ANNUAL REPORT
2020

BINDURA NICKEL
CORPORATION LIMITED

BINDURA NICKEL
CORPORATION LIMITED

COMMITTED TO
CREATING VALUE

SCOPE OF THIS REPORT

This report covers the performance of Bindura Nickel Corporation Limited's operations and exploration projects in Zimbabwe.

Where appropriate, historical information and information pertaining to the future are provided to offer context and to support an understanding of the business. However, this information should not be construed as forward looking statements. To some extent we have explored circumstances that fall outside of the Company to enable us to provide some context for the opportunities and risks we face in delivering value.

VALUE TO OUR SHAREHOLDERS

This report also contains our audited annual financial statements (AFS) for the year ended 31 March 2020.

CURRENCY

All references to $ refer to US$ throughout this document.

OUR READERSHIP

This report is primarily intended for our shareholders, with whom we communicate on a regular basis. However, it will also be of interest to all our other stakeholders including employees, customers, suppliers, communities, governmental organizations and investors.

RESPONSIBILITY FOR THIS REPORT

The Board of Directors of Bindura Nickel Corporation Limited holds collective responsibility for this report, which has been compiled by members of the management team. On behalf of the Board, the executive directors reviewed and commented on the content of this report and have vouched for its integrity. The Board considers this report to be balanced and accurate and, on the recommendation from the Audit Committee, approved this report on 4 September 2020.

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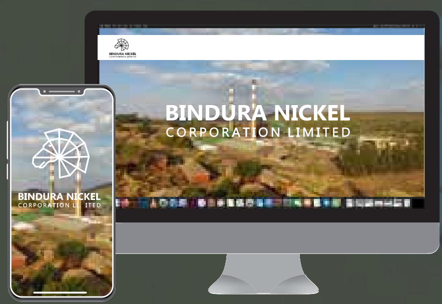
BINDURA NICKEL
CORPORATION LIMITED



This annual report can also be accessed online on **www.bindurانickel.co.zw**

PERFORMANCE HIGHLIGHTS

Safety

0

Zero fatalities

Nickel Price

8%

Increase In Average Nickel Price Realised

Revenue

3%

Revenue down by 3% year on year to US$52.4 million (2019: US$54.0 million)

Profit After Tax

Profit after tax: US$0.9 million, prior year loss after tax restated to US$0.3 million from a profit of US$13.5 million;

Sales Tonnage

11%

Decrease in nickel sales tonnage

Nickel Production

9%

Production decrease

- **Capital expenditure of US$5.1 million (2019: US$5.4 million);**
- **Smelter Restart Project still at 83% complete;**
- **ZWL$15.0 million repaid to Bondholders cumulatively since inception. Balance is now ZWL$5 million.**
- **11.5 million Ordinary Shares issued to employees under the Share Option Scheme of 2016.**

VISION AND MISSION STATEMENT

VISION

To be a fully integrated low cost world-class business, producing and selling finished nickel metal and associated by-products.

MISSION

To economically exploit our mineral resources in a safe and sustainable manner.

Drill Rig in operation at Trojan Nickel Mine

VALUES STATEMENT

BINDURA NICKEL
CORPORATION LIMITED

COMPANY PROFILE

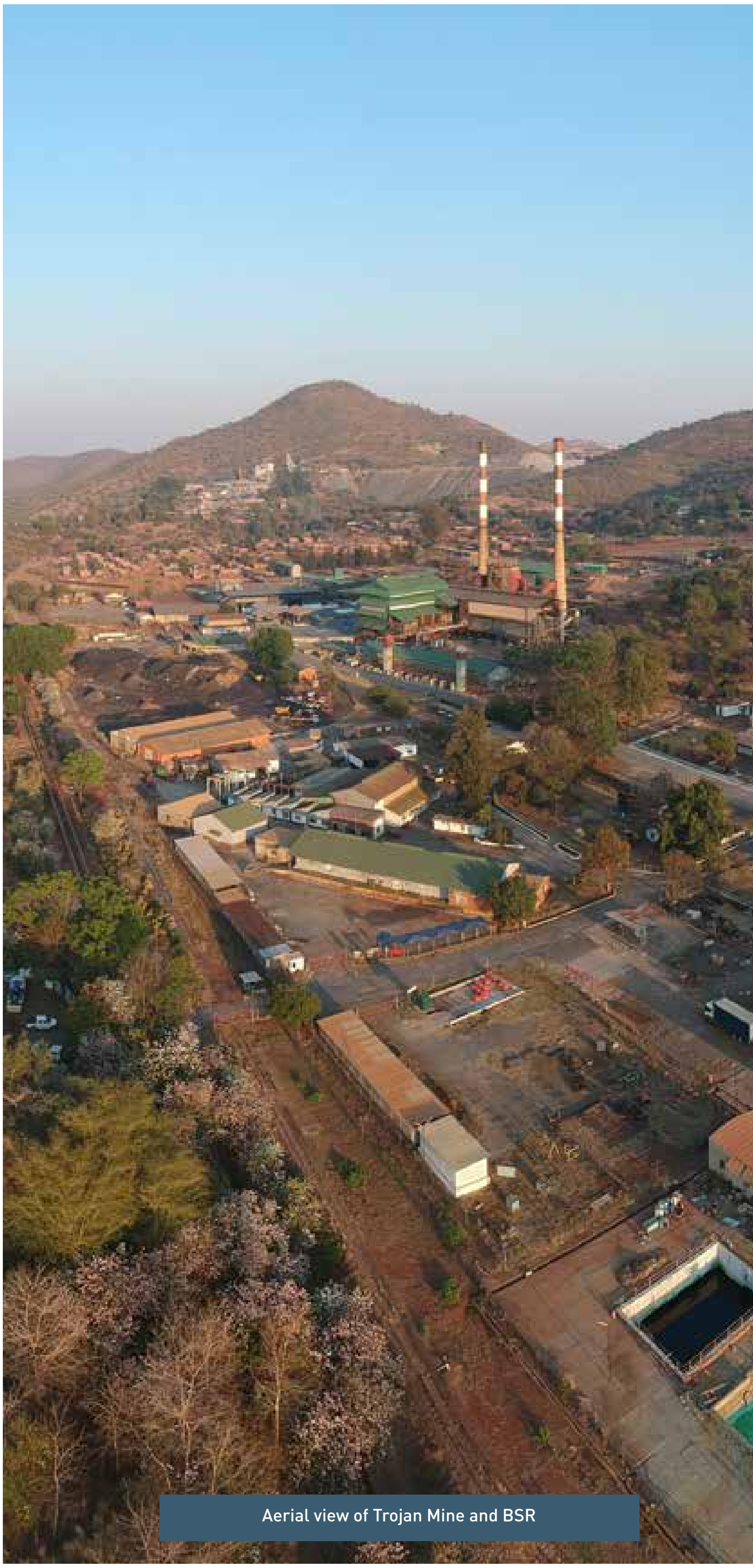
BACKGROUND

The first nickel deposit was discovered at Trojan Mine, Bindura in 1956. The first concentrate was produced in 1964. Bindura Nickel Corporation Limited ("BNC" or "the Company" or "the Group") was established by the Anglo American Corporation Group in Zimbabwe in 1966. The smelter and refinery were constructed in 1968 while the first production of nickel cathode was achieved in the same year. The Company was listed on the Zimbabwe Stock Exchange in 1971.

BNC employed 1068 personnel as at 31 March 2020 (2019: 979).

HOLDING COMPANY

In October 2019, Sotic International Limited, a commodities company based in Mauritius acquired the controlling shareholding of Asa Resource Group Plc which held a majority stake in Bindura Nickel Corporation Limited. The acquisition resulted in Sotic attaining a 74% shareholding of the Company, making it the majority and controlling shareholder.



Aerial view of Trojan Mine and BSR

OUR BUSINESS

SUBSIDIARIES OF BINDURA NICKEL CORPORATION LIMITED

BNC has three subsidiaries, namely BSR Limited (BSR) , Hunter's Road Nickel Mine (Private) Limited (Hunter's Road) and Trojan Nickel Mine Limited (TNM). However, TNM is the only operating entity, with BSR having been dormant since 2004 and Hunter's Road still at project stage.

TNM has two mining divisions, one at Bindura (Trojan Mine) approximately 90 kilometres north east of Harare and one near Insiza (Shangani Mine) approximately 60 kilometres south of the city of Gweru. TNM also owns the Smelter and the Refinery as its divisions. The Smelter and Refinery assets are situated approximately 2 kilometres from Trojan Mine.

Trojan Nickel Mine Limited

Trojan Mine

- JORC compliant measured, indicated and inferred resource of 7.6 million tonnes of ore at a grade of 0.97% Ni equivalent to 73 800 tonnes of contained nickel.
- Proved and Probable Ore Reserves – 2.73 million tonnes at an average grade of 0.83% Ni equivalent to 22 700 tonnes of contained nickel.
- Status – operational mine; restarted in 2012 following a $23 million restructuring and recapitalisation programme, after a four-year care and maintenance period.
- FY2020 production – 5 720 tonnes (FY2019: 6 289 tonnes) nickel in concentrate, sold 5 685 tonnes (FY2019: 6 410 tonnes) nickel in concentrate

Shangani Mine

- Measured, indicated and inferred resource size – 12.03 million tonnes at an average grade of 0.56 % Ni equivalent to 68 000 tonnes of contained nickel.
- Status – mine on care and maintenance

Smelter

- Status – Smelter Restart project is 83% complete
- Smelter will have capacity to treat BNC and third party concentrates

Refinery

- Status - care and maintenance
- Feasibility studies to restart a section of the refinery are under consideration

Hunter's Road Project

- JORC compliant measured and indicated resource size – 200 404 tonnes of contained nickel
- Status – project on hold, funding options being considered

OUR VALUE CHAIN

CREATING VALUE

MINING

PROCESSING

OUR VALUE CHAIN

Industrial uses of nickel

Industrial uses of nickel sulphate include battery cathodes, electrolysis plating and electroplating. With the development of electric and hybrid cars in the automotive industry, the demand for nickel sulphate is set to rise steadily in the medium to long term.

SMELTING & REFINING

DESPATCHING

CHAIRMAN'S LETTER AND REPORT

Dear Stakeholders,

I am pleased to report on a positive year for Bindura Nickel Corporation Limited, as the Company continued to pursue its commitment to creating value.

MUCHADEYI ASHTON MASUNDA
Board Chairman

HIGHLIGHTS

Highlights for the year under review are summarised below:

- **Zero fatalities;**
- **8% increase in average nickel price;**
- **Revenue down by 3% year on year to US$52.4 million (2019: US$54.0 million);**
- **EBITDA: US$6.5 million compared to US$24.8 million in prior year (73% decrease);**
- **Profit after tax: US$0.9 million, prior year loss after tax restated to US$0.3 million from a profit of US$13.5 million;**
- **11% decrease in nickel sales tonnage;**
- **9% decrease in nickel production;**
- **Capital expenditure: US$5.1 million (2019: US$5.4 million);**
- **Smelter Restart Project still at 83% complete;**
- **ZWL$15.0 million repaid to Bondholders cumulatively since inception. Balance is now ZWL$5 million.**
- **11.5 million Ordinary Shares issued to employees under the Share Option Scheme of 2016.**

SAFETY

No fatalities were recorded at any of our operations or projects during the year. A significant safety milestone was recognised in February 2020 when employees and invited stakeholders celebrated two million fatality free shifts, the last fatality having occurred in June 2015.

The Board and Management take safety very seriously, given the inherently hazardous nature of mining. We have a zero tolerance to accidents. Safety, Health, Environment and Quality ("SHEQ") systems are continually being developed and implemented to improve performance. The main area of focus on safety is to change the behaviour of employees in order to prevent or minimize accidents in line with the Corporation's zero harm goal.

CHAIRMAN'S LETTER AND REPORT Cont'd

FINANCIAL RESULTS

Income Statement

The Company sold 5 685 tonnes of nickel in concentrate compared to 6 410 tonnes sold in the comparative period last year. The 11% decrease in sales tonnage was in line with production which was lower than the prior year's output.

Global nickel prices improved during the period under review, leading to an 8% year-on-year increase in the average price realised by the Company for the sale of its nickel in concentrate. In spite of the improved price performance, annual turnover of US$52.4 million was 1% lower than the US$54.0 million realised in the comparative period last year. This was in sync with the decrease in sales tonnage referred to above. Cost of sales decreased by 7% from US$40.3 million last year to US$37.7 million in the year under review, mainly due to lower production.

Gross profit increased by 7% from US$13.7 million in the comparative period last year to US$14.7 million. This, to a large extent, is a reflection of the corresponding decrease in the cost of sales. However, operating profit decreased by 86% to US$2.8 million, compared to the prior year's achievement of US$20.2 million. This profit erosion was mainly attributable to a reduction in the net foreign exchange gains recognised on the introduction of the Zimbabwean Dollar in the prior year amounting to US$17.0 million, versus US$0.5 million realised in the year under review. However, profit and total comprehensive income of US$0.9 million was higher than the prior year's restated amount due to a prior period error adjustment explained in detail in note 10.

Balance Sheet

Total equity increased by 10% year-on-year. Non-current liabilities of US$30.0 million decreased by 4%, mainly due to a decrease in the long-term portion of interest bearing loans. Current liabilities decreased by 31% from US$20.5 million to US$14.2 million, mainly due to a decrease in the short-term portion of interest bearing loans and related party payables which were written off. Current assets decreased by 18%, mainly driven by a decrease in trade and other receivables.

In terms of the Company's Share Option Scheme (2016) ("the Scheme"), 11 474 206 ordinary shares were issued to beneficiaries of the Scheme during the year under review, resulting in the issued share capital increasing from 1 239 656 591 to 1 251 130 797 ordinary shares.

Cash Flows

The Company maintained a number of financing facilities secured from local financial institutions in order to finance its capital expenditure and working capital requirements. All commitments due to Bondholders at the September 2019 and March 2020 intervals were respectively honoured.

OPERATIONS

Ore milled in the year under review was 434 077 tonnes, compared to 443 876 tonnes milled in the same period last year. Head grade was 1.53% versus 1.64% in the same period last year. The decrease in grade was due to an increase in the mining of disseminated ore as opposed to massives, following the investment in new mining equipment. Recovery remained constant at 86.3%, year-on-year.

The nickel production of 5 720 tonnes was 9% lower than last year's output of 6 289 tonnes due to the lower ore grade and lower milled tonnage achieved respectively year-on-year.

The all-in sustaining cost of producing nickel in concentrate increased from US$6 610 per tonne in the prior year to US$7 606 per tonne mainly due to the decrease in production as well as the incessant increase in the prices of local inputs, which was fuelled by the sourcing of scarce foreign currency on the parallel market by local suppliers for the importation of inputs.

The industrial relations atmosphere remained largely calm throughout the year, due to the continued proactive and constructive engagement of employees on all pertinent issues.

Nickel concentrates being bagged at Trojan Mine

CHAIRMAN'S LETTER AND REPORT Cont'd

CAPITAL PROJECTS

Total capital expenditure for the year was US$5.1 million, mainly in respect of the following projects:

	US$
• Shaft Re-deepening	2 070 734
• New dump trucks	1 661 768
• New LHDs	657 179
• Exploration drilling	258 046

The Smelter Restart Project is still at 83% complete while the Refinery and Shangani Mine remained under care and maintenance.

THE MARKET

Overview

The average London Metal Exchange ("LME") nickel cash settlement price rose by 8.03% to US$13 919.48 per tonne (US$6.31 per pound) compared to US$12 884.88 (US$5.84 per pound) in the same period in 2019. The BNC sales and LME price performance by quarter respectively were as follows:

The Market

In September 2019, LME nickel prices reached a high of US$18 620 per tonne, in anticipation of the Indonesian ore export ban, which eventually came into effect from January 2020. The ban was expected to starve the market of approximately 12% of the global nickel supply which feeds into the Chinese nickel pig iron ("NPI") industry. However, the anticipated deficit did not materialise as mining companies in Indonesia ramped up production before their quotas expired thereby creating stockpiles in China. The Chinese stockpiles, coupled with a muted demand, led to a significant price correction. Market sentiment was also dampened by the macro-economic forces at play, viz the China-United States of America ("USA") trade wars and the conflict between Iran and the USA.

The major story of the year was the COVID-19 outbreak which began in Wuhan, China and quickly spread across that country, resulting in full or partial lockdowns to minimise the spread of the coronavirus. This crippled the global supply chains and the logistics sector. The virus outbreak transcended borders and spread globally resulting in many countries going into lockdown in order to curb its spread. Market participants retreated to the traditional safe havens of gold and palladium as the risk appetite dried up.

	Sales (tonnes)			LME Prices (US$ per tonne)		
Quarter	**2019**	**2020**	**% Increase/(Dcrease)**	**2019**	**2020**	**% Increase/ (Decrease)**
Q1	1 223.04	1 686.62	37.90	14 457.83	12 468.99	(13.76)
Q2	1 756.87	1 316.07	(25.09)	13 236.45	16 734.06	26.42
Q3	1 574.83	1 549.93	(1.58)	11 464.62	14 173.22	23.63
Q4	1 855.27	1 132.55	(38.95)	12 381.11	12 301.64	(0.64)
Total	6 410.01	5 685.17	(11.31)			
Average				**12 885.00**	**13 919.48**	**8.03**

BSR Smelter

Nickel Cathode

CHAIRMAN'S LETTER AND REPORT Cont'd

OUTLOOK

The world economy is effectively on hold, despite the efforts of several central banks to provide economic stimuli and fiscal support to citizens and corporations who have been adversely affected by the COVID-19 pandemic. The market's direction will depend on the demand/supply balance. The demand side will depend on how fast economies re-open. The supply side will depend on the extent of the total reduction in supply due to national lockdowns which have forced mining houses to either stop or reduce production.

DIVIDEND

In the current circumstances, it is not feasible to declare a dividend for the period under review.

CONTINGENCIES

Prior year tax dispute

It was reported in the previous year that the Company was involved in a tax dispute with the tax authorities emanating from tax assessments which were issued in February 2018, amounting to approximately $14 million. The tax differences mainly related to historical issues concerning how the Company was structured many years ago, as well as issues arising from the varying interpretation of standard commercial agreements in the industry.

For the outstanding amount, both parties agreed to declare a dispute and pursue the matter through the courts. The matter is now before the courts pending hearing. Except for this disclosure, no provision has been made in this year's financial statements with respect to this contingent liability. Based on legal advice received to date, the Company has acted within the statutes of the law. The Directors are still of the view that a positive resolution will be reached. At the time of reporting, the Company could not reasonably estimate the likely timing of resolution of the matter.

GOING CONCERN

In assessing the going concern position of the Group, the Directors have considered the current trading activities, the funding position and projected funding requirements, particularly in respect of the main operating subsidiary, Trojan Nickel Mine Limited, for at least eighteen months from the date of approval of these financial statements.

While the Group earned a profit before taxation for the year ended 31 March 2020 amounting to US$2.3 million (2019: US$17.1 million) and while at that date its current assets exceeded current liabilities by US$3.9 million (2019: US$1.5 million), its ability to continue as a going concern is dependent on its ability to generate positive cash flows.

The following factors constitute material conditions that require consideration in assessing the Group's ability to continue as a going concern:

- The Company's cash flows are highly dependent on the Nickel price. During the year, LME nickel prices rose by 8.03% to settle at US$13 919 per tonne compared to US$12 885 per tonne in 2019. Latest forecasts by analys predict a steady increase in Nickel prices in the medium to long term owing to an expected rise in demand for Nickel and Lithium, particularly given the anticipated increase in the use of electric vehicles in developed countries.

- In assessing the future cash flows of the Group, average Nickel prices have been assumed as follows: US$12 000 per tonne for the period April to June 2020, US$13 600 per tonne for the period July to September 2020, US$14 200 per tonne for the period January to March 2021 and US$ 16 900 per tonne for the period April 2021 to March 2022. These projections have been taken from a consensus forecast compiled by market analysts.

In addition to the Directors' assumptions regarding the Nickel price, cash flow forecasts will depend on the following key assumptions:

- On 11 March 2020, the World Health Organisation declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. In addition to global macroeconomic effects, the COVID-19 outbreak and any other related adverse public health developments will cause disruption to our operations and sales activities. Our suppliers, sub-contractors and customers have been and will be adversely affected disrupted by worker absenteeism, quarantines and restrictions on our employees' ability to work, office and mine closures, disruptions to ports and other shipping infrastructure, border closures, or other travel or health-related restrictions. Depending on the magnitude of such effects on our operations or the operations of our suppliers, third-party distributors or sub-contractors, product shipments will be delayed, which could adversely affect our business, operations and customer relationships. It is the Directors' view that the disruptions caused by COVID-19 will not significantly affect our operations.

  The Government declared a national lockdown on 30 March 2020 in order to curb the spread of COVID-19. The Group has been operating during the lockdown period in compliance with the lockdown regulations imposed by the Government. The Group has undertaken measures such as obtaining short-term financing to cover operational costs during the period in which disruptions to customers' ability to settle their

CHAIRMAN'S LETTER AND REPORT Cont'd

obligations due to the lockdown were experienced. Some obligations due to lenders and suppliers were renegotiated to be settled at a later date when funds were received from customers. The Group does not expect significant challenges from customers in settling their obligations as funds are received shortly after delivering the goods to the customer.

- Apropos the availability of sufficient foreign currency. while, the Group realises all its revenue in foreign currency (USD), it only retains a portion of the sale proceeds in foreign currency and the remaining portion is surrendered to the Reserve Bank of Zimbabwe (RBZ) in exchange for the local currency, in line with the current Exchange Control Regulations. For the amount surrendered to the RBZ, the Group is paid at the prevailing official exchange rate. The regulations have limited the availability of foreign currency for the Company to meet its critical payments for the operations. The Group requires more foreign currency for the importation of specialised mining equipment and spares which are not readily available on the local market. The RBZ has committed to increasing the retention thresholds to assist in this regard.

The Directors consider it appropriate to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2020. It is the Directors' view that the Group will be in a position to finance future operations and settle any liabilities that may occur in the ordinary course of business.

SHAREHOLDER AND BOARD CHANGES

As a result of the changes to the shareholding structure of the Company, whereby Asa Resource Group Plc ("Asa"), sold its entire shareholding in BNC, amounting to 74.73% of the issued shares of the Company to Sotic International Limited, a company registered in Mauritius, the following changes to the Board of Directors of the Company took place during and after the financial year:

Resignations

Messrs Olivier Alain Barbeau, Oliver Mandishona Chidawu, Alex Peter Danso and Toindepi Retias Muganyi (all Non-Executive Directors) and Mr Johannes Hendrikus Lambertus Lampen (Finance Director) resigned from the Board during the period October to December 2019. We take this opportunity to thank them all for their collective contribution to the affairs of the Company and Board. We wish them success in their future endeavours.

Appointments

Messrs Jozef Clifford Behr, Obey Chimuka and Christopher Fourie joined the Board as Non-Executive Directors on 1 November 2019 while Messrs Craig Gerald Meerholz and David Hugh Brown joined as Non-Executive Directors on 27 February 2020 and 1 April 2020 respectively. However, Mr Fourie resigned on 8 July 2020. We thank him for his contributions during his short stay and wish him success in his future endeavours.

Profiles of Latest Board Appointees

Craig Gerald Meerholz (39)
Craig Gerald Meerholz holds a Bachelor's Degree in Transport and Logistics (UNISA) and a Post Graduate Diploma in Business Administration from Milpark Business School, South Africa.

He is an Executive Director of Sotic International Limited and has vast experience as a Global Base Metals Trader, including the position of Head of Africa for Zopco, a Start-up Trading House mainly focused on African Base Metals. He has previously held the position of Head of Africa for Trafigura, a large global commodity trading company registered in Switzerland. He has also acquired considerable experience in the management of road freight logistics.

David Hugh Brown (58)
David Hugh Brown is a member of the Institute of Chartered Accountants (South Africa). He holds a Bachelor of Commerce Degree from the University of Cape Town.

He is the Group Chief Executive Officer of Sotic International Limited. Previously, he has served as Chief Executive Officer and Chief Finance Officer of Impala Platinum Holdings Limited respectively. He has vast experience as a Chartered Accountant, Finance Director and Financial Consultant, acquired in various international private sector institutions, including financial services, consultancy and energy.

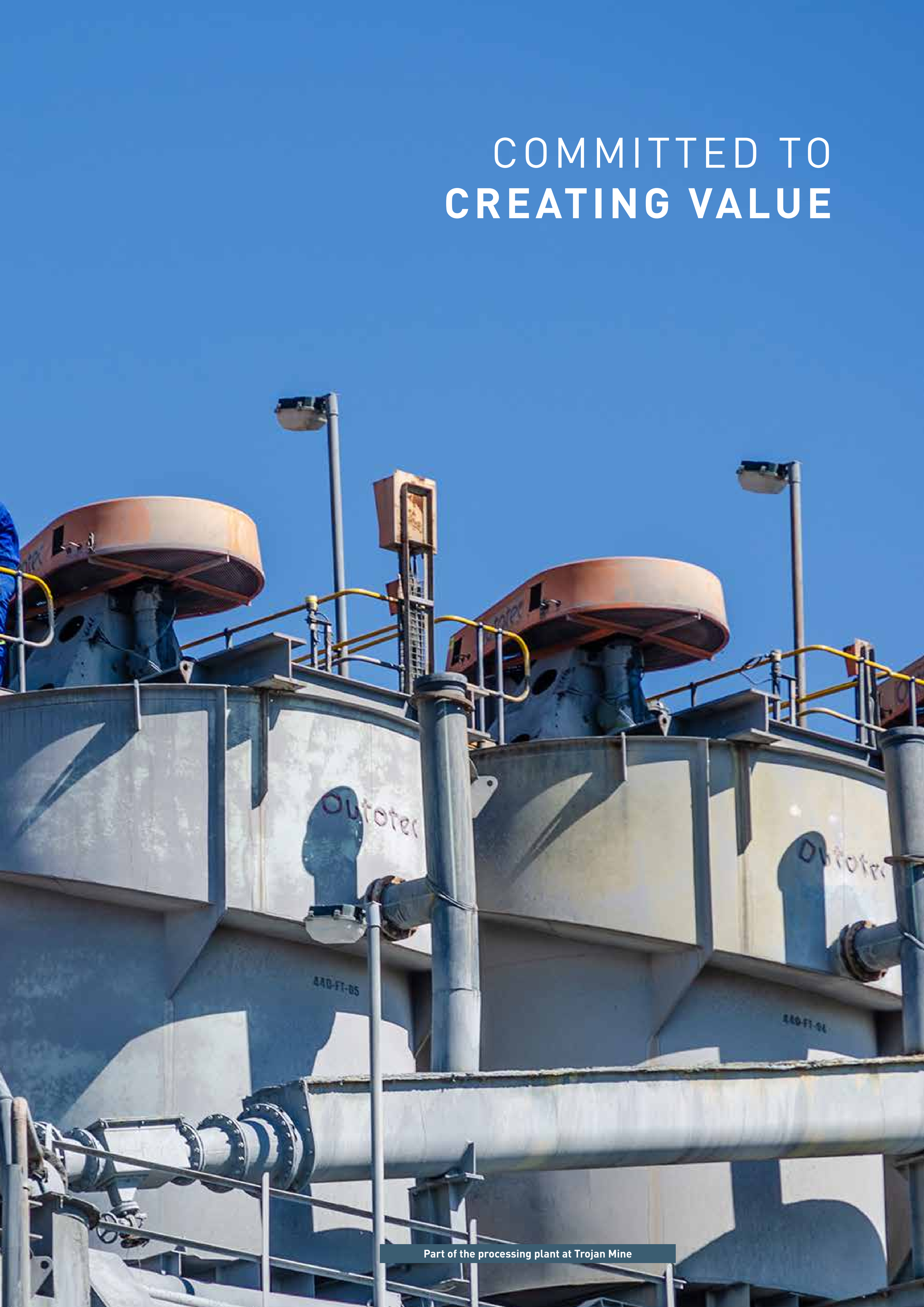
APPRECIATION

The Board pays tribute to management and staff for their dedication and hard work during the year.

On Behalf of the Board
Bindura Nickel Corporation Limited

M A Masunda
Board Chairman
4 September 2020

COMMITTED TO **CREATING VALUE**



Part of the processing plant at Trojan Mine

MANAGING DIRECTOR'S OPERATIONAL REVIEW

BUSINESS STRATEGY

Dear Stakeholders,

I am pleased to present a strategic and operational review of Bindura Nickel Corporation Limited for the period under review.

BATIRAI MANHANDO
Managing Director

BNC is Africa's only fully integrated nickel producer. It includes the following assets: Trojan Mine, Shangani Mine, Hunter's Road Nickel Mine and the BSR complex.

Currently, the primary industrial uses of nickel sulphate include battery cathodes, electrolysis plating and electroplating. However, due to the development of electric and hybrid cars in the automobile industry, the demand for nickel sulphate is set to rise steadily in the medium to long term. This presents an opportunity for the Group as it looks at restarting the Smelter in the short to medium term and the Refinery in the long term.

The nickel market has experienced historically high inventories and low nickel prices over the past few years. Trojan Mine has been well positioned to be able to respond to these challenges by reducing volumes and targeting higher ore grades (massives). The mine developed a new sustainable mine plan because of its ability to blend its higher-grade massives with the lower-grade disseminated ore - Trojan Mine is one of the few nickel mine operations which have a combination of high-grade and low-grade ore occurring as distinct bodies. This enables the mine to remain viable when nickel prices are low. High grading is the process of mining the highest grade zones of the ore body to provide short-term economic benefit, on the assumption that the remaining areas of the ore body will be mined as the price increases. In reality, the remaining or surrounding ore often becomes marginally economic resulting in the loss of metal to the reserve base.

Trojan Mine's high grading is different from traditional high grading due to the nature of the resources where the high grade (massives) and the low grade (disseminated) are mined separately in a 'two-product' setup, with no or minimal resultant sterilization of low grade resources. It is important that stackeholders appreciate Trojan Mine's unique ability to swiftly adapt the mining ratio of the operation's higher-grade and lower-grade ore bodies to respond to changes in the nickel price. The current grade blend plan is at a massive to disseminated ratio of between 1:2.and 1:4. Previously, the blending had a massive to disseminated ratio of 1:6. The Company will adopt this strategy for maximum benefit as the nickel price strengthens again.

More efficient equipment usage, lower transport costs and a reduction in labour costs have all contributed to BNC having one of the most competitive cost bases in the industry. All these measures have resulted in improved head grades and optimised production volumes as well as a reduction in all-in sustaining costs. In order to protect Trojan Mine life of mine, the Company

MANAGING DIRECTOR'S OPERATIONAL REVIEW Cont'd

BUSINESS STRATEGY Cont'd

has had to carefully manage the nickel ore it has extracted from the higher-grade massives. The Group initially implemented this strategy to ensure that the mine remains competitive when the nickel price is weak and undertakes regular reviews to ensure long-term positive effect on the performance of operations.

The final phase of the Re-deepening Project is progressing well. This involves the design, procurement, manufacture and delivery of spares to site for the Sub-vertical Rock Winder Upgrade and will take at least 8 months to complete. It will cost approximately USD$5 million to complete and will extend the rock hoist shaft system by 240 metres from 37/0 to 45/0 Level. While this project is ongoing, management has put in place measures to mitigate its impact on production through the use of Service Winze infrastructure. This allows for the handling of waste from 41 Level and 43 or 45 Level haulages and the hoisting of massives ore. The expected tie-in should be completed by approximately late April 2021. On completion, it will further improve efficiencies in ore movement and development rates and allow access to explore for ore resources beyond 45/0 Level, potentially providing higher grades in advance of the Smelter Restart.

The pace of progress of the Smelter Restart Project has been carefully managed to prioritise cash flow requirements. The Project's estimated total cost is US$30 million. Its National Project Status gives BNC access to a number of incentives, including the duty-free importation of capital equipment and value added tax rebates on certain equipment. It is important to emphasize that the long-term strategic and economic value of the Smelter is optimal when the nickel price is more elevated than it is at present (the original plan worked on a nickel price of $16,250/t). Operation of the Smelter will require significant additional and costly power supplies as well as other overall operating costs which have a major bearing on the Smelter coming into operation. The current BNC smelter operating cost estimate was developed based on historical efficiencies and current costs of labour, materials and project power costs.

The Trojan Mine will supply about 36% of the Smelter's capacity of 160,000 tonnes of nickel concentrate per annum. The Group is in ongoing discussions with several third-party tolling customers regarding opportunities to acquire additional concentrate and is reasonably confident about the successful outcome thereof.

The performance of Trojan for FY2020 was encouraging. Positives were recorded in strong recoveries, head grades with stable nickel production from lower milled tonnages.. Cost control remains the major focus area. For the year:

Underground personnel at Trojan Mine ready to be transported to their work stations

MANAGING DIRECTOR'S OPERATIONAL REVIEW Cont'd

BUSINESS STRATEGY Cont'd

The year's results were in part due to an adjusted mine plan driven by low nickel price in the first half of the year, where more massives and less disseminated ore were mined. However, this plan is not sustainable in the long-term. Therefore, BNC management is reverting to its previous plan of maintaining a blend of massive and disseminated ores, which sustains the life of the mine.

BNC is also currently reassessing its business plan, with the view to improving the overall performance in the new financial year. This review has included looking into optimising systems and structures, mineral resources and equipment. Moving forward, the focus will be on cost control and increasing equipment uptime, asset utilization and productivity targets.

BNC continues to explore conversations with third party nickel producers in the region. As the price of nickel recovers, more concentrate will come to the market and an off-take agreement with another producer will be positive for the economics of the Smelter.
Historically, BSR processed concentrates from Trojan, other closed mines (Madziwa and Epoch) and Shangani Mine. However, Shangani remains on care and maintenance. At current prevailing nickel prices, the ore grade at Shangani is too low to be economically exploited. Therefore, the Group is currently exploring the possibility of leasing the land for commercial farming. The measured, indicated and inferred resource size of Shangani Mine is 67 870 tonnes of contained nickel.

Hunter's Road is in the pre-development stage. With power and water readily available, once it is operational, Hunter's Road will be mined as an open pit mine.

The mine also has road and rail transport options easily available. The Hunter's Road deposit was discovered by means of a soil geochemical anomaly and was initially explored through trenches. Substantial drilling has subsequently been completed on the deposit to outline the ore body: this comprised 125 percussion holes, amounting to 4 620 metres and 183 diamond drill holes amounting to 41 041 metres drilled. Recent work on the project has involved modelling of the metallurgical domains identified. The indicated resource size is 200 404 tonnes of contained nickel. A development programme at the deposits is currently being explored. Strategic options are also being considered but, essentially, the project remains on hold pending funding options.

The Smelter will produce leach alloy, a purer form of nickel, which will significantly increase the current level of payability. BNC currently transports its concentrate from Bindura, Zimbabwe, to Durban, South Africa for export but once the Smelter is in full production, the savings on transport will be significant – a saving of about $5 million annually in transport costs is anticipated. Longer-term, the BSR strategy is to fully integrate the Trojan Mine and BSR once again. When the nickel complex is fully operational, the BSR, with some process modifications, can produce nickel sulphate, cobalt sulphate and nickel cathode that generate high profitability for the organisation while achieving optimal transport costs when compared to what is currently being achieved when transporting concentrates.

Once the Smelter is in full production, BNC's percentage of the market prices will increase from the current 65% to 85%, subject to contractual terms.

A view of the cooling towers at BSR

MANAGING DIRECTOR'S OPERATIONAL REVIEW Cont'd

OPERATIONAL PERFORMANCE For The Year 31 March 2020

OPERATIONAL PERFORMANCE

I will now turn to the main highlights of the Company's operational performance for the period under review, covering SHEQ, Production, Engineering, Human Resources, Marketing and Corporate Services..

Covid-19 Summary and Overview

The country went into lockdown to try and curb the spread of the coronavirus. However, the Mining industry was treated as an essential service and was therefore allowed to continue with operations while observing stringent safety and health measures. BNC has observed those measures since inception at the end of March 2020.

SHEQ

In February 2020, the Company celebrated the attainment of nearly 2 million fatality free shifts. This was a major milestone, considering that the last fatality had occurred as far back as June 2015.

The 2020 financial year ended on three Lost Time Injuries (LTIs), four Non Lost Time Injuries (NLTIs), forty-six Property & Equipment (P&E) damage cases, twenty-eighty environmental incidents and forty-four other incidents.

The LTIs involved one employee who had a traumatic amputation of the distal falange of his left index finger whilst pushing a coco pan loaded with scrap metal on 30 June 2019. Another employee was hit by Rig tyre whilst trying to remove it on 21 August 2019 while the last one was hit by a rock during support drilling whilst adding rods on 2 February 2020.

The Company's efforts on environmental management continued to bear positive results. Environmental incidents were reasonably low mainly due to the effluent recycle process being implemented at the mine.

As at the close of the year under review, we awaited the outcome of an Environmental Impact Assessment ("EIA"), in terms of which we intend to embark on a Solar Power Project aimed at generating electricity as a way of mitigating the incessant challenges of escalating power shortages and power costs.

Production: Key Operational Statistics for the year Ended 31 March 2020

Development (metres)	: 1 304 (FY 2019 – 1 527)
Ore mined (tonnes)	: 436 013 (FY 2019 – 444 240)
Ore milled (tonnes)	: 434 072 (FY 2019 – 443 876)
Head grade (%)	: 1.53 (FY 2019 – 1.64)
Recovery (%)	: 86.3 (FY 2019 - 86.3)
Ni in concentrate produced (tonnes)	: 5 720 (FY 2019 – 6 289)
Ni sales (tonnes)	: 5 685 (FY 2019 – 6 410)
Average Nickel price realised (US$/tonne)	: US $ 9 089 per (FY 2019 –US $8 376)
All-in sustaining (C3) cost (US$/tonne)	: US$7 606 per (FY 2019 – US$6 610)

Tonnes mined during the year ended 31 March 2020 decreased by 2% to 436,013 compared to last year, the major challenge being aging mobile plant equipment which is now due for replacement. The Company has already embarked on a phased mobile equipment replacement program in line with the cash flow plan. In this regard, one face rig was acquired during the year and was received in August 2020.

MANAGING DIRECTOR'S OPERATIONAL REVIEW Cont'd

OPERATIONAL PERFORMANCE For The Year 31 March 2020 Cont'd

Tonnes milled also decreased by 2% to 434 072 compared to last year in line with the mined ore tonnage.

The production of nickel concentrates decreased in FY2020 by 9% to 5 720 tonnes compared to 6 289 tonnes last year. The decrease was primarily due to a decrease in grade as Head grade was 7% lower at 1.53 % compared to 1.64% last year.

The all in sustaining (C3) cost increased by 15% to US$7 606 per tonne compared to $6 610 per tonne last year due to the low production achieved in FY 2020. The production statistics for the full year ended 31 March 2020 are as indicated in the accompanying table below.

TROJAN MINE PRODUCTION		FY2019	FY2018	FY2017
Tonnes mined	(t)	444 240	378 824	432 843
Tonnes milled	(t)	443 876	390 211	440 619
Head grade	(%)	1.64	1.89	1.7
Recovery	(%)	86.3	89.6	88.8
Nickel in concentrate produced	(t)	6 289	6 620	6 762
Nickel in concentrate sold	(t)	6 410	6 470	6 705
Average realized price of nickel in concentrate	($/t)	8 376	7 249	6 519
Cash cost (C1) of nickel in concentrate	($/t)	6 652	5 838	5 367
All-in sustaining cost (C3) of nickel in concentrate	($/t)	6 610	6 289	5 627

TROJAN MINE		Year ended 31 Mar 2019 Actual	Quarter ended 30 June 2019	Quarter ended 30 Sept 2019	Quarter ended 31 Dec 2019	Quarter ended 31 Mar 2020	Year ended 31 Mar 2020 Actual
Development meters	(m)	1 527	331	355	295	323	1 304
Tonnes mined	(t)	444 240	103 597	112 131	107 036	113 249	436 013
Tonnes milled	(t)	443 876	103 207	111 352	107 247	112 266	434 072
Head grade	(%)	1.64	1.83	1.34	1.60	1.36	1.53
Recovery	(%)	86.3	87.77	86.60	86.50	84.12	86.3
Ni in conc produced	(t)	6 289	1 654	1 296	1 489	1 281	5 720
Nickel sales	(t)	6 410	1 687	1 316	1 550	1 133	5 685
Average LME Nickel Price	($/t)	12 885	12 256	15 597	15 362	12 716	13 983
Average Realised Nickel Price	($/t)	8 376	7 966	10 138	9 985	8 266	9 089
Cash cost C1	($/t)	6 652	5 188	6 755	6 805	8 924	6 801
Production cost C2	($/t)	7 324	5 583	7 281	7 355	9 645	7 339
All in sustaining cost C3	($/t)	6 610	6 011	7 259	7 650	9 962	7 606

The major mining constraint was Development, which continued to lag behind, mainly due to ageing equipment. The focus is now on replacing aged loading and drilling equipment which is now very expensive to run and constantly breaking down. The emphasis is on increasing overall equipment uptime and asset utilisation, so as to optimise productivity and cost effectiveness.The mine is continuously reviewing the business plan which includes numbers and state of equipment, mineral resources, systems and structures with a view to improve performance.

MANAGING DIRECTOR'S OPERATIONAL REVIEW Cont'd

OPERATIONAL PERFORMANCE FOR THE YEAR 31 MARCH 2020 Cont'd

The Trojan Mine Shaft Re-deepening Project

The Shaft Re-deep tie-in is expected to take place during the period March to April 2021. However, this target may be compromised due to delays caused by the Covid-19 lockdown.

Mineral Resources and Reserves

Grand total mineral resources (tonnes)	:	7.59 million
Nickel grade (%)	:	0.97
Contained metal (kilo tonnes)	:	73.80
Ore type: Massives	:	0.53 million tonnes
Disseminated	:	7.06 million tonnes.
Proved and Probable Ore reserves	:	2.73 million tonnes
Nickel grade (%)	:	0.83
Contained nickel metal	:	22.70 kilo tonnes

A more detailed report on Trojan Mine's Mineral Resources and Reserves as at 31 March 2020 is shown in the accompanying table below.

Engineering

Highlights for the year ended 31 March 2020 were:

- The phased mobile equipment replacement program aimed at improving the availability of equipment due to reduced breakdowns continued.
- Procurement of a new loader to replace one of the old loaders remained a priority.
- Procurement of a fairly new loader is now at an advanced stage and the machine is expected to be delivered in November 2020.
- Dump trucks performance stabilised after the purchase of two new trucks in November 2019 and January 2020 respectively. The procurement of service kits and major components would guarantee stability of the trucks.
- A fairly new Face Rig acquired during the year was received in August 2020.
- Replacement of ageing long hole drilling Rigs also remains a priority.

The Concentrator

The Plant

The plant operated reasonably well throughout the year under review. A new crusher was received during the first week of June 2020. However, a secondary crusher is now a top priority as there is no standby unit on site.

Water Supply

The low water levels in Mazowe and Mwenje dams are now threatening the availability of raw water for domestic use. The focus is now on drilling boreholes and resuscitating the Masembura Zimbabwe National Water Authority ("ZINWA") dam that supplies water to Mazowe via a canal. There are plans for BNC to work with the Bindura Town Council, ZINWA and a sister company - Freda Rebecca Gold Mine Limited to assist with water for both the Company and its Corporate Social Responsibility initiatives as it provides the Trojan village with clean water.

Human Resources

The Company employed 687 permanent employees while fixed term employees were 381. Efforts continued to relocate the BNC former employees who did not opt for houses in settlement of their dues at the time of the Trojan Restart in 2012, in order to pave way for those who opted for houses. Eviction court proceedings were instituted against these former employees who were refusing to vacate company accommodation.

Management continued to liaise with the workers through the monthly Works Council Meetings. This contributed significantly to a cordial and transparent relationship that still prevails between the Employer and Employees. The weekly meetings of the Operations Committee (OPCOM) were held throughout the year.

MANAGING DIRECTOR'S OPERATIONAL REVIEW Cont'd

OPERATIONAL PERFORMANCE For The Year 31 March 2020 Cont'd

Marketing

The Company sold 5 685.17 tonnes of nickel during the year ended 31 March 2020, representing a decline of 11% compared to the previous year's sales of 6 410.01 tonnes. This reduction was mainly due to lower production levels during the year.

Post the year end period, BNC terminated its long-term Off-Take Agreement with Glencore and resorted to selling its products on the spot market, pending the finalisation of ongoing efforts to secure a more favourable long-term marketing arrangement with a different customer.

Legal Compliance, Secretarial and Investor Relations

Annual General Meeting ("AGM")

Due to the widely reported delays in the finalisation of the year-end audit, which resulted in a protracted delay in the publication of the Company's audited results for the year ended 31 March 2020, the next AGM, which is supposed to be held within 12 months of the previous one in terms of the Companies and Other Business Entities ("COBE") Act (every September, in BNC's case) had to be postponed to early November 2020, following an approval by the Chief Registrar of Companies to change this date.

Top Twenty Shareholders

The top 20 Shareholders of the Company held 93.59% of the total shares registered as at 31 March 2020. Asa Resource Group Plc (in transit to becoming Sotic International Limited) owned 74.04% while the institutions representing the Government of Zimbabwe, namely the National Social Security Authority ("NSSA") and Melofieldde Investments (Private) Limited (owned by the Minerals Marketing Corporation of Zimbabwe – MMCZ) collectively owned 19.55%.

The total issued shares increased from 1 239 6565 591 ordinary shares as at 13 January 2020 by 11 474 206 ordinary shares to 1 251 130 797 as at 31 March 2020. The increase was as a result of the issue of new shares in terms of the BNC Share Option Scheme of 2016.

Open and Closed Period

The Company observed its open and Closed Periods consistently throughout the year, in line with the requirements of the Zimbabwe Stock Exchange's Continuing Obligations.

Trading Updates

BNC complied with the Zimbabwe Stock Exchange's Continuing Obligations with respect to the publication of Trading Updates at the regulated intervals throughout the year ended 31 March 2020.

Smelter Restart Bond

The Company approached the Trustee of the Smelter Restart Bond with an offer to extinguish the outstanding principal debt of RTGS 5 million plus a revised interest liability of RTGS 2 million, which represents the offer to increase the interest payable from 10% to 30% per annum. The Trustee advised BNC that they were not at liberty to reject or accept the Company's offer as they had to consult not only Bondholders, but the Insurance and Pensions Commission. Meanwhile, the Company continued to honour its obligations on a half-yearly basis and was up to date with its payments as at 31 March 2020.

Website Development

BNC engaged an Investor Relations Service Partner to provide it with a more focussed approach to the management of Investor Relations. One of the deliverables under the Service Level Agreement with this partner is the development of BNC's own website. In this regard, efforts have reached an advanced stage towards launching the website.

MANAGING DIRECTOR'S OPERATIONAL REVIEW Cont'd

OPERATIONAL PERFORMANCE FOR THE YEAR 31 MARCH 2020 Cont'd

BNC NICKEL MINERAL RESOURCES

The Mineral Resources and Ore Reserves estimates are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC code, 2012) as the minimum standard. The Mineral Resource estimates reported are inclusive of the Ore Reserves. The rounding of figures may cause computational discrepancies for totals.

BNC Mineral Resource Statement as at 31 March 2019

Operation	Classification	Tonnes (Mt)		Grade (%Ni)		Contained Nickel (Kt)	
		2020	2019	2020	2019	2020	2019
Trojan Mine	Measured	1.89	2.11	0.94	1.00	17.75	21.0
	Indicated	1.79	1.85	0.88	0.96	15.67	17.8
	Measured and Indicated	3.68	3.96	0.91	0.98	33.42	38.8
	Inferred	3.91	3.57	1.03	0.90	40.38	31.9
	Total	7.59	7.53	0.97	0.94	73.80	70.7
Hunters Road	Measured						
	Indicated	36.4	36.4	0.55	0.55	200	200
	Measured and Indicated	36.4	36.4	0.55	0.55	200	200
	Inferred						
	Total	36.4	36.4	0.55	0.55	200	200
Shangani Mine	Measured	1.84	1.84	0.58	0.58	11	11
	Indicated	0.48	0.48	0.59	0.59	3	3
	Measured and Indicated	2.32	2.32	0.59	0.59	14	14
	Inferred	9.71	9.71	0.56	0.56	54	54
	Total	12.03	12.03	0.56	0.56	68	68

BNC Ore Reserves as at 31 March 2020

Operation	Classification	ROM Tonnes (Mt)	Grade (%Ni)	Contained Nickel (Kt)		Contained Nickel (Kt)	
		2020	2019	2020	2019	2020	2019
Trojan Mine		Mt	Mt	%Ni	%Ni	Kt	Kt
	Proved	1.35	1.58	0.81	0.88	10.96	13.9
	Probable	1.38	1.43	0.85	0.94	11.74	13.5
	Total	2.73	3.01	0.83	0.91	22.70	27.4

MANAGING DIRECTOR'S OPERATIONAL REVIEW Cont'd

OPERATIONAL PERFORMANCE For The Year 31 March 2020 Cont'd

Explanatory Notes

Trojan Mine

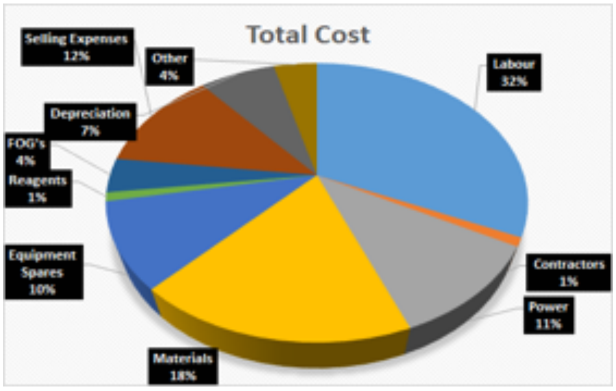
- The effective date for the Trojan Nickel Mine Mineral Resource statement is 31 March 2020.
- Mineral Resources are reported based on a 0.45%Ni cut-off grade.
- Ore Reserves have been reported down to 43L (21m ASL)
- The Mineral Resource tonnage increased by 1% while the grade and contained metal increased by 3% and 4% respectively.
- The Ore Reserve tonnage decreased by 9% while the grade and contained metal increased by 9% and 17% respectively.
- Exploration drilling targeting the massive orebody down dip extension from 41L commenced with 3 drill holes with a total meterage of 1425m having been completed at the time of reporting.

Financial Perfomance

The Company continued with efforts to manage cash flows and operating cost. Various cost cutting initiatives were implemented.

An analysis of the major costs as a percentage of total costs (C3) as at 31 March 2020 was as follows:

- Labour 32%
- Contractors 1%
- Power 11%
- Materials 18%
- Equipment Spares 10%
- Reagents 1 %
- FOGs 4 %
- Selling expenses 12%
- Depreciation 7%
- Other 4 %



Ratios as at	31 March 2020	31 March 2019
Liquidity Ratios		
Current Assets to Current Liabilities:	1.3	1.1
Quick ("Acid") ratio:	0.6	0.7
Profitability Ratios		
Return on Total Capital:	1.7%	(0.5%)
Return on Equity:	1.8%	(0.6%)
Financial Ratios		
Gearing (Debt/Equity) Ratio:	0.2%	18.4%

MANAGING DIRECTOR'S OPERATIONAL REVIEW Cont'd

OPERATIONAL PERFORMANCE FOR THE YEAR 31 MARCH 2020 Cont'd

Business Development

Hunter's Road

The Company had received a notice from the Ministry of Mines and Mining Development under the Ministry's 'use it or lose it policy' requiring the Company to justify why it should keep its Hunter's Road claims. Failure to do so would result in the Company forfeiting the asset to the state. The Company responded by engaging the Ministry in order to present its intentions with regard to the Hunter's Road claims.

Shareholders are assured that the Company still has plans to develop Hunter's Road. However, the main issue is that the Project requires capital expenditure of approximately US$200 million. Consequently, the Company is evaluating a number of funding scenarios, including the option of Joint-Venture partnerships with interested 3rd parties.

On Behalf of the Board
Bindura Nickel Corporation Limited

Batirai Manhando
Managing Director
4 September 2020

CORPORATE GOVERNANCE

BOARD OF DIRECTORS As At 31 March 2020

NON - EXECUTIVE DIRECTORS

MUCHADEYI "MUCH" ASHTON MASUNDA*
NON-EXECUTIVE CHAIRMAN

Muchadeyi Masunda is an attorney with extensive experience in business law and Alternative Dispute Resolution. He has served as Chairman, patron, trustee, president and/or director of a number of corporate, professional, educational, charitable and sports organizations nationally and internationally. He served as Mayor of Harare from 2008 to 2013. During the period 2010-2013, he served as Co-President of the United Cities & Local Governments (UCLG), representing Africa in the worldwide association of the Mayors and Governors of Local & Regional Authorities.

He is a member of the Advisory Committee of the BMW Guggenheim LAB, an international mobile laboratory focused on making cities more liveable, inclusive and capable of catering for the diverse interests of its citizens. He served for a considerable length of time on the panel of arbitrators for the International Court of Arbitration for Sport in Lausanne, Switzerland.

* Much is the Chairman of the Nominations, Human Resources and Remuneration Committee and a member of the Audit Committee.

JOZEF CLIFFORD BEHR
NON - EXECUTIVE DIRECTOR (FROM 28 OCTOBER 2019)

Jozef Clifford Behr is a South African citizen who holds a Bachelor of Commerce degree in Accounting which he acquired from the University of North West, South Africa. He has previously worked as a Senior Energy Trader and as a Business Development Manager for a multinational business with focus on East and Southern Africa. He is an expert in supply chain management as well as in designing and implementing commodity hedging strategies.

Jozef operates businesses together with partners in the fuel and mineral trading industries and is actively involved in support services, particularly distribution in the SADC Region. Jozef is the Chairman of the Company's Audit Committee and a member of the SHEQ & CSR Committee.

CORPORATE GOVERNANCE Cont'd

BOARD OF DIRECTORS As At 31 March 2020

NON - EXECUTIVE DIRECTORS

DAVID HUGH BROWN
NON - EXECUTIVE DIRECTOR (FROM 1 APRIL 2020)

David Hugh Brown is a member of the Institute of Chartered Accountants (South Africa). He holds a Bachelor of Commerce Degree from the University of Cape Town.

He is the Group Chief Executive Officer of Sotic International Limited. Previously, he has served as Chief Executive Officer (2006 – 2012) and Chief Finance Officer (1999 to 2006) of Impala Platinum Holdings Limited respectively. He has vast experience as a Chartered Accountant, Finance Director and Financial Consultant, acquired in various international private sector institutions, including financial services, consultancy and energy.

OBEY CHIMUKA
NON - EXECUTIVE DIRECTOR (FROM 28 OCTOBER 2019)

Obey Chimuka is a Zimbabwean businessman and Chief Executive Officer of a company which is involved in the agrochemicals and agronomic advisory, contract mining, road construction, earth works, building and structural works as well as plant hire. He is married and has three children – two daughters and a son.

He holds a Master of Business Administration degree from the Midlands State University (Zimbabwe), a Bachelor of Commerce degree in Marketing and Economics from the University of South Africa and an Honours degree in Politics and Administration from the University of Zimbabwe.

Obey sits on several boards across different economic sectors as a Non-Executive Director. He is the Chairman of the Company's SHEQ and CSR Committee and a member of the Nominations, Human Resources and Remuneration Committee.

CORPORATE GOVERNANCE Cont'd

BOARD OF DIRECTORS As At 31 March 2020

NON - EXECUTIVE DIRECTORS

CRAIG GERALD MEERHOLZ
NON - EXECUTIVE DIRECTOR (FROM 27 FEBRUARY 2020)

Craig Gerald Meerholz holds a Bachelor's Degree in Transport and Logistics (UNISA) and a Post Graduate Diploma in Business Administration from Milpark Business School, South Africa. He is an Executive Director of Sotic International Limited and has vast experience as a Global Base Metals Trader, including the position of Head of Africa for Zopco, a start-up Trading House mainly focused on African Base Metals.

Craig has previously held the position of Head of Africa for Trafigura, a large Global Commodity Trading company registered in Switzerland. He has also acquired considerable experience in the management of road freight logistics.

EXECUTIVE DIRECTOR

BATIRAI MANHANDO
MANAGING DIRECTOR

Batirai Manhando was promoted to the position of Managing Director in November 2013 after having previously served as Chief Operating Officer for nearly five years. He holds a Masters Degree in Business Administration and a BSc (Hons) in Metallurgical Engineering. He has vast experience, in excess of 25 years, in business leadership, operations management, project management and systems development and implementation, acquired within the mining industry.

He previously served in senior positions within the BNC concentrators, smelter and refinery, before his appointment as Chief Operating Officer in 2008. He has led teams in the planning and execution of major projects including six-in-line furnace rebuilds and process upgrades. He holds membership in the Southern African Institution of Mining and Metallurgy and the Institute of Directors Zimbabwe. He is the immediate past President of the Chamber of Mines of Zimbabwe. Batirai is a member of the Company's SHEQ & CSR Committee.

CORPORATE GOVERNANCE Cont'd

BOARD OF DIRECTORS As At 31 March 2020

RESIGNED DIRECTOR

CHRISTOPHER FOURIE
NON - EXECUTIVE DIRECTOR
(FROM 28 OCTOBER 2019 to 8 July 2020)

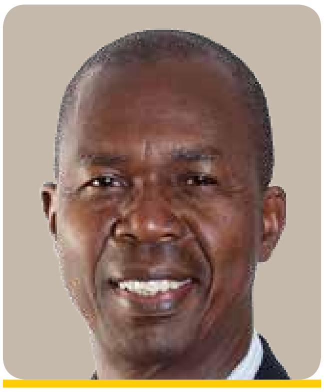
Christopher Fourie is a South African businessman with interests in the mining and fuel sectors in Africa. He has extensive experience in mining operations, mergers and acquisitions, debt and equity capital structuring across Africa.

Christopher has a diverse educational background with qualifications in Accounting and Engineering. He holds an Advanced Diploma in Management Accounting ("CIMA") from the United Kingdom and a Bachelor of Engineering Degree from Stellenbosch University, South Africa, majoring in the Chemical and Mineral Processing areas respectively.

He resigned from the Board on 8 July 2020.

COMPANY SECRETARY

CONRAD FUNGAI MUKANGANGA



Conrad Mukanganga was appointed as Company Secretary of BNC in June 2012. He is a seasoned Corporate Governance practitioner with over 34 years of experience. Positions previously held by Conrad include Board Secretary, General Manager, Operations Director, Finance Manager, Mine Secretary and Internal Auditor across a wide range of business sectors in Zimbabwe including mining and FMCG.

Conrad holds a Bachelor of Accountancy (B Acc) Degree from the University of Zimbabwe and a Master of Business Leadership (MBL) Degree from the University of South Africa. He is an Associate Member of the Institute of Directors of Zimbabwe.

CORPORATE GOVERNANCE Cont'd

BOARD COMMTTEES As At 31 March 2020

Bindura Nickel Corporation Limited recognises the importance of sound corporate governance and the guidelines set out in the Principles of Good Corporate Governance and Code of Best Practice (the "Combined Code"). Whilst BNC is not obliged to comply with the Combined Code, the Board does intend to consider the Combined Code so far as is appropriate having regard to the size and nature of the various companies making up BNC. The Board will take such measures so far as practicable to comply with the Combined Code. BNC recognises the importance of the corporate governance guidelines set out in the Zimbabwe Code of Corporate Governance ("ZIMCODE").

The Board holds regular meetings at least four (4) times in a year and is responsible for formulating, reviewing and approving BNC's strategy, planning, budgets, major items of capital expenditure, acquisitions, risk, human resource and environmental management.

BOARD COMMITTEES

BNC has established an Audit Committee, a Nominations, Human Resources and Remuneration Committee and a Safety, Health, Environment & Quality Committee, details of which are provided below:

Audit Committee

Mr Jozef Clifford Behr	-Chairman
Mr Muchadeyi Ashton Masunda	-Member

The Audit Committee meets at least twice a year and is responsible for ensuring that the financial performance of the Company is properly reported on and monitored. It liaises with the auditors and reviews the reports from the auditors relating to the accounts and internal control systems.

Nominations, Human Resources and Remuneration Committee ("NHR & REMCO")

Mr Muchadeyi Ashton Masunda	-Chairman
Mr Obey Chimuka	-Member

The role of the Nominations, Human Resources and Remuneration Committee is to recommend any new appointment of directors to the Board, based on the attributes of the candidates and the relevance of their background and experience. It periodically reviews the structure, size and composition of the Board.

Safety, Health, Environment & Corporate Social Responsibility ("SHEQ & CSR") Committee

Mr Obey Chimuka	-Chairman
Mr Jozef Clifford Behr	-Member
Mr Batirai Manhando	- Member

BNC's social and environmental responsibilities are driven by its commitment to ensure that there are sustainable synergies and socio-economic investments in and around the communities which are in the immediate vicinity of the corporation's operations and ancillary activities. We have a zero harm policy and we shall continue to focus on safety in the workplace as this is an ongoing commitment.

The SHEQ & CSR Committee's role is to continuously reinforce the Company's commitment to its employees and the environment in which they are employed. Reporting directly to the Board of Directors, this Committee will seek to ensure procedures and processes are in place to safeguard our employees in the workplace and the communities in which the Company operates. The Committee will investigate BNC's impact on the environment and will be seeking to recommend ways of benefiting the areas in which it operates.

CORPORATE GOVERNANCE Cont'd

MANAGEMENT

MANAGING DIRECTOR

B MANHANDO
MBA, BSc Metallurgical Engineering (Hons) (UZ),

COMPANY SECRETARY

C F MUKANGANGA
MBL (UNISA) B Acc (UZ)

MARKETING MANAGER

A SIKHOSANA
MBL (UNISA), BSc General (UZ), MSc Applied Chem (UZ), MDP (UNISA)

FINANCE MANAGER (ACTING FINANCE DIRECTOR)

S MASVIPE
FCCA, MBA (UZ), BAcc (UZ)

MINE MANAGER

N GWATURA
BSc Mining Engineering (UZ)

PROCESS MANAGER

C NKHOMA
MBA, ND Mineral Dressing & Metallurgy, ND Metallurgical Assaying

TECHNICAL SERVICES MANAGER

J KASUMBA
BSc Geology (UZ)

ENGINEERING MANAGER

L AMBRESS
BTech Electrical Engineering (UZ)

LABORATORY MANAGER

W T MCHINA
MBA (Solusi), BSc Chemistry & Mathematics (UZ)

IT MANAGER

T MUTSAMBWA
MBA (ZOU), BBS & Comp Science (UZ), CISM, CISA

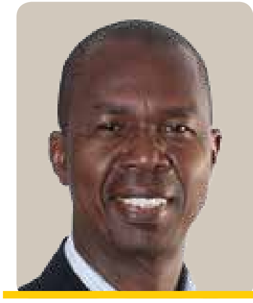
COST AND MATERIALS MANAGER

N TSVANGIWA
ND Project Management, ND Accounting, Business & Management

HUMAN RESOURCES BUSINESS PARTNER

E BROWN
BSc HRM (WUA), Dip HR (IPMZ)

B MANHANDO
MANAGING DIRECTOR



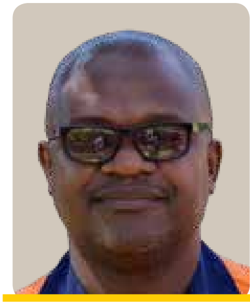
C F MUKANGANGA
COMPANY SECRETARY

A SIKHOSANA
MARKETING MANAGER

S MASVIPE
FINANCE MANAGER
(ACTING FINANCE DIRECTOR)

N GWATURA
MINE MANAGER

C NKHOMA
PROCESS MANAGER



J KASUMBA
TECHNICAL SERVICES MANAGER

L AMBRESS
ENGINEERING MANAGER

W T MCHINA
LABORATORY MANAGER

T MUTSAMBWA
IT MANAGER

N TSVANGIWA
COST & MATERIALS MANAGER

E BROWN
HUMAN RESOURCES BUSINESS PARTNER

COMMITTED TO
CREATING VALUE

Part of the Smelter Refurbishment Rroject

CORPORATE GOVERNANCE Cont'd

DIRECTORS' REPORT

The Directors are pleased to present the annual financial statements of Bindura Nickel Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 March 2020.

BASIS OF PRESENTATION

The financial statements of the Company and of the Group are presented in United States dollars (US$), which is the functional and presentation currency of the Company.

ISSUED SHARE CAPITAL

The issued share capital of the Corporation was increased from 1 239 656 591 ordinary shares of US$0.000010307 each to 1 251 133 797 ordinary shares of US$0.000010307 each during the period.

	31 March 2020 US$	31 March 2019 US$ RESTATED
Issued and fully paid	12 896	12 778
Non-distributable reserves		
Share premium	32 327 879	32 291 208
Total non-distributable reserves	32 340 775	33 303 986
Other reserves		
Share based payment reserve	2 138 355	1 026 261
Capital contribution	2 631 877	-
Distributable reserves		
The movement in distributable reserves is as follows:		
At 1 April	11 853 144	12 106 209
Profit/ (loss) for the year attributable to ordinary shareholders	886 637	(253 065)
At 31 March	12 739 781	11 853 144

SUBSIDIARY COMPANIES OPERATIONS

Trojan Nickel Mine restarted operations during the year ended 31 March 2013 while the Smelter and Refinery and Shangani Mine divisions remained on care and maintenance.

PROPERTY, PLANT AND EQUIPMENT

Capital expenditure amounted to US$ 5 115 425 (2019: US$5 415 605) during the period.

GROUP RESULTS

	31 March 2020 US$	31 March 2019 US$ RESTATED
Profit before taxation	2 332 617	17 119 780
Taxation	(1 445 980)	(17 372 845)
Profit/ (loss) for the year	886 637	(253 065)

CORPORATE GOVERNANCE Cont'd

DIRECTORS' REPORT

DIVIDEND

No dividend was declared for the year.

THE DIRECTORS OF THE COMPANY AS AT 31 MARCH 2020 WERE:

Name	Position	
B Manhando	Managing Director	
J H L Lampen	Finance Director	(up to 31 October 2019)
M A Masunda	Non-executive Chairman	
O A Barbeau	Non-executive Director	(up to 31 October 2019)
O M Chidawu	Non-executive Director	(up to 31 October 2019)
T R Muganyi	Non-executive Director	(up to 31 October 2019)
A P Danso	Non-Executive Director	(up to 30 November 2019)
J C Behr	Non-Executive Director	(from 1 November 2019)
O Chimuka	Non-Executive Director	(from 1 November 2019)
C Fourie	Non-Executive Director	(from 1 November 2019 to 8 July 2020)
C G Meerholz	Non-Executive Director	(from 27 February 2020)

AUDITORS

Ernst &Young were reappointed as the Auditor during the year ended 31 March 2020 and will hold office until the conclusion of the Annual General Meeting at which shareholders will be requested to fix their remuneration for the past audit. In addition, shareholders will be requested to approve their re-appointment for the coming year.

By order of the Board
Bindura Nickel Corporation Limited

C F Mukanganga
Company Secretary

4 September 2020

CORPORATE GOVERNANCE Cont'd

DIRECTORS' REMUNERATION REPORT

NOMINATIONS, HUMAN RESOURCES AND REMUNERATION COMMITTEE (NHR & REMCOM)

The NHR & REMCOM recommends any new appointment of directors to the Board, based on the attributes of the candidates and the relevance of their background and experience. It periodically reviews the structure, size and composition of the Board.

In determining the remuneration of executive directors, the NHR & REMCOM seeks to enable the Company to attract and retain executives of the highest calibre. The Committee also makes recommendations to the Board concerning the allocation of share options to employees. No director is permitted to participate in discussions or decisions concerning his own remuneration.

During the current year the Committee was chaired by non-executive director, Muchadeyi Ashton Masunda, with non-executive directors Oliver Mandishona Chidawu and Toindepi Retias Muganyi as members. Members Chidawu and Muganyi resigned from the Committee on 31 October 2019. Obey Chimuka was appointed to the Committee on 1 November 2019.

REMUNERATION POLICY

The policy on directors' remuneration is that the overall remuneration package should be sufficiently competitive to attract and retain individuals of a quality capable of achieving BNC's objectives. The remuneration policy is designed such that individuals are remunerated on a basis that is appropriate to their position, experience and value to the Company. The Remuneration Committee determines the contract terms, basic salary and other remuneration for each of the executive directors, including performance related share options, bonuses, pension rights and any compensation payments.

EXECUTIVE REMUNERATION PACKAGE

Basic salary and benefits

The policy is to review salary and benefits annually against competitive market data and analysis and, where necessary, adjust accordingly.

Share Options

BNC has a share option scheme which was approved by shareholders at an Annual General Meeting which was held on 26 September 2016. On 8 December 2017, 92 974 244 ordinary shares were allotted to eligible employees from this Scheme. This represents the maximum allottable shares, equivalent to 7,5% of the Company's issued shares amounting to 1 239 656 591. As at 31 March 2020, 11 474 206 ordinary shares were issued to beneficiaries of the Share Option Scheme, resulting in options reduction to 81 500 038 ordinary shares

Pensions

BNC operates a pension scheme, where employees and the Company make monthly contributions to the Mining Industry Pension Fund (MIPF).

Fees

The fees for non-executive directors are determined by the Board, having taken independent expert advice on appropriate levels and are reviewed on an annual basis, subject to approval by Shareholders at the next Annual General Meeting.

Service contracts

The service and employment contracts of the executive directors are not of a fixed duration and therefore have no unexpired terms. The Company's policy is for executive directors to have service and employment contracts with provision for termination of no longer than 12 months' notice. The non-executive directors do not have employment contracts.
Details of the contracts or appointment dates of the directors who held office in the course of the current year are as follows:

CORPORATE GOVERNANCE

DIRECTORS' REMUNERATION REPORT (CONT'D)

Details of the contracts or appointment dates of the directors who held office in the course of the current year are as follows:

Executive Directors	Date of appointment	
Batirai Manhando	As Director 11 October 2006 As Managing Director 1 November 2013	
Johannes Hendrikus Lampen	As Finance Director and Board Member 3 September 2015	(Resigned 31 October 2019)

Non-executive Directors	Date of appointment	
Olivier Alain Barbeau	3 September 2015	(Resigned 31 October 2019)
Joseph Clifford Behr	1 November 2019	
Oliver Mandishona Chidawu	1 August 2004	(Resigned 31 October 2019)
Obey Chimuka	1 November 2019	
Alex Danso	30 November 2017	(Resigned 31 October 2019)
Christopher Fourie	1 November 2019	(Resigned 8 July 2020)
Muchadeyi Ashton Masunda	1 May 1986 As Chairman 28 April 2017	
Toindepi Retias Muganyi	28 June 2017	(Resigned 31 October 2019)

Details of the share interests or beneficial interests of the directors who were in office during the current year or prior year are as follows:

	Number	Ordinary shares of $0.03 each at 31 March 2020 %	Number	Ordinary shares of $0.01 each at 31 March 2019 %
Batirai Manhando	1 222 985	0.10	1 222 985	0.10
Oliver Mandishona Chidawu	-	-	666 667	0.05
Muchadeyi Ashton Masunda	666 667	0.05	666 667	0.05
Alex Peter Danso	-	-	95 526	0.01
Total	1 889 652	0.15	2 651 845	0.21

Note: The Company's register of directors' interests (which is also open to inspection) contains full details of the directors' shareholdings.

Signed on behalf of the Board:

M A Masunda
Board Chairman
4 September 2020

CORPORATE GOVERNANCE Cont'd

STATEMENT OF DIRECTORS' RESPONSIBILITY

To The Shareholders Of Bindura Nickel Corporation

The directors are responsible for the maintenance of proper accounting records and the preparation, integrity and fair presentation of the financial statements of Bindura Nickel Corporation Limited (the "Group"). The financial statements presented on pages 52 to 95 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Zimbabwe Companies Act (Chapter 24:03) and include amounts based on judgements and estimates made by management.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors (the "Board") sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. The controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable and not absolute assurance against material misstatement or loss.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future based on forecasts and available cash resources.

The financial statements have been audited by an independent firm, Ernst & Young Chartered Accountants (Zimbabwe) who have been given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board and committees of the Board. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. Ernst &Young audit report is presented on pages 47 to 51.

These financial statements were prepared by the Bindura Nickel Corporation Limited Finance Department under the supervision of the Finance Manager, Mr Simon Masvipe.

B Manhando
Managing Director
4 September 2020

M A Masunda
Board Chairman
4 September 2020

CORPORATE GOVERNANCE

STATEMENT OF CORPORATE GOVERNANCE

Dear Stakeholders,

The Directors support the principles of good corporate governance. While not mandatory, the Directors have implemented, where practical for a company of this size and nature, certain provisions of the principles of good governance and code of best practices set out in the Zimbabwe Corporate Governance Code. The disclosures presented herein are limited and are not intended to constitute a corporate governance statement as prescribed by the Disclosures and Transparency Rules or the Companies and Other Business entities Act (Chapter 24:31).

The Board regularly reviews key business risks, via a number of properly constituted committees, in addition to the financial risks facing the Company in the operations of the business.

THE BOARD

The Corporation has a unitary Board that comprises executive and non-executive directors. All the directors bring to the Board a wide range of expertise as well as significant professional and commercial experience.

The Board meets, under the Chairmanship of an independent non-executive director, on a quarterly basis, to consider the results for the period, issues of strategic direction or policy, major acquisitions and disposals, approval of major capital expenditure and other matters having a material effect on the Corporation. Complete listing of all the matters reserved for decision by the Board has been agreed and is reviewed on a regular basis.

All non-executive directors are subject to retirement by rotation and re-election by shareholders at least once every three years in accordance with the Corporation's Articles of Association. The Board as a whole approves appointments of new directors.

The roles of Chairman and Managing Director are separate and all directors have access to the advice and services of the Company Secretary. The Company Secretary is responsible to the Board for ensuring that Board procedures are followed.

The total process of risk management, which includes a related system of internal control, is the responsibility of the Board. The Board is also responsible for ensuring that a risk assessment is undertaken at least quarterly and considers the significant exposures that the Group faces.

The Board Secretary maintains an attendance register of directors for all scheduled meetings during the year. Through the register, directors may assess the sufficiency of their devotion to the Group.

AUDIT COMMITTEE

The Audit Committee meets at least twice during the year and is responsible for ensuring that the financial performance of the Company is properly reported on and monitored, and for meeting the auditors and reviewing the auditors' reports relating to the accounts.

CORPORATE GOVERNANCE Cont'd

STATEMENT OF CORPORATE GOVERNANCE

The Committee also recommends the appointment of, and reviews the fees of, the external auditors. It meets once a year with the auditors without the presence of executive Board Members. As at 31 March 2020, the Audit Committee comprised of two non-executive directors, Jozef Clifford Behr (Chairman) and member, Muchadeyi Ashton Masunda. The Finance Director of the Company attends Audit Committee meetings by invitation.

NOMINATIONS, HUMAN RESOURCES AND REMUNERATION COMMITTEEE (NHR & REMCOM)

The NHR & REMCOM meets at least twice per year. It reviews the performance of the executive directors and sets and reviews the scale, structure and basis of their remuneration and the terms of their service agreements paying due regard to the interest of shareholders as a whole and the performance of the Company.

The Committee also recommends any new appointment of directors to the Board, based on the attributes of the candidates and the relevance of their background and experience. It periodically reviews the structure, size and composition of the Board.

As at 31 March 2020, non-executive director, Muchadeyi Ashton Masunda was Chairman of the NHR & REMCOM with non-executive director Obey Chimuka as a member. There was a vacancy of the second member as at 31 March 2020.

SAFETY, HEALTH, ENVIRONMENT & QUALITY AND CORPORATE SOCIAL RESPONSIBILITY ("SHEQ &CSR) COMMITTEE

The role of the SHEQ & CSR Committee is firstly, to review corporate social responsibility projects and budgets, and to make recommendations to the Board on the aspects of the various projects in which the Company has an interest. Secondly, it is the Committee's responsibility to ensure that safety, health, environmental and quality objectives as well as those of the various projects in which the Company has an interest are set and met by the Company.

As at 31 March 2020 the Committee comprising three members, was chaired by Obey Chimuka with Jozef Clifford Behr and Batirai Manhando as members.

The Committee may from time to time invite other individuals to attend its meetings.

INTERNAL CONTROLS

The directors have overall responsibility for the Group's internal control effectiveness in safeguarding the assets of the Group. Internal control systems are designed to identify and mitigate the particular type of business, operational and safety risks to which the Group is exposed. Internal controls can only provide a reasonable but not absolute assurance against material misstatements or loss.

The Board reviews the effectiveness of the internal controls through the Audit Committee and through executive management reporting to the Board. Business plans, budgets and authorisation limits for the approval of significant expenditure, including investments are appraised and approved by the Board. The Board also seeks to ensure that there is a proper organisational and management structure with clear responsibilities and accountability.

It is the Board's policy to ensure that the management structure and the quality and integrity of the personnel are compatible with the requirements of the Company.

The Company complies with the Zimbabwean Stock Exchange listing rules regarding dealings in the Company's shares and has adopted a share dealing code to ensure compliance by the directors and applicable employees.

SHAREHOLDER RELATIONSHIPS

During the year the Company met with shareholders at an Annual General Meeting which was held on 26 September 2019.

ANALYST AND BONDHOLDERS' BRIEFINGS

The Corporation values the need for constant dialogue with its shareholders and various other stakeholder groups. To this end, the Corporation regularly holds Analyst Briefings where updates are presented on its strategies as well as operational and financial performances. The Company also regularly holds Bondholders' Briefings where participants in the $20 million Smelter Re-start Bond are informed of progress achieved towards the refurbishment of the smelter plant.

CORPORATE GOVERNANCE Cont'd

RISK MANAGEMENT REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties to which BNC is exposed relate to changes in the market prices of nickel, resource and reserves risk, processing risk, environmental risk, mining and operating risk, energy risk, financing risk and political risk.

METAL PRICE RISK

Fluctuations in metal prices can clearly affect the profitability of mining operations. BNC seeks to protect itself from adverse fluctuations by investing in projects that can operate economically in lower metal price environments and by controlling operating costs. BNC used no financial instruments or hedging products to fix metal prices in FY2020, though the directors have the power to do so should they deem it appropriate. The impact of the metal prices on the performance of the period is assessed in note 28 to the financial statements.

RESOURCE AND RESERVE RISK

There is a risk that estimates of Mineral Resources and Reserves overstate their economic potential. This uncertainty could give rise to a situation where a mine is, or becomes, commercially unviable. BNC manages this risk by ensuring that all Mineral Resource and Reserve estimates are calculated by reference to internationally accepted standards (in this case The Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves; 'JORC Code').

The information in this report that relates to Trojan Nickel Mine Mineral Resources or Ore Reserves is based on information compiled by Phillip Chiwundura, a registered Professional Natural Scientist (Pr.Nat.Sci) with SACNASP, a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and Geological Society of South Africa (GSSA). Phillip holds a B.Sc in Geology & Biological Science (UZ), a Master of Science in Engineering (M.Sc. Eng) through the University of the Witwatersrand (SA) as well as an MBA through the University of South Africa (UNISA).

Information about the Resources and Reserves is included in the Managing Director's Operational Review section of this report.

PROCESSING RISK

There is always the risk that the processing of ore to recover metal fails to deliver the expected recoveries, which may in turn effect projected profitability of the mine. However BNC's existing mining operation has a long history of economic production and the processing techniques used are well understood.

Trojan Nickel Mine packaging of concentrates in one tonne bags

With regard to the Trojan Concentrator Plant, there is need to effect Mill 3 end shield repairs and trunnion replacement soon as the old repaired areas may fail and affect expected recoveries. While the Trojan concentrator is semi-automated, some of the instrumentation spares are becoming obsolete and the replacement of such spares is becoming a problem. This may affect delivery of spares and ultimately delivery of expected recoveries.

Also, the filter press consumables wear fast and are expensive. Delayed payment for spares can delay their delivery, which may result in downtimes that may impact negatively on sales.

Should BNC need to invest in new projects, it must ensure that the metallurgical processes are thoroughly tested and reviewed by independent consultants before any investment is made, thereby ensuring the safeguarding of the shareholders, as far as possible.

The secondary and tertiary crushers experience frequent breakdown due to age. The flotation plant SCADA system and mill control system require upgrading and major service. Provision of maintenance spares for the entire Processing Plant requires attention.

CORPORATE GOVERNANCE Cont'd

RISK MANAGEMENT REPORT

ENVIRONMENTAL RISKS

The operation's main environmental aspects includes Effluent discharge, Explosives Handling, Hydrocarbon Spillages, Sewer Handling, Lantana Camara eradication, Water usage and Electricity usage. All these have running programmes which are reviewed monthly.

BNC went through a formal audit by DQS (German based organisation) and was certified to the ISO 14001 Environmental standard.

MINING AND OPERATING RISK

Mining is an inherently risky activity which can involve ground instability, underground fires, failure of machinery and human error. BNC makes every effort to ensure that these risks are minimised by ensuring that mining operations are professional, conducted with the highest possible degree of safety, efficiency and quality, that a high level of workforce training and education is maintained and by prompt reporting of incidents to management.

Information about the health and safety framework at BNC, which ensures minimisation of this risk, is included in the Overview of Social and Environmental Responsibility. BNC aims to achieve zero harm to its people, assets and the environment in which it operates.

ENERGY RISK

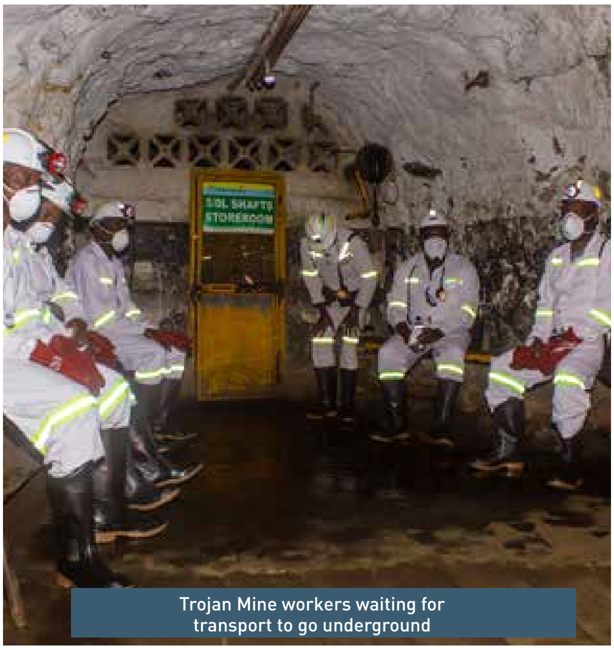
In the light of the problems experienced by the energy supplier, namely Zimbabwe Electricity Supply Authority (ZESA) in respect of the BNC operations, there is an inherent risk related to the consistency of supply of energy to the mine and the volatility of the price charged.

BNC makes every effort to ensure that this risk is mitigated by investigating the option of its operations generating their own energy in-house, rather than purchasing it.

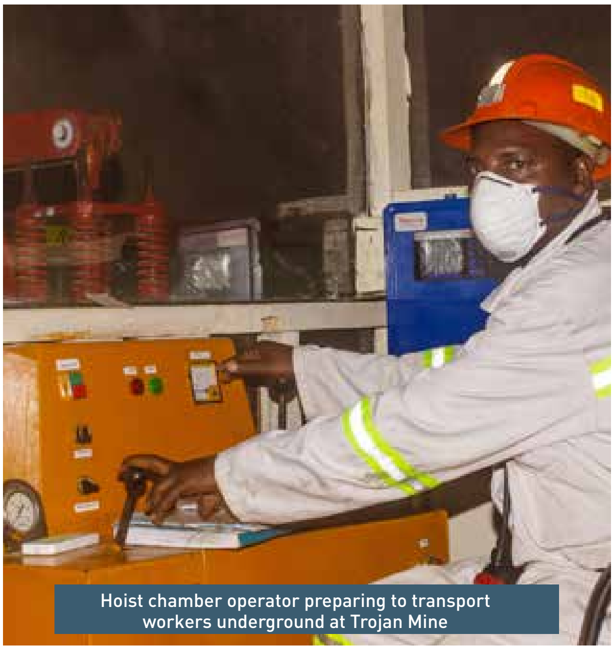
FINANCING RISK

Mining is a capital-intensive business and there is a risk that if finance is not available for the development or further exploration of a project, then the value of the project may not be realised. BNC's financing risk is linked to the availability of funding in the capital and debt markets which are impacted by perceptions of commodity and country risks.

BNC seeks to mitigate its financing risk by diversifying its sources of finance for the development of its projects.



Trojan Mine workers waiting for transport to go underground



Hoist chamber operator preparing to transport workers underground at Trojan Mine

CORPORATE GOVERNANCE Cont'd

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

WORKPLACE SAFETY

SHE Achievements

i. By the 31 of March 2020, the operations achieved a total of 1 734 days (2 128 847 fatality free shifts) from the last Fatality that occurred in June 2015.

ii. 2 Million Fatality Free Shifts celebrations were held on the 5 of March 2020.

iii. Trojan Nickel Mine successfully migrated to the new ISO 45001:2018 and maintained the ISO 14001: 2015 certification. Celebrations were held on the 1 of August 2019 combined with the Wellness Day.

iv. The mine participated in the Chamber of Mines AMMZ SHE audits and maintained an A' class rating as it compares with other players within the mining sector. The SHEMS in place have shown evidence of continual improvement and maturity with top leadership commitment and involvement being the key driver.

v. The organization achieved two NSSA Safety awards for 2018 (Gold for the Mining Sector as a whole and bronze for the Provincial Award).

vi. BNC sent three teams for the National First Aid Competitions. Two of teams came out number 5 and one was number 9. However there were issues surrounding the authenticity of the results.

vii. The exercise of analysing on the pre-task risk assessments and PJOs was done in order to establish headline issues that may be unrelated to the priority risks but help in pinpointing areas of statistically elevated latent risk that require focus. PJOs and VFLs were analysed to establish co-relationships between incidents and supervisor face time.

viii. There has been a continual improvement in the number of VFLs and PJOs by supervisors and management. Monthly topics focusing on behavioural issues and priority risks have been helpful in realigning employees to the business mission of cost-efficiently producing clean nickel in an environment of zero harm. Almost all employees are now knowledgeable on the business's priority risks and the focus is on the behaviour and attitude of the workforce.

ix. All environmental licenses were renewed and complied with within the period under review.

Trojan Mine personnel wearing face masks in compliance with COVID-19 safety protocols

CORPORATE GOVERNANCE Cont'd

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

x. Management Reviews were done as scheduled.

xi. Concurrent reclamation with operations commenced at the Tailings Storage Facility within the period under review. The aim remains to rehabilitate the environment for the benefit of the local community after mine closure.

xii. Second opinion on the slimes dam stability and technical audit was conducted by independent consultant (Steffanuti) on the 18th and 19th of November 2019.

xiii. All SHEMS Internal audits were done as scheduled.

Lagging Indicators

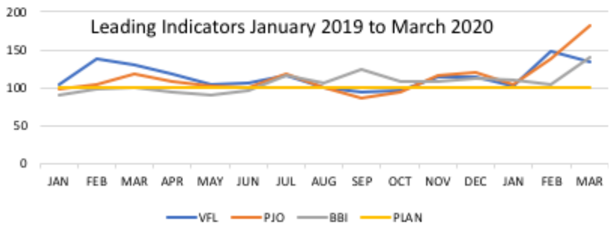
There were & injuries during the period under review (3LTI and 4 NLTI). 3 LTIs depicting a steep increase in LTIFR from 0 (2018/19) to 0.9 (2019/20). This was mainly through inadequate risk assessment. Significant remedial actions were applied leading to a marked improvement towards year end.

Despite the increase in injury rates, the organization managed to maintain the OSHA international benchmark for the mining industry with an average figure of less than 1 for LTIFR.

No reportable environmental incidents were recording during the year, hence the operation achieved the desired ZERO harm to the environment. The organization conformed to its compliance obligations.

Leading Indicators

Despite some of these setbacks SHE programmes have been running well, these being the Visible Felt Leadership (VFLs), Planned Job Observations (PJOs), Behaviour Based Indicators (BBI), inspections including Senior Management , and audits promoted a fair safety culture within the mine operations. Refer to the Fig 1 and 2 below



Trojan Mine operates a health clinic for staff and the mining community

CORPORATE GOVERNANCE Cont'd

COVID -19 Summary & Overview

The Government of Zimbabwe enacted legislation which has resulted in the whole country being put under lockdown, initially for 21 days as from 30 March 2020, followed by two consecutive extensions of the lockdown by 14 days each. The mining industry was treated as an essential service, which meant that mining companies were allowed to continue with operations, provided they observed very stringent health and safety measures in order to prevent employees and the surrounding communities from getting infected with the Coronavirus.

In order for BNC to prepare adequately to address the health and safety requirements of the newly enacted law for preventing the spread of COVID-19 among our employees, including those at the work place and those staying at home during the lockdown, Management came up with strategic plans that were aimed at implementing specific preventative measures, in line with the standards set by the World Health Organisation (WHO).

EMPLOYEE AND COMMUNITY HEALTH

Occupational Health

BNC continued to progressively establish effective medical surveillance systems, linked to systematic exposure monitoring, compatible with ISO 45001:2018 standard requirements. It is pleasing to note that certification to such a standard was achieved during the year. The progressive collapse of public health services has led to increased dependence on the mine clinic by employees and dependents. The outsourcing of Trojan Mine Clinic has been a success. The quality of service is constantly monitored by the Company and has been satisfactory. The Clinic has expanded and its Maternity Wing has been refurbished. Only those cases with complications are now referred to external facilities. Obstetrician and gynaecological services improved and up to four patients can be in admission in the Maternity Wing at a time. The X-Ray, Ultra Sound Scan and Laboratory Services have saved employees the expense of seeking these services externally.

Service provision as test and examination results are quickly made available to the clinic's Medical Officer. Pre –employment and exit medical examinations are now being processed faster because of the additional services such as X-rays which previously had to be sought from outside. Occupational therapy continues to be provided by qualified clinic personnel who also work closely with company personnel in occupational health monitoring and education and partake in company safety audits.

The Clinic, in liaison with the SHE Department, has also revived the Hearing Conservation programme to manage employees with Noise induced hearing loss as noise is one of the top ten hazards affecting employees within various occupations. Outpatient services are satisfactory and the Clinic continues to offer dispensary and ambulance services, family planning services, counselling (Including HIV testing, counselling and related services).

Staff housing at Trojan Mine

The Group continues to support sport & entertainment to the community by providing use of the Trojan Mine Stadium

CORPORATE GOVERNANCE Cont'd

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Dental services are now available and the Dentists visit the Clinic on a weekly basis to attend to community needs saving employees and their dependants transport costs to access the services in Bindura town. The Clinic works closely with the Human Resources Department and outside agencies including the Ministry of Health and Child Care in the provision of community health education. It takes part in company awareness campaigns on the prevention of communicable diseases and education on the management of suspected cases of legally notifiable diseases. The clinic is equipped to make the required notifications in terms of the Public Health Act. It is equipped to be a management centre for any disease outbreaks that may occur in the Trojan Village. Education has been given to employees and their families on the prevention and management of diseases such as cholera and typhoid. The Clinic staff have taken part in health education campaigns in the Trojan Village which have included meetings with residents on a section by section basis. Feedback is provided to Management on disease trends with recommendations on required interventions. Workplace peer educators on HIV / AIDS continue to receive support and education from the Clinic and outside agencies. They in turn are provided with opportunities to share information with other employees during safety talks and at other forums.

The District and National Aids Councils, ZAPSO and other NGOs and agencies, in liaison with the Human Resources Department, regularly provide education on HIV /AIDS, home based care of AIDS patients and emotional and material support to ill persons and families as resources become available to them.

M A MASUNDA	**B MANHANDO**
Chairman	Managing Director
4 September 2020	4 September 2020

A member of the COVID-19 prevention team at Trojan Mine

COMMITTED TO **CREATING VALUE**

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BINDURA NICKEL CORPORATION LIMITED

Report on the Audit of the Group and Company Financial Statements

Adverse Opinion

We have audited the consolidated and company financial statements of Bindura Nickel Corporation Limited (the Group) set out on pages 52 to 95, which comprise the consolidated and company statements of financial position as at 31 March 2020, and the consolidated and company statement of profit or loss and other comprehensive income, the consolidated and company statement of changes in equity and the consolidated and company statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the accompanying consolidated and company financial statements do not present fairly the consolidated and company financial position of Bindura Nickel Corporation Limited as at 31 March 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Non-compliance with International Financial Reporting Standards IAS 21- *The Effects of Changes in Foreign Exchange Rates;* in prior period and inappropriate application of IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*
As explained in note 3 to the consolidated and separate financial statements, the group and company's functional and reporting currency is the United States Dollar (US$). The financial statements are presented on the basis that the official exchange rate as at 31 March 2020 between the Real Time Gross Settlement Electronic Dollar/ Zimbabwean Dollar (RTGS$/ ZWL) and the United States Dollar (US$) is 1: 25.

Zimbabwe witnessed significant monetary and exchange control policy changes in 2016 and increasingly through to 2019. The Reserve Bank of Zimbabwe (RBZ) together with the Ministry of Finance and Economic Development promulgated a series of exchange control operational guidelines and compliance frameworks during this period. Specifically, there was a requirement for banks to separate out FCA RTGS Accounts from the FCA Nostro US$ Accounts during October 2018. Although the rate was legally pegged at 1:1, multiple pricing practices and other transactions observed and reported publicly indicated exchange rates other than 1:1 between RTGS and the US$ amounts. In February 2019 there was a Monetary Policy statement which introduced the RTGS Dollar (RTG$) and the interbank foreign exchange market. Furthermore, Statutory Instrument 142 of 2019 specified that for all domestic transactions, the Zimbabwe Dollar (which comprises RTGS$, Bond notes and Bond Coins) was the sole legal tender effective 24 June 2019.

We believe that events in the market and subsequent promulgation of the ZWL as a formal currency evidenced that transactions in the market indicated a different rate between the two currencies despite the legal 1:1 ZWL: US$ exchange rate and this occurred effective 1 October 2018.

Building a better working world

The consolidated and separate financial statements of the group and company for the year ended 31 March 2019 included balances and transactions denominated in ZWL/ RTGS that were not converted to US$ at a ZWL/RTGS: US$ exchange rate that reflects the economic substance of its value as required by IFRS as the group and the company continued to use the 1:1 rate after October to convert ZWL/RTGS transactions which were included in all expense items in the consolidated and separate Statements of Comprehensive Income and all Current Assets, Current Liabilities and Non-Current Liabilities stated on the Statements of Financial Position along with the consequential impacts to Accumulated Profit. Further to that, management performed all translations after the 22nd of February 2019 at the interbank rate which was also not appropriate as it does not meet the IAS 21 requirements of a spot rate i.e. a rate that is accessible for immediate delivery.

In respect of the above matter we issued an adverse opinion in the prior year as the effects of the departure from IFRS were pervasive to the consolidated and separate financial statements but could not be quantified owing to the nature of the matter.

Management did not make retrospective adjustments to the group or separate financial statements (prior period errors) in terms of International Financial Reporting Standards – IAS 8 – *Accounting Polices, Changes in Accounting Estimates and Errors.*

Therefore, management has not restated the opening balances to resolve the matters which resulted in the adverse audit report in the prior period and therefore the matter is continuing.

As a result of these matters:

- Corresponding numbers relating to current assets, current and non-current liabilities, retained earnings, expenses and taxation remain misstated on the Group Statement of Financial Position; Group Statement of Comprehensive income; Group statement of Changes in Equity; and Group Statement of Cashflow.
- Corresponding numbers relating to amounts due from subsidiary companies, retained earnings and administrative expenses remain misstated on the company's statement of financial position; Statement of Comprehensive income; Statement of Changes in Equity and Statement of Cashflow.
- As opening balances enter into the determination of cash flows and performance, our current year opinion is modified in respect of the impact of these matters on the Group and company's Statements of Cash Flows, Statements of Profit or Loss and Statements of Changes in Equity.

Our opinion on the current period's consolidated and separate financial statements is therefore also modified because of the possible effects of the above matter on the comparability of the current period's figures and the corresponding figures.

The Group continued translating ZWL denominated transactions into the functional currency using the interbank rate. In addition, at 31 March 2020 group management translated monetary assets and liabilities denominated in RTGS$/ZWL to the USD functional and reporting currency in both the consolidated and separate financial statements using these rates. As in the prior year this impacted the closing amounts for all Current Assets, all Current Liabilities, Deferred tax , Lease liability and Accumulated profits on the consolidated Statement of Financial Position at year end, Amounts due from subsidiary companies and accumulated profits on the separate Statement of financial position, and all expense amounts on the consolidated and separate Statements of Comprehensive Income. The quantum of this cannot be determined owing to the lack of information as to the rates being available.

INDEPENDENT AUDITOR'S REPORT (Continued)

BINDURA NICKEL CORPORATION LIMITED

The effects of the above departures from IFRS are therefore material and pervasive to the consolidated and separate financial statements.

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

Emphasis of matter

We draw your attention to note 23 to the financial statements which describes prior period errors that have been recorded in the financial statements relating to the share-based scheme, depreciation of the smelter assets and accounting for the assessed losses in line with Statutory Instrument 33 of 2019. We also draw your attention to note 10.4 which describes the impairment assessment relating to the smelter assets. We are not further modifying our opinion in respect of these matters.

Key Audit Matters

Except for the matters described in the Basis for Adverse Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Other information consists of the Chairman's Letter and Report and the Directors' Report which we obtained prior to the date of this report and the Corporate Governance report which was made available to us after that date. Other information does not include the Group and Company financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the Group and Company financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Group and Company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Group and Company financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, the Group did not comply with the requirements of IAS 21 – Ef*fects of Changes in Foreign Exchange Rates* and IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the Directors' Report affected by the failure to comply with the referred standard.

Responsibilities of the Directors for the Group and Company Financial Statements. Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the Group and Company financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of the Group and Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Company financial statements, the directors are responsible for assessing the group'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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Group and Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Group and Company 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 Group and Company financial statements.

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

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

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

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

- Conclude on the appropriateness of the directors' 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 group'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 Group and Company 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 group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the Group and Company financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Group and Company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the accompanying consolidated financial statements have not in all material respects, been properly prepared in compliance with the disclosure requirements of and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this independent auditor's report is Fungai Kuipa (PAAB Practicing Certificate Number 335).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Angwa City
Cnr Julius Nyerere Way/Kwame Nkrumah Avenue
P O Box 62 or 702
Harare

07 September 2020

GROUP STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2020

	Notes	2020 US$	RESTATED 2019 US$
Revenue	5	**52 354 635**	**54 005 118**
Cost of sales	6	**(37 664 050)**	**(40 287 304)**
Gross profit		**14 690 585**	**13 717 814**
Other income	5.1	279 414	6 147 590
Selling and distribution expenses		(6 242 199)	(7 255 285)
Administrative expenses		(6 382 059)	(9 404 768)
Net Exchange gain		457 387	16 975 945
Profit from operating activities	6	**2 803 128**	**20 181 296**
Net finance costs	7	(470 511)	(3 061 516)
Finance income based on EIR		28 938	2 709
Finance costs		(499 449)	(3 064 225)
Profit before taxation		2 332 617	17 119 780
Taxation	8	(1 445 980)	(17 372 845)
Profit/(loss)		886 637	(253 065)
Total profit/(loss) and other comprehensive income for the year attributable to ordinary shareholders		**886 637**	**(253 065)**
Basic earnings per ordinary share (cents)	9	0.071	(0.020)
Diluted earnings per ordinary share (cents)	9	0.069	(0.020)

GROUP STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Notes	2020 US$	RESTATED 2019 US$	RESTATED 01/04/2018 US$
ASSETS				
Non-current assets				
Property, plant and equipment	10	75 904 707	74 864 678	76 785 132
Loans		-	48 627	-
		75 904 707	**74 913 305**	**76 785 132**
Current assets				
Inventories	11	10 215 279	8 494 827	8 938 705
Trade and other receivables	12	7 119 769	13 187 723	14 825 734
Cash and short term deposits	13	724 063	379 986	4 318 673
		18 059 111	22 062 536	28 083 112
Total assets		**93 963 818**	**96 975 841**	**104 868 244**
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	14	12 896	12 778	12 778
Share premium		32 327 879	32 291 208	32 291 208
Capital Contribution	14.5	2 631 877	-	-
Retained earnings		12 739 781	11 853 144	12 106 209
Share-based payment reserve	22	2 138 355	1 026 261	242 610
		49 850 788	**45 183 391**	**44 652 805**
Non-current liabilities				
Interest bearing borrowings	15	-	3 246 928	15 384 000
Environmental rehabilitation provision	16	9 943 733	10 232 959	11 626 107
Deferred taxation	17	19 979 099	17 788 866	416 021
Lease liability	18	36 324	-	-
		29 959 156	**31 268 753**	**27 426 128**
Current liabilities				
Trade and other payables	19	12 782 502	14 984 224	17 040 257
Provisions	20	79 271	491 539	3 253 389
Interest bearing borrowing	15	1 118 267	5 047 934	12 495 665
Lease liability	18	5 348	-	-
Income tax payable		168 486	-	-
		14 153 874	**20 523 697**	**32 789 311**
Total equity and liabilities		**93 963 818**	**96 975 841**	**104 868 244**

M A Masunda
Board Chairman
4 September 2020

B Manhando
Managing Director
4 September 2020

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

	Note	Share Capital US$	Share premium US$	capital contribution US$	Share-based payment reserve US$	Retained earnings US$	Total US$
Balances as at 1 April 2018		**12 778**	**32 291 208**	**-**	**-**	**13 774 942**	**46 078 928**
Prior period error	23		-	-	242 610	(1 668 733)	(1 426 123)
Balances as at 1 April 2018 - restated		**12 778**	**32 291 208**	**-**	**242 610**	**12 106 209**	**44 652 805**
Total comprehensive income for the year							
Total profit and other comprehensive income for the year attributable to ordinary shareholders –previously reported		-	-	-	-	13 467 811	-
Adjustments for							
Prior period errors	23	-	-	-	783 651	(13 720 876)	783 651
Total loss and other comprehensive income for the year attributable to ordinary shareholders- restated		-	-	-	-	(253 065)	(253 065)
Balances as at 31 March 2019 - restated		**12 778**	**32 291 208**	**-**	**1 026 261**	**11 853 144**	**45 183 391**
Issue of shares	14.3	118	36 671		-	-	36 789
Share-based payment expense	22	-	-	-	1 112 094	-	1 112 094
Total comprehensive income for the year							
Total profit and other comprehensive income for the year attributable to ordinary shareholders		-	-	-	-	886 637	886 637
Forgiveness of related party payables	14.5	-	-	2 631 877	-	-	2 631 877
Balances as at 31 March 2020	**14**	**12 896**	**32 327 879**	**2 631 877**	**2 138 355**	**12 739 781**	**49 850 788**

GROUP STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

	Notes	2020 US$	RESTATED 2019 US$
Cash flows from operating activities			
Profit from operations before interest, dividends and taxation		2 803 128	20 181 296
Adjusted for:			
Depreciation of property, plant and equipment	10.1	3 684 962	4 615 228
Rehabilitation provision		-	318 555
Exchange gains		(457 387)	(16 975 945)
Expected credit losses		-	2 447 346
Prepayments written off		602 337	-
Profit on disposal on investment		-	(3 570 437)
Impairment loss		-	1 009 127
Share-based payment expense	22	1 112 094	783 651
Operating cash flows before working capital changes		7 745 134	8 808 821
(Increase)/ Decrease in inventories		(1 720 453)	443 878
Decrease/ (Increase) in trade and other receivable		678 248	(2 743 550)
Increase in trade and other payables		1 972 649	2 214 528
Net cash flows from operations		8 675 578	8 723 677
Returns on investments and servicing of finance			
Interest received		28 938	2 709
Interest paid	15	(297 263)	(2 961 292)
		(268 325)	(2 958 583)
Net cash flows from operating activities		8 407 253	5 765 094
Cash flows from investing activities			
Purchase of property, plant and equipment	10.1	(5 115 425)	(5 415 605)
Staff loans repaid / (issued)		48 627	(48 627)
Purchase of investment		-	(2 791 435)
Proceeds from sale of investment		-	6 361 872
Net cash flows from investing activities		(5 066 798)	(1 893 795)
Net cash flows before financing activities		3 340 455	3 871 299
Cash flows from financing activities			
Interest bearing borrowings repaid	15	(1 852 894)	(6 034 238)
Interest bearing borrowings received	15	1 000 000	-
Proceeds from issue of shares	14	36 789	-
Principal paid on lease liability	14	(2 042)	-
Net cash flows from financing activities		(818 147)	(6 034 238)
Increase/(decrease) in cash and cash equivalents		2 522 308	(2 162 939)
Net foreign exchange differences on cash and cash equivalents		52 943	2 829 337
Cash and cash equivalents at the beginning of the year		(2 013 106)	(2 679 504)
Cash and cash equivalents at the end of the year	13	**562 145**	**(2 013 106)**
Bank and cash balances		724 063	379 986
Bank overdraft		(161 918)	(2 393 092)
		562 145	**(2 013 106)**

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2020

	2020 US$	2019 US$
Administration costs	(50 048)	(118 358)
Loss before taxation	(50 048)	(118 358)
Taxation	-	-
Total loss and other comprehensive income for the year attributable to ordinary shareholders	(50 048)	(118 358)

COMPANY STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2020

	Notes	2020 US$	RESTATED 2019 US$	RESTATED 01/04/2018 US$
ASSETS				
Non-current assets				
Investments in subsidiary companies	21	34 441 289	33 329 195	32 545 544
Amounts due from subsidiary companies	21.1	1 449 616	1 462 875	1 581 233
Total assets		**35 890 905**	**34 792 070**	**34 126 777**
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	14.2	12 896	12 778	12 778
Share premium		32 327 879	32 291 208	32 291 208
Retained earnings		1 411 775	1 461 823	1 580 181
Share-based payment reserve	22	2 138 355	1 026 261	242 610
		35 890 905	34 792 070	34 126 177
Total equity and liabilities		**35 890 905**	**34 792 070**	**34 126 177**

M A Masunda
Board Chairman
4 September 2020

B Manhando
Managing Director
4 September 2020

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

	Note	Share capital US$	Share premium US$	Share-based payment reserve US$	Retained earnings US$	Total US$
Balances as at 1 April 2018		**12 778**	**32 291 208**	**-**	**1 580 181**	**33 884 167**
Adjustment for						
Prior period error	23.1	-	-	242 610	-	242 610
Balances as at 1 April 2018 - restated		**12 778**	**32 291 208**	**242 610**	**1 580 181**	**34 126 777**
Total comprehensive income for the year						
Loss and other comprehensive income for the year attributable to ordinary shareholders		-	-	-	(118 358)	(118 358)
Adjustments for						
Prior period error	23.1	-	-	783 651	-	783 651
Balances as at 31 March 2019 - restated		**12 778**	**32 291 208**	**1 026 261**	**1 461 823**	**34 792 070**
Issue of shares	14.3	118	36 671	-	-	36 789
Share-based payment expense		-	-	1 112 094	-	1 112 094
Total comprehensive income for the year						
Loss and other comprehensive income for the year attributable to ordinary shareholders		-	-	-	(50 048)	(50 048)
Balances as at 31 March 2020	**14**	**12 896**	**32 327 879**	**2 138 355**	**1 411 775**	**35 890 905**

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

	2020 US$	2019 US$
Cash flows from operating activities		
Loss from operations	(50 048)	(118 358)
Operating cash flows before working capital changes	(50 048)	(118 358)
Decrease in amounts due from subsidiary companies	13 259	118 358
Net cash flows from operations	(36 789)	-
Cash flows from investing activities	**-**	**-**
Cash flows from financing activities		
Proceeds from issue of shares	36 789	-
Net cash flows from financing activities	36 789	-
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	-	-

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2020

1. INCORPORATION AND ACTIVITIES

Bindura Nickel Corporation Limited (the "Group") is a limited liability company incorporated in Zimbabwe and is listed on the Zimbabwe Stock Exchange (ZSE). The ultimate shareholder of Bindura Nickel Corporation Limited is Sotic International. The Group's registered address is Trojan Nickel Mine, Trojan Mine Road, P.O. Box 35, Bindura, Zimbabwe.

The consolidated financial statements of the Group as at and for the year ended 31 March 2020 comprise the Corporation and its subsidiaries (together referred to as the "Group"). The "Corporation" financial statements present the separate financial position, financial performance and cash flows of the Company.

The principal activities of the Group are the mining of nickel and the extraction of related by-products.

2. PRESENTATION

These financial statements are presented in United States dollars (US$), which is the Company's functional currency, rounded to the nearest dollar unless otherwise stated.

Statement of compliance
These annual financial statements were approved by the Board of Directors on 4 September 2020.

Basis of preparation
These financial statements are based on statutory records that are prepared under the historical cost convention. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS

Use of estimates and judgements
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Ore reserve and mineral resource estimates
The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

for the year ended 31 March 2020

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS (continued)

The Group estimates and reports ore reserves and mineral resources in line with the principles contained in the Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code'). The JORC Code requires the use of reasonable investment assumptions including:

- Future production estimates, which include proved and probable reserves, resource estimates and committed expansions
- Expected future commodity prices, based on current market prices, forward prices and the Group's assessment of the long-term average price
- Future cash costs of production, capital expenditure and rehabilitation obligations

Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. Such reserves and mineral resource estimates and changes to these may impact the Group's reported financial position and results, in the following way:

- The carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, and goodwill may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the unit of production method, or where the useful life of the related assets change
- Provisions for rehabilitation and environmental provisions may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities.
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

Consequently, management will form a view of forecast sales prices based on current and long-term historical average price trends. For example, if current prices remain above long-term historical averages for an extended period of time, management may assume that lower prices will prevail in the future. As a result, those lower prices would be used to estimate ore reserves and mineral resources under the JORC Code. Lower price assumptions generally result in lower estimates of reserves. As the economic assumptions used may change and as additional geological information is produced during the operation of a mine, estimates of ore reserves and mineral resources may change.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise stated.

Property, plant and equipment (note 10); including:

Assets' useful lives and depreciation rates for property, plant and equipment and mineral interests

Depreciation, depletion and amortisation rates are calculated on a straight-line basis based on the estimated assets' useful lives. Should the assets' useful lives differ from the initial estimate, an adjustment would be made. The assets' useful lives are estimated based on the shorter of the life of the mine and the useful life of the specific component of the asset. The Group utilises independent asset valuators or internal experts to determine the residual value of property, plant and equipment assets, and any material movement in the residual value is accounted for as a change in estimate in terms of IAS 8.

Commencement of commercial/operating level production

As a mine or plant is developed and until it reaches an operating level that is consistent with the use intended by management, costs incurred are capitalised as property, plant and equipment. The Company exercises judgement to determine the commencement of commercial production that is defined as the date when a mine achieves a sustainable level of production that provides a basis for a reasonable expectation of profitability along with various qualitative factors including but not limited to the achievement of mechanical completion, whether production levels are sufficient to be at least capable of generating sustainable positive cash flow, and whether the product is of sufficient quality to be sold.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS (continued)

Deferred tax asset (note 17)

In assessing the probability of realising deferred tax assets management makes estimates related to expectations of future taxable income, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognised. Also, future changes in tax laws could limit the Company from realising the tax benefits from the deferred tax assets. The Company reassesses unrecognised deferred income tax assets at each reporting period.

Deferred tax assets and liabilities are measured at the tax rates applicable in the year the asset is expected to be recognised or liability settled using information from tax legislation available on reporting.

Inventories (note 11)

The assumptions used in the valuation of work-in-progress and finished goods inventories include estimates of nickel contained in the concentrates produced, recovery percentage and the estimation of the nickel price expected to be realised when the nickel is recovered. Inventories are valued at lower of cost or net realisable value in accordance with IAS 2 with inventory write-downs being expensed in the period of occurrence.

Rehabilitation provisions (note 16)

The cost estimates are updated annually during the life of the mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Rehabilitation liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at the present value of future rehabilitation costs required. Present value is determined based on the estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon rehabilitation of the mine site adjusted for inflation growth rate and changes in discount rate. Such estimates are subject to change based on changes in laws and regulations, technology and negotiations with regulatory authorities.

Provisions (note 20)

The use of estimates regarding the probability of the outflow of expected cash flows as well as whether the Company has an obligation which needs to be settled.

Going concern (note 29)

The directors assess the ability of the Group to continue as a going concern at the end of each financial year. The assessment involves making assumptions in the budgets and forecasts.

Contingencies (note 24)

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

Impairment

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS (continued)

Impairment (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to dispose. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Functional Currency

Following the official introduction of the ZWL$ Dollar as a currency in Zimbabwe alongside the basket of existing currencies, businesses faced the prospect of a change in their functional currency to ZWL$ dollars. The Group concluded that its functional currency is US$ for the period ending 31 March 2020.

In coming up with the functional currency the Group took into account the following:

- the currency that mainly influences sales prices for goods and services. (Bindura Nickel Corporation revenue is from export sales and is invoiced in US$).
- the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services. (Bindura Nickel Corporation sells at prices that reflects US$ and Market prices are determined mainly by the global nickel market trends).
- the currency that mainly influences operating costs (material and other costs of providing goods or services, salaries, fuel and oils and mining contractors) 62% US$ and 38% ZWL$.
- the currency in which funds from financing activities (issuing debt and equity instruments) are generated; (Borrowings are in both US$ and ZWL$ in proportions of 69% and 31 % respectively).
- the currency in which receipts from operating activities are usually retained. (The majority of receipts from operating activities are retained in US$ and where payments are required in ZWL$, the funds will be liquidated at interbank rates to settle local transactions).

The Group is an exporter which earns most of its income in United States Dollars and which denominates its pricing with reference to global market prices. In line with the requirements of IAS 21, the Group has adopted the United States Dollar (US$) as the functional and presentation currency in line with the requirements of the IFRSs.

Income taxes

The Group is subject to income tax in Zimbabwe. Significant judgement is required in determining the income tax payable. There are many transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from amounts that were initially recognised, such differences will impact the income and deferred income tax provisions in the period in which such determination is made.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES

Pre-licence costs

Pre-licence costs relate to costs incurred before the Group has obtained legal rights to explore in a specific area. Such costs may include the acquisition of exploration data and the associated costs of analysing that data. These costs are expensed in the period in which they are incurred.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
Specifically, the Group controls an investee if and only if the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains.

Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Subsequent expenditure, including borrowing costs, are capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Exploration expenditure which meets asset recognition criteria is capitalised to mining assets. Costs related to property acquisitions, surface and mineral rights are capitalised to mining assets and are recorded at cost less accumulated amortisation and less any accumulated impairment losses. Borrowing costs are capitalised to qualifying mining assets.

Mining assets include plant, equipment and capitalised development costs incurred to develop new mining operations, define mineralisation in existing ore bodies and expand the capacity of the mine. Smelter and refinery assets refer to plant and equipment that are specific to the smelting and refinery plants. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

- Repairs and maintenance are expensed in the year in which they are incurred and only expenditure that meets the recognition criteria of an asset and constitutes replacement of a significant component is recognised in the carrying amount of property plant and equipment.

Depreciation

Smelter and refinery assets are depreciated at varying rates on a straight line basis over their expected useful lives, which range from 5 to 40 years. Buildings are depreciated over 40 years. Mining assets are amortised on a straight line basis over the lesser of asset's useful life ranging between 3 to 7 years or life of the mine.

The lives of the mines as at 31 March 2020 were as follows:

- Hunter's Road 20 years
- Trojan Mine 8 years
- Shangani Mine 6 years

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period and adjusted prospectively, if appropriate.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss and other comprehensive income when the asset is derecognised.

Financial instruments

A Financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities – Recognition and derecognition

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group's financial assets include cash and cash equivalents, trade and other receivables and long term receivables (loans to employees).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group initially recognises loans and receivables on the date when they become party to a contract. All other financial assets and financial liabilities are initially recognised on the trade date.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or financial liabilities at amortised cost net of directly attributable transaction costs.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group derecognises a financial asset when the contractual rights to cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to the other party. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire.

Financial assets and liabilities – measurement

Financial Assets at amortized cost:

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and:
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortised cost are subsequently measured at amortised cost using effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes loans, other receivables and 'Cash and cash equivalents' which are classified under current assets except for maturities greater than 12 months after the reporting date which are classified under non-current assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments. Cash and cash equivalents are measured at amortised cost with any movement in the foreign currency denominated balances arising from changes in exchange rates, being recognised in profit or loss. In the statement of financial position, bank overdrafts are shown under current liabilities.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category applies to the Group`s trade receivables that are subject to provisional pricing (quotational period). The "Quotational Period (QP)" is the period after the physical shipment of goods during which the sales price is subject to change based on fluctuations in quoted commodity market prices up to the date of final settlement. The QP can be between one to three months.

Given the exposure to the commodity price, these provisionally priced trade receivables will fail the cash flow characteristics test within IFRS 9 and will be required to be measured at fair value through profit or loss from initial recognition until the date of settlement. Subsequent changes in fair value are recognised through profit or loss in each period. Changes in fair value over, and until the end of the QP, are estimated by reference to updated forward market prices as well as taking into account other relevant fair value considerations as set out in IFRS 13, including interest rate and credit risk adjustments.

Financial Liabilities at Amortized cost

The Group's loans and borrowings comprise interest-bearing loans and borrowings, fixed term payables and trade and other payables.

Loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are subsequently measured at amortised cost using the effective interest rate method.

Investments in Subsidiary Companies

Investments in subsidiaries are carried at cost, less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss

Share capital

Ordinary shares

Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are deducted from equity net of any related taxes.

Capital contribution

Capital contribution consists of forgiveness of debt by the parent company. It is recognised in equity net of any related taxes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An allowance for expected credit losses (ECLs) is recognised when an impairment exists. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). Default events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to dispose, an appropriate valuation model is used

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset. For assets an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development costs are capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to prepare the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred. Mining development costs are capitalised while prospecting expenditure is written off in the year it is incurred. When a decision is taken that a mining property is capable of commercial production, all further pre-production expenditure is capitalised.

Inventory and consumables

Inventory of nickel and consumables are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The costs are determined on the following basis:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory (own production):	-	weighted average cost of production.
Inventory (externally sourced):	-	weighted purchase cost plus additional cost on processing.
Consumables:	-	weighted average cost.
Ore milled:	-	weighted average cost of production.

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Employee benefits

Short term benefits

Short term employee benefits are expensed as the relevant service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are expensed at the earlier of when the Group can no-longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted

Bonus plans

The group recognises a liability and an expense for bonuses based on a formula that takes into consideration production and safety performance. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Share-based payments

Share-based payment benefits are provided to employees via the BNC share option scheme, an equity settled employee share option scheme. The fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income under cost of sales over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period. When all options have vested, the cumulative amount in the share-based payment reserve is transferred to retained earnings.

Revenue recognition

The Group produces nickel, copper and other minerals in concentrate for sale to third parties. Metal sales are measured at the price agreed between BNC and the buyer. Negotiations begin at London Metals Exchange (LME) market prices prevailing on the day. For the Group's metal in concentrate sales, the performance obligations are the delivery of the concentrate which is satisfied on the date of dispatch from the mine (FCA Mine Gate Incoterms,) and "Freight and Insurance," which is satisfied over time until the goods arrive at the port of shipment. The revenue is measured at the consideration to which the Group expects to be entitled in exchange for those metals.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract terms for the Group's sale of metal in concentrate to third parties allow for a price adjustment based on final assay results of the metal in concentrate by the customer to determine the final content.

These are referred to as provisional pricing arrangements, and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (the quotation period (QP)). The provisional pricing arrangements based on initial assays give rise to variable consideration.

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty relating to the final assays is subsequently resolved. The Group estimates the amount of consideration to which it will be entitled in exchange for transferring metals in concentrate to the customer using provisional assays agreed by both parties. Adjustments to the sales price are done based on the final assays after final processing of the metal by the customer i.e. at the end of the QP. The period between provisional invoicing and final settlement can be between one to three months.

Revenue is recognised when control passes to the customer, which occurs at a point in time when the metal in concentrate reaches the mine gate (FCA Mine gate.) The revenue is measured at the amount which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the QP, and a corresponding trade receivable is recognised.

The Group applies the practical expedient not to adjust the promised consideration for the effects of a significant financing component as the period between transfer of the metals to a customer and when the customer pays for the metals is one year or less.

For these provisional pricing arrangements, any future adjustments to the sales price based on movements in quoted market prices up to the date of final settlement over the QP are embedded within the provisionally priced trade receivables and are, therefore, within the scope of IFRS 9 and not within the scope of IFRS 15.

Amounts arising from the volume adjustment constitute a variable consideration and thus recognised as revenue from contracts with customers and amounts arising from fair value price adjustment are not included in revenue from contracts with customers as they constitute a financial instrument receivable.

Export incentive is recognised when the Group's right to receive the export incentive has been established.

Interest income is accrued on a time basis by reference to the principal outstanding applying the effective interest rate.

Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

On initial recognition, the carrying value of the lease liability also includes:
- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Taxation

Current Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting, and any adjustment to tax payable in respect of previous years.

Deferred Taxation

Deferred tax liabilities are recognised for all taxable temporary differences, unless the deferred tax liability arises from:
- Goodwill for which amortisation is not deductible for tax purposes or
- The initial recognition of an asset or liability in a transaction which:
  is not a business combination, and
  at the time of the transaction affects neither accounting profit nor taxable profit.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Taxation (continued)

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is calculated based on the tax rates that are expected to apply to the period when the asset or liability is settled. The effect on deferred tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to the items previously recognised directly in equity or other comprehensive income.

The deferred tax effect of items directly affecting equity or other comprehensive income is recorded directly against equity or other comprehensive income respectively.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax liabilities in respect of taxable temporary differences associated with investments in subsidiaries are not recognised as the timing of the reversal of the temporary differences can be controlled by the parent and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets in respect of deductible temporary differences associated with investments in subsidiaries are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

When there is uncertainty concerning the Group's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions, then the Group:

- Considers whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- Determines if it is probable that the tax authorities will accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

Value Added Tax

Expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the statement of financial position.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

The Group and the Company's consolidated financial statements are presented in United States dollars, which is also the functional currency for the Group and the Company.

Foreign currency transactions are translated to the functional currency of Group companies at the exchange rates ruling on the date of the transaction. Subsequent to that, all foreign currency denominated monetary assets and liabilities are translated to the functional currency at each reporting date, using the exchange rates ruling at that date.

Foreign exchange gains or losses that results from the translation of monetary assets and liabilities at the reporting date and from settlement of foreign denominated assets and liabilities are recognised in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Rehabilitation Provision

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production. Costs are estimated on the basis of a formal closure plan and local regulatory requirements. These provisions are subject to regular review.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is expensed.

If the change in estimate results in an increase in the rehabilitation liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, for mature mines, the estimate for the revised mine assets net of rehabilitation provisions exceeds the recoverable value that portion of the increase is charged directly to expense. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments of the time value of money and the risks specific to the liability.

The periodic unwinding of the discount is recognised in the statement of profit or loss and other comprehensive income as part of finance costs. For closed sites, changes to estimated costs are recognised immediately in profit or loss.

The Group recognises neither the deferred tax asset in respect of the temporary difference on the decommissioning liability nor the corresponding deferred tax liability in respect of the temporary difference on a decommissioning asset in line with the initial recognition exemption provided in IAS 12.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

Improvements and amendments to standards

Only improvements and amendments that are reasonably applicable to the entity are shown:

i) New and revised standards and interpretations adopted in the current period

There were a number of amendments and improvements to standards that became effective for the Group in the current year some of which had no material effect on the reported amounts and disclosures. During the year, the Group applied IFRS 16 for the first time, the nature of changes with regards to the implementation of these standards is outlined below. All other accounting policies adopted are consistent with those of prior years. The Group has not had early adoption of any standards not yet effective.

IFRS 16 Leases

IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value e.g. computers. Lessors continue to classify leases as operating lease or finance lease. IFRS 16 will replace all existing IFRS lease requirements. (Effective for annual periods beginning on or after 1 January 2019)

Lessees will also be required to re-measure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments.) The lessee will generally recognise the amount of re-measurement of the lease liability as an adjustment to the right of use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases, i.e. operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosure than under IAS 17.

Overall impact

The transitional impact on the Group is minimal as there were no long term lease arrangements that meet the recognition requirements of right of use assets under leases.

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions. The Interpretation did not have an impact on the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

5. REVENUE

	2020 tonnage	2019 tonnage	2020 US$	2019 US$
Nickel	-	-	-	1 207
Nickel in concentrates	5 685	6 410	55 357 491	55 318 313
Revenue from contract with customers			**55 357 491**	**55 319 520**
Provisional pricing adjustment				
Fair value adjustment on Trade Receivables			(3 002 856)	(1 314 402)
Total			**52 354 635**	**54 005 118**

Revenue from one major customer of the Group represents approximately US$52 million (2019: US$54 million) of the Group's total revenue.

Revenue is further disaggregated as follows:

Revenue	2020 US$	2019 US$
- Nickel concentrate	46 671 129	48 748 380
- Freight and insurance	5 683 506	5 256 738
Total	**52 354 635**	**54 005 118**

5.1 Other income

	2020 US$	2019 US$
Profit on disposal of investments	-	3 570 436
Sale of scrap	66 943	596 489
Other	212 471	436 228
Export incentive income	-	1 544 437
	279 414	**6 147 590**

Scrap sales relates to the sale of redundant materials while 'Other' relates to the sale of excess stores materials.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. PROFIT FROM OPERATING ACTIVITIES

	2020 US$	2019 US$
Profit from operating activities is arrived at after taking into account the following:		
Auditors' remuneration	65 000	65 000
Depreciation of property, plant and equipment (note 10.2)	3 105 539	3 762 070
Environmental rehabilitation asset amortization (note 10.2)	195 828	469 017
Environmental rehabilitation provision		
- Finance Cost	159 494	318 555
Net Foreign exchange gains	(457 387)	(16 975 945)
Remuneration of Directors	179 164	186 000
Staff costs	12 813 971	12 142 714

Included in administration costs are costs relating to care and maintenance for Shangani Mine amounting to US$285 224 (2019: US$ US$374 301).

7. NET FINANCE INCOME/ (COSTS)

	2020 US$	2019 US$
Finance income		
Interest received	28 938	2 709
	28 938	2 709

Interest received comprise interest received from deposits held with financial institutions.

	2020 US$	2019 US$
Finance expenses		
Interest expense on other interest bearing borrowings	(456 758)	(2 961 292)
Interest on Asa Resource Group Plc. loan (note 15)	(41 021)	(102 933)
Interest on lease liability	(1 670)	-
	(499 449)	(3 064 225)
Net finance costs	**(470 511)**	**(3 061 516)**

8. INCOME TAX

	2020 US$	2019 US$
Current tax	(744 253)	-
Deferred tax (note 17)	2 190 233	17 372 845
	1 445 980	17 372 485
Reconciliation of tax charge		
Profit before tax	2 332 617	17 119 780
Notional tax based on current tax rates at 25.75% (2019: 25.75%)	600 649	4 408 343
Additional taxation/ (taxation savings) resulting from:		
- non-deductible expenses	852 783	1 630 279
- exempt income	(7 452)	(1 317 778)
- assessed loss adjustment (note 23.2)	-	12 652 001
	1 445 980	**17 372 845**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. INCOME TAX (continued)

Amounts recognised directly in equity

Current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:

	2020 US$	2019 US$
Current tax: forgiveness of related party payables	912 739	-

Prior year tax dispute

It was reported in the previous year that the Company was involved in a tax dispute with the tax authorities emanating from tax assessments which were issued in February 2018, amounting to an estimate of $14 million. The tax differences were mainly relating to historical issues to do with how the company was structured many years ago, as well as issues arising from varying interpretation of standard commercial agreements in the industry.

For the outstanding amount, both parties agreed to declare a dispute and pursue the matter through the courts. The matter is now before the courts pending hearing. Except for this disclosure, no provision has been made in this year's financial statements with respect of this contingent liability. Based on legal advice received to date, the Company has acted within the statutes of the law. The directors are still of the view that a positive resolution will be reached. At the time of reporting, the Company could not reasonably estimate the likely timing of resolution of the matter.

9. BASIC AND DILUTED EARNINGS PER ORDINARY SHARE

The calculation of the basic earnings per share has been based on the following profit attributable to the ordinary equity holders and weighted average number of ordinary shares outstanding for the Group.

	2020 US$	2019 US$
Profit/ (loss) attributable to ordinary shareholders (basic and diluted)		
Profit/(loss) for the year attributable to owners of the Group	886 637	(253 065)
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at 31 March	1 239 656 591	1 239 656 591
Effect of shares issued during the year	2 875 500	-
Weighted average number of shares – basic earnings per share	1 242 532 091	1 239 656 591
Effect of dilutive shares	43 519 979	8 865 233
Weighted average number of shares – diluted earnings per share	**1 286 052 070**	**1 248 521 824**
Basic earnings per ordinary share (cents)	0.071	(0.020)
Diluted earnings per ordinary share (cents)	0.069	(0.020)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

10 PROPERTY, PLANT AND EQUIPMENT-RESTATED

		Land and Buildings US$	Smelter and refinery plant and equipment US$	Mining assets US$	Capital Work in progress US$	Total US$
10.1	**Cost/valuation**					
	At 31 March 2018	**7 119 938**	**22 474 230**	**56 533 700**	**43 487 487**	**129 615 355**
	Additions	-	-	1 685 747	3 729 858	5 415 605
	Change in Rehabilitation asset (Note 10.6)	-	-	(1 711 704)	-	(1 711 704)
	At 31 March 2019	**7 119 938**	**22 474 230**	**56 507 743**	**47 217 345**	**133 319 256**
	Additions	58 286	-	2 746 512	2 368 913	5 173 711
	Change in Rehabilitation Asset (Note 10.6)	-	-	(448 720)	-	(448 720)
	At 31 March 2020	**7 178 224**	**22 474 230**	**58 805 535**	**49 586 258**	**138 044 247**
10.2	**Depreciation**					
	At 31 March 2018 - restated	**3 965 656**	**14 173 920**	**34 690 647**	**-**	**52 830 223**
	Current year charge - restated	261 135	384 141	3 500 935	-	4 146 211
	Rehabilitation Asset (Note 10.6)	-	-	469 017	-	469 017
	Impairment loss	-	-	-	1 009 127	1 009 127
	At 31 March 2019 - restated	**4 226 791**	**14 558 061**	**38 660 599**	**1 009 127**	**58 454 578**
	Current year charge	106 973	384 141	2 998 566	-	3 489 680
	Rehabilitation Asset (Note 10.6)	-	-	195 282	-	195 282
	At 31 March 2020	**4 333 764**	**14 942 202**	**41 854 447**	**1 009 127**	**62 139 540**
10.3	**Carrying amount :**					
	At 31 March 2020	**2 844 460**	**7 532 028**	**16 951 088**	**48 577 131**	**75 904 707**
	At 31 March 2019	**2 893 147**	**7 916 169**	**17 847 144**	**46 208 218**	**74 864 678**

10.4 The Group carried out an impairment review in respect of the smelter asset. This was done by incorporating independent valuation to determine fair value less costs to dispose and exercising fair judgement. The fair value less costs to dispose of US$37.8 million as determined by the independent valuer exceeded the smelter carrying amount of US$31.5 million. The replacement cost method was used to determine the fair value less cost to dispose of the smelter asset. The key level 2 observable inputs utilised were the cost of an identical or substantially similar new asset having a similar production or service capacity and the remaining portion of total economic working life of the smelter asset taking due account of age, condition and obsolescence.

While the recoverable amount of the asset could not be easily determined using value in use due to unfavourable commodity prices during the year and the absence of offtake agreements, it is the view of management that the conditions will improve and the project will resume in the near future. There are ongoing discussions with various interested parties for the continuation of the project. Meanwhile, commodity prices have started firming up and there is an opportunity to secure better power arrangements through negotiations with Government authorities. The Government is committed to assisting the industry in driving competitiveness as evidenced in the chrome industry and various other concessions for export entities. It is for these reasons that the Group did not impair the smelter asset, which remains work in progress.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

10. PROPERTY, PLANT AND EQUIPMENT (continued)

10.5 Property plant and equipment includes assets which are encumbered by the following:

(i) Mortgage bonds on property (included in land and buildings) as a security for a ZWL$7 million working capital overdraft facility and ZWL$5 million asset financing facility with a local financial institution (note 15)

(ii) The Group is in the process of finalising a settlement deal with its current and former employees to offset liabilities owed to employees amounting to US$2 million against property (also included in Land and buildings). The settlement deal will involve transferring some of the Group's assets to current and former employees involved.

10.6 Rehabilitation asset

	2020 US$	2019 US$
At 1 April	1 757 535	3 938 255
Change in estimate	(448 720)	(1 711 703)
Amortisation	(195 282)	(469 017)
At 31 March	**1 113 533**	**1 757 535**

The rehabilitation asset represents the net present value of estimated future decommissioning costs that are capitalised and it is connected to the rehabilitation provision (note 16). These estimates are reviewed annually and discounted using a pre-tax rate that reflects current market assessments of the time value of money. The discount rate represents the risk free rate. The discount rate represents the risk free rate. Any increases in such revised estimates are capitalised to rehabilitation asset while decreases in estimates are recognised by recording a credit to the asset.

10.7 Right of use asset

Within property, plant and equipment the following amounts relates to leases:

	Land and buildings US$
At 1 April 2019	-
Additions	58 286
Amortisation	(1 023)
At 31 March 2020	**57 263**

11. INVENTORIES

	2020 US$	2019 US$
Nickel in concentrates	1 096 353	815 954
Consumables	9 118 926	7 678 873
	10 215 279	**8 494 827**

The cost of inventories for the Group recognised as an expense and included in 'Cost of Sales' amount to US$13.4 million (2019: US$ US$14.8 million)

In 2020, there was no write-down of inventories (2019: nil).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12. TRADE AND OTHER RECEIVABLES

	2020 US$	2019 US$
Trade	-	5 152 289
Prepayments	4 155 765	6 623 229
Other	2 837 821	1 334 116
Related party receivables (note 26.3)	126 183	78 089
	7 119 769	**13 187 723**

Prepayments consist of payments in advance of customs duty, insurance and deposit payments for goods and services.

Receivables from the related parties are current and will be settled during the course of the next financial year.

Other receivables consists of mainly Value Added Tax refunds receivable and sundry debtors. Included in other receivables is an amount of $1 272 485 (2019: $$612 500.00) paid to the Zimbabwe Revenue Authority as a deposit for a tax investigation.

13. CASH AND CASH EQUIVALENTS

	2020 US$	2019 US$
Cash and short term deposits	724 063	379 986
Bank overdraft (note 15.6)	(161 918)	(2 393 092)
	562 415	**(2 013 106)**

14. SHARE CAPITAL AND CAPITAL CONTRIBUTION

14.1 Authorised:

	2020	2019
3 000 000 000 ordinary shares at US$0.000 010 307	30 921	30 921

14.2 Issued and fully paid:

	2020 Shares	2019 Shares	2020 US$	2019 US$
At 1 April	1 239 656 591	1 239 656 591	12 778	12 778
Ordinary shares issued	11 474 206	-	118	-
At 31 March	1 251 130 797	1 239 656 591	12 896	12 778

14.3 During the year, employees exercised their rights to purchase shares as part of an employee share option scheme. 11 474 206 shares were purchased at a nominal value of US$0.000 010 307 at an average price of US$0.003 per share (2019: nil)

14.4 Subject to the right of the shareholders to take up new shares in proportion to their existing holdings and to Section 183 of the Companies Act (Chapter 24:03), unissued shares are under the control of the Directors.

14.5 Capital contribution

During the year the parent company Sotic International wrote off related party balances amounting to US$3 544 616 (2019:nil) owed by the Group. The amount was recognised as a capital contribution by the parent company net of tax.

	2020 US$	2019 US$
Forgiveness of related party receivables	3 544 616	-
Current tax	(912 739)	-
	2 631 877	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15. INTEREST BEARING LOANS & BORROWINGS

		2020 US$	2019 US$
15.1	**Non-current portion**		
	Asa Resource Group Plc. (US$10 million loan facility)		
	- Loan balance	-	982 541
	Asset financing loan (15.4)	-	585 845
	Smelter Restart Bond (15.3)	-	1 678 542
		-	**3 246 928**
15.2	**Current portion**		
	Asset financing loan (15.4)	754 682	976 300
	Smelter Restart Bond (15.3)	201 667	1 678 542
	Bank overdraft (15.5)	161 918	2 392 092
		1 118 267	**5 047 934**

15.3 Smelter Restart Loan (ZWL $20 million bond)

On 2 March 2015 the Company allotted $20 million to subscribers of the Smelter Restart bond in terms of its bond information memorandum dated 24 November 2014. The bond was fully subscribed and paid up as at 31 March 2017. The terms of the bond are:-

- Redeemable fixed rate (10% per annum) bond with a five year tenor.
- The bond carries a coupon rate of ten percent per annum payable semi-annually in arrears after 12 months.
- The capital is repayable in eight equal instalments starting 1 September 2017 (revised from 1 September 2016) with the last payment due on 31 March 2021.
- The bond is secured by a guarantee from Asa Resource Group Plc.

- The principal amount and coupon has been securitised by the bond trust deed independently managed by a trustee and includes a guarantee by Asa Resource Group Plc. in favour of the trustee guaranteeing the principal and the accrued interest.
- The bond has been accorded prescribed asset status in terms of Section 26 of the Insurance Act (Chapter 24:07) and section 18 of the Pension and Provident Funds Act (Chapter 24:09).
- The bond has been accorded liquid asset status by the Reserve Bank of Zimbabwe
- A capital repayment of ZWL5 000 000 (2019: ZWL5 000 000) was made during the year.
- The underlying loan is denominated in ZWL

15.4 Asset financing Loan (ZWL5 million loan facility)

- The Company secured a loan facility amounting to ZWL5 million from a local financial institution in February 2018. The purpose of the loan was to purchase new and refurbished mining equipment for Trojan Nickel Mine. The facility had a tenure of 36 months and carries an interest rate of 24.5% per annum. The facility has a 12 month moratorium on capital repayments and is secured by a registered bond over property owned by the Company. The underlying loan is denominated in ZWL. In addition US$1 million was raised during the year to finance capital expenditure. The facility carries an interest rate of 9.5% per annum and is secured by mortgage bonds over property owned by the Company.

15.5 Bank overdraft

- In July 2019 the Company obtained a ZWL7 million working capital overdraft facility from a local financial institution. The facility has a tenure of 12 months, but it is subject to renewal on its anniversary. The working capital facility carries an interest rate of 18.5% per annum and it is secured by mortgage bonds over property owned by the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15. INTEREST BEARING LOANS & BORROWINGS (continued)

15.6 Changes in interest-bearing loans and borrowings arising from financing activities.

2020

	1-Apr-19 US$	Cash flows US$	Foreign currency changes US$	Other US$	31-Mar-20 US$
Interest-bearing borrowings	5 901 770	(852 893)	(4 111 907)	19 379	956 349

Included in other is related party loan forgiveness amounting to US$21 642.

2019

	1-Apr-18 US$	Cash flows US$	Foreign currency changes US$	Other US$	31-Mar-19 US$
Interest-bearing borrowings	27 879 665	(6 034 238)	(9 048 411)	(6 895 246)	5 901 770

16. ENVIRONMENTAL REHABILITATION PROVISION

	2020 US$	2019 US$
At 1 April	10 232 959	11 626 107
Unwinding of discount	159 494	318 555
Change in estimate recognised as part of asset (note 10.6)	(448 720)	(1 711 703)
At 31 March	9 943 733	10 232 959
Significant assumptions used in calculating the provision:		
Discount rate	1%	3%
Inflation rate	2%	2%
Life of mine (years)	8	9

The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines, installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred up to 2028, which is when the producing mine is expected to cease operations.

The rehabilitation provision was ascertained by independent consultants. The process involved the review of the existing closure plan and its associated costs taking into account relevant changes. Compliance with legal and other regulations pertaining to mine closure rehabilitation requirements was evaluated. The review also included technical evaluation of the closure plans and processes. The decrease in the estimate is mainly due to a decrease in rehabilitation costs mainly caused by an increase in the rate of natural vegetation. Management believes that these estimates are reasonable. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future nickel prices, which are inherently uncertain.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

17. DEFERRED TAXATION

Analysis of deferred tax liability as at 31 March 2020

	Balance at 31 March 2019 US$	Recognised in profit or loss US$	Balance at 31 March 2020 US$
Property, plant and Equipment	19 828 966	368 345	20 197 311
Exchange differences	3 642 752	(3 524 975)	117 777
Leave Provision	(293 370)	(42 619)	(335 989)
Assessable tax losses	(5 389 482)	5 389 482	-
	17 788 866	**2 190 233**	**19 979 099**

Analysis of deferred tax liability as at 31 March 2019:

	Balance at 31 March 2018 US$	Recognised in profit or loss US$	Balance at 31 March 2019 US$
Property, plant and Equipment	19 622 870	206 096	19 828 966
Exchange differences	(25 793)	3 668 545	3 642 752
Leave Provision	-	(293 370)	(293 370)
Assessable tax losses	(19 181 056)	13 791 574	(5 389 482)
	416 021	**17 372 845**	**17 788 866**

Deferred tax liabilities have been recognised in respect of taxable temporary differences amounting to US$77 588 734 (2019: US$69 082 975). As at year end, the Group had assessed tax losses amounting to US$nil (2019: US$20 930 027).

18. LEASE LIABILITY

	Land and buildings US$
At 1 April 2019	-
Additions	56 244
Interest expense	1 670
Foreign exchange movements	(16 242)
At 31 March 2020	**41 672**

Lease liability maturity analysis

At 31 March 2020	Up to 3 months	Between 3 & 12 months	Between 1 & 2 years	Between 2 & 5 years
Lease liabilities	4 428	13 284	17 712	47 232

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

19. TRADE AND OTHER PAYABLES

	2020 US$	2019 US$
Trade payables	5 003 238	4 948 886
Other payables	6 671 707	5 800 910
Employee payables	4 054 870	4 666 209
Marketing payables	81 593	601 256
Retrenchment	1 743 901	240 059
Sundry payables	791 343	-
Related parties (note 26.4)	1 107 557	4 234 428
	12 782 502	**14 984 224**

Trade and other payables are non-interest bearing and are normally settled within 30-90 days.
Related party payables are also non-interest bearing and will be settled within the course of the following financial year.

20. PROVISIONS

	Provisions at the beginning US$	Additional provisions US$	Foreign Exchange (Gain)	Amounts settled US$	Provisions at the end US$
2020					
Legal	491 539	-	(412 268)	-	79 271
	491 539	**-**	**(412 268)**	**-**	**79 271**
2019					
Legal	1 444 440	-	(952 901)	-	491 539
Back pays	1 317 617	(1 317 617)	-	-	-
Other	491 332	(491 332)	-	-	-
	3 253 389	**(1 808 949)**	**(952 901)**	**-**	**491 539**

Legal provisions relate to litigation claims leveled against the company by mainly former employees.

21. INVESTMENTS IN SUBSIDIARY COMPANIES

	2020 US$	2019 US$
Trojan Nickel Mine Limited	34 440 604	33 328 510
BSR Limited	685	685
	34 441 289	**33 329 195**

The subsidiaries are all incorporated in Zimbabwe and the principal place of business is in Zimbabwe. Shareholding in the respective subsidiaries is held as follows:

Name of Company	2020 % holding	2019 % holding	Principal place of business
Trojan Nickel Mine Limited	100%	100%	Bindura
BSR Limited (currently dormant)	100%	100%	Bindura

The Company's investments are carried at cost.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

21. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

21.1 AMOUNTS DUE FROM SUBSIDIARY COMPANIES

	2020	2019
Trojan Nickel Mine Limited	1 449 616	1 462 875
	1 449 616	1 462 875

The amount due from subsidiary company is unsecured and non-interest bearing.

22. SHARE-BASED PAYMENT RESERVE

The Group operates an equity-settled based share option scheme for employees which was approved by shareholders. Employees are eligible to participate in the BNC share option scheme, the only vesting condition being that the individual remains an employee of the Group over the vesting period. The options are forfeited when the employee leaves the Group or if the options are not exercised within 10 years from the date of grant. The exercise price of the options is based on the market price of the shares on the grant date.

	2020 Weighted average Exercise price (ZWL cents)	2020 Number	2019 Weighted average Exercise price (ZWL cents)	2019 Number
Outstanding at 1 April	**4.3**	**83 673 859**	**4.3**	**88 174 254**
Forfeited	4.3	(18 053 004)	4.3	(4 4500 395)
Exercised during the year	4.3	(11 474 206)		-
Outstanding at 31 March	**4.3**	**54 146 649**	**4.3**	**83 673 859**

The total share-based payment expense during the year was $1 112 094 (2019: $783 651).
The weighted average share price (at the date of exercise) of options exercised during the year ended 31 March was ZWL4.3 cents per share (2019: nil).
Of the total number of options outstanding at 31 March 2020, 21 336 222 (2019: nil) had vested and were exercisable.
The Group did not enter into any share-based payment transaction with parties other than employees during the current or previous period.

The following information is relevant in the determination of the fair value of options granted in 2017 under the equity-settled share based remuneration scheme operated by the Group.

Equity-settled	
Option pricing model used	Black-Scholes
Share price at grant date (cents)	4.3
Contractual life (days)	2 808
Expected volatility	95%
Risk-free interest rate	12.04%

The volatility assumption, measured at the standard deviation of expected share price returns, was based on a statistical analysis of daily share prices over a year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

23. PRIOR PERIOD ERROR ADJUSTMENT

23.1 Share based payments

In 2017, Bindura Nickel Corporation Limited awarded equity settled share options to employees of its subsidiary Trojan Nickel Mine Ltd. The Group did not recognise the share-based payment expense, and equity relating to the share options in the consolidated financial statements. The employee benefit expense and equity were consequently understated in the consolidated financial statements.

The transaction was also not recorded in the separate financial statements of the Company resulting in the understating of Investment in subsidiary and equity. The comparative amounts for 2019 and 2018 have been restated. The effect of the restatement on the consolidated and separate financial statements is summarised below.

Consolidated financial statements

	2019 US$	01/04/2018 US$
Increase in cost of sales	(783 651)	-
Decrease in retained earnings	(783 651)	(242 610)
Increase in share-based payment reserve	783 651	242 610
Decrease in basic and diluted earnings per share (cents)	(0.06)	

Separate financial statements

	2019 US$	01/04/2018 US$
Increase in investment in subsidiary	783 651	242 610
Increase in share-based payment reserve	783 651	242 610

23.2 Assessed losses

In February 2019, a statutory instrument (S.I. 33 of 2019) was introduced which specified that for accounting and other purposes, all assets and liabilities that were immediately before the effective date valued in United States Dollars shall on and after the effective date be deemed to be valued in RTGS dollars at a rate of 1:1. The Group had accumulated assessed losses amounting to $74 489 535 as at 31 March 2019 which were recognised as deferred tax asset in error at a translation rate of 1:1 instead of at the prevailing rate of 1:2.94. In the absence of issued guidelines over the treatment of take-on assessed losses by companies whose functional currency is USD, a prudent view was taken to adjust deferred taxation. The income tax expense and deferred tax liability were consequently understated. The comparative amounts for 2019 have been restated. The effect of the restatement is summarised below.

	2019 US$
Increase in deferred tax liability	(12 652 001)
Increase in taxation expense	(12 652 001)
Decrease in retained earnings	(12 652 001)
Decrease in basic and diluted earnings per share	(1.02) cents

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

23. PRIOR PERIOD ERROR ADJUSTMENT (continued)

23.3 Depreciation of Smelter Plant

The carrying amount of property, plant and equipment has been restated for the effect of a prior period error. The Group ceased depreciating its smelter plant and equipment on 31 March 2013 when the plant was undergoing refurbishment. Property, plant and equipment is depreciated utilising the straight line method. Depreciation of the smelter plant and equipment should not have ceased on the basis that the smelter was undergoing refurbishment since the Group depreciates its assets utilising the straight line method. Depreciation was understated whilst property, plant and equipment and equity were consequently overstated. The comparative amounts for 2019 and 2018 have been restated. The effect of the restatement is summarised below.

	2019 US$	01/04/2018 US$
Decrease in property, plant and equipment	(384 141)	(1 920 704)
Decrease in deferred tax liability	98 916	494 581
Increase in administrative expenses	(384 141)	-
Decrease in taxation expense	98 916	-
Decrease in retained earnings	(285 225)	(1 426 123)
Decrease in basic and diluted earnings per share	(0.02)cents	-

24. COMMITMENTS AND CONTINGENCIES

	2020 US$	2019 US$
Capital commitments		
Contracted	6 512 448	7 031 529
Authorised but not contracted	-	-
	6 512 448	7 031 529

The capital expenditure is to be financed from internal resources and existing facilities.

Contingencies

The Group monitors potential contingent liabilities, including those relating to taxation, environmental rehabilitation on an ongoing basis. Where there are contingent liabilities the Group provides the required disclosures in the financial statements and where there are provisions, the Group records a liability in the financial statements.

25. PENSIONS AND RETIREMENT SCHEMES

Mining Industry Pension Fund

The fund is administered by the Mining Industry Pension Fund. Benefits provided by this fund are determined by reference to contributions made by the employer and the employee, thus is a defined contribution fund.

National Social Security Authority Scheme

This is a defined contribution plan enacted under the National Social Security Act, 1989. Both the Group and employees contribute to the scheme. The Group's contributions to the schemes are charged to profit or loss.

	2020 US$	2019 US$
Pension costs recognised in profit or loss:		
Mining Industry Pension Fund	608 871	506 771
National Social Security Authority	162 738	242 393
	771 609	749 164

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

26. RELATED PARTY TRANSACTIONS

The Company, in the ordinary course of business, enters into various sales, purchase, service and investment transactions with associates and other entities in which the holding company, Sotic International Limited, has a material interest.

26.1 Identification of related parties

The following is a list of related parties of the Company as at 31 March 2020:

Subsidiaries

Trojan Nickel Mine Limited
BSR Limited (currently dormant)
Hunter's Road Nickel Mine (Private) Limited

Key management personnel

Directors Name	Position	
B Manhando	Managing Director	
J H L Lampen	Finance Director	(up to 31 October 2019)
M A Masunda	Non-executive Chairman	
O A Barbeau	Non-executive Director	(up to 31 October 2019)
O M Chidawu	Non-executive Director	(up to 31 October 2019)
A P Danso	Non-Executive Director	(up to 30 November 2019)
T R Muganyi	Non-executive Director	(up to 31 October 2019)
J C Behr	Non-Executive Director	(from 1 November 2019)
O Chimuka	Non-Executive Director	(from 1 November 2019)
C Fourie	Non-Executive Director	(from 1 November 2019 to 8 July 2020)
C G Meerholz	Non-Executive Director	(from 27 February 2020)

Other	
L Ambress	Engineering Manager
N Gwatura	Mine Manager
J Kasumba	Technical Services Manager
S Masvipe	Finance Manager (Acting Finance Director)
CF Mukanganga	Company Secretary
C Nkhoma	Process Manager
A Sikhosana	Marketing Manager
N Tsvangiwa	Cost and Materials Manager

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

Key management personnel compensation

	2020 US$	2019 US$
Short term employee benefits	1 680 663	1 167 525
Termination benefits	2 255 191	-
	3 935 854	**1 167 525**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

26. RELATED PARTY TRANSACTIONS (continued)

List of related party entities

- Sotic International Limited.
- Sotic International Limited.
- African Gold Zimbabwe (Private) Limited, Mwana Gold (Zimbabwe) Limited, Mwana Properties (Private) Limited, Bindura Estates (Private) Limited, Mwana Mining (Zimbabwe) Limited, Mwana Africa (Mauritius) Limited, Asa Resource (Zimbabwe) Limited, Freda Rebecca Gold Mine Limited and Freda Rebecca Holdings (Private) Limited – fellow subsidiaries.
- Maligreen Joint Venture – joint venture between Sotic International Limited, Greenline Enterprises Limited and Pan African Mining (Private) Limited.

26.2 Transactions

		2020 US$	2019 US$
Asa Resource Group Plc.			
- management fees charged	-	-	1 270 709
Freda Rebecca Gold Mine Limited			
- production consumables purchased		73 656	436,228
- milling equipment sold		97 074	233 326
Technical fees paid to D E H Murangari		-	122 580

26.3 Amounts owing from related parties

Name of company	Relationship	2020 US$	2019 US$
Mwana Properties (Private) Limited	Common control	105 895	36 046
Freda Rebecca Gold Mine Ltd	Common control	-	42 042
Asa Services (Zimbabwe) Limited*	Common control	20 288	-
		126 183	**78 088**

Receivables from the related parties are current and will be settled during the course of the next financial year and are included in Trade and Other Receivables. No collateral is held in respect of these receivables and no interest is being charged. No impairment has been recognized as management has assessed the receivables as recoverable.

26.4 Amounts owing to related parties

Name of company	Relationship	2020 US$	2019 US$
Sotic International Limited	Holding company	617 647	4 140 620
Asa Resource Group Plc. (note 15.3)	Former Holding company	-	982 541
Asa Services (Zimbabwe) Limited*	Common control	-	61 043
Greenline Enterprise Limited*	Common control	2 502	32 764
Freda Rebecca Gold Mine Limited*	Common control	487 408	-
		1 107 557	5 216 968

*The related party balances are included in Trade and other payables in the statement of financial position.

During the year the parent company Sotic International Limited wrote off related party balances amounting to US$3 544 616 (2019:nil) owed by the Group. The amount was recognised as a capital contribution by the parent company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

27. SEGMENTAL REPORTING

Management have determined that the entity operates with only one reportable segment (both in terms of business and geography) whose principal activities are mining of nickel and the extraction of related by products. All the operations of the business are located in Zimbabwe. Revenue for the Group is derived from that single geographical area and most of it is received from one customer (note 5).

28. TREASURY AND FINANCIAL RISK MANAGEMENT

28.1 Currency risk

The Group finances operations by a mixture of retained profits and financial instruments denominated in both United States dollars and foreign currencies. The Group operates a central treasury function, the objective being to minimise funding costs and minimise financial risk. The main risks arising from the Group's financial instruments are currency risk, interest rate risk, credit risk and liquidity and cash flow risks. The Group does not use derivative financial instruments for speculative purposes.

The Group undertakes certain transactions denominated in currencies other than the United States dollar (US$), hence exposure to exchange rate fluctuations arises. The currency giving rise to the currency risks is primarily the South African Rand (ZAR) and the RTGS dollar (ZWL). Currency risk is, as far as possible, managed by hedging foreign currency denominated liabilities with foreign currency denominated liquid assets.

The Group's exposure to foreign currency risk was as follows based on respective foreign currency amounts:

31 March 2020	Receivables	Payables	Loans	Net exposure
ZAR	-	7 729 558	-	(7 729 558)
ZWL	-	11 457 475	7 083 333	(18 540 808)
31 March 2019				
ZAR	-	3 744 132	-	(3 744 132)
ZWL	-	9 036 029	14 583 333	(23 619 362)

Sensitivity analysis

The before tax effects on profit or loss of the Group, of a 10% (2019: 10%) depreciation and appreciation in the United States dollar against the following currencies, to the cross exchange rates as at 31 March 2020, are reflected below.

	Exchange rate	Equity US$	Profit or loss US$
31 March 2020			
ZAR (Appreciation)	16.11	(48 394)	(48 394)
ZAR (Depreciation)	19.70	39 595	39 595
ZWL (Appreciation)	22.50	(110 403)	(110 403)
ZWL (Depreciation)	27.50	90 330	90 330
31 March 2019			
ZAR (Appreciation)	13.02	(28 754)	(28 754)
ZAR (Depreciation)	15.91	23 526	23 526
ZWL (Appreciation)	2.64	(341 753)	(341 753)
ZWL (Depreciation)	3.23	279 616	279 616

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28. TREASURY AND FINANCIAL RISK MANAGEMENT (continued)

28.2 Interest rate risk

The interest rates for both interest receivable and payable from/to local financial institutions are generally pegged on fixed interest rates and therefore do not expose the Group to interest rate risk.

The Group finances its operations through a mixture of retained earnings and borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. The Group policy is to keep as much of its borrowings as possible at a fixed rate of interest.

At the reporting date the interest rate profile of the Group's variable interest bearing financial instruments was as follows:

	2020 US$	2019 US$
Variable rate instruments		
Financial liabilities	-	982 541

28.3 Commodity price risk

For the 2019 financial year, the Group's earnings were mainly exposed to changes in prices of nickel. A 10% increase or decrease in the nickel price would have increased/ (decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2020.

	2020 US$'000'	2019 US$'000'
Effect on equity and results:		
Effect on 10% decrease in nickel price on profit before tax	(5 235)	(5 401)
Effect on 10% increase in nickel price on profit before tax	5 235	5 401

28.4 Credit risk

Credit risk arises on cash and cash equivalents and trade receivables. The risk in respect of cash and cash equivalents is managed by only investing with financially sound institutions and by setting prudent exposure limits for each institution. The risk arising on trade receivables is managed through normal credit limits, continual review and exception reporting. Adequate provision is made for doubtful debts.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The maximum exposure to credit risk at the reporting date was as follows:

	2020 US$	2019 US$
Carrying amount		
Third party trade receivables	-	5 152 289
Group trade receivables	126 183	78 088
Other receivables	130 441	1 334 116
Cash and cash equivalents	724 214	379 986
Total Loans and receivables	**980 838**	**6 944 479**

The Group's trade receivables are mainly due from one customer. There were no impairment losses against trade receivables at 31 March 2020. Other receivables are shown net of $nil (2019: US$$2 447 346), being amount written off due to doubtful recoverability.

The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the amount is considered irrecoverable and is written off against the financial asset directly. At the reporting date no trade receivables were past due.

It is the view of management that there is low risk of default as the entity deals with one major customer who is reputable and has no history of default. Furthermore the majority of the balance was current and was settled subsequent to year end.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28. TREASURY AND FINANCIAL RISK MANAGEMENT (continued)

28.5 Liquidity risk

In order to mitigate any liquidity risk that the Group may face, the Group's policy has been, throughout the year ended 31 March 2020, to renegotiate facilities in line with working capital requirements.

In addition to the Asa Resource Group Plc. loan, the US$20 million bond (note 15) and the US$1 million overdraft facility which was renewed, the Group successfully negotiated a US$5 million Asset financing facility with a local financial institution.

The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount US$	Contractual cash flows US$	0-12 months US$	12 months or more US$
31 March 2020				
Non-derivative financial Liabilities				
Amounts owing to related parties	1 107 557	1 107 557	1 107 557	-
Trade payables	5 003 102	5 003 102	5 003 102	-
Other payables	6 671 707	6 671 707	6 671 707	-
Interest bearing borrowings	1 118 267	1 118 267	1 118 267	-
	13 900 633	13 900 633	13 900 633	-
31 March 2019				
Non-derivative financial Liabilities				
Amounts owing to related parties	4 234 428	4 234 428	4 234 428	-
Trade payables	4 948 886	4 948 886	4 948 886	-
Other payables	5 800 910	5 800 910	5 800 910	-
Interest bearing borrowings	8 294 863	10 038 496	5 919 751	4 118 745
	23 279 087	25 022 720	20 903 975	4 118 745

The above non-derivative financial liabilities are all classified as financial liabilities measured at amortised cost. The Group had no derivative financial liabilities at 31 March 2020 (2019: nil).

28.6 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The Group monitors capital using a gearing ratio, which is net debt divided by the aggregate of equity and net debt. The Group's policy is to keep the gearing ratio between 20% and 50%. The Group includes in its net debt, interest-bearing loans and borrowings, trade and other payables, lease liability, less cash and short-term deposits. In addition, the Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. Due to the prevailing operating economic conditions, the Board of Directors has set any net positive return in each operating period as acceptable in terms of maintenance of capital. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28. TREASURY AND FINANCIAL RISK MANAGEMENT (continued)

28.6 Capital management (continued)

	2020 US$	2019 US$
Gearing		
Interest bearing borrowings	1 118 267	8 294 862
Accounts payable and accrued liabilities	12 903 445	15 475 763
Less cash and short-term deposits	(724 214)	(379 986)
Net debt	13 297 498	23 390 639
Equity	49 850 788	45 183 391
Capital and net debt	63 148 286	68 574 030
Gearing ratio	**21%**	**35%**
Profit/ (loss) from operating activities	886 637	(253 065)
Equity	49 850 788	45 183 391
Return on capital (Equity)	**1.8 %**	**(0.6) %**

Accounts payable and accrued liabilities includes provisions balance.

29. GOING CONCERN

In assessing the going concern position of the Group, the Directors have considered the current trading activities, funding position and projected funding requirements for the Group, particularly in respect of the main operating subsidiary, Trojan Nickel Mine Limited, for at least eighteen months from the date of approval of these financial statements.

While the Group earned a profit before taxation for the year ended 31 March 2020 amounting to US$2.3 million (2019: US$17.1 million), and while at that date its current assets exceeded current liabilities by US$3.9 million (2019: US$1.5 million), its ability to continue as a going concern is dependent on its ability to generate positive cash flows.

The following factors constitute material conditions that require consideration in assessing the Group's ability to continue as a going concern.

- The Company's cash flows are highly dependent on the Nickel price. During the year, LME nickel prices rose by 8.3% to settle at US$13 919 per tonne compared to US$ 12 885 per tonne in 2019. Latest forecasts by analysts predict a steady increase in Nickel prices in the medium to long term owing to expected rise in demand for Nickel and Lithium particularly given the anticipated increase in the use of electric vehicles in developed countries.

- In assessing the future cash flows of the Group, average Nickel prices have been assumed as follows: US$12 000 per tonne for the period April to June 2020, US$13 600 per tonne for the period July to September 2020, US$14 200 per tonne for the period January 2021 to March 2021 and US$ 16 900 per tonne for the period April 2021 to March 2022. These projections have been taken from a consensus forecast compiled by market analysts.

In addition to the Directors' assumptions regarding the Nickel price, cash flow forecasts will depend on the following key assumptions:

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

29. GOING CONCERN (Continued)

- On March 11, 2020 the World Health Organisation declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. In addition to global macroeconomic effects, the COVID-19 outbreak and any other related adverse public health developments will cause disruption to our operations and sales activities. Our suppliers, sub-contractors and customers have been and will be adversely affected by worker absenteeism, quarantines and restrictions on our employees' ability to work, office and mine closures, disruptions to ports and other shipping infrastructure, border closures, or other travel or health-related restrictions. Depending on the magnitude of such effects on our operations or the operations of our suppliers, third-party distributors, or sub-contractors, product shipments will be delayed, which could adversely affect our business, operations and customer relationships. It is the Director's view that the disruptions caused by COVID-19 will not significantly affect operations.

  The Government declared a national lockdown on 30 March 2020 in order to curb the effect of COVID-19. The Group has been operating during the lockdown period in compliance with the lockdown regulations imposed by the Government. The Group has undertaken measures such as obtaining short-term financing to cover operational costs during the period in which disruptions to customer's ability to settle their obligations due to the lockdown were experienced. Some obligations due to lenders and suppliers were renegotiated to be settled at a later date when funds were received from customers. The Group does not expect significant challenges from customers in settling their obligations as funds are received shortly after delivering the goods to the customer.

- The availability of sufficient foreign currency. While the Group realises all its revenue in foreign currency (USD), it only retains a portion of the sale proceeds in foreign currency and the remaining portion is surrendered to the Reserve Bank of Zimbabwe (RBZ) in exchange for the local currency, in line with the current Exchange Control regulations. For the amount surrendered to RBZ, the Group is paid at the official prevailing exchange rate. The regulations have limited the availability of foreign currency for the Company to meet its critical payments for the operations. The Group requires more foreign currency for the importation of specialised mining equipment and spares which are not readily available on the local market. The RBZ has committed to increase the retention thresholds to assist in this regard.

  The Directors consider it appropriate to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2020. It is the Directors' view that the Group will be in a position to finance future operations and settle any liabilities that may occur in the ordinary course of business.

30. EVENTS AFTER THE REPORTING DATE

30.1 Approval of financial statements

The financial statements were approved by the board of directors on 4 September 2020.

30.2 Impact of COVID-19

Refer to note 29.

TOP 20 SHAREHOLDERS

As at 31 March 2020

Rank	Names	Shares	% of Total
1	ZIMNICK LIMITED	700 036 240	55.95
2	MWANA AFRICA HOLDINGS (PTY) LTD	194 658 696	15.56
3	NATIONAL SOCIAL SECURITY AUTHORITY	87 195 817	6.97
4	MELLOFIELDDE CHEMICALS (PVT)LTD	45 155 867	3.61
5	STANBIC NOMINEES (PRIVATE) LIMITED	38 082 089	3.04
6	ASA RESOURCE GROUP PLC	31 666 667	2.53
7	MEGA MARKET (PVT) LTD	15 290 856	1.22
8	ABC ASSET MANAGEMENT (PRIVATE) LIMITED	10 096 041	0.81
9	ENGINEERING AND ELECTRICAL SUPPLIES	8 475 864	0.68
10	EGASIS INVESTMENTS	6 695 972	0.54
11	NSSA STAFF PENSION FUND - ABC	5 581 393	0.45
12	SUNCOLD INVESTMENTS (PVT) LTD	5 370 943	0.43
13	AMBASSADOR MWANA NANGA MAWAMPANGA	4 366 405	0.35
14	STANBIC NOMINEES (PRIVATE) LIMITED - NNR	3 147 869	0.25
15	SECURICO SERVICES	3 083 368	0.25
16	MMCZ STAFF PENSION FUND - ABC	2 673 542	0.21
17	NICAL (PVT)LTD	2 625 334	0.21
18	STANDARD CHARTERED NOMINEES (PRIVATE) LIMITED	2 584 374	0.21
19	GONA BERNARD RWATINYANYA	2 144 513	0.17
20	GLOWSURGE ENTERPRISES PL	2 001 436	0.16
	Total	**1 170 933 286**	**93.59**
	Other shareholders	**80 197 511**	**6.41**
	Total number of shares	**1 251 130 797**	**100**

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT a virtual Annual General Meeting ("AGM") of Members of Bindura Nickel Corporation Limited will be held on Thursday 5 November 2020 at 2.00 pm, for the purpose of transacting the following business:

ORDINARY BUSINESS

1. Virtual AGM

To note and approve the convening of the 54th AGM through a virtual platform.

2. 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 2020.

3. Directorate

3.1 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:

- Mr Jozef Clifford Behr
- Mr David Hugh Brown
- Mr Obey Chimuka
- Mr Craig Gerald Meerholz

The profiles of the Directors seeking re-election are provided fully in the Annual Report from page 26 to 28.

3.2 To fix the remuneration of the Directors for the year ended 31 March 2020. The Directors' Remuneration Report will be available for inspection on the date of the AGM.

4. Auditors

4.1 To reappoint Ernst & Young Chartered Accountants (Zimbabwe) for the ensuing year, being their fifth year as Auditors of the Company.

4.2 To fix the remuneration of the Auditors for the past audit.

5. Any Other Business

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

In terms of the Companies and Other Business Entities Act (Chapter 24:31), 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 Company Secretary at the registered address of the Company, not less than forty-eight hours before the time for holding the meeting.

NOTE

The BNC 2020 Annual Report is available on the following websites:
- www.zse.co.zw
- www.equityaxis.net

Members may also obtain a copy of the Annual Report from the office of the Transfer Secretaries.

BY ORDER OF THE BOARD

Mukanganga

C F Mukanganga
Company Secretary
14 October 2020

CORPORATE INFORMATION

REGISTRATION NUMBER
552/66

REGISTERED AND CORPORATE OFFICES

Bindura Nickel Corporation Limited
Trojan Mine Road
Bindura, Zimbabwe
Tel: +263 (0) 66 210 6231-6/7951-66/7821-27
Fax: +263 (0) 66 210 7572/7189/7184/7577/6004

DIRECTORS AS AT 31 MARCH 2020

B Manhando	Managing Director	
J H L Lampen	Finance Director	to 31/10/2019
O A Barbeau	Non-executive Director	to 31/10/2019
O M Chidawu	Non-executive Director	to 31/10/2020
A P Danso	Non-executive Director	to 31/11/2019
M A Masunda	Non-executive Director (Chairman)	
T R Muganyi	Non-executive Director	to 31/10/219
O Chimuka		from 1/11/2019
J C Behr		from 1/11/2019
C Fourie		from 1/11/2019 to 8 July 2020
C G Meerholz		from 28/2/2020

COMPANY SECRETARY

C F Mukanganga

AUDITORS

Ernst & Young Chartered Accountants
Angwa City, Corner Julius Nyerere Way & Kwame Nkrumah Avenue
Harare, Zimbabwe

BANKERS

BancABC Zimbabwe Limited
CBZ Bank Limited
Ecobank Zimbabwe Limited
Stanbic Bank Zimbabwe Limited
Standard Chartered Bank Zimbabwe Limited
ZB Bank Limited

INVESTOR RELATIONS

Email: cmukanganga@bnc.co.zw

SHARE TRANSFER SECRETARIES

First Transfer Secretaries (Private) Limited
1 Armagh Avenue
Eastlea, Harare
Zimbabwe

SHARE PRICE INFORMATION AS AT 31 MARCH 2020

Exchange: Zimbabwe Stock Exchange	
Shares in issue:	1 251 130 797
Share price:	0.03
Market capitalization: (ZWL)	37 533 923.91

BINDURA NICKEL
CORPORATION LIMITED

FORM OF PROXY 2020

For use at the Annual General Meeting ("AGM") of Bindura Nickel Corporation Limited ("the Company") to be held virtually on Thursday, 5 November 2020 at 1400 hours.

I/We...
(Name/s in block letters)

Of ....
Being a member of the Company

And entitled to ....votes

Hereby appoint...of..

....

Or failing him/her..of..

....

ORDINARY RESOLUTIONS

	For	Against	Abstain
1. To note and approve the convening of the AGM through a virtual platform			
2. To receive, consider and adopt the financial statements and reports of the Directors and auditors for the financial year ended 31 March 2020			
3. Re-election of Mr Jozef Clifford Behr			
4. Re-election of Mr David Hugh Brown			
5. Re-election of Mr Obey Chimuka			
6. Re-election of Mr Craig Gerald Meerholz			
7. To fix the Remuneration of Directors for the year ended 31 March 2020			
8. To re-appoint Ernst & Young Chartered Accountants (Zimbabwe) for the ensuing year			
9. To fix the remuneration of the Auditors for the past audit			

Full Name____

Signature____

Dated this__________________

BINDURA NICKEL
CORPORATION LIMITED

NOTES TO THE FORM OF PROXY

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A deletion of any printed matter and the completion of any blank spaces may not be signed for or initialled. Any alteration or correction must be initialled by the signatory/ies.

2. If two or more proxies attend the meeting, then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.

3. When there are joint holders of shares, any one holder may sign in the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of the other joint holders. Seniority will be determined by the order in which names stand in the register of members.

4. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.

5. In order to be effective, completed proxy forms must reach the Company's Transfer Secretaries not less than 48 hours before the time appointed for the holding of the meeting.

First Transfer Secretaries (Private) Limited
1 Armagh Avenue, Eastlea
P O Box 11
Harare
Zimbabwe

Tel. +263 4 782869/72 or +263 4 776 628/49/59/69
Cell. +263 785 986 103
Email: zmazhandu@fts-net.com

BINDURA NICKEL
CORPORATION LIMITED

REGISTERED OFFICE

No. 1 Trojan Road
Trojan Mine
P.O Box 35 Bindura,
Zimbabwe

BINDURA NICKEL
CORPORATION LIMITED

Registered Office: Trojan Mine Road, Bindura, Zimbabwe

FORM OF PROXY 2020

For use at the Annual General Meeting ("AGM") of Bindura Nickel Corporation Limited ("the Company") to be held virtually on Thursday, 5 November 2020 at 1400 hours.

I/We...
(Name/s in block letters)

Of ....
Being a member of the Company

And entitled to ....votes

Hereby appoint...of..

....

Or failing him/her..of...

....

ORDINARY RESOLUTIONS

	For	Against	Abstain
1. To note and approve the convening of the AGM through a virtual platform			
2. To receive, consider and adopt the financial statements and reports of the Directors and auditors for the financial year ended 31 March 2020			
3. Re-election of Mr Jozef Clifford Behr			
4. Re-election of Mr David Hugh Brown			
5. Re-election of Mr Obey Chimuka			
6. Re-election of Mr Craig Gerald Meerholz			
7. To fix the Remuneration of Directors for the year ended 31 March 2020			
8. To re-appoint Ernst & Young Chartered Accountants (Zimbabwe) for the ensuing year			
9. To fix the remuneration of the Auditors for the past audit			

Full Name____

Signature____

Dated this___________________

BINDURA NICKEL
CORPORATION LIMITED

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4. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.

5. In order to be effective, completed proxy forms must reach the Company's Transfer Secretaries not less than 48 hours before the time appointed for the holding of the meeting.

First Transfer Secretaries (Private) Limited
1 Armagh Avenue, Eastlea
P O Box 11
Harare
Zimbabwe

Tel. +263 4 782869/72 or +263 4 776 628/49/59/69
Cell. +263 785 986 103
Email: zmazhandu@fts-net.com