



BINDURA NICKEL CORPORATION LIMITED

Trojan Mine Road, Bindura, Zimbabwe, P.O. Box 35, Bindura
Telephone: +263 (0)271 6231-6; 7951-66; 7821-27
Fax: +263 (0)271 7572; 7189; 7184; 7577; 6004

(Incorporated and registered in Zimbabwe with limited liability under Certificate of Registration number 552/66 and Certificates of Change of Name dated 22 June 1979)

Directors: Y C Kwan (Chairman), D E H Murangari (Deputy Chairman), B Manhando (Managing Director), O A Barbeau, O M Chidawu, X J Guo (Dr.), J H L Lampen, M A Masunda, B Zhao (Prof.).

NOTICE TO SHAREHOLDERS

Notice is hereby given that the fiftieth Annual General Meeting (“AGM”) of members of Bindura Nickel Corporation Limited (“the Company”) will be held at Chapman Golf Club, Samora Machel Avenue East, Eastlea, Harare on Thursday, 22 September 2016 at 9.00 am for the purpose of transacting the following business:

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive, consider and adopt the Financial Statements and Reports of the Directors and Auditors for the financial year ended 31 March 2016.

2. Directorate

2.1 To re-elect the following Directors who retire by rotation and, being eligible, offer themselves for re-election in terms of Articles 100 and 101 of the Company’s Articles of Association:

- Dr Xian Jian Guo
- Mr Yim Chiu Kwan
- Mr Muchadeyi Ashton Masunda
- Mr David Edgar Hoover Murangari

The profiles of the Directors to be re-elected are included in the Annual Report under “Board of Directors as at 31 March 2016”.

2.2 To approve the remuneration of the Directors for the year ended 31 March 2016.

3. Auditors

- 3.1 To confirm the appointment of Messrs Ernst & Young Chartered Accountants (Zimbabwe) as Auditors to hold office until the conclusion of this Annual General Meeting.
- 3.2 To fix the remuneration of the Auditors for the past audit.
- 3.3 To appoint Auditors to hold office until the conclusion of the next Annual General Meeting.

4. Staff Share Option Scheme (2016)

To consider and, if deemed fit, to pass with or without amendment, the following resolution:

As an Ordinary Resolution – Staff Share Option Scheme (2016)

Preamble

At an Annual General Meeting of the Company held on 23 September 2010, Shareholders authorised the Directors to establish the BNC Share Option Scheme (2010) for the benefit of eligible employees and directors and to set aside an allocation of ordinary shares in the capital of the Company equivalent to 5% of the Company's issued share capital for the Scheme. Shareholders also approved the Scheme document dated 23 September 2010. Subsequently, the Zimbabwe Stock Exchange ("the ZSE") also approved the Scheme document in terms of the ZSE's Listing Rules.

At the time that the Share Option Scheme (2010) was approved, the Company's issued share capital was 126 048 355 (one hundred and twenty six million and forty eight thousand three hundred and fifty five) ordinary shares. Accordingly, the Share Option Scheme (2010) was established with an allocation of 6 302 417 (six million three hundred and two thousand four hundred and seventeen) ordinary shares.

Up to now, no shares have been granted or allotted to eligible employees or directors in terms of the Share Option Scheme (2010), for a variety of reasons including the following:

- (a) between 2008 and the latter part of 2012, the Company was put under Care and Maintenance and, therefore, it was deemed inappropriate to grant any shares from the Scheme during that period;
- (b) the Company's issued share capital was increased in September 2012, following a successful Rights Offer, from 126 048 355 (one hundred and twenty six million and forty eight thousand three hundred and fifty five) to 1 210 213 657 (one billion two hundred and ten million two hundred and thirteen thousand six hundred and fifty seven) ordinary shares;
- (c) As a consequence of (b) above, the total number of shares allocated to the 2010 Scheme, amounting to 6 302 417 (six million three hundred and two thousand four hundred and seventeen) ordinary shares (being 5% of the previous issued share capital of 126 048 355 ((one hundred and twenty six million and forty eight thousand three hundred and fifty five)) ordinary shares) became insignificant in percentage terms (0.52%) and therefore unattractive, when compared to the Company's new issued share capital post the Rights Issue, which amounted to 1 210 213 657 (one billion two hundred and ten million two hundred and thirteen thousand six hundred and fifty seven) ordinary shares.

As at today's date, the number of shares in issue has increased by 29 442 934 (twenty nine million four hundred and forty two thousand nine hundred and thirty four) from 1 210 213 657

(one billion two hundred and ten million two hundred and thirteen thousand six hundred and fifty seven) to 1 239 656 591 (one billion two hundred and thirty nine million six hundred and fifty six thousand five hundred and ninety one) ordinary shares following a series of additional share issues by way of private placement in favour of a selection of the Company's creditors in lieu of debt settlement, as duly authorised by Shareholders at an Annual General Meeting of the Company, which was held on 19 September 2013.

At an Extraordinary General Meeting of the Company, which was held on 29 June 2012, Shareholders voted in favour of placing all unissued ordinary shares of the Company under the control of the Directors for an indefinite period, to be issued in compliance with the terms of the Memorandum and Articles of Association and the Zimbabwe Stock Exchange listing requirements.

In terms of that authority, and in the light of the foregoing as well as due to the continued need to attract and retain key members of staff, the Directors hereby propose the withdrawal of the BNC Share Option Scheme (2010) and its replacement by a new scheme, to be called the "BNC Share Option Scheme (2016)".

The proposed BNC Share Option Scheme (2016) document is available for inspection at the Company's registered address and at this Annual General Meeting.

Accordingly, it is **RESOLVED THAT**, subject to approval by the Zimbabwe Stock Exchange, the Directors of the Company be and they are hereby authorised:

- (a) to withdraw the BNC Share Option Scheme (2010) and to replace it with a new scheme, to be called the "BNC Share Option Scheme (2016)"

And

- (b) to set aside an allocation of ordinary shares in the capital of the Company equivalent to 7.5% of the Company's issued share capital, amounting in total to 92 974 244 (ninety two million nine hundred and seventy four thousand two hundred and forty four) ordinary shares for the BNC Scheme Option Scheme (2016).

5. Any Other Business

To transact such other business as may be dealt with at an AGM.

In terms of the Companies Act (Chapter 24:03), a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company. Proxy forms must be lodged with the Secretaries not less than forty-eight hours before the time for holding the meeting.

BY ORDER OF THE BOARD
Bindura Nickel Corporation Limited

C. F. Mukanganga
Company Secretary
26 August 2016