898	3 337	3 125
Mmedium-and-long-terms depts	1 079	1 362	29	37
Total balance sheet (assets and liabilities)	145 103	134 254	3 963	3 651
Investments	9 126	5 570	249	151
Ratios				
DLMT/SP Ratios	1%	1%	1%	1%
Economic profitability NR/Total Assets	10%	12%	10%	12%
Return on equity NR/SE	12%	14%	12%	14%

The value of the share is calculated on a mathematical basis (net assets over the number of shares).



6.

HUMAN CAPITAL VALUATION

6. HUMAN CAPITAL VALUATION

HR strategy



SNIM's training strategy is an essential component of its CSP, aimed at developing the skills of its human resources in a systematic and organized way. By conducting an in-depth analysis of training needs and implementing a rigorous monitoring system, SNIM ensures

that its employees are well equipped to meet the current and future requirements of the mining industry.

Training is based on two main principles: the initiation of the training plan and the training steering system.

1. Initiating the Training Plan

The first step of this strategy is to initiate the training plan which includes several key actions:

- **Defining the level of skills required for each job:** This stage involves establishing the skills required for each job within the company.
- **Mapping and Analyzing the Maturity of Current Resources by Department and Function:** A detailed analysis is carried out to assess the current level of employee skills.
- **Collection of SNIM teams' training needs:** A systematic process for collecting the training needs of the various teams has been put in place.
- **Definition of a skills upgrade plan for current resources:** A structured plan is developed to fill the identified skills gaps.

2. Training Steering System

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

- **Alignment on roles and responsibilities:** Clarification of training responsibilities for effective management.
- **Defining key processes :**
 1. Skills Monitoring: Continuous monitoring of skills within SNIM.
 2. Follow-up of Skills Upgrading: Ensuring that the necessary upgrades are carried out.
 3. Monitoring of training modules/organizations: Monitoring of training modules and organizations to ensure their relevance and quality.
 4. Training Evaluation: Evaluating the effectiveness of the training provided.
 5. Reporting and Monitoring of Training Delivery: Regular reporting and monitoring to ensure that training courses are delivered as planned.

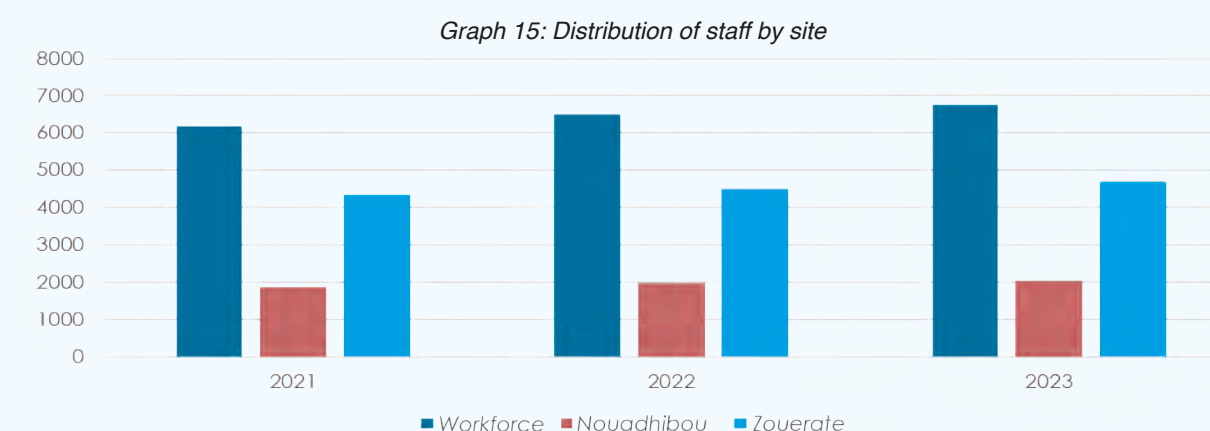
Headcount growth

The total number of employees at SNIM, as of 31 December 2023, is 6,465. More than two thirds of the company's employees are based in Zouerate, followed by Nouadhibou with 1,969 employees.

Year	2018	2019	2020	2021	2022	2023
Workforce	6 214	6 092	6 194	6 346	6 603	6 465
RECRUITMENT	132	61	159	226	323	373

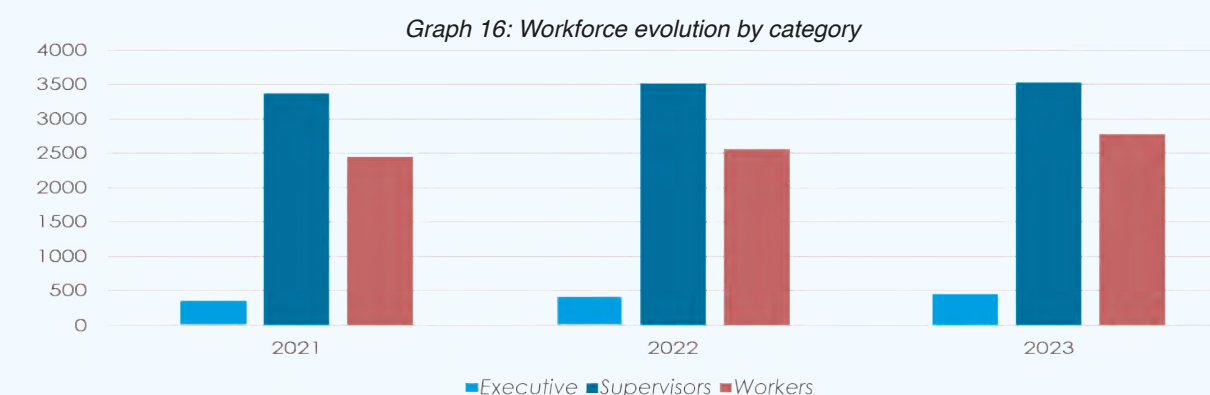
Trends by site

	Breakdown of SNIM workforce per site		
	Zouerate	Nouadhibou	Total
Workforce	4 496	1 969	6 465



Development by class

	2021	2022	2023
Executive	359	410	450
Supervisors	3 370	3 519	3 487
Workers	2 441	2 566	2 528
Total	6 170	6 495	6 465





All categories of SNIM employees saw growth in 2023. The most significant increase was among supervisors, with 41 new recruits, representing a 10% increase compared to 2022. Additionally, the number of supervisors grew by 15, and blue-collar workers increased by 206, reflecting the substantial production growth achieved in 2023 and anticipated in the coming years.

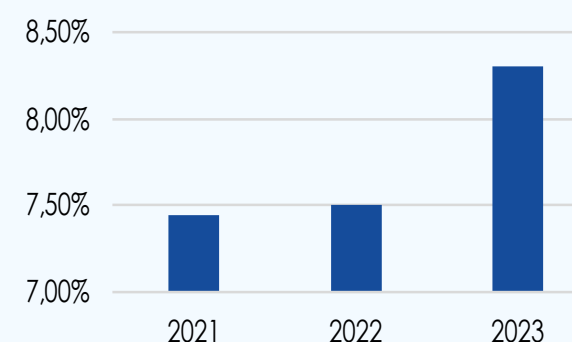


Regarding the representation of women in the workforce, SNIM has made significant efforts and observed encouraging trends: In 2023, the total number of new recruits was 373 of which 73% the total are women, compared to 32% in 2022.

	2021	2022	2023
Percentage of women in SNIM	7,44%	7,50%	8,3%
% of women in senior positions	1%	1,17%	1,2%
Number of women recruits	226	389	373
Percentage of employed disabled people	0,36%	0,40%	0,48%
Share of women among recruits (%)	5%	32%	73%



Graph 17: Variation in the rate of women in SNIM (%)



Finally, the integration of vulnerable groups and people with disabilities is an integral part of our human resources policy.

0.48% of our employees are disabled. SNIM continues to maintain under contract and to support all employees who are victims of accidents in life or at work.

Employee motivation

In 2023, there was a significant improvement in employee compensation: general salary increases, individual merit-based individual increases and exceptional bonuses. In 2023, 24.4% of our employees benefited from a salary adjustment and/or promotion. Cumulative increases over 3 years have exceeded 30%. This decision reflects recognition of the exceptional efforts made by all SNIM staff. In addition, some bonuses have been increased from 50% to 100%, and new bonuses have been introduced to further support employees' purchasing power.



Vocational training

The vocational training policy focuses on ensuring that staff have the required training levels to effectively meet specific needs for each position, enhance knowledge for critical professions, and develop the necessary skills, particularly in operations and maintenance. The Zouerate Technical Training Center successfully completed diploma programs for 16 BTS (Associate's degree) graduates and 41 CAP (Vocational Training Certificate) holders. Additionally, it enrolled a new class in 2023, comprising 79 CAP students and 29 BTS students. On a more social level, the policy of awarding study grants to a number of GCSE (General Certificate of Secondary Education) holders, children of employees, also continued in 2023. This policy includes enhancing the skills of new recruits, upgrading the capabilities of existing staff, and fostering partnerships with equipment manufacturers. As part of the 2023 training plan, 473 training sessions were delivered, benefiting 2,275 employees.

	2021	2022	2023
Number of agents trained	3 328	2 395	2 275
Rate of trained staff (%)	23	37	28
Number of Training Hours	19 390	14 775	14 817





7 •

SUSTAINABLE DEVELOPMENT AT SNIM

7. SUSTAINABLE DEVELOPMENT AT SNIM

For over a decade, SNIM has been committed to sustainable development, with a CSR plan based on ISO 26000 standards guidelines.

We have identified the material issues that affect our ability to achieve our goals. Through a rigorous process incorporating the perspectives of our stakeholders and experts, we have prioritized these topics to guide our strategic actions

Taking into account this cohesive, global and inclusive approach to sustainability, SNIM has developed its 2021-2024 roadmap to include environmental and social topics.

The selection of relevant topics was made according to a materiality analysis, based on the expectations of stakeholders and the impact on SNIM's activity.

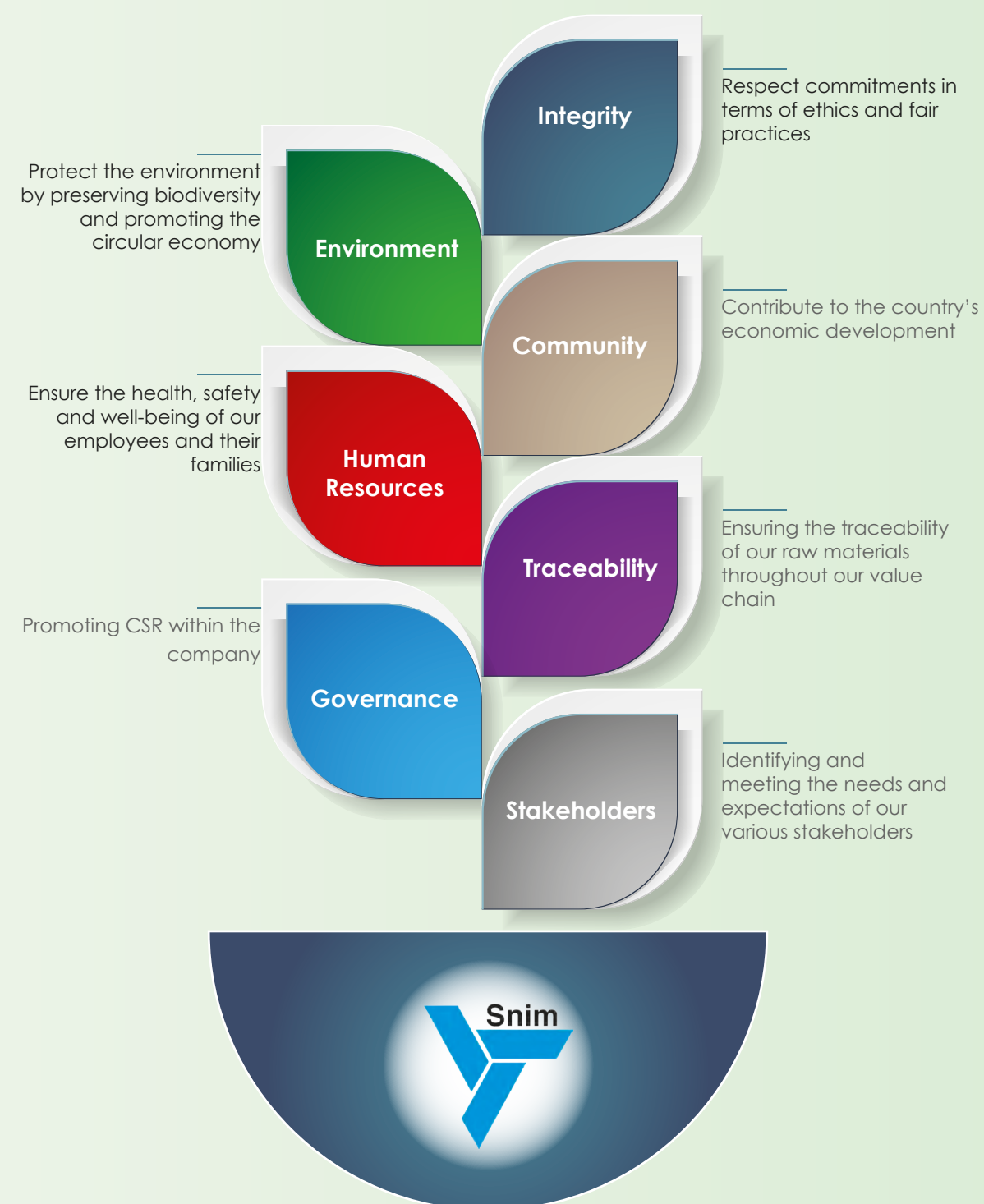
The materiality analysis enabled to identify several material topics organized below according to the three components of Environment, Social and Governance & Economy.

Environnement	<ul style="list-style-type: none"> • Protection of the natural environment against negative externalities • Responsible resource management (RM, water, energy) & circularity • Electricity generation and supply • Reduction, recovery & traceability of waste generated • Climate change resilience and adaptation • Carbon emissions and decarbonization of the value chain
Social	<ul style="list-style-type: none"> • Patronage and sponsorship • Population health • Collective bargaining rights and involvement of staff delegates in the health/safety approach • Social dialogue and internal communication • Apprenticeship and vocational training • Local roots & acceptability • Quality of life at work • Respect for human rights in all activities and during our recruitment • Poverty alleviation and decent pay • Respect labor law and ILO conventions • Employee health • Employee and contractor safety
Gouvernance et économie	<ul style="list-style-type: none"> • Complaints and claims management • Traceability and product quality • Value sharing • Fair and transparent pricing • Supplier relations and responsible purchasing • Transparency and ethics • Aligning our commitments with our CSR objectives

On this solid basis, the most significant material issues have been identified and grouped into the company's 7 CSR commitments. These subjects, which will be discussed in more detail in our report,

reflect our commitment to proactively address the challenges and opportunities that have the greatest impact on our business and our environment.

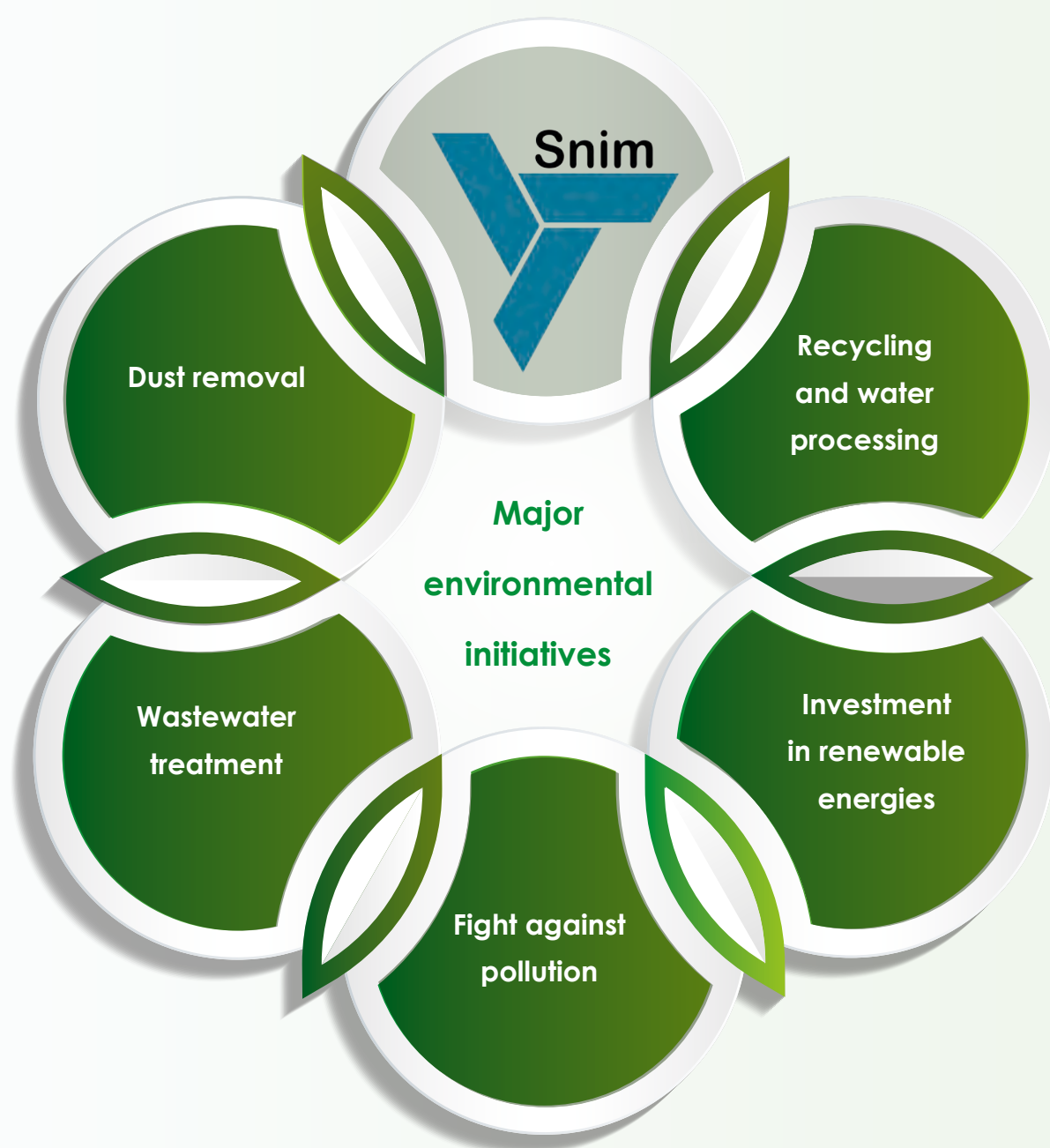
THE 7 PILLARS OF OUR CSR STRATEGY



Environnement Division

In 2023, SNIM continued to consolidate its major environmental initiatives, which have been in place for several years. The company focused its efforts on priority areas such as dust elimination, wastewater treatment, oil pollution control, optimization of resource use and monitoring of the marine environment.

At the same time, it has stepped up its efforts to reduce its carbon footprint by investing in renewable energies and strengthening its recycling and waste management activities.



Dust eradication



The environmental analysis of SNIM's activities identified dust emissions in Nouadhibou and Zouerate as the most significant environmental aspect. Environmental Program 01 (EP01) has therefore been set up to reduce the impact of dust. The objective is to achieve a dust concentration of less than 70 µg/m³ at the site's boundaries by 2028. In summary, the program consists of :

- Set up a watering system at the port of Nouadhibou and install dustbins at the tipper and loading of ships.
- Install electric and bag filter dust collectors and a sprinkler system for the two Guelbs plants.

Currently, the average dust concentration at the property limits of the installations in the Guelbs is 123 µg/m³ when it is 80 µg/m³ in the natural environment. At the limit of properties of the installations in Nouadhibou, it was 74µg/m³ compared to 37µg/m³ in the natural environment.

The year 2023 was marked by the completion of 71% of the sealing action plans for the two Guelb plants.

The primary focus was on minimizing dust levels at the two Guelb plants in Zouerate. This strategic approach has resulted in the installation of multiple dust collectors at critical locations.

In this context, the following actions were undertaken in 2023:

- Commissioning of the SMA&B dust removal project at the Guelb plant;
- Re-commissioning the dust removal system at -Screening Plant B of Plant I;
- Completion of 76% of the sealing action plans at the two Guelb facilities;
- Achieving a 66.5% operational rate for dust collectors.

Greenhouse gas management G.H.G

Reducing carbon emissions is clearly identified as a priority in SNIM's materiality matrix, underlining our commitment to responsible management of our environmental footprint.

SNIM is committed to an energy transition in line with the national target of reducing greenhouse gas (GHG) emissions by 11% by 2030. In 2022, our emissions reached 532,748 TCO₂eq/year, up 10.6% more than in the base year. In 2023, they had increased by

15% to 555,928 TCO₂eq/year. Energy production, mining equipment and railways are responsible for 92% of these emissions. While we have observed a downward trend in emissions from power plants and iron ore transport by rail since 2020, emissions from mining machinery are, on the other hand, continuously increasing as summarized in the following table:

The growth in emissions from power plants, mining machinery and locomotives in relation to SNIM's sales (in KgCO₂ emitted / T ore sold).

KgCO ₂ / T ore	2020	2021	2022	2023
Power plants	21,3	20,4	19,0	18,5
Locomotives	6,4	6,5	6,4	6,0
Mining equipment	10,2	10,6	11,4	11,7

We have implemented several measures to reduce our emissions :

- Reassessment of reduction targets for SCOPE 1: 548,273 tons of CO₂ equivalent and SCOPE 2: 7,655 tons of CO₂ equivalent.
- Increasing the share of renewable energies (avoiding the emission of 8,511 TCO₂eq in 2023).

Other initiatives have been put in place to reduce the company's environmental footprint :

- Signing of a memorandum of understanding with Arcelor Mittal to assess the feasibility of developing renewable energy plants;
- The verification of carbon footprints by an accredited third party, which has reduced specific emissions to 39 KgCO₂eq/T ore in 2023;
- Signing of a Memorandum of Understanding with Chariot and Total Eren to explore clean energy solutions for trains.

Greenhouse gas emissions distribution 2023

	Overall GHG emissions (TCO ₂ eq)	555 928
Distribution by activity	Emissions from industrial activities (TCO ₂ eq)	514 006
	Emissions from social activities (TCO ₂ eq)	41 922
Distribution by SCOPE	Scope 1 (TCO ₂ eq)	548 273
	Scope 2 (TCO ₂ eq)	7 655
	Scope 3 (TCO ₂ eq)	—

Waste management

Waste management is based on sorting at source, treatment through recovery and recycling, and disposal of the remaining waste in accordance with applicable standards.

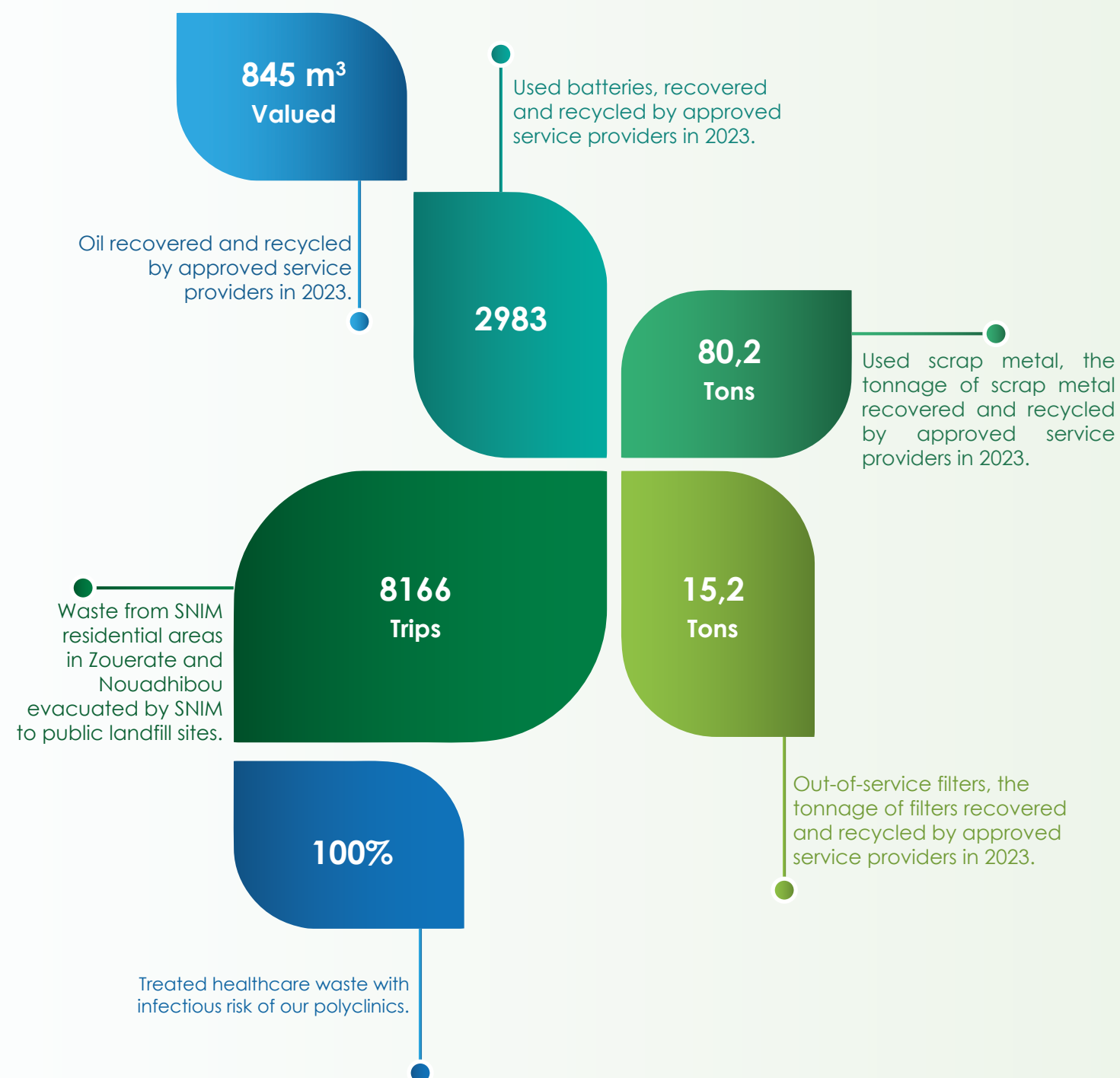


In 2023, SNIM recovered and recycled 845 m³ of oil and 15.2 tons of used filters. 80.2 tons of used scrap metal and 2,983 used batteries were recycled by approved service providers. Reducing the amount of waste produced and increasing the recycling and recovery rate remain key objectives.

SNIM has also set up environmental programs to reduce atmospheric emissions, manage waste effluents and industrial waste, and rationalize water and energy resources. In 2023, 8,166 trips were made to evacuate waste from SNIM residential area to public landfill sites.



Hazardous medical waste generated by the polyclinics' activities is now entirely managed within the two medical facilities involved.



Energy

SNIM is fully responsible for the energy production required for its operations while also supplying essential electricity to the cities of Zouerate and F'derick. Currently, this energy production is primarily sourced from 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 infrastructures have been instrumental 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 this end, the solar power plant in Zouerate and the wind power plant in Nouadhibou provide an installed capacity of 7.4 MW.

In 2023, work continued on the installation of the new 12 MW solar power plant in Zouerate, which will strengthen SNIM's energy mix.

Out of a total production of 393,073 MWH in 2023, 75% was consumed for industrial needs while 15% covered the needs of the populations of the city of Zouerate and Cansado corporate town in Nouadhibou.



Water Management



SNIM is aware of the crucial importance of water to its operations and for local communities.

The geographical location, along with the geological and climatic conditions of Zouerate, makes water an especially valuable resource.

All water in Zouerate is sourced from fossil aquifers. To optimize its usage and enhance efficiency, SNIM has implemented an action plan focused on four key areas :

- Recycling and reusing water in enrichment plants,
- Maintaining water networks,
- Upgrading and implementing a consumption monitoring system,
- Monitoring water reserves and continuously searching for new sources.



Since 2016, most of the water produced by SNIM has been for social consumption. In this context, 47.8% of the 3.8 million m³ consumed in 2023 have been allocated to the needs of the population. Discharges from laboratories (in Nouadhibou and Zouerate) are fully neutralized.



In addition to meeting its industrial needs, SNIM supplies water to the people of Zouerate and F'derick, as well as to market gardeners and livestock farmers along the Zouerate-Nouadhibou corridor.



SNIM's wastewater treatment plant in Zouerate (STEP) has been operational for several years. In contrast, the contracting process for the Cansado wastewater treatment plant in Nouadhibou is nearing completion, with construction expected to begin in 2024.



Biodiversity

SNIM is continuously improving its environmental performance by preserving biodiversity and promoting the circular economy in Tiris Zemmour region.

The biodiversity of Tiris Zemmour area :



The fauna and flora in Tiris Zemmour region: Zouerate zone is largely dominated by domestic animals, primarily camels and goats, but also sheep, donkeys, small mammals, and reptiles such as the fennec fox, golden jackal (*Canis aureus*), scorpions, horned viper (*Cerastes cerastes*), hare (*Lepus capensis*), and the desert monitor lizard (*Varanus griseus*), commonly known as «DabbTiris.»

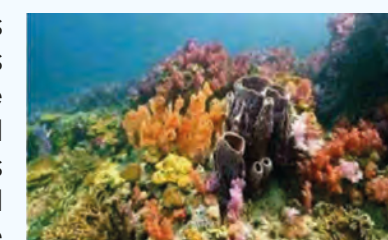
Regarding flora, the zone is characterized by three main physiognomic types: *Maerua crassifolia*, *Acacia radiana*, and *Aristida pungens*.



Biodiversity in SNIM Port Area :



Concerned about conservation of the aquatic ecosystems around the mineral port of Nouadhibou, SNIM evaluates their evolution every three years. The Mauritanian Institute of Oceanographic Research and Fisheries (IMROP) and the National Office for the Inspection of Fishery Products and Aquaculture (ONISPA) have been commissioned by SNIM for this scientific monitoring of the marine environment.



The 2023 report provided a complete assessment of the environmental status of the Nouadhibou mineral port, showing overall that no significant ecological disturbances have been observed. In particular, the benthic macrofauna is highly diverse, with the number of species ranging from 7 and 87 taxa.



The structure of these assemblages is dominated by polychaete annelids, bivalve molluscs, of arthropods. This specific composition indicates a medium still in good ecological condition. This observation is also confirmed at the immersion area where the highest density and biomass are encountered.

Social division

Box 2 : SNIM Foundation



The SNIM Foundation is a non-political, nontrade union, non-profit association established in 2007 and recognized to be of a public utility in 2012. As the social arm of SNIM, it aims to act as a catalyst for social and economic progress, drive positive change and model a holistic approach to development. The foundation strives to create strong

partnerships, implement innovative programs and act as a catalyst for inclusive growth, while being guided by the principles of accountability and transparency.

By structuring its programs around five key commitments, the Foundation is actively contributing to the achievement of the Sustainable Development Goals (SDGs), supporting national and international targets in this field.

Promote the targeted populations' access to basic social services (water, electricity, health, education, etc.) by giving priority to the use of renewable energies and processes that respect the preservation of the environment.



Health



SNIM boasts comprehensive health infrastructure, including two polyclinics - one in Zouerate and the other in Nouadhibou - each with a capacity of 100 beds and equipped with state-of-the-art medical equipment covering various specialties.

Additionally, 11 occupational health units have been established across different work sites, providing workers with routine medical care and on-site first aid in case of accidents.



A number of actions were taken in the health sector in 2023, including :

- 1 Recruitment of a pharmacist and a gynaecologist for Zouerate Polyclinic.
- 2 Improved availability of medicines (99% satisfaction rate).
- 3 Establishment of agreements with private clinics in Nouakchott.
- 4 Putting into operation of the Biomedical Maintenance Unit.
- 5 Signing of a partnership with Sheikh Khalifa Ben Zayed Foundation in Morocco (FCKM) to upgrade SNIM's health facilities.

SNIM's polyclinics provide care for more than 31,000 people (workers and their families). The main activities are described in the table below :

	2019	2020	2021	2022	2023
Consultations	159654	132361	128108	149384	163311
Hospital days	9962	9776	11482	15419	19326
Surgical procedures	1051	876	865	787	716
Lab tests	39668	40433	43657	46465	64160
X-ray examinations	5547	5306	4636	6029	7946
Dental procedures	6489	4811	5492	7925	7040
deliveries	611	659	631	538	770



In addition to these activities carried out by the Medical Department, periodic medical sessions are organized with the assistance of external specialists. These sessions covered the following specialties in 2023 :

Specialist	Medical session	Consultation	Surgery	Evacuation notice
Ophthalmologist	5	1203	0	7
ENT	3	966	153	4
Rheumatologist	6	760	26	3
Neurologist	4	401	0	2
Neurosurgeon	2	342	3	8
Gastroenterologist	1	212	0	0
Total	21	3884	182	24

Individuals requiring advanced medical examination or specialized care are referred to specialized health facilities in Nouakchott or abroad, as needed :

Destination	2019	2020	2021	2022	2023
Nouakchott	718	560	825	1093	1213
Abroad	11	3	18	28	32
Total	729	563	843	1121	1245

Education

Support for the education sector represents a significant share of SNIM's budget allocations. In 2023, this assistance was reflected in the construction, expansion, and renovation of several primary and preschool institutions, which accounted for 57% of the total budget for the sector, amounting to 52.3 million MRU.

It was also marked by the introduction of a new initiative aimed at providing children of SNIM employees with support in the form of scholarships, training for professional integration, and educational assistance for those taking national exams. All this support represented 29.43% of the concerned budget, which amounts to 27 million MRU.



Box 3: School support

In 2023, SNIM launched an educational support program for the children of SNIM employees who are candidates for the national exams. More than 60 teachers and schoolteachers were mobilized thanks to the support of the Communication and Social Action Department, in collaboration with ASC Kedia in Zouerate and ASC SNIM in Nouadhibou.

The support courses covered all the basic subjects between April and June 2023. A total of 919 pupils, including 575 in Zouerate and 344 in Nouadhibou, benefited from these courses in preparation for the Baccalaureate (Bac), the Middle School Certificate (Brevet) and the entrance exam for the first year of secondary school.



Box 4: A holiday camp for the children of SNIM employees



As part of its activities aimed at the development of its employees and their families, SNIM organised a holiday camp for 40 pupils from the families of SNIM employees and from the railway corridor, which took place in Agadir in the Kingdom of Morocco from 19 August to 2 September 2023.

The organization of this second edition is a contribution by SNIM to the promotion of the culture of excellence in schools.

Local development

Access to the Property



While 2022 was marked by the distribution of 600 homes in Zouerate to SNIM employees, 2023 saw this policy reinforced with the planned distribution of 600 plots of

land to SNIM employees in Nouadhibou, thanks to a strategic partnership with Nouadhibou Free Zone.



Access to water

Access to water has always been a major challenge for SNIM as it strives to meet the expectations of the people living along the railway corridor, who need it to settle in their localities. The program initiated in 2022 to identify drilling points that could be converted into operational wells led to the completion of 34 solar-powered wells by the end of 2023. These wells are equipped, secured, and have significant storage capacity to better meet needs, especially during periods of intense heat.

They also provide valuable watering points for camels and small ruminants in these areas while allowing better management of transhumance flows in complete safety far from the railway line.

In 2023, SNIM produced a total of 4,315,298 m³ of water, 46% of which was consumed for industrial needs and around 42% for social needs.

Industrial consumption has increased by 3% compared to 2022, to 1,993,879 m³, indicating an intensification of industrial activities. Similarly, social consumption has risen slightly by 1%, to 1,822,857 m³, supporting a growing population growth and improved access to drinking water.

Box 5: Towards market gardening and food production in the corridor area



Access to water has always been a critical challenge for SNIM, aimed at providing this essential resource to stabilize populations in areas experiencing constant depopulation gradually due to arid climatic conditions, such as the advance of the desert and the lack of rainfall.

The program initiated in 2022 to identify drilling points that could be converted into operational wells led to the completion of 34 solar-powered wells by the end of 2023. These wells are equipped, secured, and have significant storage capacity to better meet needs, especially during periods of intense heat. They also provide valuable watering points for camels and small

ruminants in these areas while allowing better management of transhumance flows near the railway.

This vast program has also led to the introduction of intensive agriculture for the benefit of the populations of Choum (Adrar), F'derick and the TO14 mining site, where drip-irrigated greenhouse crops have been grown for the first time, supported by a budget of MRU 8.5 million.

The expected benefits of these agricultural projects are multiple: the settlement of populations on their land, the development of income-generating activities, nutritional balance and the regeneration of biodiversity.

Energy



SNIM provides and maintains solar lighting kits for isolated households, allowing them to power televisions, charge mobile phones, and ensure night-time lighting. In 2023, a budget of MRU 728,000 was allocated to the following localities:

Location/ center	Completed actions /Underway	Amount MRU
BENAMERA	Acquisition and installation of 20 solar energy kits	240 000,00
CHOUM	Acquisition and installation of 50 solar energy kits	48 000,00
TOUAJIL	Acquisition and installation of 20 solar energy kits	240 000,00
BIRMOGHREIN	Acquisition and installation of 50 solar energy kits	200 000,00
Total		728 000,00

Support for religious, state and cultural institutions



In 2023, SNIM increased its commitment to religious, government and cultural institutions, which received 43.6 MMRU, 9.7 MMRU and 20.1 MMRU respectively.



Thus, SNIM supported the following actions :

- Distribution of Iftar meals along the railway corridor during the holy month of Ramadan.
- Construction, renovation and equipping of mosques and other religious infrastructures to improve conditions for prayer and gathering.
- Financial support for the 2023 pilgrimage, benefiting 5 people including pensioners and local Imams.
- Subsidising the operation of several communes in BOULENOUAR, TMEIMICHATE, CHOUM, FDERICK, ZOUE-RATE and NOUADHIBOU
- Rehabilitation and renovation of two mini sports complexes in Zouerate.
- Rehabilitation of an administrative building in TMEIMICHATE.
- Construction of a police station in the 600-unit neighbourhood in Zouerate.
- Equipping the football pitch at Cansado park in Nouadhibou.

Governance, CSR and Economy Division

Governance

the «confirmed CSR level» awarded in 2021, reflects SNIM's dedicated and sustained efforts across 55 sub-criteria covering strategic, managerial, and operational practices, as well as the relevance and performance of its economic, social, and environmental indicators.

In addition to ISO9001 certification obtained in 2005, the ISO 14001 certification obtained in 2011 and renewed in 2014, 2017 and 2021 demonstrates SNIM's commitment to act in favor of the environment by ensuring the preservation of biodiversity.

Local Development Governance



CSR SteerCom

Chaired by the CEO and Board Member, the Steering Committee includes several directors of operational and support structures. It defines the company's CSR strategy and policy.



Environment and Safety Department

The Environment and Safety Department is responsible for the overall management of the process. It translates the various CSR commitments into objectives and ensures and support structures coordination between all the players involved.



CSR Correspondents Network

It is chaired by the head of the Environment Department, who is responsible for its animation. The network of CSR correspondents is responsible for the operationalization of the company's CSR policy in each department.



Operational Department and support service

All departments translate SNIM's CSR policy into specific objectives and actionable plans for implementation. These departments then communicate the relevant information to the network of CSR correspondents.

Contributions to the national economy



SNIM's record breaking results in 2023 confirmed its role as a national leader in terms of contribution to the national economy.

Contribution of SNIM's revenues to the national economy

	2018	2019	2020	2021	2022	2023
SNIM contribution in State revenue	4%	6%	10%	17%	22%	14%
SNIM contribution to GDP	5%	8%	11%	15%	9%	9%
SNIM's contribution to exports	28%	33%	43%	54%	32%	37%

SNIM remains an undeniable catalyst for the national economy through its contributions and its support for the development of the national industrial fabric and the economic outbreak of the corridor area.



8.

ANNEXES

Annex 1 : Statutory auditor’s and independent auditor’s report

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, 2023

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, 2023, as well as the income statement, statement of change in equity and cash flow statement for year ended December 31, 2023 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, 2023, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

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

Nouakchott and Paris-La Défense, April 30, 2024

The Statutory Auditor and the Independent Auditor

The Statutory Auditor CONEX	The Independent Auditor ERNST & YOUNG Audit
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Ely Mohamed M'bareck	Moez Ajmi
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Annexe 2 : Financial report

SNIM STATEMENT OF FINANCIAL POSITION As at December 31 st, 2023

ASSETS

IN MMRU	Note	31/12/2023	31/12/2022
Non-current assets			
Property, Plant & Equipment	4.1	65 253	61 645
Intangible assets	4.2	177	190
Non-current financial assets	4.3	1 823	1 686
Investment in associates	4.3	5 594	5 535
Total of non-current assets		72 847	69 057
Current Assets			
Inventories and work in progress	4.4	9 873	10 541
Trade receivables	4.5	9 217	9 154
Other receivables	4.6	4 779	2 031
Current financial assets	4.7	49	88
Cash and cash equivalents	4.8	48 339	43 384
Total current assets		72 256	65 197
TOTAL ASSETS		145 103	134 254

EQUITY & LIABILITIES

IN MMRU	Note	31/12/2023	31/12/2022
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	6 458	5 800
Retained earnings		93 741	87 126
Total Equity		122 171	114 898
Non-current liabilities			
Financial debts (portions over 1 year)	4.10	1 079	1 362
Retirement benefit obligations	4.11	7 034	5 013
Provisions	4.12	790	807
Total non-current liabilities		8 902	7 182
Current Liabilities			
Financial debts (portions at less than 1 year)	4.10	908	943
Trade payables	4.13	6 483	4 656
State and other public taxes	4.14	3 024	1 917
Other payables	4.15	3 597	4 646
Forward contracts	4.7	17	13
Total current liabilities		14 030	12 175
TOTAL EQUITY AND LIABILITIES		145 103	134 254

SNIM INCOME STATEMENT Period of 12 months ended December 31st, 2023

IN MMRU	Note	31/12/2023	31/12/2022
Iron ore sales	5.1	50 053	46 371
Revenue from ancillary business activities	5.2	740	611
Revenue		50 793	46 982
Changes in inventory of finished goods and work-in-progress		264	722
Capitalized production		670	403
Raw materials and consumables used	5.3	(15 459)	(14 172)
Gross Profit		36 269	33 935
Other operating income	5.4	370	300
Personnel expenses	5.5	(7 672)	(6 192)
Depreciation, amortization and provision expenses	5.6	(8 513)	(6 616)
Taxes and duties	5.7	(66)	(47)
Other operating expenses	5.8	(3 409)	(2 420)
Operating profit		16 979	18 960
Financial income	5.9	2 186	925
Financial expenses	5.10	(128)	(110)
Profit before tax		19 037	19 775
Income tax expense		(4 542)	(4 238)
Profit for the year		14 495	15 537
Earnings per share in Ouguiya	5.11	793	850

STATEMENT OF COMPRENSIVE INCOME

IN MMRU	31/12/2023	31/12/2022
Net Result of the year	14 495	15 537
Other comprehensive income	658	(598)
Comprehensive Income	15 153	14 939

SNIM
STATEMENT OF CHANGES OF EQUITY
As of December 31st, 2023

IN MMRU	Issued Capital	Share premium	Contribution premium	Legal reserves	Other comprehensive income	Accumulated profits	Total
Shareholders' equity as of January 1st, 2022	18 270	646	1228	1 827	6 398	89 393	117 763
Revaluation of financial instruments	-	-	-	-	80	-	80
Revaluation for pension plans	-	-	-	-	(1 392)	-	(1 392)
Reserve allocation	-	-	-	-	715	-	715
Net result of the period	-	-	-	-	-	15 537	15 537
Dividends	-	-	-	-	-	(17 804)	(17 804)
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)
Exchange difference on conversion into the reporting currency	-	-	-	-	2 468**	-	2 468
Net result of the period	-	-	-	-	-	14 495	14 495
Dividends	-	-	-	-	-	(7 880)	(7 880)
Shareholders' equity as of December 31st, 2023	18 270	646	1228	1 827	6 458	93 741	122 171

*1,772 MMRU increase in retirement benefits related to changes in actuarial assumptions recognized in other comprehensive income.

**2,468 MMRU of exchange difference on the conversion into the presentation currency resulting from an exchange gain of 8,563 MMRU and an exchange loss of 6,095 MMRU, recognized in other comprehensive income.

SNIM
STATEMENT OF CASH FLOWS
Period of 12 months ended December 31st, 2023

IN MMRU	Note	31/12/2023	31/12/2022
Operating activities			
Income before tax		19 037	19 775
Amortization, depreciation and provision	6.1	9 423	7 469
Reversal of amortization, depreciation and provisions	6.4	(1 054)	(671)
Gains /losses on asset sales		0	146
Gains /losses on exchange	6.5	633	(659)
Investment income		(2 162)	(895)
Financial expenses		103	93
Changes in working capital	6.2	208	(2 850)
Cash flow generated by operating activities		26 188	22 408
Interest paid		(101)	(98)
Income tax paid		(3 554)	(4 937)
Net cash flow from operating activities		22 532	17 373
Investing activities			
Acquisition of fixed assets	6.3	(11 801)	(6 839)
Interests received		2 014	791
Dividends received		148	104
Net cash flow from investing activities		(9 639)	(5 944)
Financing activities			
Other financial payments		241	287
Payments on long-term borrowings		(251)	(1 375)
Other financial Proceeds		(50)	(168)
Dividends paid		(7 878)	(17 797)
Net cash flow from financing activities		(7 938)	(19 053)
Cash and cash equivalents at the beginning of the period		43 384	51 008
Net Change in cash and cash equivalents		4 955	(7 624)
Cash and cash equivalents at the end of the period	6.6	48 339	43 384

Annexe 3 : Additional information relating to the statement of financial position

4- ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF FINANCIAL POSITION

4.1 Property, Plant & Equipment

Assets valued at fair value	31/12/2022	Acquisitions	Transfers	Disposals	31/12/2023
Gross value	51 400	452	-	(124)	51 728
Accumulated depreciation	25 753	2 059	-	(43)	27 769
NET VALUE	25 647	(1 607)	-	(81)	23 959
Assets valued at cost	31/12/2022	Acquisitions	Transfers	Disposals	31/12/2023
Gross value	62 284	4 039	-	(318)	66 004
Right of use assets	3 723				3 723
Accumulated depreciation	37 666	3 358	(206)	-	40 819
NET VALUE	28 341	680	206	(318)	28 909
TOTAL GROSS VALUE	117 406	4 491	(0)	(442)	121 455
TOTAL AMORTIZATION	63 419	5 417	(206)	(43)	68 588
FIXED ASSETS IN PROGRESS	7 657	9 126	(4 086)	(312)	12 385
NET VALUE FIXED ASSETS*	61 644	8 200	(3 880)	(711)	65 253

* Not including the net value of Prospecting Assets which amount to a low value of 0,4 MMRU as of December 31, 2023 and 1 MMRU as of December 31, 2022

The additions of the year 2023 amount to 9 126 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	31/12/2022	Incorporated costs during the period	31/12/2023
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	31/12/2022	Acquisitions	Disposals	31/12/2023
Renewal of Port Equipment (part BID)	769	-	-	7 69
Other materials Guelbs II (part BID)	2 324	-	-	2 324
Railway Materials (Part BID)	631	-	-	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	31/12/2023	31/12/2022
Due within one year	2 655	2 741
From 2 nd to 5th year inclusive	0	2 655
More than five years	-	-
Less future financial charges	(65)	(217)
Finance lease debt	2 589	5 179

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	31/12/2022	Acquisitions	Transfers	Disposals	31/12/2023
Specialized complex installations	42 316	244	-	(5)	42 555
Railway rolling stock and railroad track	9 083	208	-	(119)	9 173
TOTAL	51 400	452	-	(124)	51 728
DEPRECIATIONS	31/12/2022	Allowance	Transfers	Reversals	31/12/2023
Specialized complex installations	20 900	1 859	-	(5)	22 753
Railway rolling stock and railroad track	4 853	200	-	(38)	5 016
TOTAL	25 753	2 059	-	(43)	27 769
NET BOOK VALUE	31/12/2022	Increase / Allowance	Transfers	Diminution	31/12/2023
Specialized complex installations	21 417	(1 615)	-	-	19 802
Railway rolling stock and railroad track	4 230	8	-	(81)	4 157
TOTAL	25 647	(1 607)	-	(81)	23 959

4.1.2 Property, plant, and equipment at acquisition cost

GROSS VALUE IN MMRU	31/12/2022	Acquisitions	Transfers	Disposals	31/12/2023
Land	470	-	-	-	470
Land improvements	19	93	-	-	112
Buildings	28 438	830	-	(199)	29 069
Operating equipment	33 676	2 801	-	(73)	36 403
Transportation equipment	2 462	278	-	(44)	2 697
Office and IT equipment	591	24	-	-	615
Office furniture	351	13	(0)	(2)	363
TOTAL	66 007	4 039	(0)	(318)	69 728
Depreciation	31/12/2022	Allowance	Transfers	Reversals	31/12/2023
Land	-	-	-	-	-
Land improvements	17	-	-	-	17
Buildings	12 137	1 241	(90)	-	13 288
Operating equipment	22 828	1 809	(72)	-	24 565
Transportation equipment	1 827	251	(41)	-	2 037
Office and IT equipment	569	11	0	-	580
Office furniture	288	47	(2)	-	333
TOTAL	37 666	3 358	(206)	-	40 819
NET BOOK VALUE	31/12/2022	Increase/ Allowance	Transfers	Decrease	31/12/2023
Land	470	-	-	-	470
Land improvements	2	93	-	-	96
Buildings	16 295	(411)	90	(199)	15 781
Operating equipment	10 848	992	72	(73)	11 838
Transportation equipment	635	28	41	(44)	660
Office and IT equipment	22	13	-	-	35
Office furniture	63	(34)	2	(2)	30
TOTAL	28 341	680	206	(318)	28 910

The following table shows the gross values of fully depreciated property, plant and equipment that are still in use as of December 31st, 2023

Description IN MMRU	Gross value 2 022	2 023
Buildings	2 942	1 673
Railway rolling stock and railroad track equipment	2 547	1 712
Specialized complex installations	8 882	9 485
Operating equipment	12 642	16 896
Transportation equipment	1 442	1 561
Other tangible assets	673	773
TOTAL	29 128	32 100

4.2 Intangible assets

Variation in Intangible gross fixed assets	31/12/2022	Acquisitions	Transfers	Disposals	31/12/2023
Intangible fixed assets value	808	-	-	-	808
TOTAL	808	-	-	-	808
Change in depreciation	31/12/2022	Allowance	Transfers	Reversals	31/12/2023
Intangible fixed assets value	619	12	-	-	631
TOTAL	619	12	-	-	631
Net Value	189	(12)	-	-	177

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 2023, 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	31/12/2023	31/12/2022
Loans and advances	1 954	1 825
Deposits and guarantees	7	(1)
Provision for other assets' impairment	(138)	(138)
Non-current financial assets	1 823	1 686
Investment in associates	5 594	5 535
TOTAL	7 416	7 222

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	31/12/2022	Increase	Transfers	Disposals	31/12/2023
Investments in associates	7 497	1 252	-	-	8 749
Subsidiary loans	2 622	496	(400)	-	2 718
Gross Value	10 119	1 348	-	-	11 467
Impairment of Investments in associates	(3 424)	(1 265)	-	-	(4 689)
Impairment of Subsidiary Loans	(1 160)	(25)	-	-	(1 184)
Provision for impairment	(4 583)	(1 290)	-	-	(5 874)
Investments in associates	4 073	(13)	-	-	4 060
Subsidiary loans	1 462	471	(400)	-	1 534
Net Value	5 535	58	(400)	-	5 594

The increase in the Investments in associates item corresponds to:

- ATTM: 1.252 MMRU (fully impaired as of 31, December 2023)

The increase in the Loans to Subsidiaries item corresponds to:

- Draws of the shareholder advance granted to ATTM for 400 MMRU
- shareholder advances in favor of Al Aouj for 220 MMRU
- shareholder advances in favor of TAKAMUL for 220 MMRU
- shareholder advances in favor of SAMIA for 45 MMRU
- shareholder advances in favor of GMM for 11 MMRU

Investment in associated companies at 31.12.2023 In MMUR												
Company	Capital	Equity of 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	28	100%	56	56	-	-	-	96	6	125	4
SAFA	30	234	100%	28	28	-	-	-	197	27	362	36
SAMMA	10	274	53%	1	1	-	-	-	183	62	334	24
ATTM	1 890	2 132	79%	3 628	167	134	-	-	1 588	7	3 355	-
COMECA	20	138	92%	18	18	-	-	-	395	30	317	7
SAMIA	364	(158)	89%	326	184	50	-	-	40	(34)	316	-
GMM	110	(92)	96%	344	0	43	-	-	11	(16)	171	-
TUM	82	-	65%	82	0	-	-	-	-	-	-	-
EL AOUI SA	2 457	(690)	50%	1 228	883	1 484	489	-	-	(161)	5 575	-
GIP	728	373	68%	495	495	-	-	-	138	47	1 848	54
MAIL	6 867	(6 802)	15%	810	538	-	-	-	1 687	(365)	5 907	-
DAMANE ASSURANCE SA	629	79	20%	120	120	-	-	-	147	51	901	12
M2E	50	31	100%	50	50	-	-	-	120	(6)	262	-
MSMS (TAKAMUL)	1 075	51	50%	535	535	438	438	-	-	-	4 256	-
AMSAGA	-	-	100%	-	-	4	-	-	-	-	-	-
GHM	1 581	(24)	50%	977	967	557	557	-	-	(13)	2 451	-
SRN	8	44	35%	3	3	-	-	-	195	44	132	11
ENCO	8	1	30%	2	2	-	-	-	9	1	10	-
IQAR	-	-	100%	15	-	7	0	-	-	-	-	-
GPIM	30	7	100%	30	14	-	-	-	-	14	70	-
	15 996	(4 374)		8 749	4 062	2 718	1 534	-	4 805	(305)	26 392	148

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)** does 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)** does civil engineering and road construction.
- **La société Construction Mécanique de l'Atlantique (COMECA)** does 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)** does the exploitation and trade of ornamental stones, mainly granite and marble.
- **Gestion des Installations Pétrolières (GIP)** does the storage, transport and distribution of refined hydrocarbons.
- **Tazadit Underground Mine** does the 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)** for 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
- **IQAR:** Real state
- **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 AOUI MINING COMPANY (EMC) is a 50/50 joint venture between SNIM and Sphere Minerals, an Australian company wholly owned by the Glencore Group, one of the world's leading natural resources traders. Glencore produces and sells more than 90 commodities, including copper, nickel, zinc, cobalt, ferrochrome and coal. It is listed on the London and Hong Kong stock exchanges. It employs 158 000 people at 150 production sites in more than 50 countries and has sales that exceeds \$200 billion.

EMC's vision is to become a major Mauritanian mining company that creates wealth over the long term, for the prosperity and well-being of its shareholders, employees and local communities. Its objective is to develop the El Aouj deposits in the Tiris Zemmour region, where it holds a 30-year mining license renewable for consecutive periods of 10 years each. This license covers 5 Guelbs close to SNIM's operations: El Aouj East, Center and West, Tintekrat and Bouderga. It also holds a 30-year renewable water license covering the Touajil and Aouchich aquifers. EMC has a share capital of MRU 2.45 billion; it currently employs 12 permanent staff including 4 executives seconded by SNIM and 1 executive seconded by Glencore.

(b) History of the El Aouj project

In the 1970s, SNIM began geological research on the guelbs of Tiris (including Guelb El Aouj) which aimed to analyze the reserves of the various guelbs in the region and to select the optimal Guelb to take over from the decreasing activity of KEDIA. In 2001, SNIM and Sphere created a joint venture to study the implementation of a project to pelletize magnetic ores from Guelb El Aouj and, with this in mind, attract outside investors.

In 2004, El Aouj SA was created to conduct the feasibility studies for the project. These studies were completed in February 2008 by SNC Lavallin. SNIM and Sphere then decided to use El Aouj SA as an operational entity for the development of the project.

In August 2009, El Aouj SA changed its name to El Aouj Mining Company SA. In 2010, it decided to update the 2008 feasibility study and entrusted this work to SNC Lavalin, which completed it in February 2011, concluding that it was possible to have a project of different sizes.

In January 2011, Xstrata acquired Sphere Minerals and a concept study showed that a project with a production of over 30 Mtpy could be envisaged. In April 2012, the EMC Board of Directors approved a new development strategy for the project in 2 phases:

- 1st phase: production of 15Mt/year of concentrates;
- 2nd phase: production of 15Mt/year of concentrates including 7Mt used for the production of Pellets by direct reduction.

In May 2013, Xstrata and Glencore merged and in April 2014, the pre-feasibility study carried out by Worley Parsons shows that the most optimal development of the project is done by production units of 9.5 Mt/year each. On this basis, the EMC Board of Directors decided to carry out a feasibility study for the first unit, of 9.5Mt/year, which constitutes the initial investment. The feasibility study improved this unit to reach 11.3 Mt/year. The second phase is planned a few years later, after the first has been tested and has started to generate cash flow.

(c) Exploration programs

The completed exploration programs, in chronological order, are presented below:

- Up to 2010: 54 800 m of drilling was carried out by SNIM and Sphere;
- In 2011/2012: drillings were carried out in Bou Derga & Tintekrate where 31 500 m were drilled from April 2011 to May 2012;
- In 2012/2013: drilling was carried out in El Aouj East & Center where 92 800 m were drilled from June 2012 to June 2013.
- In all, 100 179 m of drilling were carried out.

(d) Mineral resources

The exploration programs carried out on all 5 Guelbs show that the reserves of the whole permit amount to 4.4 billion tons, with Guelb El Aouj East alone accounting for almost half of the available mineral resources.

It is for this reason that EMC has decided to focus on Guelb El Aouj East.

(e) Project Studies

A range of studies have been conducted for the project, including:

- Pre-Feasibility Study Phase I: Contracted to Worley Parsons and completed in April 2014 ;
- Concept Study Phase II: Contracted to Worley Parsons and completed in June 2014;
- Financing Study: Awarded to BNPP and completed in May 2014;
- Environmental Study (ESIA): Started in March 2013 and completed in February 2016 ;
- Feasibility Study Phase I: Entrusted to Ausenco and completed in December 2015; Mining Study was entrusted to BBA and completed in November 2015;
- HR Study: Development in 2013 of a strategic map and HR policies ;
- Railway and Port Capacity Study: Contracted to Hatch and completed in November 2015;
- FEED Study: Contracted to Hatch and completed in October 2018.

(f) Technical & Financial Model

As a result of all these studies, the project has been fully defined both technically and financially. Thus, the following has been agreed upon:

- An open-pit mine with a 41-year life span;
- A Dry Magnetic Separation processing plant;
- The use of the SNIM railroad and port;
- Production of 11.3 million tons of concentrate at a grade of 66.5% Fe;
- In 2022 an update of global investment (CAPEX) resulted in 1.857 billion USD (of which 203.2 million USD for the railway and the port);
- In 2022 an update of the production Cost (OPEX) resulted in \$32.4 per ton of concentrate (FOB Nouadhibou);
- In 2018, an average price of \$72 (IODEX 65) was used to obtain an Internal Rate of Return (IRR) of 8.5% (before taxes) for 100% equity.
- Following the sharp rise in iron ore prices, an analysis of the financial model in 2022 with a price of \$105 (IODEX 65 -) was performed and resulted in an IRR of 18,4% (Before taxes) for 100% equity.

(g) Environmental and Social Study

The Environmental and Social Impact Assessment (ESIA) for the project was carried out by URS between March 2013 and February 2016 and Public Consultations on the Terms of Reference were held in F'derik in 2015. The Environmental Permit was obtained in 2016, after validation of the ESIA.

The ESIA identified potential environmental impacts and proposed appropriate mitigation measures regarding:

- Air quality through dust emissions (PM10) and gas emissions (NO2, SO2);
- Surface and groundwater resources;
- Noise emissions from mining activities;
- Waste treatment.

In 2023 EMC entrusted the company WSP with updating certain chapters of the ESIA. The aim was to comply with changes that have taken place in international standards since the study was carried out in 2016. This work was completed in 2023.

(h) A New Shareholder

The shareholders' objective is to call on a partner who can accelerate the execution of the project. The choice fell on Mineral Resources, an Australian mining company with a strong history in the construction and management of mining operations. Mineral Resources has expressed interest in taking over Glencore's stake in El Aouj. It carried out due diligence which led to the signing of a non-binding term sheet with SNIM paving the way for a change of shareholding.

Mineral Resources intends to make changes to the current project design with the aim of reducing construction time and optimizing investment costs.

(i) Project Schedule

The project schedule is as follows:

- Start of construction: January 2025
- Start of Production: January 2027

(j) Project Impacts

The Project will have multiple positive impacts for the local communities and for the country in general. Thus, it will allow

- The creation of more than +1 000 direct jobs and 300 indirect jobs;
- The construction of a 220-unit housing estate in F'derik;
- The provision of water, electricity and a water treatment plant in F'derik;
- The generation of important revenues through, for example, the rental of the train and the SNIM port estimated at 9.4 dollars per ton of concentrate (which could reach 106 million dollars per year) and also other revenues for the State.

(k) Project financing

In 2022 the shareholders decided to embark on the project financing route to mobilize the necessary funds for the development of El Aouj. EMC engaged Société Générale as financial advisor for this operation. A due diligence process was launched and resulted in the following due diligence being carried out:

- Technique: carried out by the SLR
- Market: carried out by CRU
- Environmental and social: update of the ESIA study by WSP

Initial market surveys showed solid lender appetite for the project. Preliminary indications exceeded the amount of debt that SG requested for financing of around 50% of the investment.

Overall, the fundraising effort is well underway. It was slowed down towards the end of the year while awaiting the outcome of negotiations between shareholders.

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 SABIC (Saudi Basic Industrie Corporation).

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 its subsidiary HADEED.

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 25 years from Q2 2029.

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.
- In September 2023 TAKAMUL signed a contract with Société Générale as Financial Advisor for the financing of the project and well advanced by phase priority to achieve the requested objective.

- A contract was signed in 2023 with the legal advisor to support the financial advisor in its search for project financing from donors.
- FEED is entrusted to the Spanish office IDOM in 2022 with the participation of a team of experienced SNIM engineers. FEED is 98% complete, submission of the report is expected at the end of April 2024.
- The water research programs for social needs and the project in the LAZRAGH area are completed in 2023 and the quantities requested for exploitation have been found.

Project schedule

- April 2024: submission of the FEED report
- Q1 2025: Final investment decision
- Q1 2028: End of project construction
- Q2 2028: Commissioning of the project
- Q2 2029: Production ramp-up

4.4 Inventories and work-in-progress

IN MMRU	31/12/2023	31/12/2022
Raw materials at weighted average cost	12 340	11 605
Ore at weighted average cost	4 334	4 070
Goods at weighted average cost	40	19
Gross value of inventories	16 714	15 694
Impairment of raw materials	(4 292)	(3 557)
Impairment of ore inventories	(2 549)	(1 596)
Total net value	9 873	10 541

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

IN MMRU	31/12/2023	31/12/2022
Raw materials at weighted average cost	12 340	11 605
Raw materials at net realizable value	8 048	8 048
Goods	40	19
Iron ore at weighted average cost	4 334	4 070
Iron ore at net realizable value	1 785	2 474
Total inventories at the lower of weighted average cost and net realizable value	9 873	10 541

The company does not practice any pledge on stocks.

4.5 Trade receivables and related accounts

Trade receivables are detailed as follows:

IN MMRU	31/12/2023	31/12/2022
Iron ore trade receivables	7 984	7 692
Receivables due from group companies	638	728
Other trade receivables	1 224	1 468
Total Gross	9 846	9 887
Impairment of Iron ore trade receivables	(12)	(12)
Impairment of Receivables due from group companies	(367)	(393)
Impairment of Other trade receivables	(251)	(328)
Total impairment	(629)	(733)
Iron ore trade receivables net	7 972	7 680
Receivables due from group companies net	271	334
Other trade receivables net	974	1 139
Total net value	9 217	9 154

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

IN MMRU	31/12/2023	31/12/2022
Impairment as of 1st January	733	576
Impairment loss under IFRS 9	0	0
Additional depreciation	(104)	157
Impairment as of 31st December	629	733
Amount recovered from impaired receivables	7 692	5 287
Gross amounts of impaired receivables	9 846	9 887

4.6 Other receivables

The other receivables are detailed as follows:

IN MMRU	31/12/2023	31/12/2022
Trade payables – debit balances	2 574	820
Personnel receivables	322	345
Trustee	113	102
Sundry receivables	127	88
Tax receivables	555	8
Deferred expenses	1 088	668
TOTAL	4 779	2 031

- 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 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

As at December 31st2022, 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	1 686	-	-	1 686	1 686
Trade receivables and related accounts	9 154	-	-	9 154	9 154
Other receivables and related accounts	2 031	-	-	2 031	2 031
Cash and cash equivalents	39 044	4 340	-	43 384	43 384
Assets	51 915	4 340	-	56 256	56 256
Financial debts (portions over 1 year)	1 362	-	-	1 362	1 362
Financial debts (portions at less than 1 year)	943	-	-	943	943
Trade payables	4 656	-	-	4 656	4 656
Other payables	4 646	-	-	4 646	4 646
Liabilities	11 607	-	-	11 607	11 607

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 term hedges or 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, 31st2023, financial instruments on exchange rates available at closing date are detailed below:

Hedging accounting	2023				2022			
	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>	15,3	389	35 000	-	32	872	29 500	-
Options on currency								
<i>Euro</i>	20	506	46 000	76 500	1	1 118	34 500	34 500
b) Fair value hedging (FVH)								
Forward contracts in foreign currency								
<i>Euro</i>	(4)	(100)	3 000	3 000	-	13	3 000	-
Options on currency								
<i>Euro</i>	-	-	-	-	-	2	2 000	2 000
c) Other operations								
Options on currency								
<i>Euro</i>	(4)	(117)	-	-	(4)	(117)	-	23 500
Total	31	795	84 000	79 500	69	1 890	69 000	60 000

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, 2023, considering the market prices recorded in December 2023, 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 31st, 2023, financial instruments related to interest rate risk at the balance sheet date are as follows:

Hedging accounting	2023				2022			
	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
Risque de taux d'intérêt a) Cash flow hedging (CFH) Swaps on Raw Material EUR Options on Interest rate EUR b) Other operations EUR	-	-	-	-	6	154	22 500	-
Total Interest rate	-	-	-	-	6	154	22 500	-
Total	31	795	84 000	79 500	75	2 044	91 500	60 000

The impacts on the income statement of derivative financial instruments as of December 31st, 2023, 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	(223 082)	(730 334)
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	(16 034)	84 300	-
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.

	Variation of EURO	Impact on profit and loss before tax	Impact on OCI
IN USD			
2023	10%	980 076	8 315 503
	(10%)	(2 680 737)	(6 039 631)

Dollar = 39,48 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, 2023, 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, 2023, 46% of SNIM’s debts are due in less than one year, compared with 36% in 2022.

Maturity:

The table below shows the maturity of the financial liabilities as of December 31st2023, based on contractual payments not discounted. The principal considers only the debt drawn by the company as of December 31st2023. Similarly, interest expenses reflect the interests of the company totally drawn as of December 31st2023.

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	2024	2025	2026	2027	2028	2029	2 030
Principal	907	300	114	115	111	97	75
Interests	79	39	33	28	22	16	11
TOTAL	986	339	148	142	133	114	86
Year	2 031	2 032	2 033	2 034	2 035	2 036	2 037
Principal	54	10	10	10	10	10	10
Interests	7	4	4	4	4	3	3
TOTAL	60	15	15	14	14	14	14
Year	2 038	2 039	2 040	2 041	2 042	2 043	2 044
Principal	10	10	10	10	10	10	10
Interests	3	3	3	2	2	2	2
TOTAL	13	13	13	13	13	12	12
Year	2 045	2 046	2 047	2 048	2 049	2050	2051
Principal	10	10	10	10	10	10	10
Interests	2	1	1	1	1	0	0
TOTAL	12	12	12	11	11	11	11
	TOTAL						
Principal	1 985						
Interests	280						
TOTAL	2 264						

4.8 Cash and cash equivalents

IN MMRU	31/12/2023	31/12/2022
Cash	15 808	4 340
Cash equivalents	32 530	39 044
TOTAL	48 339	43 384

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	31/12/2023	31/12/2022	(%)
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, 2023, 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 113 MMRU as of December 31, 2023 against 102 MMRU as of December 31, 2022. 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	31/12/2023	31/12/2022
VOIE					
BID	USD	Var.	2 024	101	189
DRAGAGE					
BAD DRG	USD	7,231%	2 031	283	362
BEI DRG	USD	VAR	2 031	345	305
Subtotal				729	856

The situation of Financing agreements is presented as follows:

Project	Lender	Currency	Interest rate	Maturity	Total Millions	Drawn Millions	Un-Drawn Millions
Voie	BID	USD	Var	2024	28	28	-
Usine G1	ADF	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	31/12/2023	31/12/2022
Deposit				2	2
FADS	KWD		2 051	252	236
Subtotal				254	238

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, 2023 and as at December 31st, 2022.

IN MMRU	Currency	Interest Rate	Maturity	31/12/2023	31/12/2022
Rescheduled maturities on French debt					
Accord 8	EUR	3,00%	2 019	117	117
Subtotal				117	117

4.10.4 Reassigned debt

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

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

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

IN MMRU	Currency	Interest rate	Maturity	31/12/2023	31/12/2022
European Economic Community (Sysmin 1)	EUR	0,50%	2 028	338	324
FED/03/EUR	EUR	Var.		547	581
Subtotal				885	905
TOTAL LOANS				1 987	2 117
Loans maturing in less than one year				908	755
Long and mid-term loans				1 079	1 362

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, 2022, and December 31st,2023 is as follows:

IN MMRU	31/12/2022	Cash movements	FX	Transfer	31/12/2023
Long and mid-term loans	1 362	-	-	(283)	1 079
Loans maturing in less than one year	755	251	120	283	908
Other loans maturing in less than one year	189	171	(18)	-	-
Total Financial debts (portions at less than 1 year)	943	421	102	283	908
TOTAL financial debts	2 306	421	102	-	1 987

4.11 Retirement benefit obligation

IN MMRU	31.12.2022	Allowance	Reversals	31.12.2023
Provisions for retirement indemnities	2 399	1 995*	(164)	4 230
Provisions for additional retirement	2 614	241	(50)	2 804
TOTAL	5 013	2 236	(214)	7 034

*Including 1,772 MMRU increase in retirement benefits mainly related to changes in actuarial assumptions and experience difference and recognized in other comprehensive income.

Description of the defined benefit 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.

The benefits defined plans by SNIM are not covered by investments. The plan is unfunded.

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 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
Employee turnover rate	0,24% on average, distributed in decreasing order by age
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	31/12/2022	31/12/2023
Beginning of the period	01 January 2022	01 January 2023
End of the period	31 December 2022	31 December 2023
Actuarial rate	3,2%	4,94%
Expected average remaining working lives	9	9

Variation in benefit obligation:

IN MMRU	31/12/2022	31/12/2023
Benefit obligation at the beginning of the period	893	2 399
Current service cost	40	144
Interest cost	46	80
Actuarial (gains) losses	1 421	1 771
<i>of which changes in assumptions</i>	<i>1 533</i>	<i>972</i>
<i>of which experience differences</i>	<i>(103)</i>	<i>798</i>
Benefits paid	-	(164)
Benefit obligation at the end of the period	2 399	4 230

Variations in investments:

The benefits defined by SNIM are not covered by investments.

Financial cover:

FINANCIAL COVER	31/12/2022	31/12/2023
Financial cover	2 399	4 230
Pension Liabilities	2 399	4 230

Actuarial cost for the year:

FINANCIAL COVER	31/12/2022	31/12/2023
Current service cost	40	144
Interest on debt	46	80
Expenses	86	223

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	31/12/2022	Allowance	Reversals	31/12/2023
Contingency provision	807	203	(220)	790
TOTAL	807	203	(220)	790

4.13 Trade payables

Trade payables are detailed as follows:

IN MMRU	31/12/2023	31/12/2022
Trade payables	5 527	3 938
Accrued payables	956	719
TOTAL	6 483	4 656

4.14 State and other public taxes

State and other public taxes are detailed as follows:

IN MMRU	31/12/2023	31/12/2022
Current Tax Income	2 209	1 222
Taxes on wages and salaries	739	567
Other taxes	76	128
TOTAL	3 024	1 917

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	31/12/2023	31/12/2022
Payroll expenses and related costs	514	298
Dividends payable	19	17
Sundry payables and pre-payments	3 064	4 331
TOTAL	3 597	4 646

Sundry payables and prepayments are detailed as follows:

IN MMRU	31/12/2023	31/12/2022
Credit customers	760	595
Accrued expenses	1 500	2 537
Investment of subsidiaries	276	276
Accrued expenses on borrowings	42	32
Remaining payment on the capital increase	209	543
Marking taxes	215	28
Social security contributions	59	24
Accruals and deferred income	5	297
TOTAL	3 064	4 331

5- ADDITIONAL INFORMATION RELATING TO THE INCOME STATEMENT

5.1 Sales

The production sold represents the sales of iron ore for the sum of 50 053 MMRU (1 367 049 998 USD) for 2023 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 and China. Three customers (GLENCORE, CARGIL and TOSYALI IRON STREEL INDUSTRY) accounted for 66% of the total revenue in 2023.

The breakdown by countries is as follows:

IN MMRU	2023	2022
Chine	23 633	21 515
Algérie	12 061	5 677
Italie	5 028	3 338
Japon	2 022	3 136
Australie	3 997	2 882
France	581	1 862
Allemagne	1 150	1 666
Espagne	0	1 266
Pologne	0	1 121
Autres	1 581	3 907
TOTAL	50 053	46 371

5.2 Revenue from ancillary business activities

Other revenue from ancillary business activities is detailed as follow:

IN MMRU	2023	2022
Rents, material disposal, telecom	521	511
Rental of buildings and equipment	10	10
Other services	2	28
Supply of personnel	207	56
Disposals	1	6
TOTAL	740	611

5.3 Raw materials and consumables

Raw materials and consumables are detailed as follows:

IN MMRU	2023	2022
Consumables used	15 223	13 999
Maintenance products	23	23
Supplies	117	86
Water and electricity	47	50
Materials & supplies	48	15
TOTAL	15 459	14 172

The increase in materials consumed is mainly explained by:

- The increase in mining equipment expenses resulting from the increase in the prices of steel and its derivatives.
- The increase in Explosives , Tires and Lubricant expenses in line with the increase in activity and a higher prices of Nitrates, Explogel, Emulsion etc.

5.4 Other operating income

Other operating income are detailed as follow:

IN MMRU	2023	2022
Discounts, rebates and refunds obtained	7	14
Products and Profits	289	286
Profits / disposal	74	0
TOTAL	370	300

5.5 Personnel expenses

The personnel expenses heading is as follows:

IN MMRU	2023	2022
Wages	6 725	5 472
Social charges	558	452
Provision for retirement indemnities	249	150
Complementary pension schemes	142	118
TOTAL	7 672	6 192

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	2023	2022
Executives	450	410
Supervisory staff	3 487	3 519
Workers	2 528	2 566
TOTAL	6 465	6 495

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	2023	2022
Depreciation of property, plant and equipment	5 730	5 448
Amortization of intangible assets	12	16
Depreciation of financial assets	1 396	100
Depreciation of inventories	1 688	1 042
Depreciation and accrual for accounts receivable	23	157
Other depreciation	203	311
Reversals / provisions	(540)	(460)
TOTAL	8 513	6 616

The increase in depreciation and provisions is explained by the impairment of ATTM's Investments for 1.252 MRU and the Impairment of raw materials inventories.

5.7 Taxes

Taxes are detailed as follows:

IN MMRU	2023	2022
Tax on benefit	0	8
Other taxes	66	39
TOTAL	66	47

5.8 Other operating expenses

The other operating expenses are detailed as follows:

IN MMRU	2023	2022
Expenses related to investment (1)	1 853	1 358
Expenses related to operations (2)	702	307
Other Charges (3)	854	755
TOTAL	3 409	2 420

- (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	2023	2022
Interest and related income	2 014	791
Income on financial instrument	172	128
Other financial income	0	6
TOTAL	2 186	925

5.10 Financial expenses

Financial Expenses are detailed as follow:

IN MMRU	2023	2022
Interest and related charges	113	109
Charges on financial instruments	15	1
TOTAL	128	110

5.11 Earnings per share

Earnings per share are detailed as follow:

IN MMRU	2023	2022
Net income in million Ouguiyas	14 495	15 537
Total number of shares	18 270 000	18 270 000
Earnings per share IN MMRU	793	850

SNIM's capital does not include any preferential or potential ordinary shares as of December 31st, 2023. Thus, earnings per share are equal to diluted earnings per share.

The dividends recognized for disbursement amounted to 7 880 MMRU.

6- ADDITIONAL INFORMATION RELATED TO THE STATEMENT OF CASH FLOWS

6.1 Restatement of amortizations and provisions

IN MMRU	2023	2022
Amortization of property, plant and equipment	5 730	5 448
Amortization of intangible assets	12	16
Amortization of financial assets	1 290	100
Allocation to provisions (risks & charges + Pensions)*	2 198	1 815
Losses of fixed assets	193	90
TOTAL	9 423	7 469

* Of which 1 772 MMRU corresponding to the increase in the commitment of the retirement indemnity mainly linked to the variation in the rate of increase in salaries.

6.2 Changes in working capital

IN MMRU	2023	2022
Decrease (Increase) in inventories	667	(2 738)
Decrease (Increase) in trade receivables	(63)	(2 509)
Decrease (Increase) in other receivables	(994)	1 374
Increase (Decrease) in trade payables	1 527	(1 017)
Increase (Decrease) State and other local authorities	120	211
Increase (Decrease) in other payables	(1 050)	1 829
CHANGE IN WORKING CAPITAL	208	(2 850)

6.3 Expenditures on fixed assets

IN MMRU	2023	2022
Acquisition of property, plant & equipment	(10 317)	(5 762)
Acquisition of Financial assets	(1 484)	(1 077)
TOTAL ACQUISITIONS	(11 801)	(6 839)

6.4 Reversal of depreciations and provisions

IN MMRU	2023	2022
Capitalized production	(670)	(403)
Reversal of depreciations and provisions	(384)	(268)
TOTAL	(1 054)	(671)

6.5 Foreign exchange gains and losses

IN MMRU	2023	2022
FX gains / loss on loans	(68)	40
Other comprehensive income	701	(699)
TOTAL	633	(659)

6.6 Net Cash

IN MMRU	2023	2022
Cash equivalents	32 530	39 044
Cash	15 808	4 340
Net Cash	48 339	43 384

7- OTHER COMMITMENTS AND LIABILITIES

Off balance sheet commitments are detailed as follows:

IN MMRU	31/12/2023	31/12/2022
Documentary credits in progress	879	1 638
Commitments on contracts	0	58
Sub-Total Commitments Given	879	1 696
Guarantees received from contractors	673	244
Balances of undisbursed funds	3 833	3 616
Sub-Total Commitments Received	4 506	3 860
Total	5 385	5 557

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 2023 in MMRU:

Purchases														
	FILIALES	ATTM	COMECA	SAMMA	SAMIA	SOMASERT	GMM	SAFA	GIP	M2E	GHM	GPIM	SNIM	TOTAUX
Sales	ATTM								5				522	527
	COMECA	52					0	0	19				316	387
	SAMMA		0		1		0	1	1		1		124	128
	SAMIA													0
	SOMASERT	0	1	0	0		0	0	1	0		0	79	82
	GMM												0	0
	SAFA						1						197	197
	GIP												72	72
	M2E					3							16	19
	SNIM	59		6	11	8	12	16	4	97	4	3		221
	TOTAUX	111	2	7	12	12	13	17	29	97	5	3	1 326	1 634

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 30th, 2024**. They don't reflect the occurrence of subsequent events after this date. No significant event directly affecting the company has occurred after closing date.